

RESOLUTION AUTHORIZING MOSAIC DISTRICT COMMUNITY DEVELOPMENT AUTHORITY REVENUE REFUNDING BONDS, SERIES 2020A AND REVENUE REFUNDING BONDS, TAXABLE SERIES 2020A-T; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL TRUST INDENTURE; APPROVING THE FORM AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT, APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT, A BOND PURCHASE AGREEMENT, ONE OR MORE ESCROW DEPOSIT AGREEMENTS, AND A CONTINUING DISCLOSURE AGREEMENT RELATING TO SUCH BONDS; GRANTING THE AUTHORITY TO EXECUTE AND DELIVER SUCH OTHER DOCUMENTS AND AGREEMENTS RELATING TO SUCH BONDS AS MAY BE NECESSARY OR APPROPRIATE; DIRECTING THE AUTHENTICATION AND DELIVERY OF SUCH BONDS; AND DELEGATING TO THE CHAIRMAN, VICE CHAIRMAN AND THE TREASURER POWER TO DETERMINE CERTAIN DETAILS OF SUCH BONDS.

WHEREAS, pursuant to the ordinance adopted by the Board of Supervisors of Fairfax County, Virginia (the “County”), on April 27, 2009, as amended by the ordinance adopted by the County on April 27, 2010, the Mosaic District Community Development Authority (the “Authority”) was created to provide public improvements (the “Public Improvements”) for the peculiar benefit of the property owners within the geographic boundaries of the Authority’s district (the “Mosaic District”); and

WHEREAS, the Authority has heretofore issued its Mosaic District Community Development Authority Revenue Bonds, Series 2011A, in the original aggregate principal amount of \$46,980,00 (the “Series 2011A Bonds”), and its Mosaic District Community Development Authority Revenue Bonds, Taxable Series 2011A-T in the original aggregate principal amount of \$18,670,000 (the “Series 2011A-T Bonds” and together with the Series 2011A Bonds, the “Series 2011 Bonds”), to finance all or a portion of the costs of the Public Improvements; and

WHEREAS, the Series 2011 Bonds were issued and are secured under a trust indenture, dated as of June 1, 2011 (the “Original Trust Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (in such capacity, the “Trustee”); and

WHEREAS, pursuant to an Amended and Restated Memorandum of Understanding, dated as of June 1, 2011, by and between the County, the Authority, Eskridge E&A, LLC (the “Initial Landowner”) and Eskridge Properties (E&A), LLC (the “Developer”) (the “Memorandum of Understanding”), the Series 2011 Bonds are secured by certain tax increment revenues derived from the peculiar benefit received from the Public Improvements on the property within the Mosaic District and certain special assessments on land within the Mosaic District that are levied with respect to the Series 2011 Bonds (the “Special Assessments”) established, apportioned and imposed pursuant to an ordinance approved by the County and the

Rate and Method of Apportionment of Special Assessments (the “Rate and Method of Apportionment of Special Assessments”) attached as an exhibit to the Memorandum of Understanding and as an exhibit to the Special Assessment Agreement and Declaration of Notice of Special Assessments (the “Special Assessment Agreement”) entered into by the Authority, the owners of assessable properties within the Mosaic District and the Trustee; and

WHEREAS, pursuant to the Memorandum of Understanding, if the Special Assessments are determined to be legally unenforceable in a final decree by a court of competent jurisdiction the Authority will request that the County levy a special tax on the real property within the Mosaic District in an amount required to replace the revenue to have been generated from the Special Assessments; and

WHEREAS, the Authority wishes to refund, subject to favorable financial market conditions, all or a portion of the outstanding Series 2011 Bonds (the “Bonds to be Refunded”) to achieve debt service savings and to amend certain provisions of the Original Trust Indenture; and

WHEREAS, the Authority desires to issue, sell, and deliver its Revenue Refunding Bonds, Series 2020A (the “Series 2020A Bonds”) and its Revenue Refunding Bonds, Taxable Series 2020A-T (the “Series 2020A-T Bonds” and, collectively with the Series 2020A Bonds, “Series 2020 Bonds”) in an aggregate principal amount not to exceed \$66,500,000 to refund all or a portion of the outstanding Series 2011 Bonds, fund reserves for the Series 2020 Bonds, and pay costs of issuance of the Series 2020 Bonds; and

WHEREAS, the Authority has determined to authorize the execution and delivery of a first supplemental trust indenture (the “First Supplemental Indenture”) with the Trustee that will provide for the issuance of and security for the Series 2020 Bond and amend certain provisions of the Original Trust Indenture; and

WHEREAS, there has been presented to the Authority a proposed form of the Preliminary Official Statement describing the Series 2020 Bonds and the security therefor, the Authority, the Mosaic District, the Public Improvements, and the Bonds to be Refunded (the “Preliminary Official Statement”); and

WHEREAS, there has been presented to the Authority a proposed form of bond purchase agreement between the Authority and Stifel, Nicolaus & Company, Incorporated, Citigroup Global Markets, Inc., and Piper Sandler & Co. (the “Underwriters”) providing for the purchase by the Underwriters of the Series 2020 Bonds on the terms specified therein (the “Bond Purchase Agreement”); and

WHEREAS, there has been presented to the Authority the proposed form of an escrow deposit agreement (the “Escrow Deposit Agreement”) between the Authority and The Bank of New York Mellon Trust Company, N.A., as escrow agent (in such capacity, the “Escrow Agent”), providing for the defeasance and redemption of the Bonds to be Refunded; and

WHEREAS, the Authority will undertake primary responsibility for any annual and other reports, notices or disclosures 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 for the Series 2020 Bonds as set forth in the form of the continuing

disclosure agreement presented to the Authority in Appendix H to the Preliminary Official Statement (the “Continuing Disclosure Agreement”); and

WHEREAS, the Authority has duly reviewed and considered the forms of the First Supplemental Indenture, the Preliminary Official Statement, the Bond Purchase Agreement, the Escrow Deposit Agreement, and the Continuing Disclosure Agreement and has determined that each is in acceptable form; and

WHEREAS, Authority has found and determined that the issuance and sale of the Bonds on the terms contemplated hereby and in the authorizing resolution are in conformity with the purposes of the Authority and are in the public interest and otherwise beneficial to the Mosaic District and the County; and

WHEREAS, the Original Trust Indenture and the First Supplemental Indenture contemplate that Authority will fix the aggregate principal amount of the Bonds, the maturity dates, the interest rates, the redemption provisions and other details of each thereof and provide for the application of the proceeds thereof; and

WHEREAS, the Authority has determined that it is necessary to delegate to the Chairman, Vice Chairman, and Treasurer of the Authority (the “Authorized Officers”) the power to approve the sale of the Bonds and certain details of the Bonds that cannot be determined except under the actual market conditions that will obtain when the sale of the Bonds occurs as herein authorized but all subject to the guidelines and standards established hereby;

NOW, THEREFORE,

BE IT RESOLVED by the Mosaic District Community Development Authority, as follows:

SECTION 1. There are hereby authorized to be issued on a date no later than June 30, 2021, the Series 2020 Bonds in an aggregate principal amount not to exceed \$66,500,000 for the purpose of providing funds, along with any other available money, to refund all or a portion of the outstanding Series 2011 Bonds, to fund reserves, and to pay costs and expenses associated with the issuance of the Series 2020 Bonds and the refunding of the Bonds to be Refunded through a negotiated sale to the Underwriters.

The true interest cost of the Series 2020A Bonds shall not exceed six percent (6.00%), and the true interest cost of the Series 2020A-T Bonds shall not exceed six and one-half percent (6.50%). The Series 2020 Bonds shall be sold to the Underwriters in accordance with the provisions of this Resolution at a purchase price resulting aggregate net present value savings of at least 3% of the Bonds to be Refunded.

The aggregate principal amount of the Series 2020 Bonds shall be determined and allocated by an Authorized Representative pursuant to the authority set forth below in paragraph (b).

The Authority delegates to each of the Authorized Officers the authority to determine the following relating to each series of the Series 2020 Bonds as long as such determinations conform with the provisions of this Resolution and the Bond Purchase Agreement:

(a) The aggregate principal amount of the Series 2020 Bonds, not to exceed the sum of the amount required to provide, with other available funds, the amount necessary to provide the necessary funds required from the Series 2020 Bonds to refund all or a portion of the outstanding Series 2011 Bonds, fund reserves for the Series 2020 Bonds, and pay costs of issuance of the Series 2020 Bonds;

(b) The aggregate principal amount of the Series 2020A Bonds and the Series 2020A-T Bonds based upon advice provided by bond counsel relating to the final determination of the amount of Series 2011 Bonds eligible for tax-exempt refinancing and advice from the County's financial advisor;

(c) The respective maturity dates and any mandatory sinking fund redemption dates, if any, of the Series 2020 Bonds, and the respective principal amounts of the Series 2020 Bonds to mature or be redeemed on such dates, provided that the final maturity date shall not be later than December 31, 2036;

(d) The dated date of the Series 2020 Bonds;

(e) The semi-annual interest payment dates, or such other interest payment dates deemed applicable, for the Series 2020 Bonds and the record date for the Series 2020 Bonds provided that the first interest payment date for each series of the Series 2020 shall be not more than eleven (11) months after the dated date of the Series 2020 Bonds;

(f) The status of the Series 2020 Bonds as serial bonds or term bonds or a combination thereof;

(g) The redemption provisions (including redemption prices) including special mandatory redemption provisions, make-whole redemption, or optional redemption provisions, if any, if deemed necessary including for reasons to maintain flexibility for future refinancing of all or any portion of the Series 2020 Bonds. Series 2020 Bonds of a different series may contain different redemption provisions. The initial optional redemption date shall not be no later than ten and one-half (10.5) years after the dated date of the Series 2020 Bonds; provided, however, that an Authorized Officer, upon the recommendation of the financial advisor to the County, may determine that Series 2020A-T Bonds issued as taxable bonds shall not be subject to optional redemption prior to their maturity or upon the recommendation of the financial advisor to the County, a make-whole or cost-of-funds premium shall be permitted for such Series 2020A-T Bonds;

(h) Whether to obtain bond insurance or other credit enhancement with respect to all or any portion of the Series 2020 bonds; and

(i) The provisions providing for authorized denominations of the Series 2020 Bonds within the First Supplemental Indenture, based on advice provided by the County's financial advisor.

Such details of the Series 2020 Bonds shall be set forth in the First Supplemental Indenture.

SECTION 2. The form of the First Supplemental Indenture presented to this meeting is hereby approved, and each of the Authorized Officers is authorized to execute and deliver, in the name and on behalf of the Authority, the First Supplemental Indenture in such form and containing substantially the same terms and provisions, with such additions, deletions and modifications as shall be approved by the Authorized Officers executing the First Supplemental Indenture, the execution thereof by such officers being conclusive evidence of such approval.

SECTION 3. The form of the Preliminary Official Statement presented to this meeting is hereby approved, and each of the Authorized Officers is authorized to approve the terms of and publish a Preliminary Official Statement describing the Series 2020 Bonds in substantially the same form as the Preliminary Official Statement presented to this meeting, with such additions, deletions, and modifications not inconsistent with the purposes of this resolution as may be approved by such Authorized Officers and to deem “final” such Preliminary Official Statement for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The distribution and use by the Underwriters of a final Official Statement relating to the Series 2020 Bonds (the “Official Statement”) is hereby authorized. The Official Statement shall be completed with the pricing and other information in substantially the form of the Preliminary Official Statement approved this day by the Authority with such additions, deletions, and modifications as may be approved by any of the Authorized Officers. The Chairman or the Vice Chairman of the Authority is hereby authorized and directed to execute and deliver the Official Statement to the Underwriters for their use in offering the Series 2020 Bonds upon the terms set forth in the Official Statement and the Bond Purchase Agreement.

SECTION 4. The form of the Bond Purchase Agreement presented to this meeting is hereby approved, and each of the Authorized Officers is authorized to execute and deliver, in the name and on behalf of the Authority, the Bond Purchase Agreement in such form and containing substantially the same terms and provisions, with such additions, deletions, and modifications as shall be approved by the Authorized Officer executing the Bond Purchase Agreement and that are consistent with the provisions of Section 1 of this Resolution, the execution thereof by such Authorized Officer being conclusive evidence of such approval.

SECTION 5. The form of the Escrow Deposit Agreement presented to this meeting is hereby approved, and each of the Authorized Officers is authorized to execute and deliver, in the name and on behalf of the Authority, one or more Escrow Deposit Agreements in such form and containing substantially the same terms and provisions, with such additions, deletions, and modifications as shall be approved by the Authorized Officer executing each such Escrow Deposit Agreement, the execution thereof by such Authorized Officer being conclusive evidence of such approval.

SECTION 6. The form of the Continuing Disclosure Agreement presented to this meeting is hereby approved, and each of the Authorized Officers is authorized to execute and deliver, in the name and on behalf of the Authority, the Continuing Disclosure Agreement in such form and containing substantially the same terms and provisions, with such additions, deletions, and modifications as shall be approved by the Authorized Officer executing the Continuing Disclosure Agreement the execution thereof by such Authorized Officer being conclusive evidence of such approval.

SECTION 7. The Series 2020 Bonds shall be executed, under seal, in the manner set forth in the Original Trust Indenture and the First Supplemental Indenture, and the Series 2020 Bonds shall be delivered to the Series 2020 Trustee who shall also serve as paying agent (the “Series 2020 Paying Agent”), for authentication and shall be delivered thereafter to or for the Underwriters in accordance with The Depository Trust Company’s procedures upon receipt of the purchase price set forth in the Bond Purchase Agreement. If any of the Series 2020 Bonds are to be delivered after December 31, 2020, an Authorized Officer may approve changes to the series designation of such Series 2020 Bonds that may be appropriate for such a delivery date, and the execution by such Authorized Officer of such Series 2020 Bonds shall be conclusive evidence of such Authorized Officer’s approval of such changes.

The Series 2020 Paying Agent is hereby authorized and directed to authenticate and the Series 2020 Trustee, upon such authentication, is hereby authorized and directed to deliver such Series 2020 Bonds as provided above upon satisfaction of all conditions precedent to such authentication and delivery contained in the Original Trust Indenture and the First Supplemental Indenture.

SECTION 8. The execution and delivery by any Authorized Officer of the Authority of the First Supplemental Indenture, the Official Statement, the Bond Purchase Agreement, each Escrow Deposit Agreement, each Series 2020 Bond and the Continuing Disclosure Agreement and any other agreements, documents, closing papers and certificates executed and delivered pursuant to this Resolution shall be conclusive evidence of such Authorized Officer’s approval of the changes, if any, in the forms thereof.

SECTION 9. The members, officers and agents of the Authority and the officers and agents of the Trustee and the Escrow Agent are hereby authorized and directed to do all acts and things, including without limitation, the execution and delivery of such agreements, documents, certificates and closing papers (including, without limitation, any supplements, modifications, or clarifications of the Memorandum of Understanding, the Rate and Method of Apportionment of Special Assessments, the Special Assessment Agreement and any other documents entered into in connection with the Series 2011 Bonds), on behalf of the Authority required of them by the provisions of the Bonds, the Original Trust Indenture, the First Supplemental Indenture, the Official Statement, the Bond Purchase Agreement, each Escrow Deposit Agreement, the Continuing Disclosure Agreement, and the documents relating to bond insurance or credit enhancement, if any, relating to any portion of the Series 2020 Bonds for the full, punctual and complete performance of all the terms, covenants, provisions and agreements of the Original Trust Indenture, the First Supplemental Indenture, the Official Statement, the Bond Purchase Agreement, each Escrow Deposit Agreement, and the Continuing Disclosure Agreement and, also, to do all acts and things necessary or appropriate to carry out the provisions of this Resolution.

SECTION 10. The Chairman or the Vice Chairman of Authority or the Treasurer of the Authority and the Secretary of the Authority are authorized to execute a Certificate evidencing the determinations made or other actions carried out pursuant to the authority granted in this Resolution, and any such Certificate shall be conclusive evidence of the actions or determinations as stated therein.

SECTION 11. All actions taken by the Authority and the members, officers and employees of the Authority in connection with the authorization, issuance, sale and delivery of the Bonds and the authorization, execution and delivery of the agreements, certificates and other documents to be executed by the Authority and delivered in connection with such authorization, issuance, sale and delivery are hereby ratified and confirmed.

SECTION 12. No stipulation, obligation or agreement herein contained or contained in the Original Trust Indenture, the First Supplemental Indenture, the Bond Purchase Agreement, the Official Statement, each Escrow Deposit Agreement, the Series 2020 Bonds, the Continuing Disclosure Agreement, or in any other agreement, certificate or document executed on behalf of the Authority shall be deemed to be a stipulation, obligation or agreement of any member, officer, agent, or employee of the Authority in his or her individual capacity, and no such member, officer, agent, or employee shall be personally liable on the Series 2020 Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

SECTION 13. Any and all resolutions of the Authority or portions thereof in conflict with the provisions of this Resolution are hereby repealed to the extent of such conflict.

SECTION 14. This Resolution shall take effect immediately upon its adoption.

Adopted September __, 2020.

A Copy Teste:

Secretary

FIRST SUPPLEMENTAL TRUST INDENTURE

BETWEEN

MOSAIC DISTRICT
COMMUNITY DEVELOPMENT AUTHORITY

AND

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
AS TRUSTEE

Dated as of ____ 1, 2020

SECURING

MOSAIC DISTRICT COMMUNITY DEVELOPMENT AUTHORITY
REVENUE REFUNDING BONDS
SERIES 2020A
AND
TAXABLE SERIES 2020A-T

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Exhibit A – Form of Series 2020 Bond

FIRST SUPPLEMENTAL TRUST INDENTURE

THIS FIRST SUPPLEMENTAL TRUST INDENTURE (this “First Supplemental Indenture”) is made as of _____ 1, 2020, between MOSAIC DISTRICT COMMUNITY DEVELOPMENT AUTHORITY, a political subdivision of the Commonwealth of Virginia (the “Authority”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, as trustee (in such capacity, the “Trustee”), and supplements and amends the Trust Indenture, dated as of June 1, 2011, between the Authority and the Trustee (the “Original Indenture,” as amended and supplemented hereby and from time to time, the “Indenture”).

The Authority is a duly organized community development authority created pursuant to the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia of 1950, as amended (the “Act”). Pursuant to the Act, the Authority is authorized, among other things, to acquire, establish, construct, equip, operate and maintain certain infrastructure improvements benefiting property within the Authority district and to issue its revenue bonds to pay the costs associated with such improvements and to issue its refunding bonds. The Act further authorizes the Authority to finance such improvements by special assessments imposed on property within the Authority’s boundaries.

The Authority has previously issued \$46,980,000 aggregate principal amount of its Revenue Bonds, Series 2011A (the “Series 2011A Bonds”), and \$18,670,000 aggregate principal amount of its Revenue Bonds, Taxable Series 2011A-T (the “Series 2011A-T Bonds” and, collectively with the Series 2011A Bonds, the “Series 2011 Bonds”), under the Indenture (i) to finance the costs of certain infrastructure improvements as described herein, (ii) to deposit a certain amount in the Debt Service Reserve Fund for the Series 2011 Bonds, (iii) to pay certain construction period interest on the Series 2011 Bonds, (iv) to fund certain Administrative Expenses, and (v) to pay the costs of issuing the Series 2011 Bonds.

The Authority proposes to issue under the Indenture and this Supplemental Indenture \$_____ aggregate principal amount of its Revenue Refunding Bonds, Series 2020A (the “Series 2020A Bonds”), and \$_____ aggregate principal amount of its Revenue Refunding Bonds, Taxable Series 2020A-T (the “Series 2020A-T Bonds” and, collectively with the Series 2020A Bonds, the “Series 2020 Bonds”), to refund all [or a portion] of the outstanding Series 2011 Bonds, fund reserves for the Series 2020 Bonds, and pay costs of issuance of the Series 2020 Bonds.

The Authority is entering into this First Supplemental Indenture for the purpose of providing for the issuance of and fixing the details of the Series 2020 Bonds and to amend certain provisions of the Original Indenture.

The Authority proposes to provide for the collection of certain incremental tax revenues to pay the Series 2020 Bonds and to further provide for a special assessment on the taxable property within the Authority’s boundaries to be imposed and collected if such incremental tax revenues are not sufficient to pay the Series 2020 Bonds.

All things necessary to make the Series 2020 Bonds valid and binding limited obligations of the Authority, when authenticated by the Trustee and issued as provided in this Indenture, and to constitute this Indenture a valid and binding agreement securing the payment of the principal of and premium, if any, and interest on the Series 2020 Bonds have been done and performed. The execution and delivery of this Indenture and the execution and issuance of the Series 2020 Bonds have in all respects been duly authorized.

The Authority covenants and agrees with the Trustee and the owners, from time to time, of the Bonds, as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions. In addition to the terms defined in the preamble to this First Supplemental Indenture or in the Original Indenture, which terms are used herein as therein defined, the terms set forth below will have the following meanings in this First Supplemental Indenture (and, as indicated in certain definitions below, effective on the Closing Date, in the Indenture), unless the context clearly requires otherwise:

“Authorized Authority Representative” means, herein and in the Indenture, the Chairman, the Vice-Chairman, or the Treasurer of the Authority, or any other person or persons designated to act on behalf of the Authority by a certificate signed by the Chairman and filed with the Trustee.

“Authority-Owned Facilities” means, herein and in the Indenture, those Facilities owned by the Authority and financed as a whole or in part with the proceeds of the Series 2011 Bonds and refinanced with proceeds of the Series 2020 Bonds.

“Bond” or “Bonds” means the Series 2020 Bonds issued pursuant to this Indenture, and any Additional Bonds issued under this Indenture, but will not include any subordinate debt or any bonds or other evidence of indebtedness of the Authority issued from time to time under any other indenture, trust agreement, resolution or similar instrument.

“Bond Counsel” means, herein and in the Indenture, Norton Rose Fulbright US LLP or any other attorney or a firm of attorneys (designated by the Authority) of nationally recognized standing in matters pertaining to the validity of and the tax-exempt nature of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

“Closing Date” means, with respect to the Series 2020 Bonds, the date the Series 2020 Bonds are issued and delivered by the Authority to the initial purchasers thereof against payment therefor (_____, 2020).

“County” means, herein and in the Indenture, Fairfax County, Virginia.

“County Representative” means, herein and in the Indenture, the County Executive or such officer’s designee.

["Developer" means, collectively, Eskridge (E&A), LLC, a South Carolina limited liability company, or its successors and assigns, and Eskridge Properties (E&A), LLC, a South Carolina limited liability company, or its successors and assigns.]

["Development Agreement" means the Development/Acquisition and Financing Agreement, dated as of June 1, 2011, by and among the Authority, the County and the Developer, as such Agreement may be amended from time to time.]

"Disclosure Agreement" means the Continuing Disclosure Agreement, dated as of _____ 1, 2020, executed and delivered by the Authority [NTD-need to decide if Developer will be part of this agreement] and the Administrator, as such Agreement may be amended from time to time.

"Escrow Agent" means The Bank of New York Mellon Trust Company, N.A., as escrow under the Escrow Agreement.

"Escrow Agreement" means the Escrow Deposit Agreement, dated December __, 2020, between the Authority and the Escrow Agent, relating to the Series 2011 Bonds.

"First Supplemental Indenture" means, herein and in the Indenture, this First Supplemental Trust Indenture, dated as of _____ 1, 2020, between the Authority and the Trustee.

"Fitch" means, herein and in the Indenture, Fitch Ratings, Inc., its successors and assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized rating agency designated by the Authority.

"Interest Payment Date" means, for the Series 2020 Bonds, March 1 and September 1 of each year, commencing March 1, 2021.

"Letter of Representations" means, herein and in the Indenture, the letter, dated ____, 2020, from the Authority to DTC and any amendment or supplement to it.

"Rating Agency" means [TBD][Moody's and S&P, or either of them and their successors and assigns. If either Moody's or S&P does not provide a rating for a certain purpose under this Indenture, Fitch, or its successors and assigns may be used in lieu of Moody's or S&P, but not both.]

"S&P" means, herein and in the Indenture, S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, its successors and their assigns, and, if such entity shall for any reason no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority.

"Tax Certificate" means the Tax Certificate, dated the Closing Date, of the Authority and the County relating to the Series 2020A Bonds.

“2020 Optional Redemption Subaccount” means the Optional Redemption Subaccount of the Redemption Account within the Bond Fund established in Section 7.1 hereof.

“2020 Prepayment Subaccount” means the Prepayment Subaccount of the Redemption Account in the Bond Fund established in Section 7.1 hereof.

Section 1.2 Rules of Construction. This First Supplemental Indenture shall have the same rules of construction as are provided in Section 1.2 of the Original Indenture.

ARTICLE II

ESTABLISHMENT OF TRUST

Section 2.1 Establishment of Trust. In consideration of the premises, of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Series 2020 Bonds by the Beneficial Owners, thereof, and also for and in consideration of the sum of One Dollar in hand paid by the Trustee at or before the execution and delivery of this First Supplemental Indenture, and for other good and valuable consideration, the receipt whereof is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Series 2020 Bonds are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Owners thereof, and to secure the payment of all Series 2020 Bonds at any time issued and Outstanding under this Supplemental Indenture and the interest thereon according to their tenor, purport and effect, and to secure the performance and observance of all the covenants, agreements and conditions, express or implied, therein and herein contained, the Authority has executed and delivered this First Supplemental Indenture, and has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the Series 2020 Bonds, or any part thereof, as set forth in this First Supplemental Indenture in order to provide for the payment of the principal of and the premium, if any, and interest on the Series 2020 Bonds and to secure the performance of all of the obligations of the Authority under the Bonds.

ARTICLE III

GENERAL TERMS AND CONDITIONS OF BONDS

Section 3.1 Authority for First Supplemental Indenture. This First Supplemental Indenture has been executed and delivered pursuant to a resolution adopted by the Authority on ____ __, 2020. The Authority has ascertained that the execution of and the transactions contemplated by this First Supplemental Indenture are necessary or convenient in order to provide for infrastructure serving the District and that each covenant or agreement in this First Supplemental Indenture is reasonable and proper for protecting and enforcing the rights and remedies of the Owners.

Section 3.2 First Supplemental Indenture Constitutes Contract. In consideration of the purchase and acceptance of the Bonds by the Owners, the provisions of this First Supplemental Indenture will be a part of the contract of the Authority with the Owners of the

Bonds and will constitute a contract among the Authority, the Trustee and the Owners from time to time of the Bonds.

Section 3.3 Authorization of Series 2020 Bonds; Form and Details of Bonds.

(a) There are authorized to be issued the Series 2020A Bonds of the Authority in the aggregate principal amount of \$_____ and the Series 2020A-T Bonds in the aggregate principal amount of \$_____. The Series 2020 Bonds will be issued as fully registered bonds, without coupons. Each Series 2020 Bond will (i) be dated the Closing Date, (ii) be issued in denominations of \$5,000 or any integral multiple of \$5,000, and (iii) be numbered from R-1 upwards, sequentially within each Series.

Each Series 2020 Bond will bear interest at the rates specified in the table below from the Closing Date, if it is authenticated before March 1, 2021, or otherwise, from the March 1 or September 1 that is, or immediately precedes, the date on which the Series 2020 Bond is authenticated (unless the payment of interest on the Series 2020 Bond is in default, in which case the Series 2020 Bond will bear interest from the date to which interest has been paid). Interest on the Series 2020 Bonds shall be payable each March 1 and September 1, commencing March 1, 2021. Each Series 2020 Bond shall be subject to prior redemption in accordance with the terms thereof and this Indenture.

<u>Series</u>	<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
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(b) The principal of and redemption premium, if any, and interest on the Bonds are payable in lawful money of the United States of America, but only from the Pledged Revenues and other sources pledged for such purpose under this Indenture. The principal of and redemption premium, if any, on the Bonds will be payable upon presentation and surrender of the Bonds at the designated corporate trust office of the Paying Agent except that, for so long as Cede & Co. or other nominee of DTC is the sole registered Owner of the Bonds, principal of and redemption premium, if any, on the Bonds will be paid as provided in the Letter of Representations. Interest on the Bonds will be paid by check or draft mailed by the Paying Agent on each interest payment date to the Owners of the Bonds at their addresses as they appear on the registration books of the Authority maintained by the Paying Agent. The registered owners will be determined on the February 15 or August 15, as appropriate, which next precedes each Interest Payment Date, unless otherwise provided pursuant to a Supplemental Indenture.

Notwithstanding the foregoing, if the Owner of any Bond (i) owns at least \$1,000,000 in aggregate principal amount of Bonds and (ii) has provided satisfactory written notice regarding payment via wire transfer to the Trustee, then interest will be paid to such Owner by wire transfer. Interest on the Bonds will be computed on the basis of a year of 360 days and twelve 30-day months, unless otherwise provided pursuant to a Supplemental Indenture.

(c) The Series 2020 Bonds will be issued in substantially the form set forth in Exhibit A to this First Supplemental Indenture, with appropriate variations, omissions and insertions as permitted or required by this Indenture. Any Additional Bonds will be issued in substantially the form set forth in the related Supplemental Indenture. There may be endorsed on the Series 2020 Bonds such legend or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law.

Section 3.4 Book Entry Provisions.

(a) The Series 2020 Bonds will be issued in fully registered form and registered in the name of Cede & Co., a nominee of DTC, and immobilized in the custody of DTC physically or through DTC's FAST System. One fully registered Series 2020 Bond for all fungible bonds of a series and maturity will be registered to Cede & Co. Beneficial Owners will not receive physical delivery of Series 2020 Bonds. Payments of the principal of and premium, if any, and interest on the Series 2020 Bonds will be made to DTC or its nominee as registered owner of the Series 2020 Bonds on the applicable payment date.

Transfer of the payments of the principal of and redemption premium, if any, and interest on the Series 2020 Bonds to the participants of DTC, which include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations (the "Participants"), is the responsibility of DTC. Transfer of the payments of the principal of and redemption premium, if any, and interest on the Series 2020 Bonds to their Beneficial Owners by the Participants is the responsibility of the Participants and other nominees of the Beneficial Owners.

Transfer of ownership interest in the Series 2020 Bonds will be made by DTC and its Participants, acting as nominees of the Beneficial Owners of the Bonds, in accordance with rules specified by DTC and its Participants. Neither the Authority nor the Trustee makes any assurances that DTC, its Participants or other nominees of the Beneficial Owners of the Series 2020 Bonds will act in accordance with those rules or on a timely basis. For every transfer and exchange of beneficial ownership interest in the Series 2020 Bonds, the Beneficial Owner may be charged sums sufficient to cover any tax, fee or other governmental charge that may be imposed in relation to it.

THE AUTHORITY AND THE TRUSTEE DISCLAIM ANY RESPONSIBILITY OR OBLIGATIONS TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (i) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT, (ii) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND REDEMPTION PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2020 BONDS, (iii) THE DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS INDENTURE TO BE GIVEN TO BONDHOLDERS, (iv) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2020 BONDS, OR (v) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

So long as Cede & Co., or its successor, is the registered owner of the Series 2020 Bonds, as nominee of DTC, references in this Indenture to the Owners of the Bonds means Cede & Co. and does not mean the Beneficial Owners of the Series 2020 Bonds.

(b) The Authority will appoint a substitute securities depository in the event that:

(1) DTC determines not to continue to act as securities depository for the Series 2020 Bonds; or

(2) The Trustee (at the direction of the Owners of 100% of the Series 2020 Bonds of the applicable series) or the Authority has determined to use a substitute securities depository.

(c) Replacement Bonds (the “Replacement Bonds”) will be issued directly to Beneficial Owners of the Series 2020 Bonds but only in the event that:

(1) under the circumstances described in (b)(1) or (b)(2) above, the Authority is unable to locate another qualified securities depository; or

(2) The Trustee (at the direction of the Owners of 100% of the Series 2020 Bonds of the applicable series) or the Authority has determined not to continue the book-entry system of transfer.

Replacement Bonds will be substantially in the form set forth in Exhibit A to this First Supplemental Indenture. In the event the Trustee or the Authority makes the determination described in clauses (c)(1) or (c)(2) (the Trustee and the Authority undertake no obligation to make any investigation to determine the occurrence of any events that would permit the Trustee or the Authority to make any such determination) and the Trustee or the Authority has made provisions to notify the Beneficial Owners of Series 2020 Bonds by mailing an appropriate notice to DTC, the Authority will execute and the Trustee and Paying Agent will authenticate and deliver to the Participants the appropriate Replacement Bonds to which the Participants are entitled. The Trustee is entitled to conclusively rely on the records provided by DTC as to the Participants entitled to receive Replacement Bonds.

Section 3.5 Application of Proceeds of Series 2020 Bonds and Other Amounts.

The Trustee shall apply the proceeds (net of any underwriters’ discount and original issue discount) from the sale of the Series 2020 Bonds and other amounts on the Closing Date as follows:

(i) the Trustee shall deposit \$_____ of the proceeds of the Series 2020A Bonds to the Tax-Exempt Bond Project Account of the Project Fund;

(ii) the Trustee shall deposit \$_____ of the proceeds of the Series 2020A-T Bonds to the Taxable Bond Project Account of the Project Fund;

(iii) the Trustee shall transfer to the Escrow Agent, to be applied to the defeasance of the Series 2011 Bonds, \$_____ of the amount deposited in Debt Service

Reserve Fund, \$_____ of the amount deposited in the Surplus Fund, \$_____ of the amount deposited in the Tax-Exempt Bond Project Account of Project Fund pursuant to clause (i) above, and \$_____ of the amount deposited in the Taxable Bond Project Account of Project Fund pursuant to clause (ii) above.

ARTICLE IV

REDEMPTION OF SERIES 2020 BONDS

Section 4.1 Redemption of Bonds. The Series 2020 Bonds may not be called for redemption prior to maturity except as provided in this Article.

Section 4.2 Optional Redemption of Series 2020 Bonds. The Series 2020 Bonds maturing after ____ 1, 20__, are subject to redemption before maturity at the option of the Authority at any time, or from time to time, on or after ____ 1, 20__, from any money available for such purpose, as a whole or in part in increments of \$5,000 or any integral multiple of \$5,000 upon payment of the principal amount of the Series 2020 Bonds to be redeemed, plus accrued interest to the redemption date.

The Authority shall give the Trustee written notice of its option to redeem the Series 2020 Bonds at least 45 days before the date fixed for redemption.

[Make-whole optional redemption for Series 2020A-T Bonds?]

Section 4.3 Special Mandatory Redemption of Series 2020 Bonds. The Series 2020 Bonds are subject to special mandatory redemption as a whole or in part in minimum amounts of \$5,000, at a redemption price equal to the principal amount to be redeemed, together with accrued interest thereon to the date fixed for redemption, on any March 1, June 1, September 1, or December 1, as follows:

(a) from amounts deposited into the 2020 Prepayment Subaccount of the Redemption Account as a result of Prepayments pursuant to Section 7.3(d) hereof and transfers from the Debt Service Reserve Fund pursuant to Sections 7.3(e) and 7.5(c) hereof; and

(b) from any amounts in the Net Proceeds Account that shall be transferred to the Redemption Account of the Bond Fund and applied to the redemption of the Series 2020 Bonds; [provided, however, that amounts transferred from the Tax-Exempt Bond Project Account shall be applied solely to the redemption of Tax-Exempt Bonds, and amounts transferred from the Taxable Bond Project Account shall be applied solely to the redemption of Series 2020A-T Bonds].

Section 4.4 Mandatory Sinking Fund Redemption of Series 2020 Bonds. The 2020 Bonds are required to be redeemed in part before maturity by the Authority on March 1 in the years and amounts set forth below, at a redemption price equal to the principal amount of the Series 2020 Bonds to be redeemed, plus accrued interest to the redemption date.

Series 2020A Bonds Due March 1, 20__

<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
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Series 2020A Bonds Due March 1, 20__

<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
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Series 2020A Bonds Due March 1, 20__

<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
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Series 2020A-T Bonds Due March 1, 20__

<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
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The amount of the Series 2020 Bonds to be redeemed pursuant to mandatory sinking fund redemption may be reduced in accordance with the provisions of Section 7.3(b).

Section 4.5 Selection of Bonds for Redemption. If the Authority determines that less than all of the Series 2020 Bonds are to be called for optional or special mandatory redemption the amount, if any, of each maturity of Series 2020 Bonds to be so called for redemption shall be determined by the Authority, subject to the provisions of the Tax Certificate and Section 4.3. If less than all of any maturity of a Series of Series 2020 Bonds are to be called for optional or special mandatory redemption, the amount of Series 2020 Bonds of each maturity of such Series to be so called for redemption shall generally be determined according to a pro-rata method across sinking fund requirements taking into account all Series 2020 Bonds of such maturity of such Series as determined by the Administrator and accepted by the Authority. No Owner of any

Bonds may contest the selection methodology accepted by the Authority. If less than all Series 2020 Bonds of any maturity of a Series are to be called for optional, special mandatory or mandatory redemption, the Series Bonds to be called will be selected by DTC or the Paying Agent in a manner which DTC or the Paying Agent determines to be appropriate and fair. In selecting Series 2020 Bonds for redemption the Paying Agent shall count as one Bond each increment of \$5,000 of principal amount. If a Series 2020 Bond shall be called for partial redemption upon its surrender, a new Series Bond representing the unredeemed balance of the principal amount shall be issued to the Beneficial Owner of such Series Bond, unless otherwise provided for in the Series 2020 Bonds.

Section 4.6 Notice of Redemption. In the case of any redemption of Series 2020 Bonds, the Paying Agent will give in its own name or in the name of the Authority notice, as provided for in this Section, that such Series 2020 Bonds (which shall be identified by series, maturity and CUSIP numbers) have been called for redemption and, in the case of Series 2020 Bonds of a series and maturity to be redeemed in part only, the principal amount of the Bonds that have been called for redemption, that they will be due and payable on the date fixed for redemption (specifying the date) upon surrender of such Series 2020 Bonds at the designated corporate trust office of the Paying Agent, at the applicable redemption price (specifying the price) together with any accrued interest to such date, and that all interest on such Series 2020 Bonds to be redeemed will cease to accrue on and after such date.

If at the time of the mailing of the notice of optional redemption the Authority shall not have deposited with the Trustee money that together with the maturing principal of and interest on any securities also deposited shall be sufficient to redeem all the Series 2020 Bonds called for optional redemption, such notice may state that it is conditional and subject to the deposit or transfer of the redemption money with the Trustee not later than the opening of business on the redemption date, and that such notice shall be of no effect unless such money is so deposited.

Such notice will be mailed postage prepaid, not less than 30 nor more than 60 days before the date fixed for redemption, to the Owners of the Series 2020 Bonds called for redemption, at their respective addresses as they appear on the registration books maintained by the Paying Agent. The receipt of notice will not be a condition precedent to the redemption, and failure to mail any notice to an Owner will not affect the validity of the proceedings for the redemption of Bonds of any other Owner.

Section 4.7 Payment of Redeemed Bonds. If notice of redemption has been given as provided in Section 4.6, the Series 2020 Bonds called for redemption will be due and payable on the date fixed for redemption at a redemption price equal to the principal amount of and premium, if any, on such Series 2020 Bonds, together with accrued interest to the date fixed for redemption. Payment of the redemption price will be made by the Paying Agent upon surrender of such Series 2020 Bonds. If less than the full principal amount of a Bond of a series and maturity is called for redemption, the Authority will execute and deliver and the Paying Agent will authenticate, upon surrender of such Series 2020 Bond, and without charge to the Owner, Bonds for the unredeemed portion of the principal amount of such Series 2020 Bond so surrendered.

If any Series 2020 Bond has been duly called for redemption and payment of the principal of and premium, if any, and unpaid interest accrued to the date fixed for redemption on such Series 2020 Bond has been made or provided for, then, notwithstanding that the Series 2020 Bond called for redemption has not been surrendered for cancellation, interest on such Series 2020 Bond will cease to accrue from the redemption date, and, from and after the redemption date, such Series 2020 Bond will no longer be entitled to any lien, benefit or security under the Indenture, and its Owner will have no rights in respect of such Series 2020 Bond except to receive payment of the principal of and redemption premium, if any, and unpaid interest accrued to the date fixed for redemption on the Bond.

ARTICLE V

ISSUANCE OF BONDS

Section 5.1 Issuance of Bonds. Effective on the Closing Date, Section 5.1 of the Original Indenture shall be amended and restated in its entirety to provide as follows:

“(a) The Authority will not issue any bonds, notes or other evidences of indebtedness or incur any obligation or indebtedness that will be secured by a pledge of Pledged Revenues or other funds pledged by this Indenture to the payment of the Bonds except for Bonds issued under and in accordance with this Indenture; provided, however, that nothing contained in this Indenture will prevent the Authority from issuing or incurring indebtedness payable out of or secured by a pledge of Pledged Revenues to be derived on and after the date the pledge of Pledged Revenues provided in this Indenture is discharged as provided in Section 15.1.

(b) The Authority shall not issue any bonds, notes or other evidences of indebtedness or incur any obligation or indebtedness that will be secured by a pledge of Special Assessment Part B, as defined in the RMA.

(c) Subject to the provisions set forth in subsections (a) and (b) of this Section, the Authority may issue from time to time bonds, notes and other evidences of indebtedness for any lawful purpose, but only after obtaining the prior written consent of the County.”

ARTICLE VI

PROJECT FUND

Effective on the Closing Date, Article VI of the Original Indenture shall be amended and restated in its entirety to provide as follows in Sections 6.1 to 6.4 below.

Section 6.1 Project Fund. The Trustee will deposit in the Project Fund (i) the portion of the proceeds of the Series 2020 Bonds specified in Section 3.5 of the First Supplemental Indenture and (ii) any Net Proceeds to be used to repair, reconstruct or restore any portion of the Authority-Owned Facilities as directed by the Authority.

Section 6.2 Payments from Project Fund. On the Closing Date, the Trustee shall transfer to the Escrow Agent, to be applied to the defeasance of the Series 2020 Bonds, the amounts set forth in Section 3.5 of the First Supplemental Indenture.

The Trustee shall use the balance of the amounts deposited in the Tax-Exempt Bond Project Account and the Taxable Bond Project Account to pay costs of issuance of the Series 2020 Bonds as directed in writing by an Authority Representative.

Interest accruing on and any profit realized from the investment of money in the Project Fund will be retained in the Project Fund as part of the account in which the investment is held.

Section 6.3 Disposition of Balance in Project Fund. Upon the Trustee's receipt of a certificate, signed by an Authorized Authority Representative, stating that no more costs of issuing the Series 2020 Bonds are to be paid from the Project Fund, the balance of any money remaining in the Tax-Exempt Bond Project Account or the Taxable Bond Project Account of the Project Fund in excess of the amount to be reserved for payment of unpaid costs of issuance will, at the written direction of the Authority, be deposited in the Principal Account of the Bond Fund to be used to pay principal of the Series 2020 Bonds in accordance with Section 7.3.

Any excess money will either be used before the expiration of the applicable temporary period under Section 148 of the Code during which it may be invested at an unrestricted yield or will be invested in order to comply with any limitations imposed by the Code, all as directed in writing by the Authority. The Authority may direct the Trustee in writing to invest gross proceeds at an unrestricted yield after the expiration of the applicable temporary period in an amount permitted by the minor portion provisions set forth in Treas. Regs Section 1.148-2(g) of the Code provided that the Authority delivers to the Trustee an opinion of Bond Counsel that such action will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds.

Section 6.4 Net Proceeds Account. Amounts on deposit in the Net Proceeds Account shall not be commingled with any other account or fund established under this Indenture. No sale or investment proceeds of any Bonds and no Pledged Revenues may be deposited to the Net Proceeds Account. The Authority hereby assigns to the Trustee its rights in any Net Proceeds deposited with the Trustee. The Authority agrees to have any such Net Proceeds paid directly to the Trustee. The Authority agrees to notify the Trustee immediately in writing in the case of damage, destruction or loss of all or any material portion of the Authority-Owned Facilities as a result of fire or other casualty or condemnation or loss of title but only to the extent the Authority has actual knowledge of any such damage, destruction or loss. The Trustee shall hold any such Net Proceeds paid to or for the benefit of the Authority in the Net Proceeds Account subject to further instructions of the Authority. Unless the Authority makes the election described in the following paragraph, the Net Proceeds may be disbursed to promptly repair, reconstruct and restore the Authority-Owned Facilities to substantially the same condition as before the damage, destruction, loss of title or condemnation with such alterations and additions as the Authority may determine and which will not impair the capacity or character of the Authority-Owned Facilities for their intended use. If the Net Proceeds are not sufficient to pay in full the costs of such repair, reconstruction and restoration, the Authority may, but shall not be obligated to, pay any excess costs from other available funds or make the election described in the following

paragraph. Any balance of Net Proceeds remaining after payment of the cost of any such repair or restoration shall be transferred to the Redemption Account of the Bond Fund and used to redeem Series 2020 Bonds in accordance with Section 4.3 of the First Supplemental Indenture. The Authority shall deliver to the Trustee a certificate indicating the completion of such repair or restoration executed by an Engineer prior to such transfer.

The Authority may, with the prior written consent of the Developer, elect not to restore the Authority-Owned Facilities in full or part but to apply Net Proceeds in full or part to the optional redemption or other redemption or defeasance of the Bonds in the manner otherwise permitted by the Indenture; provided, however, that (i) if available insurance proceeds are insufficient to pay the full cost to repair or replace the portion of such Authority-Owned Facilities, such amounts may, at the sole option of the Authority, be applied to the redemption or defeasance of the Bonds, unless sufficient funds are available from other sources to make up such insufficiency and (ii) neither the County nor the Authority shall be required to expend any of its own funds (other than any available insurance proceeds as provided above) to make up any such insufficiency. The Net Proceeds shall be transferred to the Redemption Account of the Bond Fund or an escrow account, at the written direction of the Authority. The Authority at the time of such election shall deliver to the Trustee an opinion of nationally recognized bond counsel that the proposed application of Net Proceeds will not adversely affect the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes.

ARTICLE VII

FUNDS AND ACCOUNTS

Effective on the Closing Date, Article VII of the Original Indenture shall be amended and restated in its entirety to provide as follows in Sections 7.1 to 7.8 below.

Section 7.1 Establishment of Funds. The following funds are hereby established under this Indenture and shall be held by the Trustee:

- (a) Project Fund, in which there are established a separate Tax-Exempt Bond Project Account, a separate Taxable Bond Project Account, and a separate Net Proceeds Account;
- (b) Revenue Fund, in which there is established a separate Delinquent Payments Account;
- (c) Bond Fund, in which there are established an Interest Account, a Principal Account and a Redemption Account, and within the Redemption Account there are established a 2020 Optional Redemption Subaccount and a 2020 Prepayment Subaccount;
- (d) Administrative Expense Fund;
- (e) Debt Service Reserve Fund;
- (f) Rebate Fund; and

(g) Surplus Fund.

Section 7.2 Revenue Fund. Except as set forth in Section 7.7 hereof, the Authority will cause Special Assessment Revenues, Special Tax Revenues and County Advanced Revenues to be collected and deposited in the Revenue Fund in accordance with the Memorandum of Understanding and will collect and immediately deposit in the Revenue Fund, as received, all other Pledged Revenues, and such other money as the Authority may determine, except as otherwise provided for in this Indenture for investment income on certain funds and accounts created by this Indenture and except for Prepayments, which will be deposited in the 2020 Prepayment Subaccount in the Redemption Account of the Bond Fund. The Trustee shall deposit in the Delinquent Payments Account only payments of Special Assessments or Special Taxes designated in writing by the Administrator, on behalf of the Authority and the County, as delinquent, and any penalties and interest thereon. Amounts in the Delinquent Payments Account shall be used for transfers to the Debt Service Reserve Fund as set forth in (c) below after making the transfers described in Sections 7.2(a) and (b). Except as set forth below, on the Business Day preceding each Interest Payment Date, the Trustee will make transfers from the Revenue Fund in the following order of priority:

(a) To the Administrative Expense Fund, the amount of any Special Assessments, Special Tax Revenues and County Advanced Revenues collected to pay Administrative Expenses and not retained by the County pursuant to the Memorandum of Understanding as provided in a written notice by the Authority or the Administrator, on behalf of the Authority, to the Trustee and any other Pledged Revenues necessary to pay Administrative Expenses;

(b) To the appropriate accounts in the Bond Fund, the amount necessary to make the following deposits:

(1) first, in the Interest Account an amount which, together with other amounts, if any, on deposit therein will equal the amount of interest due on the Bonds on such Interest Payment Date; and

(2) then, in the Principal Account an amount which, together with other amounts, if any, on deposit therein, will equal the principal amount (including any sinking fund installment), if any, due with respect to the Bonds on such Interest Payment Date;

(c) To the Debt Service Reserve Fund, if the amount in the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement, the amount of money necessary, in addition to amounts on deposit therein, to equal the Debt Service Reserve Requirement; provided that such payments shall be made only from money in the Delinquent Payments Account of the Revenue Fund or from County Advanced Revenues; and

(d) To the Rebate Fund, the amount, if any, equal to any Rebate Amount accrued (based on the most recent report of the Administrator filed with the Trustee and the Authority pursuant to Section 10.2(a)(vi) hereof), but not previously paid or provided for in the Rebate Fund.

In making the foregoing transfers from the Revenue Fund, the Trustee shall conclusively rely on a report furnished by the Administrator filed with the Trustee pursuant to Section 10.2(a)(i) setting forth the amount of County Advanced Revenues, Special Assessment Revenues and Special Tax Revenues to be applied as set forth above.

Section 7.3 Bond Fund.

(a) The Trustee will pay from the Principal Account the principal (including sinking fund installments) of the Bonds when due. The Trustee will pay from the Interest Account the interest on the Bonds when due. The Trustee will use money in the Redemption Account to redeem Bonds pursuant to any optional redemption provision exercised by the Authority or special mandatory redemption provisions or, if directed by an Authorized Authority Representative, to purchase Bonds on the open market; provided, however, (i) no money will be used to purchase Bonds to the extent it is required to pay the redemption price of any Bonds for which notice of redemption has been given as provided in Section 4.6, and (ii) Bonds will not be purchased at a price in excess of the applicable optional redemption price plus accrued interest.

(b) There shall, at the option of the Authority, be applied or credited against any sinking fund requirement for Bonds of a Series and maturity the principal amount of any Bonds of such Series and maturity that have been previously defeased or redeemed (other than by mandatory sinking fund redemption) before each such mandatory sinking fund redemption date or that have been purchased by the Authority or the Trustee on behalf of the Authority and delivered to the Trustee for cancellation at least seventy (70) days before each such mandatory sinking fund redemption date, provided such Bonds have not previously been applied as a credit against any mandatory sinking fund redemption payment. The credit will be applied against payments required to be made on mandatory sinking fund redemption dates on a generally pro-rata basis within such Series and maturity of Bonds as may be determined by the Administrator and accepted by the Trustee, unless the Trustee receives written instructions from the Authority at least seventy (70) days before such dates to apply the credit in some other order.

(c) On the Business Day immediately preceding a Principal or Interest Payment Date but after the transfers from the Revenue Fund required pursuant to Section 7.2, the Trustee will determine if the balance on deposit in the Principal Account and the Interest Account will be sufficient to pay the principal and interest due and payable on the Principal or Interest Payment Date, and if a deficiency exists, will promptly notify the Authority of such fact. If on any Principal or Interest Payment Date following the required transfers from the Revenue Fund, the balance on deposit in the Principal Account or the Interest Account is insufficient to pay the principal and interest due and payable on Outstanding Bonds, the Trustee will transfer the amount of the deficiency from the Debt Service Reserve Fund to the appropriate account in the Bond Fund.

(d) Prepayments shall be deposited into the 2020 Prepayment Subaccount and shall be applied to the special mandatory redemption of the 2020 Bonds pursuant to Section 4.3(a) of the First Supplemental Indenture.

(e) Transfers from the Debt Service Reserve Fund pursuant to Section 7.5(c) hereof shall be deposited into the 2020 Prepayment Subaccount of the Redemption Account and

shall be applied to the special mandatory redemption of the Series 2020 Bonds pursuant to Section 4.3(a) of the First Supplemental Indenture.

(f) Interest received on and any profit realized from the investment of money in the Bond Fund will become a part of the account and subaccount in which the investment is held.

Section 7.4 Administrative Expense Fund. Money deposited in the Administrative Expense Fund shall be held in trust by the Trustee and shall be applied by the Trustee to pay Administrative Expenses upon receipt by the Trustee of a written request signed by an Authorized Authority Representative specifying (i) the amount to be withdrawn, (ii) the Person to whom such amount is to be paid, (iii) the nature of such Administrative Expense and (iv) that such amount is a proper charge against the Administrative Expense Fund. Notwithstanding the foregoing, no proceeds of the Tax-Exempt Bonds may be used to pay Administrative Expenses allocable to the Series 2020A-T Bonds. Interest received on and any profit realized from the investment of money in the Administrative Expense Fund will become a part of such Fund. Amounts in the Administrative Expense Fund are not pledged to the payment of principal of, redemption premium, if any, and interest on the Bonds.

Section 7.5 Debt Service Reserve Fund.

(a) If amounts on deposit in the Bond Fund and the Surplus Fund are insufficient to make payments of principal of or interest on the Bonds when due, the Trustee will transfer money from the Debt Service Reserve Fund to the Bond Fund to the extent necessary to pay principal (including sinking fund installments) of and interest on the Bonds when due. If the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement, the Trustee will transfer funds from the Surplus Fund and then from the Revenue Fund, but only from the Delinquent Payments Account or from County Advanced Revenues, to the Debt Service Reserve Fund to restore the Debt Service Reserve Requirement, to the extent and in the manner provided in Section 7.2(c).

(b) Within 10 days after each Principal Payment Date and Interest Payment Date and at such other times as the Authority may request in writing, the Trustee will determine if the balance on deposit in the Debt Service Reserve Fund is at least equal to the Debt Service Reserve Requirement. In making such determination, (i) the Trustee may take into account any reduction in the Debt Service Reserve Requirement that will result from any principal payment to be made on such Principal Payment Date or Interest Payment Date and (ii) securities in which money in the Debt Service Reserve Fund is invested will be valued in the manner set forth in Section 8.2. If a deficit exists in the Debt Service Reserve Fund, the Trustee will promptly notify the Authority of the deficit. If the amount on deposit in the Debt Service Reserve Fund exceeds the Debt Service Reserve Requirement, the Trustee will transfer the excess to the Interest Account of the Bond Fund, or upon the written request of the Authorized Authority Representative to the Administrative Expense Fund, within five Business Days after such determination.

(c) Whenever a Prepayment is made and the Series 2020 Bonds are redeemed with the proceeds of such Prepayment pursuant to Section 4.3(a) hereof, a proportionate amount

in the Debt Service Reserve Fund (determined by the Administrator and accepted by the Trustee on the basis of the principal of the Series 2020 Bonds to be redeemed and the original principal of the Series 2020 Bonds), shall be transferred to the 2020 Prepayment Subaccount of the Redemption Account to be applied to the special mandatory redemption of the Series 2020 Bonds pursuant to Sections 4.3(a) and 7.3(e) hereof; provided that such transfer will be made only to the extent that an amount at least equal to the Debt Service Reserve Requirement will remain in the Debt Service Reserve Fund after such transfer.

Section 7.6 Rebate Fund. The Trustee shall hold money in the Rebate Fund in trust to be applied to pay any Rebate Amount. The Trustee shall pay to the Authority or to such place as the Authority may direct, upon written request of an Authorized Authority Representative, the Rebate Amount required to be paid to the United States at the times, in the manner and as calculated in accordance with Section 148(f) of the Code. The Trustee shall have no responsibility for computation of the Rebate Amount, and the Authority shall cause the Rebate Amount to be calculated in accordance with the requirements of Section 148(f) of the Code.

The Authority may direct the Trustee in writing to use money in the Administrative Expense Fund in such amounts as the Authority may specify, in order to deposit the Rebate Amount in the Rebate Fund. The Administrator shall compute any Rebate Amount annually and, if necessary to provide sufficient money to pay the Rebate Amount, shall increase the Administrative Expenses as appropriate to have funds available in the Administrative Expense Fund to pay the Rebate Amount. Amounts in the Rebate Fund are not pledged to the payment of principal of, redemption premium, if any, and interest on the Bonds

Section 7.7 Surplus Fund. The Trustee shall deposit in the Surplus Fund amounts received from the County as Surplus in accordance with the provisions of the Memorandum of Understanding after providing the Trustee with the funds to make the deposits described in Section 7.2(a) through (d) above.

At the written request of the Authority, the Trustee shall make such payments or transfers of amounts on deposit in the Surplus Fund as may be authorized by the Memorandum of Understanding. At the written request of the Authority, the Trustee shall transfer to the County all or any portion of the amount on deposit in the Surplus Fund in excess of the amount necessary to be on deposit in the Surplus Fund. Such excess shall be equal to (A) the sum of (i) the funds on deposit in the Surplus Fund, plus (ii) the County Advanced Revenues projected to be available for debt service on the Bonds in the then current year less (B) an amount equal to 1.5 times debt service on the Bonds in such current year. No such transfer from the Surplus Fund shall result in the remaining balance in the Surplus Fund, immediately after such transfer, being less than one-half of the scheduled principal and interest due on the Bonds in the following one-year period.

Any amounts remaining in the Surplus Fund after the Bonds have been paid in full or are no longer Outstanding shall be paid to the County. Amounts in the Surplus Fund are not pledged to the payment of principal of, redemption premium, if any, and interest on the Bonds.

Section 7.8 Disposition of Balances in Funds. When the balances on deposit in the Bond Fund, the Debt Service Reserve Fund, and the Surplus Fund are sufficient to pay or redeem

all the Bonds then Outstanding, the Authority may direct the Trustee in writing to transfer the balances in such Funds to a special account in the Bond Fund to be held by the Trustee for the payment or redemption of Bonds at the earliest practicable date and for no other purpose.

ARTICLE VIII

THE ADMINISTRATOR

Section 8.1 Acknowledgement and Acceptance. By its signature below, the Administrator acknowledges and accepts the supplements and amendments to the Original Indenture made by this First Supplemental Indenture.

ARTICLE IX

GENERAL COVENANTS OF THE AUTHORITY

Section 9.1 Covenants and Representations. The Authority will faithfully observe and perform all of its covenants, conditions and agreements contained in the Indenture, this First Supplemental Indenture and in every Bond executed, authenticated and delivered under this Indenture; provided that the pecuniary liability of the Authority under any such covenant, condition or agreement for any default or breach by the Authority will be limited solely to and satisfied solely from the sources of payment described in Section 9.1 of the Indenture. The Authority represents that (i) it is duly authorized under the Constitution and laws of the Commonwealth to issue the Series 2020 Bonds and to execute this First Supplemental Indenture and to pledge the Pledged Revenues and funds in the manner and to the extent set forth in the Indenture, (ii) all action on its part necessary for the execution and delivery of this First Supplemental Indenture has been duly and effectively taken, and (iii) the Series 2020 Bonds in the hands of the Owners are and will be valid and enforceable limited obligations of the Authority.

Section 9.2 Further Assurances. Subject to the provisions of Section 9.1 of the Indenture, the Authority will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures and such further acts, instruments and transfers as the Trustee may reasonably require to further assure the effective transfer, conveyance, pledge and assignment to the Trustee of all the rights and funds assigned by the Indenture or this First Supplemental Indenture to secure the payment of the principal of and premium, if any, and interest on the Bonds. The Authority will fully cooperate with the Trustee and the Owners in protecting the rights and security of the Owners.

Section 9.3 Deletion of Section 9.11 of Original Indenture. Section 9.11 of the Original Indenture, entitled "Rating," shall, effective on the Closing Date, be deleted in its entirety.

ARTICLE X

TRUSTEE AND PAYING AGENT

Section 10.1 Appointment and Acceptance of Duties. The Trustee accepts and agrees to the trusts created by this First Supplemental Indenture, but only upon the additional terms set forth in Article XII of the Indenture, to all of which the Authority, and the Owners, by their purchase and acceptance of the Bonds, agree.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Limitation of Liability of Directors, Officers, etc., of Authority and the Trustee. No covenant, agreement or obligation contained in this First Supplemental Indenture will be deemed to be a covenant, agreement or obligation of any present or future director, officer, employee or agent of the Authority, the Trustee or the Paying Agent in his or her individual capacity, and neither the officers of the Authority, the Trustee or the Paying Agent nor any of their directors, employees or agents executing or authenticating the Bonds will be liable personally on the Bonds or be subject to any personal liability or accountability by reason of their issuance. No director, officer, employee, agent or adviser of the Authority, the Trustee or the Paying Agent will incur any personal liability with respect to any action taken by him or her pursuant to this First Supplemental Indenture, provided such director, officer, employee, agent or adviser acts in good faith.

Section 11.2 Interested Parties. Nothing in this First Supplemental Indenture expressed or implied is intended or will be construed to confer upon any Person other than the Authority, the Trustee and the Owners of the Bonds, any right, remedy or claim under or by reason of this First Supplemental Indenture, this First Supplemental Indenture being intended to be for the sole and exclusive benefit of the Authority, the Trustee and the Owners of the Bonds.

Section 11.3 Severability of Invalid Provisions. If any clause, provision or section of this First Supplemental Indenture is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this First Supplemental Indenture will be construed and enforced as if the illegal or invalid clause, provision or section had not been contained in it.

Section 11.4 Counterparts. This First Indenture may be executed in any number of counterparts, each of which, when executed and delivered, will be an original, and the counterparts will together constitute one and the same instrument.

Section 11.5 Governing Law. This First Supplemental Indenture will be governed by the laws of the Commonwealth without regard to conflicts of law principles.

Section 11.6 Successors and Assigns. This First Supplemental Indenture will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

IN WITNESS WHEREOF, the parties have caused this Trust Indenture to be executed on their behalf by their duly authorized officers.

**MOSAIC DISTRICT COMMUNITY
DEVELOPMENT AUTHORITY**

By: _____
Treasurer

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee**

By: _____
Its:

ACKNOWLEDGED AND ACCEPTED:

MUNICAP, INC.,
as Administrator

By: _____
Authorized Officer

R-1

EXHIBIT A
Form of Series 2020 Bond

CUSIP

UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA

MOSAIC DISTRICT COMMUNITY DEVELOPMENT AUTHORITY
REVENUE REFUNDING BOND
[TAXABLE] SERIES 2020[A] [A-T]

INTEREST RATE**MATURITY DATE****DATED DATE**

%

_____, 1, _____

_____, 2020

REGISTERED OWNER:**PRINCIPAL AMOUNT:**

MOSAIC COMMUNITY DEVELOPMENT AUTHORITY (the “Authority”), for value received, promises to pay, solely from the revenues and other property pledged to the payment of this Bond, to the registered owner of this Bond or legal representative, the principal sum stated above on the maturity date stated above, and to pay solely from such source, interest on the principal amount of this Bond at the annual rate stated above, payable on each [March 1 and September 1], commencing on _____ 1, 2021, all subject to prior redemption as described in this Bond. This Bond will bear interest (i) from its date if this Bond is authenticated before _____ 1, 2021, or (ii) otherwise, from the March 1 or September 1 that is, or immediately precedes, the date on which this Bond is authenticated (unless the payment of interest on this Bond is in default, in which case this Bond will bear interest from the date to which interest has been paid). The principal of and redemption premium, if any, on this Bond is payable upon presentation and surrender of this Bond at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., as Trustee under the Indenture (as hereinafter defined), or its successor in trust (the “Trustee”). Interest on this Bond will be paid by check or draft mailed to the person registered on the February 15 or August 15, as appropriate, next preceding the interest payment date as the registered owner of this Bond at the address of such person as it appears on the registration books of the Authority maintained by the Paying Agent. Interest on this Bond will be computed on the basis of a year of 360 days and twelve 30-day months. Notwithstanding the foregoing, if (i) the registered owner of this Bond owns at least \$1,000,000 in aggregate principal amount of Bonds and (ii) such owner has provided satisfactory prior notice of a wire address to the Trustee, then interest on this Bond will be paid by wire transfer. So long as Cede & Co. or any other nominee of DTC, as defined in the Indenture (as defined herein), is the registered owner of this Bond, principal of and premium, if any, and interest on this Bond shall be paid as provided in the Indenture. Principal of and premium, if any, and interest on this Bond are payable in lawful money of the United States of America. In case the date of maturity of the

principal of this Bond or the date fixed for the payment of interest on or the redemption of this Bond is not a Business Day (as defined in the Indenture), then payment of the principal and redemption premium, if any, and interest need not be made on such date, but may be made on the next succeeding date which is a Business Day, and if made on such next succeeding Business Day no additional interest will accrue for the period after such date of maturity or date fixed for redemption.

This Bond and the issue of which it is a part and the redemption premium, if any, and interest on this Bond are limited obligations of the Authority and payable solely from the revenues and other property pledged and assigned to the Trustee under the terms of the Indenture to secure payment of this Bond. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION OF THE COMMONWEALTH INCLUDING THE COUNTY OF FAIRFAX IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON THIS BOND. THE ISSUANCE OF THIS BOND DOES NOT DIRECTLY, INDIRECTLY, OR CONTINGENTLY OBLIGATE THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION OF THE COMMONWEALTH OF VIRGINIA INCLUDING THE COUNTY OF FAIRFAX TO LEVY ANY TAXES OR MAKE ANY APPROPRIATION FOR THE PAYMENT OF THIS BOND EXCEPT FROM PLEDGED REVENUES.

This Bond is one of an issue of \$_____ Revenue Bonds, [Taxable] Series 2020[A] [A-T] (the “Bonds”). The Bonds are of like tenor, except as to number, denomination, interest rate, maturity date and privilege of redemption and are authorized and issued by the Authority pursuant to the Act for the purpose of providing funds to refund bonds previously issued by the Authority to pay the cost of acquiring and constructing certain infrastructure benefiting property within the boundaries of the Authority (the “Project”). The Bonds are issued under and are equally and ratably secured by a Trust Indenture, dated as of June 1, 2011, as amended and supplemented pursuant to the First Supplemental Indenture, dated as of ____ 1, 2020 (as so amended and supplemented, the “Indenture”), between the Authority and the Trustee. The Bonds are payable from revenues derived from special assessments levied on taxable property within the Authority’s boundaries and certain other incremental tax revenues. Reference is made to the Indenture for a description of the revenues and property pledged and assigned and the provisions, among other things, with respect to the nature and extent of the security for the Bonds, the rights and obligations of the Authority and the Trustee, the terms on which the Bonds are issued, the rights of the registered owners of the Bonds and the provisions for defeasance of such rights. Additional bonds ranking equally with the Bonds may be issued on the terms provided in the Indenture.

The Bonds may not be called for redemption except as provided in the Indenture and described in the succeeding numbered paragraphs.

(1) The Series [A][A-T] Bonds maturing after March 1, 20__, are subject to redemption before maturity at the option of the Authority at any time, or from time to time, on or after March 1, 20__, from any money available for such purpose, in whole or in part in increments of \$5,000 or any integral multiple of \$5,000 upon payment of the

principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date.

(2) [Make-whole redemption provisions for Series 2020A-T Bonds?]

(3) The Bonds are required to be redeemed in part before maturity by the Authority on the dates and in the amounts set forth below, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date:

Series 2020A Bonds Due March 1, 2036			
<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>

Series 2020A-T Bonds Due March 1, 2036			
<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>

There shall, at the option of the Authority, be applied or credited against any sinking fund requirement for Bonds the principal amount of any Bonds that have been previously defeased or redeemed (other than by mandatory sinking fund redemption) before each such mandatory sinking fund redemption date or that have been purchased by the Authority or the Trustee on behalf of the Authority and delivered to the Trustee for cancellation at least seventy (70) days before each such mandatory sinking fund redemption date, provided such Bonds have not previously been applied as a credit against any mandatory sinking fund redemption payment.

(4) The Bonds are subject to special mandatory redemption in whole or in part in minimum amounts of \$5,000, at a redemption price equal to the principal amount to be redeemed together with accrued interest thereon to the date fixed for redemption on any March 1, June 1, September 1, or December 1 as follows:

(i) from amounts deposited into the 2020 Prepayment Subaccount of the Redemption Account as a result of Prepayments pursuant to Section 7.3(d) of the Indenture and transfers from the Debt Service Reserve Fund pursuant to Sections 7.3(e) and 7.5(c) of the Indenture; and

(ii) from any Net Proceeds transferred to the Redemption Account in accordance with Section 6.4 of the Indenture.

If any of the Bonds are called for redemption, the Paying Agent will cause a notice of redemption to be mailed postage prepaid, not less than 30 nor more than 60 days before the date fixed for redemption, to the registered owners of the Bonds called for redemption, at their respective addresses as they appear on the registration books maintained by the Trustee. The receipt of notice is not to be a condition precedent to the redemption and failure to mail a notice to a registered owner will not affect the validity of the proceedings for the redemption of the Bonds of any other registered owners. If this Bond is duly called for redemption and payment of the principal of and premium, if any, and unpaid interest accrued to the date fixed for redemption has been made or provided for, then, notwithstanding that this Bond has not been surrendered for cancellation, interest on this Bond will cease to accrue from the redemption date, and, from and after the redemption date, this Bond will no longer be entitled to any lien, benefit or security under the Indenture, and the registered owner of this Bond will have no rights in respect of this Bond except to receive payment of the principal of and redemption premium, if any, and unpaid interest accrued to the date fixed for redemption on this Bond.

Whenever this Bond shall be maintained in book-entry form with a securities depository in accordance with Section 3.4 of the Indenture, in the event that part, but not all, of this Bond shall be called for redemption, the holder of this Bond may elect not to surrender this Bond in exchange for a new Bond and in such event shall make a notation indicating the principal amount of such redemption and the date thereof on the Payment Grid attached hereto. For all purposes, the principal amount of this Bond outstanding at any time shall be equal to the lesser of (A) the Principal Amount shown on the face hereof and (B) such Principal Amount reduced by the principal amount of any partial redemption of this Bond following which the holder of this Bond has elected not to surrender this Bond. The failure of the holder hereof to note the principal amount of any partial redemption on the Payment Grid attached hereto, or any inaccuracy thereon, shall not affect the payment obligation of the Authority hereunder. THEREFORE, IT CANNOT BE DETERMINED FROM THE FACE OF THIS BOND WHETHER A PART OF THE PRINCIPAL OF THIS BOND HAS BEEN PAID.

The registered owner of this Bond has no right to enforce the provisions of the Indenture or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect to the Indenture, except as provided in the Indenture. Modifications or alterations in the Indenture, or any supplements to it, may be made to the extent and under the circumstances provided by the Indenture.

The Bonds are issued as registered bonds without coupons in denominations of \$5,000 or any integral multiple of \$5,000. Upon surrender of this Bond at the designated corporate trust office of the Trustee, in the manner and subject to the limitations and conditions provided for in

the Indenture, this Bond may be exchanged for an equal aggregate principal amount of Bonds of like Series, date and tenor and of authorized denominations.

The transfer of this Bond may be registered by the registered owner in person or by his or her duly authorized attorney or legal representative at the principal office of the Paying Agent, but only in the manner and subject to the limitations and conditions provided for in the Indenture and upon surrender and cancellation of this Bond. Upon the registration of any transfer, the Authority will execute and the Paying Agent will authenticate and deliver in exchange for this Bond a new Bond or Bonds, registered in the name of the transferee, of like series, date and tenor, bearing interest at the same rate and in the same manner and of authorized denominations for the aggregate principal amount which the registered owner is entitled to receive. Before due registration of any transfer of this Bond, the Trustee will treat the registered owner shown on the registration books maintained by the Paying Agent as the person exclusively entitled to payment of principal of and redemption premium, if any, and interest on this Bond, and the exercise of all other rights and powers of the owner.

All acts and conditions required to happen, exist or be performed precedent to and in connection with the issuance of this Bond have happened, exist and have been performed.

This Bond will not become obligatory for any purpose or be entitled to any security or benefit under the Indenture or be valid until the Trustee has executed the Certificate of Authentication appearing on this Bond.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Mosaic District Community Development Authority has caused this Bond to be executed by the manual or facsimile signature of its Chairman, its seal or a facsimile thereof to be printed on this Bond and attested by the manual or facsimile signature of its Secretary.

**MOSAIC DISTRICT COMMUNITY
DEVELOPMENT AUTHORITY**

By: _____
Chairman

[SEAL]

ATTEST:

By: _____
Secretary

* * * * *

AUTHENTICATION DATE: _____,

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Indenture.

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,** as Trustee

By: _____
Authorized Signature

ASSIGNMENT

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

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFEREE

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

this Bond and all rights hereunder, and hereby irrevocably constitutes and appoints

_____, attorney, to transfer this
Bond on the books kept for its registration, with full power of substitution.

Dated: _____ Tax I.D. No. _____

Signature Guaranteed:

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

Registered Owner
(NOTE: The signature above
must correspond exactly with
the name of the registered
owner as it appears on the
front of this Bond.)

PAYMENT GRID

<u>Date of Payment</u>	<u>Principal Amount Paid</u>	<u>Principal Amount Outstanding</u>	<u>Holder Signature</u>

NEW ISSUE/BOOK-ENTRY ONLY

RATING: _____: “__”

In the opinion of Bond Counsel, under current law and assuming continuing compliance with certain tax covenants and requirements of the Internal Revenue Code of 1986, as amended (the “Code”), as described herein, interest on the 2020A Bonds will not be includable in the gross income of the owners thereof for federal income tax purposes. Under current law, the 2020A Bonds and the 2020A-T Bonds, their transfer and the income therefrom, including any profit made on their sale, are free from taxation by the Commonwealth of Virginia and its political subdivisions. Under current law, interest on the 2020A-T Bonds will be includable gross income of the owners thereof for federal income tax purposes. See “TAX MATTERS-2020A Bonds” and “TAX MATTERS-2020A-T BONDS” herein for a description of certain provisions regarding the Code and the Code of Virginia that may affect the tax treatment of interest on the 2020 Bonds for certain bondholders.

\$ _____ *
MOSAIC DISTRICT COMMUNITY DEVELOPMENT AUTHORITY
(FAIRFAX COUNTY, VIRGINIA)

\$ _____ * Revenue Refunding Bonds,
 Series 2020A

\$ _____ * Revenue Refunding Bonds,
 Taxable Series 2020A-T

Dated: Date of Initial Delivery**Due: March 1, as shown on the inside cover page**

This Official Statement has been prepared by the Mosaic District Community Development Authority (the “Authority”) to provide information on the Authority’s \$ _____ * Revenue Refunding Bonds, Series 2020 (the “2020 Bonds”) consisting of the Authority’s \$ _____ * Revenue Refunding Bonds, Series 2020A (the “2020A Bonds”), and the Authority’s \$ _____ * Revenue Refunding Bonds, Taxable Series 2020A-T (the “2020A-T Bonds”). Selected information is presented on this cover page for the convenience of the reader. This cover page is not a summary of the issue. To make an informed decision regarding the 2020 Bonds, a prospective investor should read this Official Statement in its entirety.

The 2020 Bonds are limited obligations of the Authority, payable solely from and secured by a pledge of certain County Advanced Revenues and certain Special Assessment Revenues (each term as defined herein), subject to appropriation by the Fairfax County Board of Supervisors, and certain funds established under the provisions of a Trust Indenture, dated as of June 1, 2011, as amended and supplemented by the First Supplemental Trust Indenture, dated as of December 1, 2020 (collectively, “Indenture”), each by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (in such capacity, the “Trustee”). The 2020 Bonds are being issued to provide funds, together with other funds of the Authority, (i) to refund certain outstanding bonds of the Authority, (ii) to fund a debt service reserve fund for the 2020 Bonds, and (iii) to pay certain costs relating to the issuance of the 2020 Bonds.

Interest on the 2020 Bonds is payable on March 1 and September 1 of each year, commencing March 1, 2021. The 2020 Bonds are being issued in fully registered book-entry form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”).

The 2020 Bonds are subject to optional redemption, mandatory sinking fund redemption and special mandatory redemption as described herein.

NEITHER THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA (THE “COMMONWEALTH”), NOR THE FAITH AND CREDIT OF THE AUTHORITY, ANY COUNTY, CITY, TOWN OR OTHER POLITICAL SUBDIVISION OF THE COMMONWEALTH, INCLUDING FAIRFAX COUNTY, VIRGINIA (“FAIRFAX COUNTY”), ARE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2020 BONDS. THE ISSUANCE OF THE 2020 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE COMMONWEALTH, THE AUTHORITY OR ANY COUNTY, CITY, TOWN OR OTHER POLITICAL SUBDIVISION OF THE COMMONWEALTH, INCLUDING FAIRFAX COUNTY, TO LEVY ANY TAXES WHATSOEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT EXCEPT FOR THE LEVY BY FAIRFAX COUNTY OF THE SPECIAL ASSESSMENTS, THE PAYMENT OF WHICH IS SUBJECT TO APPROPRIATION BY THE FAIRFAX COUNTY BOARD OF SUPERVISORS. PURSUANT TO THE ACT (AS HEREINAFTER DEFINED), THE COMMONWEALTH AND ANY COUNTY, CITY, TOWN OR OTHER POLITICAL SUBDIVISION OF THE COMMONWEALTH, INCLUDING FAIRFAX COUNTY, ARE EXPRESSLY PRECLUDED FROM PAYING THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2020 BONDS EXCEPT FROM THE SPECIAL ASSESSMENTS AND THE COUNTY ADVANCED REVENUES.

The 2020 Bonds are offered for delivery when, as and if issued, subject to the opinion of Norton Rose Fulbright US LLP, Washington, D.C., Bond Counsel, as to the validity of the 2020 Bonds, the excludability from gross income of interest on the 2020A Bonds for federal income tax purposes, and the exemption from taxation by the Commonwealth of interest on the 2020 Bonds. Certain legal matters will be passed upon for the Authority by Elizabeth D. Teare, Esquire, Fairfax County Attorney, and for the Underwriters by McGuireWoods LLP, Tysons, Virginia. It is expected that the 2020A Bonds will be available for delivery to DTC in New York, New York, on or about December __, 2020.

Stifel, Nicolaus & Company, Incorporated

Citigroup**Piper Sandler**

Dated: October __, 2020

MOSAIC DISTRICT COMMUNITY DEVELOPMENT AUTHORITY

(FAIRFAX COUNTY, VIRGINIA)

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

Base CUSIP[†] Number 61945D

\$_____ * REVENUE REFUNDING BONDS, SERIES 2020A

<u>Maturity Date</u> <u>(March 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Priced to</u> <u>Yield</u>	<u>CUSIP[†]</u> <u>Suffix</u>
2022	\$	%	%	
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				

\$_____ * __% Term Bonds Due March 1 2036*, Priced to Yield __%

[†] 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 Authority does not make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to change after the issuance of the 2020 Bonds.

*Preliminary, subject to change.

MOSAIC DISTRICT COMMUNITY DEVELOPMENT AUTHORITY

(FAIRFAX COUNTY, VIRGINIA)

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

Base CUSIP[†] Number 61945D

\$_____ * REVENUE REFUNDING BONDS, TAXABLE SERIES 2020A-T

<u>Maturity Date</u> <u>March 1</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>CUSIP[†]</u> <u>Suffix</u>
2022	\$	%	%	
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				

\$_____ * __% Term Bonds Due March 1 2036*, Price __%

[†] 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 Authority does not make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to change after the issuance of the 2020 Bonds.

*Preliminary, subject to change.

MOSAIC DISTRICT COMMUNITY DEVELOPMENT AUTHORITY (VIRGINIA)

BOARD OF DIRECTORS

THE HONORABLE DALIA A. PALCHIK, *CHAIR*

THE HONORABLE JOHN W. FOUST, *VICE-CHAIR*

MR. JOSEPH LAHAIT, *TREASURER*

MS. BARBARA BYRON, *SECRETARY*

MS. KAREN R. HAMMOND, *MEMBER*

MUNICAP, INC., COLUMBIA, MARYLAND, *ADMINISTRATOR*

ELIZABETH D. TEARE, ESQ., FAIRFAX COUNTY ATTORNEY, *AUTHORITY'S COUNSEL*

NORTON ROSE FULBRIGHT US LLP, WASHINGTON, D.C., *BOND COUNSEL*

PFM FINANCIAL ADVISORS LLC, ARLINGTON, VIRGINIA, *FINANCIAL ADVISOR*

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., RICHMOND, VIRGINIA,
TRUSTEE

No person has been authorized by the Authority to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the 2020 Bonds and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the 2020 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the date hereof. This Official Statement is not to be construed as a contract or agreement between the Authority or the County and the purchasers or owners of any of the 2020 Bonds. An electronic reproduction of this Official Statement may contain computer generated errors or other deviations from the printed Official Statement, in which case the printed Official Statement controls.

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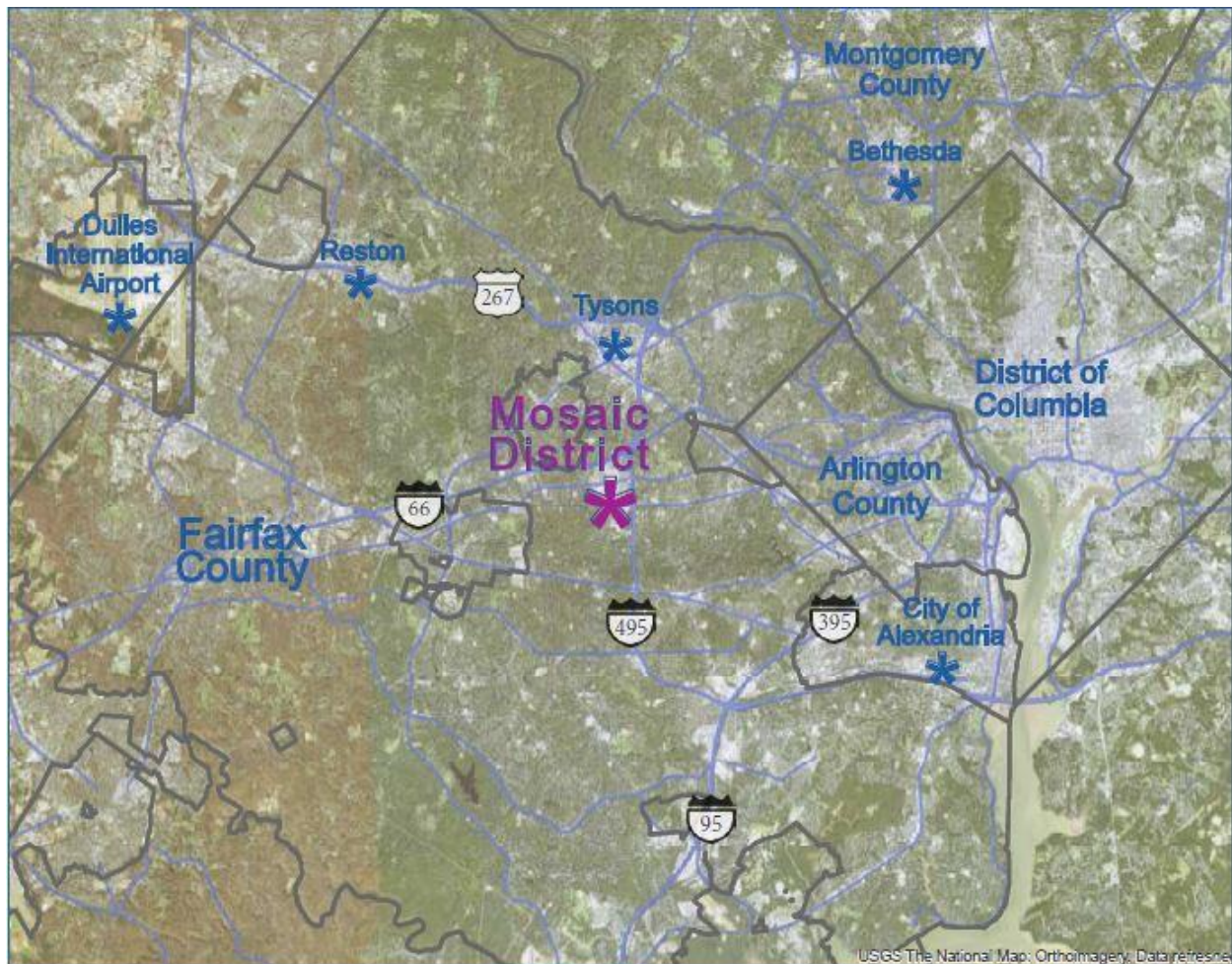
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APPENDICES

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- C – The District
- D – The County’s Financial Statements for Fiscal Year Ended June 30, 2019 (including District Information)
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- F – Definitions and Summary of Certain Provisions of the Indenture
- G – Proposed Form of Bond Counsel Opinion
- H – Proposed Form of Continuing Disclosure Agreement

THE MOSAIC DEVELOPMENT

Location Map



MOSAIC DISTRICT [Need updated picture]

PRELIMINARY OFFICIAL STATEMENT

\$ _____ *

**MOSAIC DISTRICT COMMUNITY DEVELOPMENT AUTHORITY
(FAIRFAX COUNTY, VIRGINIA)**\$ _____ * **Revenue Refunding Bonds,
Series 2020A**\$ _____ * **Revenue Refunding Bonds,
Taxable Series 2020A-T****INTRODUCTION**

This Preliminary Official Statement, which includes the cover page, the inside cover pages and the Appendices, sets forth certain information in connection with the issuance by the Mosaic District Community Development Authority (the "Authority") of its \$ _____ * Revenue Refunding Bonds, Series 2020 (the "2020 Bonds"), consisting of the Authority's \$ _____ * Revenue Refunding Bonds, Series 2020A (the "2020A Bonds"), and the Authority's \$ _____ * Revenue Refunding Bonds, Taxable Series 2020A-T (the "2020A-T Bonds").

Capitalized terms used herein and not otherwise defined shall have the meanings set forth in Appendix F attached hereto.

The 2020 Bonds are limited obligations payable primarily from (1) certain incremental real estate tax revenues (the "County Advanced Revenues") collected by Fairfax County, Virginia ("Fairfax County" or the "County"), and paid to the Trustee pursuant to the terms of the Amended and Restated Memorandum of Understanding, dated as of June 1, 2011 (the "Memorandum of Understanding"), among Fairfax County, the Authority, Eskridge (E&A), LLC and Eskridge Properties (E&A), LLC, as co-developers (collectively, the "Developer") and (2) certain special assessments ("Special Assessments") imposed and collected, at the request of the Authority, by Fairfax County against the taxable real property in the Mosaic District Community Development Authority District (the "District") pursuant to the terms of a Rate and Method of Apportionment of Special Assessments (the "Rate and Method"). A copy of the Rate and Method is attached as Appendix B hereto.

County Advanced Revenues consist of an amount determined each calendar year equal to that portion of the real estate taxes on property within the District collected by Fairfax County that is attributable to the increased value between the assessed value of each parcel of land within the District in such calendar year and the base assessed value of each such parcel (which base assessed value was determined as of January 1, 2007) and that are necessary to pay debt service on the 2020 Bonds and certain Administrative Expenses. In the event that County Advanced Revenues are insufficient to pay principal of and interest on the 2020 Bonds when due and certain administrative costs of the Authority, Fairfax County has agreed to collect the Special Assessments in an amount equal to any shortfall.

Unless prepaid, the Special Assessments are payable in installments at the same time that general real estate taxes are paid in Fairfax County. Special Assessments, when imposed, will be made a lien on parcels subject to taxation in the District, and Fairfax County has agreed to apply its customary tax payment enforcement procedures to the collection of any delinquent payments of the Special Assessment annual installment. Such collection procedures may include judicial foreclosure proceedings for the benefit of the Authority. A delinquency in the payment of Special Assessments may result in a default or delay in the payment of debt service on the 2020 Bonds. In such event, Fairfax County is not permitted to advance any of its own funds to pay debt service on the 2020 Bonds (other than from the County Advanced Revenues), and no other party, including the Administrator (as hereinafter defined) and any District landowner, is obligated to remedy such delinquency. Special Assessments will be collected only to the extent County Advanced Revenues are not sufficient to pay debt service on the 2020 Bonds and the Administrative Expenses (as defined in Appendix F). The Memorandum of Understanding provides for the levy of a special *ad valorem* tax in the District (the "Special Tax") in the event that the Special Assessments are determined to be legally unenforceable in a final decree by a court of competent jurisdiction.

*Preliminary, subject to change.

Fairfax County's undertaking to make payments to the Authority of Annual Installments (as defined in the Rate and Method) of the County Advanced Revenues or of Special Assessment Revenues will not be a general obligation of Fairfax County and will be subject to and dependent on appropriations being made from time to time by the Board of Supervisors of Fairfax County (the "Board of Supervisors") for such purposes. In addition, payment of County Advanced Revenues and Special Assessments to the Authority will be made by Fairfax County only to the extent of County Advanced Revenues or Special Assessment Revenues, as appropriate, actually collected by Fairfax County.

Because the Authority's receipt of County Advanced Revenues or Special Assessments cannot be guaranteed, investment in the 2020 Bonds involves a degree of risk, and a prospective purchaser is advised to read this entire Official Statement, including the appendices hereto.

The financial and operating data contained in this Official Statement, and in particular under the captions "_____" and "_____" and in Appendices [C, D and E,] are as of the dates and for the periods indicated, which in many cases were prior to the outbreak of the COVID-19 pandemic. Such financial and operating data have not been updated to reflect any potential impacts of the COVID-19 pandemic on Fairfax County's general economic and financial condition. See **"CERTAIN BONDHOLDERS' RISKS-Risks Relating to COVID-19 Pandemic"** and **"Appendix E- ECONOMIC FACTORS-COVID-19 Matters."**

This Official Statement includes forward-looking estimates and assumptions derived from the Tax Increment Projection Study (hereinafter described), as well as from other information currently available to the Authority. There are a number of factors affecting the District that could cause the actual payment or prepayment of special assessments and the payment of the County Advanced Revenues to be materially different from such estimates and assumptions and could cause the value of real property within the District to decrease and adversely affect the Value-To-2020 Bonds ratio included in this Official Statement.

This introduction is qualified in its entirety by information found elsewhere in this Official Statement. This Official Statement speaks only as of its date, and the information herein is subject to change.

The District

The District consists of a land area of approximately 31 acres within Fairfax County on a site located in the southwest quadrant of the intersection of Lee Highway and Gallows Road in the Merrifield area. The District is approximately 12 miles west of Washington, D.C. The District is part of a mixed-use development developed by Eskridge (E&A), LLC, a South Carolina limited liability company ("Eskridge"), or its successor or assigns, and Eskridge Properties (E&A), LLC, a South Carolina limited liability company ("Eskridge Properties"), or its successor or assigns (collectively, the "Developer"). The District includes residential, retail, hotel, and office components. The overall development is referred to herein as the "Mosaic Development." [update][All of the real estate in the District is currently owned by Eskridge, except for the hotel parcel conveyed to Lodgeworks, L.P.]

See the sections **"THE DISTRICT"** for a more detailed description of the District and the infrastructure financed by the Authority.

Application of Proceeds; Refunding Plan

The 2020 Bonds will be issued pursuant to Article 6 of Chapter 51 of Title 15.2 of the Code of Virginia of 1950, as amended (the "Act"), (a) to provide funds, with other available funds, to defease or to refund and to redeem prior to their respective maturities outstanding bonds, including all previously issued and outstanding bonds of the Authority, referred to hereafter as the "Refunding Candidates" as shown below, (b) to fund the Debt Service Reserve Fund for the 2020 Bonds, and (c) to pay certain costs of issuing the 2020 Bonds. See the sections **"THE DISTRICT - The CDA Facilities"** and **"ESTIMATED SOURCES AND USES OF FUNDS."**

Refunding Candidates*

<u>Refunded Bonds*</u>	<u>Principal Amount*</u>	<u>Maturities (March 1)*</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP[†] Nos.</u>
2011A	\$990,000	2021	(n/a; maturity date)	n/a	61945D AA9
2011A	7,595,000	2026	March 1, 2021	100%	61945D AB7
2011A	35,805,000	2036	March 1, 2021	100	61945D AC5
2011A-T	18,670,000	2036	March 1, 2021	100	61945D AD3

*Preliminary, subject to change.

†The Authority shall not be responsible for the accuracy of the CUSIP numbers provided above. The CUSIP numbers are provided solely for the convenience of bondholders, and the 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 2020 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 Bonds. The Refunding Candidates, if any, that are refunded or defeased with proceeds of the Bonds are referred to as the "Refunded Bonds." The final Refunded Bonds will be described in the final Official Statement.

Upon delivery and issuance of the Bonds by the Authority, proceeds thereof will be used to provide for the payment and redemption of the Refunded Bonds by depositing with The Bank of New York Mellon Trust Company, N.A., as escrow agent (in such capacity, the "Escrow Agent"), pursuant to an escrow deposit agreement, cash and non-callable, direct obligations of the United States of America the maturing principal of and interest on which, together with such cash, will be sufficient to pay all principal and interest on the Refunded Bonds to their respective redemption or maturity dates. The arithmetical computations of the sufficiency of the cash and securities deposited with the Escrow Agent to pay the principal of and interest on the Refunded Bonds will be verified by Robert Thomas CPA, LLC, Shawnee Mission, Kansas.

Authorization of 2020 Bonds; Limited Obligations

The 2020 Bonds will be issued pursuant to a Trust Indenture, dated as of June 1, 2011 (the "Original Indenture"), as amended and supplemented by the First Supplemental Trust Indenture, dated as of December 1, 2020 (the "First Supplemental Indenture" and, collectively with the Original Indenture, as supplemented and amended by the First Supplemental Indenture, the "Indenture"), each between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (in such capacity, the "Trustee"). The 2020 Bonds will be limited obligations of the Authority payable solely from the County Advanced Revenues and certain Special Assessment Revenues after payment of Administrative Expenses and subject to appropriation by the Fairfax County Board of Supervisors, and certain cash and investments from time to time held in certain funds under the Indenture, including the Debt Service Reserve Fund.

County Advanced Revenues

Under the Memorandum of Understanding, the County has agreed to pay the County Advanced Revenues to the Trustee. Payment of County Advanced Revenues to the Trustee is subject to appropriation each year by the Board of Supervisors and will be made only to the extent of County Advanced Revenues actually collected. See the section "COUNTY ADVANCED REVENUES."

Special Assessments; Rate and Method

[update for 2020 Bonds] At the request of the Authority, the Board of Supervisors of Fairfax County has adopted the Rate and Method imposing special assessments on certain real property in the District in the aggregate amount of [\$208,854,917] (the "Preliminary Maximum Assessment") and providing for their collection by Fairfax County. The Preliminary Maximum Assessment was approved based on estimated principal of and interest on the 2011 Bonds and on certain proposed 2011B Bonds that were never issued. In connection with the issuance of the

2011 Bonds and in accordance with the provisions of the Rate and Method, the Preliminary Maximum Assessment was reduced to \$_____ (the “2011 Maximum Assessment”) based on actual principal of and interest on the 2011 Bonds and estimated Administrative Expenses. In connection with the issuance of the 2020 Bonds and in accordance with the provisions of the Rate and Method, the 2020 Maximum Assessment is expected to be reduced based on actual principal of and interest on the 2020 Bonds and estimated Administrative Expenses (the “Maximum Assessment”). The Rate and Method is included as Appendix B hereto and should be read in its entirety for an understanding of the methodology of apportionment and the imposition of the Maximum Assessment. See the section **“SPECIAL ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHODOLOGY; COLLECTION PROCEDURES - Rate and Method of Apportionment of Special Assessments.”**

The Maximum Assessment will be reduced to the extent that actual principal of and interest on the 2020 Bonds and Administrative Expenses are less than the amounts used to calculate the Maximum Assessment and to the extent County Advanced Revenues are applied to repay the 2020 Bonds. The Maximum Assessment includes a Special Assessment Part A (referred to herein as the “Special Assessments”) and a Special Assessment Part B (referred to herein as the “2011B Special Assessments”). The Special Assessment Part A (or “Special Assessments”) is pledged to the 2020 Bonds and will be reduced by County Advanced Revenues. The 2011B Special Assessments would have been pledged to certain 2011B Bonds had they been issued. The First Supplemental Indenture prohibits the issuance of bonds (such as the 2011B Bonds had they been issued) secured by 2011B Special Assessments.

[to be revised] The Authority, Fairfax County and Eskridge and Lodgeworks as owners of the real estate in the District, and the Trustee entered into one or more agreements designated Special Assessment Agreement and Declaration of Notice of Special Assessment, dated as of June 1, 2011 (collectively, the “Special Assessment Agreement”) providing for the recordation of an assessment lien with respect to the Special Assessments on certain taxable property within the District (excluding any property as to which the Special Assessment has been prepaid (see the section below, **“Prepayments”**)). As required by the Act, Special Assessments collected by Fairfax County are subject to appropriation to the Trustee for the benefit of the Authority by the Board of Supervisors.

Prepayments

The taxable properties in the District as described herein under the section **“SPECIAL ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHODOLOGY; COLLECTION PROCEDURES”** will be subject to assessment by the Board of Supervisors at the request of the Authority. Owners of the real estate in the District will have the option to prepay the applicable Special Assessments at any time. Following the issuance of the 2020 Bonds, the Authority does not expect, however, that a substantial amount of Special Assessments will be prepaid as parcels or portions thereof are sold or leased. If a Special Assessment is prepaid in full with respect to any parcel, such parcel will no longer be subject to Special Assessment. Any such prepayment will be used to redeem 2020 Bonds pursuant to special mandatory redemption provisions. See the section **“THE 2020 Bonds - Special Mandatory Redemption.”** Before the issuance of the 2011 Bonds, the Special Assessment applicable to the real estate subsequently acquired by Target Corporation, consisting of approximately 168,900 square feet and 661 parking spaces, was prepaid, and such property will not be subject to Special Assessments. The prepayment of such Special Assessment applicable to the Target Corporation real estate will not result in redemption of any of the 2020 Bonds.

Assessed Values

[placeholder for Assessed valuation discussion, table or cross-reference] See the section **“-----”**

Value-to-Bonds Ratio

[to be updated and revised to reflect tax assessments rather than developer estimates] Based on information provided by _____, the estimated market values of the taxable real property in the District (excluding the real property conveyed to Target Corporation with respect to which the Special Assessments were expected to be prepaid as described herein) and the ratio of such estimated values to the 2020 Bonds is _____x. [cross-reference to table or study]

The value-to-bonds ratio is based on information derived from the _____ and information provided by _____. No assurance can be given that the foregoing ratio can or will be maintained during the period of time that the 2020 Bonds are Outstanding because, in addition to factors that could cause the value of the property to decrease, the ratio of the 2020 Bonds to the value of the property could increase correspondingly. See the sections **“SPECIAL ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHODOLOGY; COLLECTION PROCEDURES”** and **“CERTAIN BONDHOLDERS’ RISKS.”**

Projected County Advanced Revenues

A projection of the County Advanced Revenues to be generated by the Mosaic Development and projections of Special Assessments that might be collected in the District was prepared by MuniCap and is provided in **“APPENDIX A – TAX INCREMENT PROJECTION STUDY.”** The projections are based upon the assumptions set forth in Appendix A. There can be no assurance that any of such assumptions will be realized, and the Authority, Fairfax County, and the Underwriters make no representations as to the reasonableness of the assumptions or the likelihood that such projections will be realized.

Miscellaneous

Descriptions of the Authority, the District, the 2020 Bonds, the Mosaic Development, and the CDA Facilities follow in this Preliminary Official Statement. Summaries of certain basic financing documents, including the Indenture, are included in this Official Statement. All descriptions of instruments or documents are only summaries and are qualified in their entirety by reference to each such instrument or document. Copies of such documents or instruments may be obtained from the Underwriters during the period of the offering. After the delivery of the 2020 Bonds, executed copies of the same may be examined at the corporate trust office of the Trustee in Richmond, Virginia.

THE AUTHORITY

Generally

The Authority was created pursuant to the Act by an ordinance adopted by the Board of Supervisors on April 27, 2009, as amended by ordinance adopted April 27, 2010, as a community development authority to promote and further the purposes of the Act. The creation of the Authority was a result of the petition filed with the Board of Supervisors by Merrifield Mixed Use LLC and National Amusements, Inc., as the owners of more than 51% of the land area that constitutes the District. The Act provides that the Authority may issue bonds to finance infrastructure improvements located within or benefiting the District, and the Board of Supervisors, at the request of the Authority, may levy and collect special assessments and special *ad valorem* taxes within the District and appropriate such sums to the Authority for use in paying the administrative expenses and debt service in connection with any such bonds.

Pursuant to the Act, the Board of Supervisors adopted an ordinance on April 26, 2011 authorizing the levy of the Special Assessments on abutting property within the boundaries of the District, adopting the Rate and Method and other matters. On ____, 2020, the Authority adopted a bond resolution authorizing the issuance of the 2020 Bonds.

See Appendix D for the audited financial statements for Fairfax County for the fiscal year ended June 30, 2019, which include information relating to the Authority. Although the Authority is legally separate from the County, it is treated as a blended component unit in the County’s audited financial statements.

Board of Directors

The Authority is governed by a board of five directors appointed by the Board of Supervisors. The Board of Supervisors also appoints successor directors of the Authority. In accordance with the Act, directors of the Authority hold office until their successors have been chosen. Directors serve for four-year terms and may be reappointed. The current directors of the Authority are as follows[NTD-update terms]:

<u>Director</u>	<u>Occupation</u>	<u>Term Expires</u>
The Honorable Dalia A. Palchik, <i>Chair</i>	Member, Fairfax County Board of Supervisors	January 25, 2024
The Honorable John W. Foust, <i>Vice-Chair</i>	Member, Fairfax County Board of Supervisors	January 25, 2012
Mr. Joseph LaHait, <i>Treasurer</i>	Fairfax County Debt Coordinator	January 25, 2017
Ms. Barbara Byron, <i>Secretary</i>	Director, Fairfax County Office of Community Revitalization and Reinvestment	January 25, 2014
Ms. Karen R. Hammond, <i>Member</i>	Founder and President, The Hammond Agency	January 25, 2024

District Administration

MuniCap, Inc., the Administrator, has been retained by the Authority to assume certain duties and responsibilities with respect to the Authority's operations. The Administrator is a public finance consulting firm with a specialized practice providing services related to the formation and administration of special tax and assessment districts. The administrative services provided to the Authority by the Administrator include preparation of special assessment methodologies, calculation of the annual special assessment levy, continuing disclosure, taxpayer relations, and other financial services related to the operation of a community development authority. The Administrator has its principal office in Columbia, Maryland, and provides district administration services to 185 districts in twenty-three states, including twenty-two community development authorities throughout Virginia. See the section **"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – SUMMARY OF THE INDENTURE – The Administrator"** in Appendix F for a further description of the rights and obligations of the Administrator.

THE 2020 Bonds

Description

The 2020 Bonds will be dated the date of their initial delivery, will mature on March 1 in the years and will bear interest at the rates, as set forth on the inside cover pages of this Official Statement. Interest will be computed from the date of initial delivery and be payable on March 1, 2021, and on each March 1 and September 1 (the "Interest Payment Dates") thereafter.

The 2020 Bonds will be issued in denominations of \$5,000 or any integral multiple of \$5,000 in excess thereof. The 2020 Bonds will be registered as to principal and interest in the name of The Depository Trust Company, New York, New York ("DTC"), or otherwise as hereinafter described. Purchases of beneficial ownership interests in the 2020 Bonds will be made only in book-entry form, and purchasers will not receive certificates representing their interests in the 2020 Bonds so purchased. If the book-entry system is discontinued, 2020 Bond certificates will be delivered as described in the Indenture, and Beneficial Owners (as defined below) will become registered owners. As long as the 2020 Bonds are held by DTC or its nominee, Cede & Co., interest will be paid to Cede & Co. in same day funds on each Interest Payment Date. If the date of maturity of principal of any 2020 Bonds or the date fixed for the payment of interest on or the redemption of any 2020 Bonds is not a Business Day (as hereinafter defined), then payment of the principal and premium, if any, and interest need not be made on such date, but may be made on the next succeeding date which is a Business Day, and, if made on such next succeeding Business Day, no additional interest will accrue for the period after such date of maturity or date fixed for redemption. Business Day means any day other than (i) a Saturday or Sunday, (ii) a day on which commercial banks in the Commonwealth, or the jurisdiction in which the designated corporate trust office of the Trustee is located, are authorized by law to close, (iii) a day on which the New York Stock Exchange is closed, or (iv) such other days as may be specified in a supplemental indenture. If the book-entry system is discontinued, interest on the 2020 Bonds will be payable by check or draft mailed to the registered owners as they appear on the registration books kept by the Trustee on the fifteenth day of the month prior to each Interest Payment Date. Principal will be payable at the designated corporate trust office of the Trustee.

As long as the 2020 Bonds are held by DTC or its nominee, Beneficial Owners may transfer their interest in the 2020 Bonds through the facilities of DTC described below in “**-THE 2020 Bonds - DTC and Book-Entry Only System.**” If the book-entry system is discontinued, exchanges of the 2020 Bonds may be made at the office of the Trustee, as registrar and transfer agent, together with a written instrument or instruments of transfer or authorization for exchange, in form and substance reasonably satisfactory to the Trustee, duly executed by the registered owner of such 2020 Bond or by his duly authorized attorney. Upon any such transfer, the Trustee will deliver, in exchange for that 2020 Bond, a new 2020 Bond or 2020 Bonds, registered in the name of the transferee or transferees, in authorized denominations. For every exchange or transfer of a 2020 Bond, the registered owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

If any 2020 Bond has been mutilated, lost, stolen or destroyed, the Authority shall execute, and, at the request of the Authority the Trustee will authenticate and deliver, a replacement 2020 Bond of the same principal amount and maturity and of like tenor as the mutilated, lost, stolen or destroyed 2020 Bond. Application for exchange and substitution of mutilated, lost, stolen or destroyed 2020 Bonds will be made to the Trustee at its designated corporate trust office and the applicant will furnish to the Authority and the Trustee security or indemnification to their satisfaction and, in the case of loss, theft or destruction of a 2020 Bond, evidence satisfactory to the Authority and the Trustee of the loss, theft or destruction and of the identity of the applicant. In every case of mutilation of a 2020 Bond, the applicant will surrender the 2020 Bond so mutilated for cancellation. Notwithstanding the foregoing, in the event any 2020 Bond has matured and no default has occurred which is then continuing in the payment of principal of, premium, if any, or interest on such 2020 Bond, the Authority may authorize the payment of such 2020 Bond without surrender (except in the case of a mutilated 2020 Bond) instead of issuing a substitute 2020 Bond, provided satisfactory evidence described above and security or indemnification is furnished as described above. The Authority and the Trustee may charge the owner of any 2020 Bond their reasonable fees and expenses in connection with the issuance of any substitute 2020 Bond.

So long as Cede & Co. is the registered owner of the 2020 Bonds, as nominee of DTC, references in this Preliminary Official Statement to the Owners of the 2020 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners, and Cede & Co. will be treated as the only Owner of the 2020 Bonds for all purposes under the Indenture.

The Authority may enter into amendments to the agreement with DTC or successor agreements with a successor securities depository, relating to the book-entry system to be maintained with respect to the 2020 Bonds without the consent of the Owner, Beneficial Owners or holders of the 2020 Bonds.

DTC and Book-Entry Only System

The following description of the procedures and recordkeeping with respect to beneficial ownership interests in the 2020 Bonds, payments of principal of and interest on the 2020 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 2020 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 2020 Bonds. The 2020 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 2020 Bond certificate will be issued for each principal amount of 2020 Bonds of a Series and maturity bearing interest at a specified interest rate, each in the aggregate principal amount of such quantity of 2020 Bonds, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non U.S. equity issues,

corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the 2020 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2020 Bonds on DTC's records. The ownership interest of each actual purchaser of the 2020 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 2020 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 2020 Bonds, except in the event that use of the book entry system for the 2020 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 2020 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 2020 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2020 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 2020 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 2020 Bonds may wish to ascertain that the nominee holding the 2020 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 2020 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 2020 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 2020 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 2020 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 2020 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 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.

Optional Redemption*

The 2020 Bonds maturing on or after March 1, 2031, may be redeemed at the option of the Authority prior to their respective maturities in whole or in part (in integral multiples of \$5,000) at any time on or after March 1, 2030, upon payment of 100% of the principal amount of the 2020 Bonds to be redeemed, together with accrued interest to the date fixed for redemption.

Make-Whole Optional Redemption-2020A-T Bonds*

The 2020A-T Bonds [maturing on or prior to March 1, 2030,] are subject to redemption at the option of the Authority, in whole or in part, at any time on or prior to March 1, 2030, at the Make-Whole Redemption Price (as defined herein). The "Make-Whole Redemption Price" is the greater of (i) 100% of the principal amount of the 2020A-T Bonds to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest on the 2020A-T Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the 2020A-T Bonds are to be redeemed, discounted to the date on which the 2020A-T Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (defined below) plus 0.____%; plus in each case, accrued and unpaid interest on the 2020A-T Bonds to be redeemed on the redemption date.

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

"Treasury Rate" means, with respect to any redemption date for any particular 2020A-T Bond, the greater of:

(i) the yield to maturity as of such redemption date of the United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to maturity; provided, however, that if the period from the redemption date to maturity is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used; all as will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the Authority at the County's expense and such determination shall be conclusive and binding on the owners of the 2020A-T Bonds, and

*Preliminary, subject to change.

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

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

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

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

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

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

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

Mandatory Sinking Fund Redemption

The 2020A Bonds maturing on March 1, 20__, are required to be redeemed prior to maturity in part at a price of 100% of the principal amount thereof plus interest accrued to the redemption date, on March 1 in the years and amounts as follows:

<u>Due Date</u> <u>(March 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Due Date</u> <u>(March 1)</u>	<u>Principal</u> <u>Amount</u>
20__	\$	20__	\$
20__		20__	
20__			

The 2020A Bonds maturing on March 1, [2036,] are required to be redeemed prior to maturity in part at a price of 100% of the principal amount thereof plus interest accrued to the redemption date, on March 1 in the years and amounts as follows:

<u>Due Date</u> <u>(March 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Due Date</u> <u>(March 1)</u>	<u>Principal</u> <u>Amount</u>
20__	\$	20__	\$
20__		20__	
20__		20__	
20__		20__	
20__		20__	

The 2020A-T Bonds maturing March 1, [2036,] are required to be redeemed prior to maturity in part at a price of 100% of the principal amount thereof plus interest accrued to the redemption date, on March 1 in the years and amounts as follows:

<u>Due Date</u> <u>(March 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Due Date</u> <u>(March 1)</u>	<u>Principal</u> <u>Amount</u>
20__	\$	20__	\$
20__		20__	
20__		20__	
20__		20__	
20__		20__	
20__		20__	
20__		20__	
20__		20__	
20__		20__	
20__		20__	

The Indenture provides for a credit, at the option of the Authority, against any mandatory sinking fund redemption requirement for any 2020 Bonds of a series and maturity that, prior to any such redemption date, has been previously defeased or redeemed (other than by mandatory sinking fund redemption) by the Authority (or the Trustee on behalf of the Authority) before such mandatory sinking fund redemption date or that have been purchased by the Authority or the Trustee on behalf of the Authority and delivered to the Trustee for cancellation at least 70 days before each such mandatory sinking fund redemption date and that previously has not been applied as a credit against any mandatory sinking fund redemption requirement.

Special Mandatory Redemption

The 2020 Bonds are subject to special mandatory redemption as a whole or in part in minimum amounts of \$5,000, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest thereon to the date fixed for redemption, on any March 1, June 1, September 1 or December 1, as follows:

(a) from amounts deposited into the 2020 Prepayment Subaccount of the Redemption Account as a result of Prepayments pursuant to the Indenture and transfers from the Debt Service Reserve Fund pursuant to the Indenture; and

(b) from any amounts in the Net Proceeds Account that are be transferred to the Redemption Account of the Bond Fund and applied to the redemption of the 2020 Bonds.

Selection of 2020 Bonds for Redemption

If less than all of the 2020 Bonds are to be called for optional redemption or special mandatory redemption, the amount, if any, of each maturity of the 2020 Bonds to be so called for redemption will be determined by the Authority, subject to the provisions of the Indenture and the Tax Certificate. If less than all of any maturity of a series of 2020 Bonds are to be called for optional or special mandatory redemption, the amount of 2020 Bonds of each maturity of such series to be so called for redemption will generally be determined according to a pro-rata method across sinking fund requirements taking into account all 2020 Bonds of such maturity of such series as

determined by the Administrator and accepted by the Authority. No Owner of any 2020 Bonds may contest the selection methodology accepted by the Authority. If less than all of the 2020 Bonds of a maturity of a series are to be called for optional, special mandatory or mandatory sinking fund redemption, the 2020 Bonds to be called will be selected by DTC or the Trustee in a manner that DTC or the Trustee determines to be appropriate and fair. In selecting 2020 Bonds to be called for optional redemption, the Trustee will count as one 2020 Bond each increment of \$5,000 of principal amount and in selecting 2020 Bonds to be called for special mandatory redemption or mandatory sinking fund redemption, the Trustee will count as one 2020 Bond each increment of \$5,000 of principal amount.

Notice of Redemption

In the case of any redemption of 2020 Bonds, the Trustee will give in its own name or in the name of the Authority notice, as provided for in the Indenture, that the 2020 Bonds (which shall be identified by series, maturity and CUSIP numbers) have been called for redemption and, in the case of 2020 Bonds of a series and maturity to be redeemed in part only, the principal amount of the 2020 Bonds that have been called for redemption, that they will be due and payable on the date fixed for redemption (specifying the date) upon surrender of the 2020 Bonds at the designated corporate trust office of the Trustee, at the applicable redemption price (specifying the price) together with any accrued interest to such date, and that all interest on the 2020 Bonds to be redeemed will cease to accrue on and after such date.

Such notice will be mailed postage prepaid, not less than 30 nor more than 60 days before the date fixed for redemption, to the Owners of the 2020 Bonds called for redemption, at their respective addresses as they appear on the registration books maintained by the Trustee. The receipt of notice will not be a condition precedent to the redemption, and failure to mail any notice to an Owner will not affect the validity of the proceedings for the redemption of 2020 Bonds of any other Owner.

If at the time of the mailing of the notice of optional redemption the Authority shall not have deposited with the Trustee money that, together with the maturing principal and interest on any securities also deposited, will be sufficient to redeem all the 2020 Bonds called for optional redemption, such notice may state that it is conditional and subject to the deposit or transfer of the redemption money with the Trustee not later than the opening of business on the redemption date, and that such notice shall be of no effect unless such money is so deposited.

All 2020 Bonds called for redemption will cease to bear interest on the specified redemption date.

Defeasance

If the Authority provides cash, noncallable Government Obligations or Government Certificates, or any combination thereof, to the Trustee in an amount sufficient to provide for payment of the 2020 Bonds, in whole or in part, and meets certain other requirements, the 2020 Bonds so defeased will no longer be secured under the Indenture as described below and will instead be secured solely by such cash and noncallable Government Obligations or Government Certificates. See the section **“DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – SUMMARY OF INDENTURE - Discharge of Indenture”** in Appendix F.

Persons considering the purchase of a 2020A-T Bond should be aware that a defeasance of a 2020A-T Bond by the Authority prior to maturity could result in the realization of gain or loss by the beneficial owner of the 2020A-T Bond for federal income tax purposes, without any corresponding receipt of money by the beneficial owner. Such gain or loss generally would be subject to recognition for the tax year in which such realization occurs, as in the case of a sale or exchange. Owners are advised to consult their own tax advisers with respect to the tax consequences resulting from such events. See **“TAX MATTERS – 2020A-T Bonds – Defeasance of 2020A-T Bonds”** herein.

No Acceleration upon Default

The principal of the 2020 Bonds is not subject to acceleration upon the occurrence and continuation of an Event of Default under the Indenture. If Pledged Revenues, together with other money available under the Indenture, are insufficient to pay debt service on the 2020 Bonds when due and payable, 2020 Bondholders will not be able to require accelerated payment of Special Assessments or County Advanced Revenues and may not be able to increase the amount of the Special Assessments, County Advanced Revenues or other revenues in order to make up any deficiency. Further, in the event any landowner defaults in its obligation to pay Special Assessments or real property taxes from which the County Advanced Revenues are paid, the ultimate source of recovery of such defaulted Special Assessments or property taxes is a tax sale or foreclosure upon the property subject to the lien of the defaulted Special Assessments or property taxes. See the sections **“CERTAIN BONDHOLDERS’ RISKS - County Advanced Revenues and Special Assessment Delinquencies”** and **“CERTAIN BONDHOLDERS’ RISKS - Potential Delay and Limitations in Foreclosure Proceedings.”**

See the section **“DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – SUMMARY OF INDENTURE - Events of Default”** and the subsequent captions in Appendix F for a description of the Events of Default under the Indenture and the remedies available to the 2020 Bondholders upon the occurrence of an Event of Default.

Additional Bonds

Subject to the limitations set forth in the Indenture, the Authority may issue one or more series of Additional Bonds under the Indenture only to refund, defease or purchase 2020 Bonds. Any such Additional Bonds will be equally and ratably secured with the unrefunded portion, if any, of the 2020 Bonds from the revenues and property pledged under the Indenture. See the section **“DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – SUMMARY OF INDENTURE - Additional Bonds”** in Appendix F.

Amendments

The Indenture permits the Authority and the Trustee to make certain changes to the Indenture, including changes that in the Trustee’s judgment do not materially adversely affect the rights of any 2020 Bondholders or the rights and immunities of or increase the duties of the Trustee. See the section **“DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – SUMMARY OF INDENTURE – Supplemental Indenture Without Consent of Owners”** and **“ – Supplemental Indentures With Consent of Owners”** in Appendix F. The Authority agrees in the Indenture that it will not, without the consent of the Owners of the Bonds, agree to any amendments to the Memorandum of Understanding that materially adversely affect the amount of Pledged Revenues received or the timing of such receipt.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds derived from the sale of the 2020 Bonds will be used, together with other available funds, to refund the 2011 Bonds issued by the Authority to finance the CDA Facilities. The anticipated sources and uses of the proceeds of the Bonds are summarized below.

Sources

Par amount of the 2020A Bonds	
Premium on the 2020A Bonds	
Par amount of the 2020A-T Bonds	
Available cash	
Total Sources.....	

Uses

Deposit for payment of Refunded Bonds	
Deposit to Debt Service Reserve Fund	
Underwriters' discount.....	
Other issuance expenses ⁽ⁱ⁾	
Total Uses.....	

⁽ⁱ⁾ Includes legal, financial advisory, verification, rating and printing fees and other issuance costs.

ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth, for each bond year ending March 1, the amounts payable for principal of and interest on the 2020 Bonds.

<u>Year</u> <u>Ending March 1</u>	<u>Principal</u>¹	<u>Interest</u>	<u>Total</u>²
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
Total ²	\$	\$	\$

¹Does not include debt service on Refunded Bonds.

² Totals may not add due to rounding.

ASSESSED VALUES

[TABLE TO COME]

VALUE TO BONDS RATIO

[TABLE TO COME]

TAX INCREMENT PROJECTION STUDY

[NTD-entire section to be reviewed, revised and updated]. Appendix A contains several scenarios that project the annual amounts payable for debt service on the 2020 Bonds and the estimated amounts of Administrative Expenses, Annual Installments of the Special Assessment, County Advanced Revenues, and debt service coverage ratio.

Appendix A presents forward looking estimates based on the best information currently available to the Authority, the Administrator and the Developer and assuming no future prepayments of Special Assessments. A number of factors, however, including those discussed in the Rate and Method (Appendix B) and in the Tax Increment Projection Study (Appendix A), could cause the actual figures to be materially different from the projected figures. Annual Installments of Special Assessments will be billed in the amount of debt service and estimated Administrative Expenses *less* the estimated amount of County Advanced Revenues for the calendar year in which such bills are rendered and other available funds. Excess Special Assessments are not expected to be collected. If County Advanced Revenues exceed debt service and administrative expenses, the surplus will be deposited in a special fund (the "Surplus Fund") with the Trustee, subject to certain conditions described in the section herein **"COUNTY ADVANCED REVENUES - Surplus."** The Surplus Fund is not pledged as security for the repayment of the 2020 Bonds. Prepayment of Special Assessments (and the corresponding special mandatory redemption of 2020 Bonds) would affect the projections contained in Appendix A. See the section **"INTRODUCTION - Prepayments."** Certain additional factors that may affect such performance are discussed in the section **"CERTAIN BONDHOLDERS' RISKS."**

The following table excerpted from MuniCap's report in Appendix A sets forth projected County Advanced Revenues and debt service coverage as projected in [Scenario ___] in Appendix A] and assumes (real property values appreciate by [___ percent annually, (ii) real property tax rates remain unchanged and (iii) [describe any other key assumptions.]. Appendix A includes alternate scenarios, including Scenario ___ which assumes _____.

PROSPECTIVE INVESTORS SHOULD READ THE TAX INCREMENT PROJECTION STUDY INCLUDED AS APPENDIX A IN ITS ENTIRETY. THE TAX INCREMENT PROJECTION STUDY IS AN INTEGRAL PART OF THIS PRELIMINARY OFFICIAL STATEMENT.

Estimated Tax Revenues, Special Assessments, and Debt Service Coverage - Scenario []

[to be updated]

<i>Bond Year Ending</i>	<i>2020 Bonds Net Annual Debt Service¹</i>	<i>Total Tax Increment Revenues²</i>	<i>Surplus/ (Deficit)</i>	<i>Debt Service Coverage³</i>	<i>Advances from the Surplus Fund²</i>	<i>Special Assmt. Requirement²</i>	<i>Debt Service Coverage⁴</i>	<i>District Max. Special Assessments</i>	<i>Max. Special Assessments Plus Increment</i>	<i>Combined Debt Service Coverage⁵</i>
1-Mar-21										
1-Mar-22										
1-Mar-23										
1-Mar-24										
1-Mar-25										
1-Mar-26										
1-Mar-27										
1-Mar-28										
1-Mar-29										
1-Mar-30										
1-Mar-31										
1-Mar-32										
1-Mar-33										
1-Mar-34										
1-Mar-35										
1-Mar-36										
Total										

¹Based on debt service as shown in the Official Statement. [Assumes reinvestment rates on the debt service reserve fund and estimated administrative expenses.?
²See Appendix [B] to the *Tax Increment and Special Assessment Revenue Report* attached as Appendix A for additional information on these projections.
³Represents projected debt service coverage from total estimated tax increment revenues.
⁴Represents projected debt service coverage from estimated tax increment revenues, advances from surplus fund, and required special assessments.
⁵Represents projected debt service coverage from total estimated tax increment revenues and district maximum special assessments. Special assessments are reduced for tax increment revenues, so revenues in this amount cannot be collected.

SECURITY FOR THE 2020 BONDS

Limited Obligations

The 2020 Bonds are limited obligations of the Authority secured as provided below.

THE PRINCIPAL OF AND THE INTEREST ON THE 2020 BONDS WILL NOT BE DEEMED TO CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA (THE "COMMONWEALTH") OR ANY OTHER POLITICAL SUBDIVISION, INCLUDING FAIRFAX COUNTY. NEITHER THE FAITH AND CREDIT OF THE COMMONWEALTH NOR THE FAITH AND CREDIT OF THE AUTHORITY, ANY COUNTY, CITY, TOWN OR OTHER POLITICAL SUBDIVISION OF THE COMMONWEALTH, INCLUDING FAIRFAX COUNTY, ARE PLEDGED TO THE PAYMENT OF THE PRINCIPAL, PREMIUM, IF ANY, OF OR INTEREST ON THE 2020 BONDS. THE ISSUANCE OF THE 2020 BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE COMMONWEALTH, THE AUTHORITY OR ANY COUNTY, CITY, TOWN OR OTHER POLITICAL SUBDIVISION OF THE COMMONWEALTH, INCLUDING FAIRFAX COUNTY, TO LEVY ANY TAXES WHATSOEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT EXCEPT FOR THE LEVY BY FAIRFAX COUNTY OF THE SPECIAL ASSESSMENTS, THE PAYMENT OF WHICH IS SUBJECT TO APPROPRIATION BY THE FAIRFAX COUNTY BOARD OF SUPERVISORS. PURSUANT TO THE ACT, THE COMMONWEALTH, AND ANY COUNTY, CITY, TOWN OR OTHER POLITICAL SUBDIVISION OF THE COMMONWEALTH, INCLUDING FAIRFAX COUNTY, ARE EXPRESSLY PRECLUDED FROM PAYING THE PRINCIPAL, PREMIUM, IF ANY, OF OR INTEREST ON THE 2020 BONDS EXCEPT FROM THE SPECIAL ASSESSMENTS AND THE COUNTY ADVANCED REVENUES.

Pledge and Assignment

The 2020 Bonds are secured by and payable from all of the Authority's right, title and interest in and to: (a) the County Advanced Revenues and certain Special Assessment Revenues, after payment of the Administrative Expenses and subject to appropriation by the Fairfax County Board of Supervisors, and (b) certain cash and investments from time to time held in any Fund (except the Net Proceeds Account, the Administrative Expense Fund, the Surplus Fund and the Rebate Fund) under the Indenture, including the Debt Service Reserve Fund (collectively, the "Trust Estate").

Flow of Funds

The Authority will cause the County Advanced Revenues and the Special Assessment Revenues, if any, to be collected and deposited in the Revenue Fund in accordance with the Indenture (subject to appropriation by the Fairfax County Board of Supervisors) and will collect and immediately deposit in the Revenue Fund as received all other Pledged Revenues and such other moneys as the Authority may determine. Such deposits to the Revenue Fund will not include investment income on certain funds and accounts created by the Indenture and will not include Prepayments of Special Assessment Revenues, which will be deposited in the 2020 Prepayment Subaccount in the Redemption Account of the Bond Fund. Except as set forth below, on the Business Day preceding each Interest Payment Date, the Trustee will make transfers from the Revenue Fund in the following order of priority:

(a) To the Administrative Expense Fund (held by the Trustee) the amount of any Special Assessments and County Advanced Revenues collected to pay Administrative Expenses and not retained by Fairfax County pursuant to the Memorandum of Understanding;

(b) To the appropriate accounts in the Bond Fund (held by the Trustee) the amount necessary to make the following deposits:

i. first, in the Interest Account an amount that, together with other amounts, if any, on deposit therein will equal the amount of interest due on the 2020 Bonds on such Interest Payment Date; and

ii. then, in the Principal Account an amount that, together with other amounts, if any, on deposit therein will equal the principal amount, if any, due with respect to the 2020 Bonds on such Interest Payment Date;

(c) To the Debt Service Reserve Fund (held by the Trustee), if the amount in the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement, the amount of money necessary, in addition to amounts on deposit therein, to equal the Debt Service Reserve Requirement; provided, that such payments shall be made only from money in the Delinquent Payments Account of the Revenue Fund or from County Advanced Revenues; and

(d) To the Rebate Fund (held by the Trustee) the amount, if any, equal to any Rebate Amount accrued (based on the most recent report of the Administrator), but not previously paid or provided for in the Rebate Fund.

In addition to the deposits to the Revenue Fund, the County will also transfer certain additional County Advanced Revenues for deposit to the Surplus Fund (held by the Trustee, but not pledged as security for the 2020 Bonds) in the amount, if any, constituting a Surplus.

In making the foregoing transfers from the Revenue Fund, the Trustee will conclusively rely on a report furnished by the Administrator setting forth the amount of County Advanced Revenues and Special Assessment Revenues to be applied as set forth above.

Administrative Expense Fund

Money deposited in the Administrative Expense Fund will be held in trust by the Trustee and applied by the Trustee to pay Administrative Expenses upon receipt by the Trustee of a written request signed by an Authorized Authority Representative specifying (i) the amount to be withdrawn, (ii) the Person to whom such amount is to be paid, (iii) the nature of such Administrative Expense and (iv) that such amount is a proper charge against the Administrative Expense Fund. Notwithstanding the foregoing, no proceeds of the 2020A Bonds may be used to pay Administrative Expenses relating to the 2020A-T Bonds. Interest received on and any profit realized from the investment of money in the Administrative Expense Fund will become a part of such Fund. Amounts on deposit in the Administrative Expense Fund are not pledged to the payment of principal of, premium if any, or interest on the 2020 Bonds.

Bond Fund

The Trustee will pay from the Principal Account the principal of the 2020 Bonds when due. The Trustee will pay from the Interest Account the interest on the 2020 Bonds when due. The Trustee will use money in the Redemption Account to redeem 2020 Bonds pursuant to any optional redemption provision exercised by the Authority or special mandatory redemption provisions or, if directed by an Authorized Authority Representative, to purchase 2020 Bonds on the open market; provided, however, (i) no money will be used to purchase 2020 Bonds to the extent it is required to pay the redemption price of any 2020 Bonds for which notice of redemption has been given, and (ii) 2020 Bonds will not be purchased at a price in excess of the applicable optional redemption price plus accrued interest.

On the Business Day immediately preceding a Principal or Interest Payment Date, the Trustee will determine if the balance on deposit in the Principal Account and the Interest Account will be sufficient to pay the principal and interest due and payable on the Principal or Interest Payment Date, and if a deficiency exists, will promptly notify the Authority of such fact. If on any Principal or Interest Payment Date, the balance on deposit in the Principal Account or the Interest Account is insufficient to pay the principal and interest due and payable on Outstanding 2020 Bonds, the Trustee will transfer the amount of the deficiency from the Debt Service Reserve Fund to the appropriate account in the Bond Fund.

All Prepayments will be deposited into the Prepayment Subaccount and will be applied to the special mandatory redemption of the 2020 Bonds.

Debt Service Reserve Fund

The Indenture provides that the Debt Service Reserve Fund must be maintained in an amount equal to the Debt Service Reserve Requirement for the 2020 Bonds and any Additional Bonds (together, the “Bonds”). The Indenture defines the Debt Service Reserve Requirement as an amount equal to the least of (i) the maximum amount of principal and interest due on the Bonds in the current or any future fiscal year, (ii) 10 percent of the original stated principal amount of the Bonds (or 10 percent of the issue price of such Bonds if required by the Code), and (iii) 125 percent of the average annual amount of principal and interest due on the Bonds in the current or any future fiscal year.

Upon the issuance date of the 2020 Bonds, the Debt Service Reserve Requirement with respect to the 2020 Bonds is \$ _____, and the Debt Service Reserve Fund will have at least such amount on deposit therein.

If amounts on deposit in the Bond Fund and the Surplus Fund are insufficient to make payments of principal (including sinking fund installments) of or interest on the 2020 Bonds when due, the Trustee will transfer money from the Debt Service Reserve Fund to the Bond Fund to the extent necessary to pay principal of and interest on the 2020 Bonds when due. If the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement, the Authority will transfer funds from the Surplus Fund and then from the Revenue Fund (but only from amounts in the Delinquent Payments Account or from County Advanced Revenues) to the Debt Service Reserve Fund to restore the Debt Service Reserve Requirement, to the extent and in the manner provided in the Indenture.

Within ten days after each Principal Payment Date and Interest Payment Date and at such other times as the Authority may request, the Trustee will determine if the balance on deposit in the Debt Service Reserve Fund is at least equal to the Debt Service Reserve Requirement. In making such determination, (i) the Trustee may take into account any reduction in the Debt Service Reserve Requirement that will result from any principal payment to be made on such Principal Payment Date or Interest Payment Date and (ii) securities in which money in the Debt Service Reserve Fund is invested will be valued in the manner set forth in the Indenture. If a deficit exists in the Debt Service Reserve Fund, the Trustee will promptly notify the Authority of the deficit. If the amount on deposit in the Debt Service Reserve Fund exceeds the Debt Service Reserve Requirement, the Trustee will transfer the excess to the Interest Account of the Bond Fund or, upon the written request of an Authorized Authority Representative, to the Administrative Expense Fund within five Business Days after such determination; provided that before the end of the Capitalized Interest Period the Trustee will transfer the excess to the Capitalized Interest Account.

Whenever a Prepayment is made and the 2020 Bonds are redeemed with the proceeds of such Prepayment, a proportionate amount in the Debt Service Reserve Fund (determined by the Administrator and accepted by the Trustee on the basis of the principal of the 2020 Bonds to be redeemed and the original principal of the 2020 Bonds) is to be transferred to the 2020 Prepayment Subaccount of the Redemption Account to be applied to the Special Mandatory Redemption of 2020 Bonds, provided, however, that such transfer will be made only to the extent that the amount on deposit in the Debt Service Reserve Fund after such reduction will be at least equal to the Debt Service Reserve Requirement.

Rebate Fund

The Trustee will hold money in the Rebate Fund in trust to be applied to pay any Rebate Amount. The Trustee will pay to the Authority or to such place as the Authority may direct, upon written request of an Authorized Authority Representative, the Rebate Amount required to be paid to the United States at the times, in the manner and as calculated in accordance with Section 148(f) of the Code. The Trustee will have no responsibility for computation of the Rebate Amount, and the Authority is to cause the Rebate Amount to be calculated in accordance with the requirements of Section 148(f) of the Code.

The Authority may direct the Trustee to use money in the Administrative Expense Fund in such amounts as the Authority may specify, in order to deposit the Rebate Amount in the Rebate Fund. The Administrator is to compute any Rebate Amount annually and, if necessary to provide sufficient moneys to pay the Rebate Amount, is to increase the portion of the Administrative Expense Requirement as appropriate to have funds available in the

Administrative Expense Fund to pay the Rebate Amount. Amounts in the Rebate Fund are not pledged to the payment of principal of, redemption premium, if any, and interest on the 2020 Bonds.

Surplus Fund

The Trustee will deposit in the Surplus Fund any amounts received from Fairfax County as Surplus under the Memorandum of Understanding. As determined by the County under the Memorandum of Understanding, the Trustee will transfer amounts on deposit in the Surplus Fund to restore any deficiency in the Debt Service Reserve Fund or to pay debt service on the 2020 Bonds to the extent County Advanced Revenues are insufficient for such purposes.

At the written request of the Authority, the Trustee is to transfer to the County all or any portion of the amount on deposit in the Surplus Fund in excess of the amount necessary to be on deposit in the Surplus Fund. Such excess is to be equal to (A) the sum of (i) the funds on deposit in the Surplus Fund, plus (ii) the County Advanced Revenues projected to be available for debt service on the Bonds in the then current year less (B) an amount equal to 1.5 times debt service on the Bonds in such current year. No such transfer from the Surplus Fund is to result in the remaining balance in the Surplus Fund, immediately after such transfer, being less than one-half of the scheduled principal and interest due on the Bonds in the following one-year period.

Amounts in the Surplus Fund are not pledged to the payment of principal of, redemption premium, if any, and interest on the 2020 Bonds.

COUNTY ADVANCED REVENUES

General

Pursuant to the Memorandum of Understanding, Fairfax County has agreed (subject to collection and appropriation by the Board of Supervisors) to pay to the Authority certain County Advanced Revenues for each year in which the 2020 Bonds are outstanding. The County Advanced Revenues consist of certain increases in real estate tax revenues calculated in accordance with Code of Virginia Section 58.1-3245.2 (the "TIF Statute"). In accordance with the formula established in the TIF Statute, the real estate taxes attributable to the increased value, if any, between the current assessed value and the base assessed value of any parcel of real estate in the District shall be allocated to pay debt service on the 2020 Bonds, subject to appropriation by the Board of Supervisors. The base assessed value was determined as of January 1, 2007 and equals \$38,271,740, which establishes the base real estate taxes as of such date as \$340,998.63. County Advanced Revenues will be paid twice annually by no later than February 15 and August 28.

County Advanced Revenues paid to the Trustee will be used to pay principal of and interest on the 2020 Bonds. County Advanced Revenues may be used to cure any deficiency in the Debt Service Reserve Fund for the 2020 Bonds.

Fairfax County's undertaking to make payments to the Authority or the Trustee on behalf of the Authority of County Advanced Revenues will not be a general obligation of Fairfax County, and will be subject to and dependent on appropriations being made from time to time by the Board of Supervisors of Fairfax County of County Advanced Revenues for such purpose. In addition, payment of County Advanced Revenues to the Authority will be made by Fairfax County only to the extent of County Advanced Revenues actually collected.

After the 2020 Bonds have been repaid in full, or provision for their repayment in full has been made in accordance with the Indenture, the tax increment contribution plan will expire and all County Advanced Revenues will thereafter be retained by Fairfax County.

The County Advanced Revenues anticipated to be collected and paid to the Authority each calendar year will be included as part of the Annual Credit that is applied to the Annual Installment in that calendar year (whether or not such County Advanced Revenues are appropriated to or at the direction of the Authority). See "TAX INCREMENT PROJECTION STUDY" and "SPECIAL ASSESSMENT REVENUES; DETERMINATION

OF RATE AND METHODOLOGY; COLLECTION PROCEDURES - Rate and Method of Apportionment of Special Assessments.” Fairfax County is not legally required to levy or appropriate the County Advanced Revenues in any calendar year, and no assurance can be made that the County Advanced Revenues will be available during any calendar year to pay debt service on the 2020 Bonds. See the section **“CERTAIN BONDHOLDERS’ RISKS - Uncertainty of County Advanced Revenues.”**

Surplus

If in any calendar year the County Advanced Revenues exceed the portion of the Annual Installment for such calendar year, such excess is deemed a “Surplus.” The Trustee will deposit in the Surplus Fund amounts paid to the Trustee as Surplus in accordance with the provisions of the Memorandum of Understanding from certain excess County Advanced Revenues designated as Surplus as described above under **“SECURITY FOR THE BONDS – Flow of Funds.”** Any Surplus appropriated to the Authority, or the Trustee on behalf of the Authority, will be deposited in the Surplus Fund to be used in the event that County Advanced Revenues in any year are less than amounts needed to pay the Annual Installment for such year; provided, however, that if in any year the financial report submitted in accordance with the Memorandum of Understanding shows that the sum of the amount on deposit in the Surplus Fund and the County Advanced Revenues projected to be available for debt service on the 2020 Bonds in the current year is at least equal to 1.5 times debt service on the 2020 Bonds, Fairfax County will not be required to pay any Surplus to the Trustee for deposit in the Surplus Fund in the current year.

The Indenture provides that at the written request of the Authority, the Trustee is to transfer to the County all or any portion of the amount on deposit in the Surplus Fund in excess of the amount necessary to be on deposit in the Surplus Fund. Such excess is to be equal to (A) the sum of (i) the funds on deposit in the Surplus Fund, plus (ii) the County Advanced Revenues projected to be available for debt service on the Bonds in the then current year less (B) an amount equal to 1.5 times debt service on the Bonds in such current year. No such transfer from the Surplus Fund is to result in the remaining balance in the Surplus Fund, immediately after such transfer, being less than one-half of the scheduled principal and interest due on the Bonds in the following one-year period.

Any Surplus remaining after the 2020 Bonds have been paid in full, or provision for their payment in full has been made, and any reimbursement to the Developer as described above has been made, will be retained by Fairfax County.

The Surplus Fund is held by the Trustee, but is not pledged as security for the repayment of the 2020 Bonds.

SPECIAL ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHODOLOGY; COLLECTION PROCEDURES

General

Special Assessment Revenues are derived from Special Assessments levied and collected on all taxable real property within the District subject to the Special Assessments, subject to appropriation by the Fairfax County Board of Supervisors. Special Assessments will be collected only if County Advanced Revenues are insufficient to pay debt service on the 2020 Bonds and Administrative Expenses in any year. Special Assessment Revenues also include the proceeds, if any, from any foreclosure actions brought following a delinquency in the payment of the Special Assessment by any landowner.

Pursuant to the Memorandum of Understanding, Fairfax County has assigned and pledged all of the Special Assessments (except amounts that may be retained by Fairfax County to pay certain Administrative Expenses) collected by it to the Authority and has agreed to remit the Special Assessments it collects to the Trustee, subject to and dependent on appropriations being made from time to time of the Annual Installment by the Board of Supervisors for such purpose.

In the Memorandum of Understanding, the parties have agreed that Fairfax County’s customary tax payment enforcement proceedings will apply to the collection of any delinquent payment of the Annual Installment.

Fairfax County has agreed to pursue the collection of delinquent payments with the same diligence it employs in the collection of its general *ad valorem* real property taxes, including the commencement of tax foreclosure proceedings to the extent provided by the then-current statutes of the Commonwealth of Virginia; including the provisions of Code of Virginia Section 58.1-3965.2 which provides for an accelerated foreclosure process for certain commercial property. See the section below “**Delinquencies; Enforcement; Foreclosure**” for a description of the foreclosure process. Fairfax County has also agreed that it will provide notice to the Authority of any legal proceedings to be instituted for the collection of delinquent payments of the Annual Installment. The Memorandum of Understanding provides that Fairfax County may exercise its ordinary discretion with respect to collection actions and may decide not to expend resources to collect *de minimis* outstanding amounts. The Authority has agreed to cooperate with Fairfax County in any such enforcement action. See the section “**Delinquencies; Enforcement; Foreclosure**” below.

Fairfax County is not required, nor is Fairfax County permitted under the Act, to advance any of its own funds or any other money of Fairfax County in the event of a delinquency in the payment of Special Assessments; provided that Fairfax County is not prohibited from paying County Advanced Revenues as described above in the section “**COUNTY ADVANCED REVENUES**.”

The amount of Special Assessments that the Board of Supervisors may levy against each parcel on behalf of the Authority in the District is limited by the Act and may not exceed the full cost of the improvements, including legal, financial and other costs directly attributable to creating the Authority, and the planning, designing, operating and financing of the improvements, and administration and collection of assessments and reserve funds. The Rate and Method (attached hereto as Appendix B) provides that the aggregate amount of the annual installment of the Special Assessments to be collected each fiscal year shall equal the Annual Revenue Requirement as defined therein; provided that the Annual Installment due from each parcel is reduced by the amount of County Advanced Revenues allocated to such parcel, whether or not such County Advanced Revenues have been appropriated by the Board of Supervisors to the Authority or the Trustee. Pursuant to the Act, the Rate and Method may not be modified in a manner inconsistent with the payment provisions of the Indenture, the 2020 Bonds and the security therefor. The Rate and Method apportions the total amount of Special Assessments to be collected among the taxable parcels in the District as more particularly described therein. See the section “**Rate and Method of Apportionment of Special Assessments**” below and in Appendix [C].

The Special Assessments, when imposed, will be made a lien on parcels subject to taxation within the District which, in the event of a failure to pay the tax obligation on any such parcel, including the Special Assessment or Fairfax County real estate tax relating to such parcel, could lead to a tax sale of such parcel. There is no assurance that the Developer or any subsequent landowners will be able to pay the annual Special Assessments or that they will pay such tax even if financially able to do so. See the section “**Collection Procedures**” below.

Special Tax

In the event that the Special Assessments are determined to be legally unenforceable in a final decree by a court of competent jurisdiction, the Memorandum of Understanding provides that the County may levy a Special Tax on property in the District. The Special Tax will be an *ad valorem* tax on real estate in the District in an amount determined by the County to be necessary to meet the Annual Revenue Requirement. The Act establishes a maximum *ad valorem* special tax rate that may be levied within the District of \$0.25 per \$100 of assessed fair market value of taxable real estate unless all of the owners of real property in the District consent to a higher rate. Eskridge, as sole landowner in the District, has consented to the provisions of the Memorandum of Understanding authorizing a higher rate of special *ad valorem* tax. The levy and collection of the Special Tax are at the discretion of the Board of Supervisors and payment of any Special Tax collected to the Authority, or the Trustee on the Authority’s behalf, is subject to appropriation by the Board of Supervisors. To the extent Special Assessments were prepaid prior to the Levy of the Special Tax and land was released from the Special Assessment lien, the Special Tax will be levied only on real estate with outstanding Special Assessments.

Rate and Method of Apportionment of Special Assessments

The following discussion of the Rate and Method is qualified in its entirety by the full text of the Rate and Method set forth in Appendix B.

[NTD-entire section to be updated] Special Assessments have been imposed upon each parcel of property within the District other than property owned by or irrevocably offered for dedication to the federal government, the Commonwealth of Virginia, Fairfax County, the Authority, or any other public agency, political subdivisions or public entity in accordance with and as described in the Rate and Method of Apportionment of Special Assessments attached hereto as Appendix B. As described herein, the Special Assessment relating to the parcel previously acquired by Target Corporation was prepaid before the issuance of the 2011 Bonds and will therefore not be subject to a Special Assessment after the 2020 Bonds are issued [any other prepayments in the District since 2011?].

The total amount of the Special Assessments equals the sum of the principal and interest due on the 2020 Bonds and estimated Administrative Expenses of the Authority, less other amounts available for the payment of such debt service and expenses, including County Advanced Revenues (whether or not such County Advanced Revenues have been appropriated to the Authority or the Trustee by the Board of Supervisors). Real property within the District has been classified into thirteen different classes, as described below and in the Rate and Method of Apportionment of Special Assessments attached as Appendix B, in order to determine the amount of Special Assessments to be allocated to each parcel. Special Assessments are initially allocated to parcels on the basis of the permitted Equivalent Units of each parcel.

[Need to revise to reflect completion of development and other changes.] The development plan currently approved by the Fairfax County Board of Supervisors as described herein under “**THE DISTRICT**” includes Land Use Classes 1 through 9 only and the Special Assessments have been allocated initially to the real property in the District based solely on Land Use Classes 1 through 9. Equivalent Units for Land Use Classes 1, 2, 3, 4 and 5 are equal to the gross floor area (GFA) in 1,000s of square feet of horizontal floor area that are expected to be built on the parcel. Equivalent Units for Land Use Class 6 (Hotel) are based on number of guest rooms that may be built. Equivalent Units for Land Use Classes 7 through 13 are based on the number of dwelling units that may be built on a parcel. The computation of Equivalent Units for each parcel is governed by the Rate and Method of Apportionment of Special Assessments and is based on the expected development on the parcel in substantial conformance with the conceptual/final plan as approved by the Board of Supervisors, which is expected to be measured by actual development, development plans, the legal maximum development allowed, the acreage of a parcel and reasonable density ratios, or other reasonable methods. The amount of Special Assessment allocated to a parcel is determined by the number of Equivalent Units for such parcel and the Equivalent Assessment Factor for the applicable Land Use Class. The following shows Land Use Classes and Equivalent Units and Equivalent Assessment Factors for each Class based upon the currently approved plan and the proposed plan.

Equivalent Assessment Factors and Equivalent Units

<u>Land Use Class</u>	<u>Property Use</u>	<u>Equivalent Assessment Factors</u>	<u>Gross Floor Area, Rooms or Units</u>	<u>Total Equivalent Units</u>
1	Large Retail	0.64 Per 1,000 GFA	0	0
2	Mid-Size Retail	1.26 Per 1,000 GFA	88,450	88
3	Small Retail and Restaurants	2.11 Per 1,000 GFA	480,810	481
4	Theater	0.90 Per 1,000 GFA	36,060	36
5	Office	1.23 Per 1,000 GFA	79,950	80
6	Hotel	0.66 Per Room	148	98
7	Market Rate Rental Units	1.00 Per Unit	888	888
8	Affordable Rental Units	0.36 Per Unit	57	21
9	Workforce Rental Units	0.69 Per Unit	59	41
10	Townhouse A (2,200 + SF)	2.78 Per Unit	4	11
11	Townhouse B (2,000 – 2,199 SF)	2.53 Per Unit	30	76
12	Townhouse C (0-1,999 SF)	2.25 Per Unit	78	176
13	Multi-Family Units For Sale	1.88 Per Unit	0	0
Total				1,995⁽¹⁾

⁽¹⁾ May not sum due to rounding.

The Special Assessments are payable each year as the Annual Installments. The Annual Installments represent principal and interest on the 2020 Bonds due each year and estimated Administrative Expenses for that

year. An Annual Credit to the Annual Installment for each parcel will be applied each year for the County Advanced Revenues to be collected from the parcel and included in the calculation of the Annual Revenue Requirement. The resulting amount is the Adjusted Annual Installment for the parcel. The Adjusted Annual Installment is the maximum amount that may be collected from a parcel to meet the Annual Revenue Requirement. The Annual Revenue Requirement is generally equal to principal and interest due on the 2020 Bonds for such year, plus Administrative Expenses estimated for the year, less excess funds in the Debt Service Reserve Fund, and County Advanced Revenues to be paid by Fairfax County to the Authority pursuant to the Memorandum of Understanding. Annual Payments are collected from each parcel in proportion to the Adjusted Annual Installment for each parcel for purposes of meeting the Annual Revenue Requirement.

The Special Assessment Roll, which is attached to the Rate and Method, specifies the Annual Installment that may be collected from all parcels in the District each year. The Special Assessment Roll also specifies the Special Assessment and the Principal Portion of the Special Assessment for each parcel. The Special Assessments and the Principal Portion of the Special Assessments will be reallocated to new parcels as parcels are subdivided. The Special Assessments and Principal Portion of the Special Assessments of a parcel are allocated to each new parcel created from that parcel on the basis of the Equivalent Units of each new parcel. An owner may request a reallocation of the Special Assessments and the Principal Portion of the Special Assessments to any parcels owned by that owner to reflect revised estimates of Equivalent Units for the parcels.

The Special Assessment may be prepaid for a parcel and, as a result, the Annual Installment will no longer be collected from such parcel. The prepayment of the Special Assessment is generally equal to: (i) the Principal Portion of the Special Assessment, (ii) a credit for any reduction in the Debt Service Reserve Fund resulting from such prepayment, (iii) adjustments for interest through the call date of the 2020 Bonds to be called and interest to be earned on the prepaid Special Assessment, and (iv) Administrative Expenses related to the prepayment.

Before the issuance of the 2011 Bonds, the Special Assessment applicable to the real property in the District subsequently acquired by Target Corporation, consisting of approximately 168,900 square feet and 661 parking spaces, was prepaid, and, as a result of such prepayment, such property will not be subject to a Special Assessment. [Any other prepayments after the issuance of the 2011 Bonds?]

Special Assessments are subject to a Mandatory Prepayment of all or part of the Special Assessment for any parcel if the parcel is acquired by an entity that results in the parcel being classified as Non-Benefited Property (as defined in the Rate and Method) if the Special Assessment may not be reapportioned to a parcel not classified as Non-Benefited Property.

Collection Procedures

Not later than the fifteenth (15th) day of each month, the Trustee is to provide the Administrator with a notice stating the amount then on deposit in all funds and accounts held by the Trustee. Each year the Administrator is to inform the Authority, in writing, of the amount of Pledged Revenues collected or to be collected pursuant to the Memorandum of Understanding to provide for payment of the debt service on the 2020 Bonds and Administrative Expenses. The Administrator is to ascertain the relevant parcels on which the Special Assessments are to be levied, taking into account any parcel splits during the preceding and then current Fiscal Year. For each calendar year, the Authority will request Fairfax County to collect the Annual Installments, as defined in the Rate and Method.

The Special Assessments are payable in the same manner and at the same time as *ad valorem* real property taxes are payable. Annual Installments are billed semi-annually and are due on July 28 and December 5 of each year, or such other date or dates as Fairfax County may determine for the collection of its regular real estate taxes. In response to the COVID-19 pandemic, the Fairfax County Board of Supervisors postponed the July 28, 2020, due date for such taxes to August 28, 2020. Any unpaid Special Assessment becomes delinquent at the same time and bears the penalties and interest after delinquency as do the *ad valorem* real property taxes in Fairfax County. However, the late payment penalty was reduced from 10 percent to 5 percent. Special Assessments will have the same lien priority in the case of delinquency as Fairfax County real property taxes have against other types of liens (provided, however, the Code of Virginia does not require or specifically authorize any particular priority for the application of sale or foreclosure proceeds between Fairfax County real property taxes and special assessments that have been or may in the future be imposed by Fairfax County on the same real estate parcel). The Authority has

pledged and assigned its rights to receive the payments of the Special Assessments to the Trustee in accordance with the Memorandum of Understanding.

The following is a summary of the assessment and taxation timeline for Fairfax County as it applies to the 2020 Bonds.

Delinquencies; Enforcement; Foreclosure

Any delinquency by a landowner in paying any portion of the *ad valorem* real property tax or Special Assessments when due could result in foreclosure action being taken by Fairfax County. Pursuant to Code of Virginia Section 58.1-3965.2, in the event any installment of Special Assessments with respect to commercial property (other than owner occupied residences) is delinquent on the first anniversary of the date on which such Special Assessments shall have become due, Fairfax County is authorized pursuant to Article 4, Section 58.1-3965 *et seq.* of the Code of Virginia to order institution of an action in the Circuit Court of Fairfax County to foreclose on any lien therefor. In the event any Special Assessment on owner occupied residential property or payment of County *ad valorem* real estate taxes is delinquent on December 31 following the second anniversary date of the date on which such residential Special Assessments or County *ad valorem* taxes shall have become due, Fairfax County is authorized pursuant to Article 4, Section 58.1-3965 *et seq.* of the Code of Virginia to order institution of an action in the Circuit Court of Fairfax County to foreclose on any lien therefor. In a foreclosure action, the real property subject to the Special Assessments and Fairfax County *ad valorem* taxes may be sold at a judicial foreclosure sale. The owner of the real property may redeem the real property at any time before the date of the foreclosure sale by paying all accumulated taxes then due and owing on the real property, penalties and other costs (including, but not limited to Special Assessments). In addition, Fairfax County may, in its discretion, suspend any action for foreclosure sale of the real property upon entering into an installment agreement with the owner of the real property for repayment of all delinquent amounts over a reasonable time not to exceed twenty-four months. The ability of Fairfax County to foreclose on the lien of delinquent unpaid Special Assessments and County *ad valorem* real property taxes may be otherwise limited in certain instances and may require prior consent of the property owner in the event that the property is owned by any receivership of the Federal Deposit Insurance Corporation (the "FDIC"). See the sections **"CERTAIN BONDHOLDERS' RISKS - Bankruptcy"** and **"CERTAIN BONDHOLDERS' RISKS - County Advanced Revenues and Special Assessment Delinquencies."** Similarly, the initiation of foreclosure proceedings may be delayed or such proceedings may be subject to procedural and other delays caused by crowded court dockets and other factors beyond the control of the Authority or Fairfax County. See the section **"CERTAIN BONDHOLDERS' RISKS - Potential Delay and Limitations in Foreclosure Proceedings."**

Fairfax County is not required to pursue judicial foreclosure proceedings as described above, and the Authority cannot compel Fairfax County to take a particular remedy. Fairfax County has agreed, however, for the benefit of the 2020 Bondholders in the Memorandum of Understanding to pursue the collection of delinquent Special Assessments with the same diligence it employs in the collection of Fairfax County's general *ad valorem* taxes including the commencement of foreclosure proceedings to the extent provided by the Code of Virginia. Fairfax County will deliver to the Authority, subject to appropriation by the Board of Supervisors, all Special Assessments collected at a tax sale or collected by Fairfax County in connection with the redemption of the real property by the owner.

No assurance can be given that the real property subject to sale or foreclosure will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent Special Assessment installment. The Code of Virginia does not require or specifically authorize any particular priority for the application of sale or foreclosure proceeds between Fairfax County real estate taxes and Special Assessments that have been or may in the future be imposed by Fairfax County on the same real property. Neither the Act nor the provisions of the Code of Virginia governing the sale of delinquent tax lands requires Fairfax County to purchase or otherwise acquire any lot or parcel of property offered for sale or subject to foreclosure if there is no other purchaser at such sale.

If the Debt Service Reserve Fund and other pledged Funds and Accounts are depleted and delinquencies in the payment of Special Assessments exist, there may be a default or delay in payments to the 2020 Bondholders pending prosecution of foreclosure proceedings and receipt by Fairfax County of foreclosure sale proceeds, if any. There is no assurance that the Special Assessments will be at all times sufficient, together with other Pledged Revenues, to pay the amounts required to be paid on the 2020 Bonds by the Indenture.

CERTAIN BONDHOLDERS' RISKS

A prospective purchaser is advised to read this entire Official Statement, including the appendices hereto and, if deemed appropriate, consult its investment advisor. The factors listed below, among others, could adversely affect the operations, revenues and expenses of the Authority, the District, and the owner or owners of real estate in the District, and thus the availability of revenues to the Authority sufficient for the Authority to make the required payments of the principal of and interest on the 2020 Bonds, to an extent that cannot be determined at this time.

The paragraphs below discuss certain risks assumed by the 2020 Bondholders, but neither such paragraphs nor this Official Statement generally purport to provide a complete description of all risks and factors to be considered by an investor in making the decision to purchase the 2020 Bonds.

Limited Obligations

The 2020 Bonds are secured pursuant to the Indenture solely by a pledge and assignment to the Trustee of the Pledged Revenues (consisting of County Advanced Revenues, Special Assessment Revenues after the payment of Administrative Expenses and Special Tax Revenues, if levied and collected) and by certain funds and money held by the Trustee, including the Debt Service Reserve Fund. Amounts held in the Surplus Fund are not pledged as security for the 2020 Bonds. There are no other anticipated revenues available to pay the principal of and interest on the 2020 Bonds. The payment of County Advanced Revenues and Special Assessment Revenues to the Authority is subject to annual appropriation by the Board of Supervisors of Fairfax County.

Lack of Marketability of the 2020 Bonds

There can be no assurance that there will be a secondary market for the 2020 Bonds or, if a secondary market exists, that the 2020 Bonds can be sold for any particular price. Accordingly, a purchaser of the 2020 Bonds should be prepared to have the purchaser's funds committed for an indefinite period of time, perhaps until the 2020 Bonds mature or are called for redemption.

Concentration of Ownership within District

[needs update] [cross reference to a table of top landowners in District] [Insert short description of ownership concentration] (see the Section herein **"THE DISTRICT – Tenants."**) The timely payment of the 2020 Bonds depends on the willingness and ability of the landowners, and, if applicable, commercial tenants, to pay real estate taxes and the Special Assessments when due. Failure of such landowners or tenants to pay real estate taxes or the annual Special Assessments when due could result in the initiation of a foreclosure proceeding on the properties. Delays or limitations in foreclosure proceedings could result in the depletion of the Debt Service Reserve Fund and a default in payment of the principal of and interest on the 2020 Bonds.

Competition and Market

In general, the regional retail, commercial and office markets are highly competitive and are affected by competitive changes in geographic area, changes in the public's spending habits, population trends, availability of qualified employees, traffic patterns, economic conditions and business climate. Additional competitive factors include location and attractiveness of facilities, proximity to similar businesses, supporting services and clients of occupants. The ability of the Mosaic Development to compete in this competitive market is dependent upon the foregoing and a variety of other factors about which no assurance can be given.

Assessed Value

Prospective purchasers of the 2020 Bonds should not assume that the land within the District could be sold for its assessed value or, at a foreclosure sale, for an amount sufficient to fund delinquent Special Assessments. Furthermore, prospective purchasers should not assume that the land within the District will not decrease in value below its assessed value. See the section **"SPECIAL ASSESSMENT REVENUES; DETERMINATION OF**

RATE AND METHODOLOGY; COLLECTION PROCEDURES; [NTD-CROSS REFERENCE TO ASSESSMENT INFORMATION]

County Advanced Revenues and Special Assessment Delinquencies

The availability of County Advanced Revenues depends on the timely payment of general *ad valorem* real estate taxes by the owners of real estate within the District. If any such real estate taxes are delinquent, the procedures for collecting such delinquent taxes are subject to the delays described below under **“Potential Delay and Limitations in Foreclosure Proceedings.”** If County Advanced Revenues are insufficient, the payment of debt service on the 2020 Bonds will depend on the timely payment of Annual Installments of the Special Assessments within the District. Although Annual Installments of the Special Assessments will be due and payable and bear the same penalties and interest for non-payment, as do regular *ad valorem* real property tax installments, the unwillingness or inability of District landowners to pay any portion of the tax billings then due and owing on a parcel within the District could result in a foreclosure action being taken by Fairfax County. In such a situation, Fairfax County is authorized, but is not required, to institute a foreclosure proceeding against the property. Fairfax County has covenanted for the benefit of the 2020 Bondholders in the Memorandum of Understanding that it will pursue the collection of delinquent Special Assessments with the same diligence it employs in the collection of Fairfax County’s general *ad valorem* real property taxes, but the Authority cannot compel Fairfax County to exercise a particular remedy on a particular schedule.

In the event that sales or foreclosures of property are necessary, if the Debt Service Reserve Fund is depleted, there could be a delay in payments to the 2020 Bondholders pending such sales or the prosecution of foreclosure proceedings and receipt by Fairfax County of the proceeds of sale.

See the section **“SPECIAL ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHODOLOGY; COLLECTION PROCEDURES”** for a discussion of the provisions that apply, and procedures that Fairfax County is obligated to follow in the event of delinquencies in the payment of Special Assessments. See the subsections **“Potential Delay and Limitations in Foreclosure Proceedings”** and **“Bankruptcy”** below for a discussion of limitations on Fairfax County’s ability to foreclose on the lien of the Special Assessments in certain circumstances.

Uncertainty of County Advanced Revenues

The availability of County Advanced Revenues is contingent in part on the economic success of the District property within the Mosaic Development that results in increases in the current year’s assessed value of property in the District over the base year’s assessed value and resulting increases in *ad valorem* real property tax revenues collected from District property, which increase cannot be assumed to occur. If such increase in assessed value does occur, increases in real property taxes collected in the District attributable to such increase are not assured. Furthermore, Fairfax County is not legally required to levy or appropriate to the Authority the amount of County Advanced Revenues in any calendar year. Consequently, there can be no assurance that County Advanced Revenues will be available during any calendar year to pay debt service on the 2020 Bonds.

Insufficiency of Special Assessments

Within the limits of the Rate and Method, Fairfax County may adjust the Special Assessments levied on all property within the District to provide an amount required to pay debt service on the 2020 Bonds and to pay all annual Administrative Expenses to the extent County Advanced Revenues are insufficient. However, the amount of the Special Assessment that may be levied against a particular parcel within the District is subject to the total amount of the Special Assessments provided in the Rate and Method approved by Fairfax County. Further, the amount of Special Assessments levied will be reduced by County Advanced Revenues calculated in any year regardless of whether such County Advanced Revenues are appropriated to the Authority by the Board of Supervisors. There is no assurance that the amount of the Special Assessments will at all times be sufficient to pay the amounts required to be paid by the Indenture. For example, delays in the collection of or foreclosure on Special Assessments could result in insufficient funds being available to pay timely debt service on the 2020 Bonds after depletion of the Debt Service Reserve Fund.

The Act does not permit the levy of Special Assessments to replenish the Debt Service Reserve Fund in the event of delays in collection or foreclosure.

Except where a governmental body or other entity exempt from paying real estate taxes acquires a property, if a change in land use results in a reduction of the Equivalent Units, no prepayment of Special Assessments is required. A reduction in Equivalent Units does not reduce the Special Assessments. The Special Assessment per Equivalent Unit of the parcel for which there has been a reduction in Equivalent Units will increase, while the Special Assessment obligation of the parcel will remain the same. Special Assessments may be reallocated among parcels to equalize the Special Assessment per Equivalent Unit only with the consent of all landowners of the parcels subject to the reallocation.

See the sections **“SPECIAL ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHODOLOGY; COLLECTION PROCEDURES - Delinquencies; Enforcement; Foreclosure”** above and **“-- Potential Delay and Limitations in Foreclosure Proceedings”** below.

Risks Relating to COVID-19 Pandemic

The financial and operating data contained in this Official Statement, and in particular under the captions “_____” and “_____” and in Appendices [C, D and E,] are as of the dates and for the periods indicated, which in many cases were prior to the outbreak of the COVID-19 pandemic. Such financial and operating data have not been updated to reflect any potential impacts of the COVID-19 pandemic on Fairfax County’s general economic and financial condition. **“Appendix E- ECONOMIC FACTORS-COVID-19 Matters”** and “_____.”

[Additional COVID discussion to come.]

Potential Delay and Limitations in Foreclosure Proceedings

In the event that (i) any Annual Installment of Special Assessments on commercial property is delinquent on the first anniversary of the date on which Annual Installments of Special Assessments shall have become due or (ii) any Annual Installments of Special Assessments on owner-occupied residential property and any *ad valorem* real property taxes are delinquent on December 31 following the second anniversary of the date on which such Annual Installment or *ad valorem* real estate taxes shall have become due, Fairfax County is authorized to institute a foreclosure proceeding against the property. There is no assurance, however, that Fairfax County will institute such a foreclosure proceeding at all or in a timely and vigorous manner. For example, Fairfax County could determine in its discretion to negotiate payments over time, which might further delay payment of the full amount of the accrued and unpaid Special Assessments. In addition to delays in initiating any foreclosure proceeding, potential investors should be aware that judicial foreclosure proceedings are not summary remedies and can be subject to significant procedural and other delays caused by crowded court calendars and other factors beyond the control of Fairfax County. See the section **“SPECIAL ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHODOLOGY; COLLECTION PROCEDURES - Delinquencies; Enforcement; Foreclosure.”**

Delays and uncertainties in the foreclosure process create risks for 2020 Bondholders. High rates of Special Assessments or real property tax payment delinquencies that continue during the pendency of protracted foreclosure proceedings could result in the rapid, total depletion of the Debt Service Reserve Fund and other pledged Funds and Accounts. In that event, there could be a default in payment of the principal of and interest on the 2020 Bonds.

The payment of the Special Assessments and the portion of the County Advanced Revenues attributable to *ad valorem* real property taxes and the ability of Fairfax County to foreclose on the lien resulting from a delinquent unpaid Special Assessment or *ad valorem* real property tax may also be limited by bankruptcy, insolvency or other laws generally affecting creditors’ rights or by the laws of the Commonwealth relating to judicial foreclosure. See the section **“SPECIAL ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHODOLOGY; COLLECTION PROCEDURES - Collection Procedures,”** and the subsection below entitled **“Bankruptcy.”** In addition, the prosecution of a foreclosure could be delayed for numerous unpredictable reasons, including crowded court calendars or lengthy procedural delays.

The ability of Fairfax County to foreclose the lien of a delinquent unpaid Special Assessment or *ad valorem* real property tax payment also may be limited with regard to properties in which the Federal Deposit Insurance Corporation (the “FDIC”) may acquire an interest. [need to check]The FDIC currently does not have an interest in the land within the District.] However, if a lender takes a security interest in the subject property and becomes insolvent, such a lender could fall under the jurisdiction of the FDIC. The FDIC has adopted policies regarding the payment of state and local property taxes, including real estate taxes and assessments. While this federal instrumentality has acknowledged a policy of paying real estate taxes and assessments in certain circumstances, it has also indicated an intention to assert federal preemptive power to challenge any prior taxes, special taxes and assessments where its interests so dictate, including the requirement that local agencies obtain the consent of the FDIC prior to foreclosing on the lien of special taxes.

If Fairfax County is required to obtain the consent of the FDIC prior to foreclosing on property located in the District, such consent could be denied and Fairfax County might be unable or unwilling to pursue foreclosure proceedings. Additionally, obtaining FDIC or other federal or regulatory consent may delay the foreclosure proceedings. Any delay in foreclosure proceedings or the inability of Fairfax County to foreclose on properties in which the FDIC has an interest could result in a delay or default in payment of debt service on the 2020 Bonds.

No assurance can be given that the real property subject to sale or foreclosure will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent Special Assessments. Neither the Act nor the provisions of the Code of Virginia governing the sale of delinquent tax lands require Fairfax County to purchase or otherwise acquire any parcel of property offered for sale or subject to foreclosure if there is no other purchaser at such sale. Special Assessments will have the same lien priority in the case of delinquency as Fairfax County real property taxes have against other types of liens; provided, however, the Code of Virginia does not require or specifically authorize any particular priority for the application of sale or foreclosure proceeds between Fairfax County real property taxes and special assessments that have been or may in the future be imposed by Fairfax County on the same real estate parcel. If the Debt Service Reserve Fund is depleted and delinquencies in the payment of Special Assessments exist, there could be a default or delay in payments of debt service on the 2020 Bonds pending prosecution of foreclosure proceedings and receipt by Fairfax County of foreclosure sale proceeds, if any. There is no assurance that the Special Assessments and the County Advanced Revenues will at all times be sufficient to pay debt service on the 2020 Bonds.

Bankruptcy

Although a bankruptcy proceeding would not cause the Special Assessments or *ad valorem* real property taxes that generate the County Advanced Revenues to become extinguished, the amount and priority of any Special Assessment or real property tax lien could be modified if the value of the property falls below the value of the lien. If the value of the property is less than the lien, such excess amount could be treated as an unsecured claim by the bankruptcy court. In addition, bankruptcy of any District landowner could result in a delay in prosecuting foreclosure proceedings. Such delay could increase the likelihood of a delay or default in the payment of debt service on the 2020 Bonds.

Special Assessments Offset by Unappropriated Increment Tax Revenues

The Special Assessments to be collected from parcels in the District will be reduced by County Advanced Revenues in any year even if such County Advanced Revenues are not appropriated by the Board of Supervisors to the Authority or the Trustee.

Exempt Properties

The Rate and Method provides that Special Assessments will not be levied on public property. If for any reason a parcel of the property subject to Special Assessments becomes exempt from taxation by reason of transfer to or ownership by a non-taxable entity (such as the federal government, a public agency or other tax-exempt entity by classification or designation), subject to *ad valorem* taxes and Special Assessments being paid current at the time of the transfer, the Rate and Method does not permit Special Assessments to be reallocated to the remaining taxable parcels within the District. If the transfer occurs by reason of condemnation proceedings, the laws of the Commonwealth of Virginia require the application of condemnation proceeds, if any, to the payment of *ad valorem*

taxes and special assessments related to such property. The amount received as a result of such proceeding may not be sufficient to pay the assessment lien upon such parcel. In the case of the public dedication, gift or transfer without consideration of a parcel, there may be no mechanism for collecting the assessment lien on such parcel once it becomes public property. The Rate and Method provides that when a parcel is subdivided into additional parcels, and a subdivided parcel becomes public property, the Special Assessment with respect to that parcel may be collected from the other subdivided parcels that remain taxable property. The Rate and Method also provides that prepayment of the assessment lien is required when a taxable parcel is acquired by an entity that results in such parcel being reclassified as public property and the Special Assessment with respect to such public property cannot be reallocated to other tax parcels as a result of subdivision.

If a substantial portion of land within the District became exempt from taxation and Special Assessments because of public ownership or otherwise, the amount of the real property tax and Special Assessments that could be levied upon the remaining property might not be sufficient, together with the other Pledged Revenues, to pay principal of and interest on the 2020 Bonds when due.

No Acceleration Provision

The Indenture does not provide for the acceleration of the 2020 Bonds in the event of a payment default or other default under the terms of the 2020 Bonds or the Indenture. The ultimate source of recovery in the event of a default of payment of Special Assessments or County Advanced Revenues is the tax sale foreclosure provision described under the section **“SPECIAL ASSESSMENT REVENUES; DETERMINATION OF RATE AND METHODOLOGY; COLLECTION PROCEDURES; - Delinquencies; Enforcement; Foreclosure.”**

Loss of Tax Exemption (2020A Bonds)

As discussed in the section **“TAX MATTERS – 2020A Bonds,”** the interest on the 2020A Bonds could become includable in gross income for federal income tax purposes retroactively to the date of issuance of the 2020A Bonds as a result of a failure of the Authority or the County to comply with certain provisions of the Code. Should such event of taxability occur, the 2020A Bonds are not subject to early redemption and will remain Outstanding bearing interest at their existing interest rates to maturity or until redeemed under the optional redemption, special redemption or mandatory sinking fund redemption provisions of the Indenture.

THE DISTRICT

General

[This entire “DISTRICT” section to be revised and updated] The Mosaic Development is an approximately 31-acre mixed-use development located in Fairfax County, Virginia (Washington, D.C. Metropolitan Statistical Area) to consist of retail, residential, hotel and office components. Envisioned by Fairfax County and the Developer as a Town Center for the Merrifield community, when completed the project is projected to include 504,100 square feet of retail space anchored by an approximately 168,900 square foot Target store, 853 Class-A multifamily rental units, 114 Class-A townhomes, two hotels (300 total rooms) and 65,000 square feet of Class-A office space. See the section herein **“THE DISTRICT – Zoning/Entitlement Status”** for a description of the currently approved development and certain proposed amendments. In addition, the site will contain approximately \$136 million of infrastructure improvements which includes both traditional horizontal infrastructure development costs as well as vertical parking infrastructure costs. Currently, nearly 60% of the Mosaic Development is either under contract of sale to non-retail developers and Target Corporation or at lease with retailers that will be tenants in the retail component of the Mosaic Development.

Market Overview

Fairfax County is one of the most densely populated counties in the Washington, D.C. Metropolitan area, with an estimated population of approximately 1.1 million residents. Based on the latest income data released by the U.S. Census Bureau, Fairfax County’s median household income was \$117,515 and median family income was \$135,791 in 2017. Fairfax County is among the most educated communities with 58.5% of residents holding a

bachelor degree or higher (compared to 27.5% nationally and 33.4% within Virginia) (US Census Bureau, December 2010). Fairfax County also has one of the nation's lowest unemployment rates at 8.5% in May, 2020 (compared to ___% in the US and ___% in Virginia) (U.S. Bureau of Labor Statistics, __ __, 2020). For certain financial, economic and demographic information concerning Fairfax County, see Appendix H.

[from 2011-need update] In recent years, Fairfax County has made headlines by securing the relocation of five major corporate headquarters – CSC, Science Applications International Corp (SAIC), Volkswagen Group of America, Hilton Worldwide, and Northrop Grumman. The global headquarters of Northrop Grumman and CSC, which, according to Washington Technology (June 2010), are the second and tenth largest US government contractors respectively, are within ½ mile of the Mosaic Development.

[from 2011-need update] Other recent news within the Merrifield submarket includes the announced expansion of INOVA Fairfax Hospital to add over 800,000 square feet to the hospital campus, which is already the largest hospital in Northern Virginia and the fifth largest birthing center in the U.S. The U.S. Department of Defense Medical Command also recently executed a lease for 750,000 square feet, which is anticipated to add 3,000 jobs to the Merrifield area in 2011. Both facilities are within one-mile of the Mosaic Development. Lastly, the Virginia Department of Transportation and Fluor-Transurban have continued construction improvements to the Lee Highway/Gallows Road intersection and the I-495 HOT lanes that are scheduled for completion in 2012.

Tenants

[list of top tenants to come]

The CDA Facilities

[to be updated] The CDA Facilities consist of portions of the following infrastructure improvements with the following total estimated costs:

<u>Improvement</u>	<u>Approximate Cost</u>
Portion of the Public Roads and Streetscaping	
Parks and Open Space	
Storm Water System Improvements	
Other Utility Infrastructure	
Luther Jackson Middle School Improvements	
Retail Parking Facilities Available to General Public	
Total	

Development Overview

Mosaic District development realized a significant portion of the Merrifield Suburban Center Comprehensive Plan's recommendation to develop an urban, mixed-use town center for Merrifield and the surrounding communities. It transformed a former industrial area positioned in the geographic center of Fairfax County, with immediate access to I-495, and I-66, along with the historic east-west corridors to DC: Routes 29 and 50. The Dunn-Loring Metrorail Station on the orange line is within one-half mile of the Mosaic District. An autonomous circulator system is being put into operation to transport riders between the Metrorail Station and the Mosaic District.

The desire for a distinctive town center with select retail and restaurants, high-quality residences, first-class hotels, and urban parks in a walkable, pedestrian-oriented environment has made the Mosaic District a regional destination that is also coveted by the local community. According to 2020 information provided by ESRI, the sub-

market's demographics continue to indicate strong support for the development's on-going success, with approximately 138,000 people residing within a three-mile radius of the site, and average household income exceeding \$162,000.

The Mosaic District was planned as a single district, comprised of Parcels A through J, as labeled in the rendering. The site plan that follows depicts the uses within the District by parcel. The development includes 364,000 square feet of ground floor retail, a second-floor multi-plex theater, a 148-room hotel and 73,000 square feet of Class-A office space on Parcels A, B and D. Parcels C, E, F, G, H contain multi-family residential buildings with 120,000 square feet of ground floor retail that runs along the entire length of District Avenue creating an urban shopping street. There are 114 townhomes on Parcels I and J, as well as ___ townhomes that were developed by EYA but which are not within the CDA. Finally, the Mosaic District contains almost two acres of park and open space.

Construction of all parcels was substantially completed in 2018.

RENDERING OF THE DEVELOPMENT BY PARCEL



MOSAIC DISTRICT COMMUNITY DEVELOPMENT AUTHORITY PARCEL MAP



Development Status

[to be revised] [need description of development status as completed or nearly completed.]

Retail Leasing.

[to come]

Multifamily Residential. [update needed for entire subsection] The multifamily residential component was developed and constructed is owned by third party residential developers and operators. The Developer entered into a contract with Avalon Mosaic, LLC (“Avalon Bay”), a wholly-owned subsidiary of AvalonBay Communities, Inc., for the sale of Parcel H, upon which Avalon Bay constructed approximately 522 Class-A apartments.

The Developer accepted a letter of intent for the purchase of the multifamily residential pads on Parcels C and E, upon which approximately 255 units are planned. It is expected that construction will commence on those units in November 2012 and be completed in July 2014.

It is expected that the last multifamily parcel to be developed will be located on Parcel F (76 units). The Developer plans to commence marketing the Parcel F residential pad in early 2012. Construction is expected to commence in September 2013 and be completed in April 2015.

Townhomes. [update]The Developer has entered into a contract with EYA Development, LLC (“EYA”) to sell Parcels I and J to EYA. EYA plans to construct 114 townhomes on the two parcels, beginning construction in November 2011 with completion in April 2013. See the description of the contract in the **“Third Party Developers”** section below.

Hotel. [A 150-room hotel has been built in the Mosaic Development.] On April 15, 2011 the Developer sold to Lodgeworks, L.P. (“Lodgeworks”) the hotel square footage located on Parcel A. Lodgeworks constructed a 148-room Hyatt House on Parcel A, with construction completed in September 2012.

Office. The office component was developed and constructed and is owned by the Developer and consists of approximately 65,000 square feet of office located above retail within Parcel A of the Mosaic Development. Construction of the office space was completed in 2012.

THE DEVELOPER

[NTD-need to decide whether to update and chop down or to delete entire section]

UNDERWRITING

The 2020 Bonds are being purchased for reoffering by Stifel, Nicolaus & Company, Incorporated, as representative of itself and Citigroup Global Markets, Inc., and Piper, Sandler & Co., the underwriters for the 2020 Bonds (the “Underwriters”), at a purchase price of \$_____ (which reflects the par amount of the 2020 Bonds, less \$_____ Underwriters’ discount and plus \$_____ net original issue premium). The Underwriters intend to offer the 2020 Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. The Underwriters may allow concessions to certain dealers (including dealers in a selling group and the Underwriters and other dealers depositing 2020 Bonds into investments trusts), which may re-allow concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Underwriters.

CERTAIN LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the 2020 Bonds will be subject to the approving opinion of Norton Rose Fulbright US LLP, Washington, D.C., Bond Counsel, which will be furnished at the expense of the Authority upon delivery of the 2020 Bonds, in substantially the form set forth in Appendix G (the “Bond Opinion”). Certain legal matters will be passed on for the Authority by Elizabeth D. Teare, Esquire, Fairfax County Attorney, and for the Underwriters by McGuireWoods LLP, Tysons, Virginia.

TAX MATTERS – 2020A BONDS

Opinion of Bond Counsel

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

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

Original Issue Discount

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

Bond Premium

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

Backup Withholding

Interest paid on the 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 2020A Bonds from gross income for federal income tax purposes, the reporting requirement causes the payment of interest on the 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.

Virginia Taxation

Under Section 15.2-5132 of the Code of Virginia of 1950, as amended (the “Virginia Code”), the 2020A Bonds, their transfer and the income therefrom, including any profit made on their sale, are free from taxation by the Commonwealth of Virginia and its political subdivisions.

Other Tax Consequences

The Code and the Virginia Code contain other provisions (some of which are noted below) that could result in tax consequences, upon which Bond Counsel expresses no opinion, as a result of ownership of the 2020A Bonds

or the inclusion in certain computations of interest on the 2020A Bonds that is excluded from gross income for purposes of federal income taxation.

PROSPECTIVE PURCHASERS OF THE 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 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 2020A Bonds. Prospective purchasers of the 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.

TAX MATTERS – 2020A-T BONDS

In General

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

Certain U.S. Federal Income Tax Considerations

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

As used herein, the term “U.S. Holder” means a beneficial owner of a 2020A-T Bond that is for U.S. federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation (including an entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust, or (b) the trust was in existence on August 20, 1996, and properly

elected to continue to be treated as a United States person. Moreover, as used herein, the term “U.S. Holder” includes any holder of a 2020A-T Bond whose income or gain in respect of its investment in a 2020A-T Bond is effectively connected with the U.S. trade or business. As used herein, the term “Non-U.S. Holder” means a beneficial Owner of a 2020A-T Bond (other than an entity that is classified as a partnership) that is not a U.S. Holder.

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

Payments of Interest

Payments of interest on a 2020A-T Bond generally will be taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or are received (in accordance with the U.S. Holder’s regular method of tax accounting), provided such interest is “qualified stated interest,” as defined below.

Original Issue Discount

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

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

A U.S. Holder of an OID Bond must include original issue discount in income as ordinary interest income for U.S. federal income tax purposes as it accrues under a constant yield method in advance of receipt of the cash payments attributable to such income, regardless of such U.S. Holder’s regular method of tax accounting. In general, the amount of original issue discount included in income by the initial U.S. Holder of an OID Bond is the sum of the daily portions of original issue discount with respect to such OID Bond for each day during the taxable year (or portion of the taxable year) on which such U.S. Holder held such OID Bond. The “daily portion” of original issue discount on any OID Bond is determined by allocating to each day in any accrual period a ratable portion of the original issue discount allocable to that accrual period. An “accrual period” may be of any length and the accrual periods may vary in length over the term of the OID Bond, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the final day of an accrual period or on the first day of an accrual period. The amount of original issue discount allocable to each accrual period is generally equal to the difference between (i) the product of the OID Bond’s adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The “adjusted issue price” of an OID Bond at the beginning of any accrual period is the sum of the issue price of the OID Bond plus the amount of original issue discount allocable to all prior accrual periods minus the amount of any prior payments on the OID

Bond that were not qualified stated interest payments. Under these rules, U.S. Holders generally will have to include in income increasingly greater amounts of original issue discount in successive accrual periods.

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

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

Market Discount

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

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

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

Premium

If a U.S. Holder purchases a 2020A-T Bond for an amount that is greater than the sum of all amounts payable on such 2020A-T Bond after the purchase date, other than payments of qualified stated interest, such U.S. Holder will be considered to have purchased the 2020A-T Bond with “amortizable bond premium” equal in amount to such excess. A U.S. Holder may elect to amortize such premium using a constant yield method over the remaining term of the 2020A-T Bond and may offset interest otherwise required to be included in respect of the 2020A-T Bond during any taxable year by the amortized amount of such excess for the taxable year. Bond premium on a 2020A-T Bond held by a U.S. Holder that does not make such an election will decrease the amount of gain or increase the amount of loss otherwise recognized on the sale, exchange, redemption or retirement of a 2020A-T Bond. However, if the 2020A-T Bond may be optionally redeemed after the U.S. Holder acquires it at a price in

excess of its stated redemption price at maturity, special rules would apply which could result in a deferral of the amortization of some bond premium until later in the term of the 2020A-T Bond (as discussed in more detail below). Any election to amortize bond premium applies to all taxable debt instruments held by the U.S. Holder on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

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

Disposition of a 2020A-T Bond

Except as discussed above, upon the sale, exchange or retirement of a 2020A-T Bond, a U.S. Holder generally will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement (other than amounts representing accrued and unpaid interest) and such U.S. Holder's adjusted tax basis in the 2020A-T Bond. A U.S. Holder's adjusted tax basis in a Bond generally will equal such U.S. Holder's initial investment in the 2020A-T Bond increased by any original issue discount included in income (and accrued market discount, if any, if the U.S. Holder has included such market discount in income) and decreased by the amount of any payments, other than qualified stated interest payments, received and amortizable bond premium taken with respect to such 2020A-T Bond. Such gain or loss generally will be long-term capital gain or loss if the Bond has been held by the U.S. Holder at the time of disposition for more than one year. If the U.S. Holder is an individual, long-term capital gain will be subject to reduced rates of taxation. The deductibility of capital losses is subject to certain limitations.

Defeasance of 2020A-T Bonds

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

Medicare Tax

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

Backup Withholding

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

Backup withholding will not apply, however, if the beneficial owner is a corporation or falls within certain tax-exempt categories and, when required, demonstrates such fact. **BENEFICIAL OWNERS OF THE 2020A-T BONDS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THEIR QUALIFICATION FOR EXEMPTION FROM BACKUP WITHHOLDING AND THE PROCEDURE FOR OBTAINING SUCH EXEMPTION, IF APPLICABLE.** The backup withholding tax is not an additional tax and taxpayers may use amounts withheld as a credit against their federal income tax liability or may claim a refund as long as they timely provide certain information to the IRS.

Withholding on Payments to Nonresident Alien Individuals and Foreign Corporations

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

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

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

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

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

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to a foreign financial institution, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, the Foreign Account Tax Compliance Act ("FATCA") imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest and principal under the Bonds and sales proceeds of Bonds held by or through a foreign entity. In general, withholding under FATCA currently applies to payments of U.S. source interest (including original issue discount) and will apply to (i) gross proceeds from the sale, exchange or retirement of debt obligations paid after December 31, 2018, and (ii) certain "pass-thru" payments no earlier than two years after the date of publication of final regulations defining the term "foreign pass-thru payment." Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

ERISA Considerations

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and section 4975 of the Code generally prohibit certain transactions between employee benefit plans under ERISA or tax qualified retirement plans and individual retirement accounts under the Code (collectively, the "Plans") and persons who, with respect to a Plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. In addition, each fiduciary of a Plan ("Plan Fiduciary") must give appropriate consideration to the facts and circumstances that are relevant to an investment in the 2020A-T Bonds, including the role that such an investment in the Bonds would play in the Plan's overall investment portfolio. Each Plan Fiduciary, before deciding to invest in the Bonds, must be satisfied that such investment in the 2020A-T Bonds is a prudent investment for the Plan, that the investments of the Plan, including the investment in the Bonds, are diversified so as to minimize the risk of large losses and that an investment in the 2020A-T Bonds complies with the documents of the Plan and related trust, to the extent that such documents are consistent with ERISA. All Plan Fiduciaries, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in any 2020A-T Bonds.

Virginia Taxation

Under Section 15.2-5132 of the Code of Virginia of 1950, as amended (the "Virginia Code"), the 2020A-T Bonds, their transfer and the income therefrom, including any profit made on their sale, are free from taxation by the Commonwealth of Virginia and its political subdivisions.

LITIGATION

There is no litigation of any nature to which the Authority is a party pending or, to the knowledge of the Authority, threatened against it to restrain or enjoin the issuance, sale, execution or delivery of the 2020 Bonds, or in any way contesting or affecting the validity of the 2020 Bonds or any proceedings taken with respect to the issuance or sale thereof or the Authority's power and authority to issue the 2020 Bonds, or in any way contesting or affecting the validity of or application of the money or the security provided for the 2020 Bonds.

There is no litigation pending or, to the best knowledge of the Authority, threatened against it which, even if adversely determined against the Authority, would have a material adverse effect on the Authority's financial position or future operations.

FINANCIAL ADVISOR

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

VERIFICATION OF CERTAIN MATHEMATICAL COMPUTATIONS

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

RATING

The 2020 Bonds have been rated "___" by _____ ("_____"). The Authority requested that the 2020 Bonds be rated and furnished certain information to _____, including certain information that is not included in this Official Statement.

These ratings are not a recommendation to buy, sell, or hold the 2020 Bonds. Generally, rating agencies base their ratings on such materials and information provided by the Authority, 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 Authority. Any such downward revision or withdrawal of any of such rating may have an adverse effect on the market price of the 2020 Bonds.

CONTINUING DISCLOSURE

[NTD-if Developer will have reporting requirements under the Continuing Disclosure Agreement, revise entire section accordingly]

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 2020 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 ("Event Notices").

The Authority will covenant in the Continuing Disclosure Agreement (the form of which appears in Appendix H), to be dated the date of delivery of the 2020 Bonds, for the benefit of the holders of the 2020 Bonds, to provide Annual Reports to EMMA, annually, not later than March 31 of each year, commencing March 31, 2021. Similarly, the Authority will provide Event Notices with respect to the 2020 Bonds to EMMA. The Authority has updated its procedures relating to compliance with its undertakings under the Rule to reflect the most recent amendments to the Rule.

[In the five years preceding the date of this Official Statement, the Authority has materially complied with its undertakings under the Rule.][Need to check compliance history for the Authority and for the Developer.]

Any failure by the Authority to perform its obligations under the Continuing Disclosure Agreement will not constitute an Event of Default under the Trust Indenture or the 2020 Bonds; rather, the right to enforce the provisions of the Continuing Disclosure Agreement is limited to the right to compel performance. The Underwriters' obligations to purchase the 2020 Bonds will be conditioned upon receipt, at or prior to the delivery of the 2020 Bonds, of an executed copy of the Continuing Disclosure Agreement.

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.

APPROVAL OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement have been duly authorized by the Authority.

**MOSAIC DISTRICT COMMUNITY
DEVELOPMENT AUTHORITY**

By: _____
Chair

APPENDIX A

TAX INCREMENT PROJECTION STUDY

PREPARED BY MUNICAP, INC.

*MuniCap, Inc. has prepared the following Tax Increment Projection Study that provides estimates of County Advanced Revenues for each year in which the 2020 Bonds are outstanding. Such estimates are based on the best information currently available to the Administrator and the Developer. A number of factors, including those discussed in the section “**CERTAIN BONDHOLDERS’ RISKS**” and in this Appendix A, could cause the actual figures to be materially different from the projected figures. The Tax Increment Projection Study should be read in its entirety for an understanding of the assumptions and rationale underlying the forecasts contained therein.*

APPENDIX B

**RATE AND METHOD OF
APPORTIONMENT OF SPECIAL ASSESSMENTS**

APPENDIX C

THE DISTRICT

APPENDIX D

**THE COUNTY'S FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2019
(INCLUDING DISTRICT INFORMATION)**

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CERTAIN FINANCIAL, ECONOMIC AND DEMOGRAPHIC INFORMATION CONCERNING FAIRFAX COUNTY, VIRGINIA

**The following information should not be read with a view to the creditworthiness of
Fairfax County, which, in any event, is not obligated to pay debt service on the 2020 Bonds.**

Set forth below is certain financial, economic, and demographic information describing generally certain conditions that may affect the performance and value of retail and commercial property in Fairfax County. The success of any retail or commercial venture, and the value of the real property on which it is located, is subject to many factors. No assurance can be given that any particular financial, economic, or demographic factor in Fairfax County will correlate with the performance or value of any particular retail or commercial property within the District.

GENERAL DESCRIPTION

Overview

Fairfax County, Virginia (the “County”), is located in the northeastern corner of the Commonwealth of Virginia (the “Commonwealth”) and encompasses a net land area of 407 square miles. Its current estimated population exceeds one million. The County is part of the Washington, D.C., metropolitan area, which includes jurisdictions in Maryland, the District of Columbia and Northern Virginia.

The Fairfax County government is organized under the Urban County Executive form of government (as defined under Virginia law). The governing body of Fairfax County is the Board of Supervisors (the “Board of Supervisors”), which makes policies for the administration of the County. The Board of Supervisors is comprised of ten members: the Chairman, elected at large for a four-year term, and one member from each of nine districts, each elected for a four-year term by the voters of the district in which the member resides. The Board of Supervisors appoints a County Executive to act as the administrative head of the County. The County Executive serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, directs business and administrative procedures, and recommends officers and personnel to be appointed by the Board of Supervisors.

The financial and operating data contained in this Official Statement, and in particular under the captions “_____” and “_____” and in Appendices [C, D and E,] are as of the dates and for the periods indicated, which in many cases were prior to the outbreak of the COVID-19 pandemic. Such financial and operating data have not been updated to reflect any potential impacts of the COVID-19 pandemic on Fairfax County’s general economic and financial condition. See **“ECONOMIC FACTORS-COVID-19 Matters.”**

ECONOMIC FACTORS

Economic Development

Economic development activities of the County are carried out through the Fairfax County Economic Development Authority (“EDA”), whose seven commissioners are appointed by the Board of Supervisors. EDA promotes Fairfax County as a premier location for business start-up, relocation and expansion, and capital investment. It works with new and existing businesses to help identify their facility and site needs, and assist in resolving County-related issues and provide other business assistance. Pursuant to its enabling legislation, EDA encourages investment in the County with tax-exempt conduit revenue bond financing.

The total inventory of office space in the County was estimated at over 118.7 million square feet as of year-end 2019. At that time, construction activity totaled over 2.7 million square feet. The direct vacancy rate for the office market was 13.9 percent as of year-end 2019. Including sublet space, the office vacancy rate was 14.4 percent.

The base of technology-oriented companies, particularly in computer software development, computer systems integration, telecommunications, and Internet-related services, has served as a magnet for the expansion and attraction of business and professional services. Government contractors, as well as diversified business and financial services, have added to the demand for prime office space in a number of key employment centers throughout the County.

There are over 120 hotels in the County, totaling over 19,700 hotel rooms. Hotel development parallels commercial construction in terms of diversity of concept and design with a variety of product and service mixes (all-suites, business meeting facilities, and leisure facilities) in the marketplace.

Improvements to the County's transportation system, including increased service levels at Washington Dulles International Airport, helped increase corporate activities dependent on immediate access to travel throughout the region, country, and world. The Metrorail service extension (the Silver Line) from the East Falls Church station, through Tysons through Dulles Airport, to Route 772 in Loudoun County will continue to help foster economic growth.

The Board of Supervisors and the County actively support revitalization and redevelopment throughout the County, particularly in its more mature business areas. Many enhancements have been made to the residential and commercial neighborhoods in Annandale, Bailey Crossroads/Seven Corners, the Lake Anne section of Reston, the Springfield and McLean central business districts, Merrifield, and the Richmond Highway corridor in the southeastern portion of the County. A number of capital improvement projects and other construction in process or already completed have improved the appearance and quality of life of these communities.

COVID-19 Matters

The COVID-19 (Coronavirus) pandemic has quickly and significantly changed the economic outlook across the country and the world, including in Fairfax County. Many County residents have been furloughed or have been laid off from their jobs. As part of the Virginia Governor's Phase 3, Forward Virginia, which began on July 1, 2020, businesses across the County are opened with reduced staff and capacity and operating under social distancing guidelines. Restaurants and beverage services are open, but bar seating is prohibited, and fitness and exercise facilities are open at seventy-five percent capacity. Childcare and personal grooming are also open, and County parks and athletic fields are open, but indoor facilities remain closed. Face coverings are required in Fairfax County and all public buildings. County residents are encouraged to utilize virtual County services offered online, by phone, and through appointment. The Board of Supervisors extended the deadline to pay the first half of real estate taxes from July 28, 2020, to August 28, 2020. The Board of Supervisors met virtually for meetings this past spring, and in July 2020 the Board of Supervisors returned to in-person meetings with socially-distant spacing. Fairfax County Public Schools will provide all virtual learning in the fall of 2020.

The FY 2020 Third Quarter Review reflected several adjustments necessary to fund FY 2020 spending and reserve requirements. The coronavirus pandemic (COVID-19) rapidly escalated, with school closures and event cancellations, and consumers were asked to stay home to combat the spread of the virus. All revenue categories were closely monitored. County agencies were requested to defer all non-critical expenditures for the remainder of FY 2020. As a result, savings identified as part of the FY 2020 Third Quarter Review – totaling \$11.3 million – were set aside in a reserve to address the COVID-19 pandemic, including necessary spending requirements as well as to offset potential revenue losses.

As part of the FY 2020 Carryover Review process, County staff submitted to the Board of Supervisors on July 28, 2020 yearend financial results. The FY 2020 General Fund Revenues and Transfers In were \$4.66 billion, a decrease of \$14.7 million, or 0.3 percent, from the FY 2020 Revised Budget Plan estimate. The revenue estimates included in the FY 2020 Revised Budget Plan were based on revenue collections through the end of February 2020, before the COVID-19 pandemic started disrupting economic activity nationwide. The FY 2020 preliminary Business, Professional, and Occupational License (BPOL) Tax collections are \$173.8 million or 4 percent above the FY 2019 actual of \$167.2 million. The FY 2020 preliminary Sales Tax collections are \$189.8 million or 1.5 percent

above the FY 2019 actual of \$187.0 million. In addition, County agencies realized disbursement balances because of continuing close management of agency spending, which included filling essential positions only and focusing on critical expenditures. The FY 2020 General Fund Disbursements were \$274.38 million or 5.8 percent below the FY 2020 Revised Budget Plan estimate. As a result, Fairfax County's combined revenue and disbursements balance, after funding prior year obligations and reserve adjustments, totaled \$225.29 million. Of this ending balance, \$77.28 million was from the general fund, and \$148.01 million was from the County's CARES fund, which is described in more detail below.

Projecting revenues at this time is extremely difficult. As many businesses are opened with reduced staff and capacity, and County residents are encouraged to stay at home, the County is expecting declines in a number of revenue categories. A revenue category of particular concern during FY 2021 is the BPOL Tax. FY 2021 BPOL revenue will be based on gross receipts of businesses generated during calendar year 2020. Very little actual data will be available to help assess the impact of the COVID-19 pandemic and forecast FY 2021 BPOL receipts throughout the fiscal year. The County has assumed a 11 percent reduction in BPOL revenues in FY 2021 compared to its FY 2020 preliminary amount. Another important revenue source that is projected to decline in FY 2021 is Sales Tax, for which the County has assumed a 10 percent reduction in FY 2021 compared to its FY 2020 preliminary amount. School-Age Child Care (SACC) revenue is also expected to be negatively impacted as a result of the Fairfax County Public Schools recent decision to provide all virtual learning in the fall. The scale of the reductions will be affected by the course of the pandemic, the prospects of developing a vaccine and effective treatments, the duration of the restrictions established by governments to control the spread of the virus, consumer confidence, and businesses' responses as well as the effect of current and future fiscal and monetary measures implemented in support of the economy. The County is adding a new Mid-Year FY 2021 Budget Review to the budget calendar this year. This will provide for Board of Supervisors Budget Committee review as part of meetings scheduled for November 2020 and January 2021, and final approval in January 2021. This review will include updates to all revenue and expenditure categories based on additional months of financial data.

In April, the County received \$200.2 million in federal funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which must be spent by December 30, 2020. The funding was appropriated as part of the FY 2020 Third Quarter Review. Expenses to date in FY 2020 total \$52.2 million, and the remaining balance of \$148 million has been carried forward as part of the FY 2020 Carryover Review process. The County CARES Act Funding has been allocated to the following areas: Relief Initiative to Support Employers (RISE) Grant program to small businesses and non-profits, the County's public health response and contact tracing program, support for County residents requiring assistance for basic needs, medical isolation program for vulnerable residents, support for County small businesses and non-profits, costs related to personal protective equipment and enhanced sanitation practices, expenses related to expanded telework options for County employees, and support for the towns of Herndon, Vienna, and Clifton. County staff provide monthly CARES funding reports to the Board of Supervisors.

The financial and operating data contained in this Official Statement and in particular under the captions "_____" and "_____" and in Appendices [C, D, and E,] are as of the dates and for the periods indicated, which were prior to the outbreak of the COVID-19 pandemic. Such 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.

Employment

As of the second quarter of 2019, there were more than 36,000 payroll business establishments (units) including global, corporate and regional headquarters, technology firms, sales and marketing offices, and business services located in Fairfax County, employing over 622,000. Local businesses create employment in diversified areas like computer software development and systems integration, technical services, management consulting, government contracting, Internet-related services, wholesale and retail trade, and financial services. The following table presents data on the average number of payroll establishments and employment by major industry classification in Fairfax County as of the second quarter of 2019.

**Businesses and Employment by Industry
Fairfax County, Virginia¹**

<u>Industrial Classification</u>	<u>Number of Establishments</u>	<u>Average Payroll Employment for Quarter</u>
Agriculture, Forestry, Fishing and Hunting	14	71
Mining, quarrying, and oil and gas extraction	10	292
Utilities	22	1,335
Construction	2,280	25,105
Manufacturing	424	5,686
Wholesale Trade	1,076	13,860
Retail Trade	2,575	53,868
Transportation and Warehousing	363	11,284
Information	864	20,253
Finance and Insurance	1,653	28,506
Real Estate and Rental and Leasing	1,686	10,054
Professional and Technical Services ²	9,947	160,970
Management of Companies and Enterprises	344	21,312
Administrative and Waste Services	2,001	43,708
Educational Services	683	11,403
Health Care and Social Assistance	4,013	60,974
Arts, Entertainment, and Recreation	395	7,402
Accommodation and Food Services	2,239	46,356
Other Services except Public Administration	4,892	20,657
Unclassified	743	1,428
Federal Government, all industries	136	24,454
State Government, all industries	34	9,763
Local Government, all industries	<u>87</u>	<u>50,558</u>
Total	36,481	629,299

Source: Virginia Employment Commission, Quarterly Census of Employment and Wages, Fairfax County, second quarter of 2019

¹ Excludes self-employed business owners.

² The Professional and Technical Services category includes professional and technical services, health care and social assistance, management services, educational services, accommodation and food services, arts, entertainment and recreation, administrative and waste services, and membership organizations and trade associations.

The following is a list of the largest private, base sector (non-retail) employers as of March 2019. Companies are alphabetized in their size category.

Largest Private Employers in Fairfax County

5,000-10,000+ Employees

<u>Company Name</u>	<u>Type of Business</u>
Booz Allen Hamilton*	Professional, Scientific and Technical Services
Capital One*	Finance and Insurance
Freddie Mac*	Finance and Insurance
Inova Health System*	Health Care and Social Assistance
SAIC*	Professional, Scientific and Technical Services

1,000-4,999 Employees

<u>Company Name</u>	<u>Type of Business</u>
Accenture	Professional, Scientific and Technical Services
ADP	Administrative and Support Services
AECOM	Professional, Scientific and Technical Services

Amazon	Information/Transportation and Warehousing
AT&T	Information
BAE Systems	Professional, Scientific and Technical Services
Boeing	Professional, Scientific and Technical Services
CACI International	Professional, Scientific and Technical Services
Catholic Diocese of Arlington	Educational Services/Other Services
CGI	Professional, Scientific and Technical Services
Constellis*	Administrative and Support Services
Deloitte	Professional, Scientific and Technical Services
DXC Technology*	Professional, Scientific and Technical Services
Erickson Living	Health Care and Social Assistance
EY (Ernst & Young)	Professional, Scientific and Technical Services
General Dynamics*	Professional, Scientific and Technical Services
Guidehouse*	Professional, Scientific and Technical Services
HCA Virginia	Health Care and Social Assistance
Hilton Worldwide*	Accommodation and Food Services
IBM	Professional, Scientific and Technical Services
ICF*	Professional, Scientific and Technical Services
Insperty	Administrative and Support Services
Kaiser Permanente	Health Care and Social Assistance
KPMG	Professional, Scientific and Technical Services
Leidos*	Professional, Scientific and Technical Services
ManTech International*	Professional, Scientific and Technical Services
The MITRE Corporation*	Professional, Scientific and Technical Services
Navy Federal Credit Union*	Finance and Insurance
Northrop Grumman*	Professional, Scientific and Technical Services
Oracle	Professional, Scientific and Technical Services
Perspecta*	Professional, Scientific and Technical Services
Quest Diagnostics	Health Care and Social Assistance
Securitas USA	Administrative and Support Services
Sprint	Information
Sunrise Senior Living*	Health Care and Social Assistance
United Parcel Service	Transportation and Warehousing
WGL Holdings	Utilities

500-999 Employees

Company Name	Type of Business
Admiral Security Services	Administrative and Support Services
Appian*	Professional, Scientific and Technical Services
The Aerospace Corporation	Professional, Scientific and Technical Services
Associated Building Maintenance	Administrative and Support Services
Avenel Pool Service	Administrative and Support Services
Branch Banking and Trust	Finance and Insurance
Bechtel*	Professional, Scientific and Technical Services
Capgemini	Professional, Scientific and Technical Services
CARFAX*	Information
Carahsoft*	Wholesale Trade
CarePeople Home Health*	Health Care and Social Assistance
Chenega	Professional, Scientific and Technical Services
The College Board*	Educational Services
Command Security*	Administrative and Support Services
ComScore*	Professional, Scientific and Technical Services
Crothall Healthcare	Health Care and Social Assistance
CustomInk*	Wholesale Trade
Cvent*	Professional, Scientific and Technical Services
Dell Technologies	Professional, Scientific and Technical Services

Deltek*	Professional, Scientific and Technical Services
Fairfax Radiological Consultants*	Health Care and Social Assistance
Gannett*	Information
Hexaware Technologies	Professional, Scientific and Technical Services
HITT Contracting*	Construction
Huntington Ingalls Industries	Professional, Scientific and Technical Services
Intelsat	Information
Jacobs Engineering	Professional, Scientific and Technical Services
K12*	Educational Services
KinderCare Learning Centers	Educational Services
Laboratory Corporation of America	Health Care and Social Assistance
Life Time Fitness	Arts, Entertainment, and Recreation
LMI*	Professional, Scientific and Technical Services
Lockheed Martin	Professional, Scientific and Technical Services
Marriott International	Accommodation and Food Services
MAXIMUS*	Professional, Scientific and Technical Services
Metropolitan Health Care Services*	Health Care and Social Assistance
Microsoft	Professional, Scientific and Technical Services
MicroStrategy*	Professional, Scientific and Technical Services
Mount Vernon Ladies' Association	Other Services
MV Transportation	Health Care and Social Assistance
NTT Group	Professional, Scientific and Technical Services
NVPools*	Administrative and Support Services
Parallon	Professional, Scientific and Technical Services
Parsons*	Professional, Scientific and Technical Services
Paychex	Administrative and Support Services
Raytheon	Professional, Scientific and Technical Services
Salesforce	Professional, Scientific and Technical Services
Salient CGRT	Professional, Scientific and Technical Services
Shirley Contracting Company*	Construction
Sodexo USA	Accommodation and Food Services
Unisys	Professional, Scientific and Technical Services
US Fitness Holdings*	Arts, Entertainment, and Recreation
The Washington Post	Information
US Security Associates	Administrative and Support Services
VeriSign*	Professional, Scientific and Technical Services
Volkswagen Group of America	Management of Companies and Enterprises
Wells Fargo	Finance and Insurance
William A. Hazel*	Construction

Source: Fairfax County Economic Development Authority, List of Largest Employers March 2019. Excludes public-sector and retail entities. Employment figures are for company facilities in Fairfax County only. Additionally, these numbers include employees, not independent contractors. Type of Business description for each firm is based on two-digit North American Industry Classification System (NAICS) codes. Companies may have business activities in other two-digit NAICS sectors.

*Company with headquarters in Fairfax County.

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Unemployment in the County has historically been, and continues to be, well below the national average, even in challenging economic times. Following the onset of the COVID-19 pandemic, the average unemployment rate in Fairfax County in 2020 increased to 5.9%. The average Virginia and U.S. unemployment rates during the same period are 6.4% and 8.8%, respectively. The following table shows the average annual unemployment rate in Fairfax County as compared to Virginia and national averages over the past decade.

Average Annual Unemployment Rates

Calendar Year	Fairfax County	Virginia	United States
2010	5.1%	7.2%	9.6%
2011	4.8	6.6	9.0
2012	4.5	6.0	8.1
2013	4.4	5.7	7.4
2014	4.2	5.2	6.2
2015	3.6	4.4	5.3
2016	3.2	4.0	4.9
2017	3.0	3.8	4.4
2018	2.4	3.0	3.9
2019	2.3	2.8	3.7
2020 ¹	5.9	6.4	8.8

Sources: U.S. Bureau of Labor Statistics; data are not seasonally adjusted. Virginia Employment Commission

¹ Data as of July, 2020 for further comparison and to reflect impact of the onset of the COVID-19 pandemic. Following the onset of the COVID-19 pandemic, the unemployment rate in the County was approximately 10.2% in April, 2020, 8.5% in May, 2020, 7.8% in June, 2020, and 7.5% in July, 2020.

According to the Bureau of Labor Statistics, the average total number of jobs in the County was 629,749 in the second quarter of 2019. Self-employed persons are not included in these counts. The following table presents total covered employment in recent years:

Covered Employment¹

Second Quarter	Covered Employment in Fairfax County	% Change
2012	597,533	-
2013	595,638	(0.32%)
2014	588,507	(1.20)
2015	596,878	1.42
2016	603,348	1.08
2017	610,318	1.16
2018	619,796	1.55
2019	629,749	1.61

Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment Wages

¹ Covered employment means employees covered by state and federal unemployment laws.

Population

Fairfax County's estimated 2018 population is 1,152,873. In 1980, Fairfax County was the third most populous jurisdiction in the Washington, D.C., primary metropolitan statistical area, as defined by the U.S. Bureau of the Census. By 1990, Fairfax County, with 818,584 residents, had become the most populous jurisdiction in the Washington, D.C. area, having added an average of 22,168 people per year in the 1980s. Population growth during the 1990s and 2000s slowed; on average, the County gained about 8,738 people per year during 2009-2018.

Fairfax County Population

<u>Calendar Year</u>	<u>Population</u>
1940	40,929
1950	98,557
1960	248,897
1970	454,275
1980	596,901
1990	818,584
2000	969,749
2001	984,366
2002	1,004,435
2003	1,012,090
2004	1,022,298
2005	1,033,646
2006	1,037,311
2007	1,041,507
2008	1,050,315
2009	1,074,227
2010	1,081,726
2011	1,100,692
2012	1,118,602
2013	1,130,924
2014	1,137,538
2015	1,142,234
2016	1,138,652
2017	1,142,888
2018	1,152,873

Sources: U.S. Bureau of the Census (1940-2000, and 2010 Decennial Censuses); FY 2011-2019 Fairfax County Comprehensive Annual Financial Report

The following table reflects the population age distribution of County residents, based on the U.S. Census Bureau's 2010 Decennial Census. The survey estimated the County's total population in 2010 at 1,081,726.

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**Household Population Age Distribution
Fairfax County**

<u>Age Group</u>	<u>2010</u>	
	<u>Number</u>	<u>Percent (%)</u>
Under 20 years	285,405	26.4
20 – 34	218,781	20.2
35 – 54	339,757	31.4
55 – 64	131,493	12.2
65 and Over	<u>106,290</u>	<u>9.8</u>
Total	1,081,726	100.0

Sources: U.S. Bureau of the Census, 2010 Decennial Census and Virginia Employment Commission

Based on the latest data released by the U.S. Census Bureau, Fairfax County's median household income was \$117,515 and median family income was \$135,791 in 2017. Approximately 37.2% of the County's households and 44.6% of families had annual incomes of \$150,000 or more. The following table shows the 2017 household and family income distribution in the County.

2017 Household and Family Income Distribution (by Percentage)¹

<u>Income Level</u>	<u>Household</u>	<u>Family</u>
Under \$25,000	7.2%	5.2%
\$25,000 – 49,999	9.8%	8.7%
\$50,000 – 74,999	12.3%	10.1%
\$75,000 – 99,999	12.1%	10.6%
\$100,000 – 149,999	21.4%	20.8%
\$150,000 or more	37.2%	44.6%
Median Income	\$117,515	\$135,791

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

¹ Household Income is defined as that income which is available to all residents of a housing unit, regardless of relationship. Income is from all sources, before taxes and deductions, and includes wages, business, retirement, SSI, alimony, child support, interest, etc. Family Income is derived by including only those households containing two or more persons related by blood, marriage or adoption. Percentages may add to more than 100% due to rounding.

Construction Activity

The following table includes data for residential and commercial construction activity in the County:

Fiscal Year	Building Permits				Estimated Housing Units Started
	Residential Properties		Industrial and Commercial Properties		
	Number ¹	Estimated Value (000s)	Number ¹	Estimated Value (000s)	
2010	8,977	\$428,941	3,946	\$375,126	1,150
2011	9,371	480,268	4,595	397,435	1,797
2012	9,454	538,307	4,308	602,444	3,023
2013	10,610	509,957	3,907	710,488	1,930
2014	10,469	895,638	5,054	660,063	4,154
2015	10,320	529,104	4,714	475,241	2,580
2016	10,268	616,151	4,844	496,006	2,961
2017	10,885	800,375	4,609	710,078	3,872
2018	11,243	659,928	4,836	743,057	3,982
2019	11,360	875,437	4,650	597,232	2,855

Sources: Building permits provided by Fairfax County Department of Public Works and Environmental Services, and estimated housing units started provided by the Weldon Cooper Center for Public Service, University of Virginia.

¹ Includes new and alteration/repair permits issued. Does not include trade permits issued.

A list of the top ten new or expanded office projects within the County announced in the first quarter of 2020 is shown below:

New or Expanded Commercial Projects

<u>Name of Company</u>	<u>Type of Business</u>	<u>Projected New/Additional Employment</u>
Expel, Inc.	Cybersecurity	164
Macedon Technologies	Software	147
IDEMIA (France)	Cybersecurity	73
CALIBRE	Information technology	50
Interstate Van Lines	Transportation/Logistics	44
RIVA Solutions	Information technology	32
Credence Management Solutions	Information technology	27
Medallia	Artificial intelligence/Machine learning	26
Navitas Business Consulting	Information technology	20
Forescout Technologies Government Group (Israel)	Cybersecurity	15

Source: Fairfax County Economic Development Authority

Housing

As reported in January 2020, single-family detached housing units represented 46.5% of the total housing units within Fairfax County in 2019. Single-family attached housing accounted for 24.1%, and multi-family housing made up the remaining 29.4% in 2019. The median market value of all owned housing units, including condominiums, in Fairfax County in 2019 was estimated by the Department of Management and Budget to be \$536,183.

Housing Units by Type of Structure

	<u>1990</u>		<u>2000</u>		<u>2010</u>		<u>2019</u>	
	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>
Single-Family:								
Detached ¹	163,029	53.9	181,591	50.6	191,873	48.4	195,998	46.5
Attached ²	67,306	22.3	87,171	24.3	98,972	25.0	101,229	24.1
Multi-Family ³	<u>72,129</u>	<u>23.8</u>	<u>90,198</u>	<u>25.1</u>	<u>105,541</u>	<u>26.6</u>	<u>123,805</u>	<u>29.4</u>
Total	<u>302,464</u>	<u>100.0</u>	<u>358,960</u>	<u>100.0</u>	<u>396,386</u>	<u>100.0</u>	<u>421,102</u>	<u>100.0</u>

Sources: U.S. Bureau of the Census, U.S. Census of Housing (1990-2000) and 2010 and 2019 data from Fairfax County Department of Management and Budget

¹ Single-Family detached includes all single-family homes and mobile homes.

² Single-Family attached includes duplexes, townhouses, and multiplex units.

³ Multi-Family includes condominiums, apartments and other units in structures with a common entryway.

The average sale price of housing units within the County comparing June, 2019, to June, 2020, is listed below:

Average Sale Price Housing Units

<u>Type of Structure</u>	<u>June 2020</u>	<u>June 2020</u>	<u>% change</u>
All Homes	\$639,395	\$619,363	3.2%
Detached Homes	814,103	768,220	6.0
Attached Homes	433,621	429,767	0.9

Source: Fairfax County Department of Management and Budget Economic Indicators – July, 2020

Colleges and Universities

Sixteen institutions of higher education are located in Fairfax County: George Mason University, ITT Technical Institute, Marymount University, Missouri State University (Department of Defense Studies), Northern Virginia Community College, Potomac College, Stratford University, Strayer University, University of Fairfax, University of North America, University of Phoenix, University of Virginia-Northern Virginia Center, Virginia International University, Virginia Polytechnic Institute, Washington Bible College – Capital Bible Seminary, and Westwood College. Two campuses of the University of Virginia (both Virginia Tech and the Falls Church campus) are located in the Northern Virginia Graduate Center in the County. George Mason University, with an enrollment of more than 33,000 students, offers over 200 degree and certificate programs. The Northern Virginia Community College serves more than 76,000 students in credit courses and non-credit workforce and professional development programs at six campuses and two centers throughout Northern Virginia. American University, George Washington University, Catholic University, and Virginia Commonwealth University also operate programs in the County's secondary schools and on military installations within the County.

Cultural Amenities

Wolf Trap Farm Park for the Performing Arts, a cultural facility internationally renowned for its ballet, symphony, concert, and opera offerings, and the only national park for the performing arts in the U.S., is located in north-central Fairfax County. Nearly 300 cultural organizations – theater and opera companies, music and dance groups, community arts centers, festivals, and other activities – are based in and around the County. The County also assists in supporting the Fairfax Symphony, an internationally recognized orchestra that provides a variety of musical programs and outreach services to County residents. Other well-known attractions in the County include Mount Vernon, the home of George Washington; Woodlawn Plantation, George Washington's wedding gift to his

nephew; and Gunston Hall, home of George Mason, author of the U.S. Bill of Rights and the first Constitution of Virginia. The region also boasts professional baseball, basketball, football, ice hockey and soccer.

TAX BASE DATA

Fairfax County annually reassesses over 360,000 parcels of real property employing a computer assisted mass reassessment program for both residential and non-residential properties. The County uses a statistic called the coefficient of dispersion (the “Coefficient of Dispersion”) which measures the uniformity of assessment to sale ratios among properties. The lower the coefficient of dispersion, the more uniform the assessment. The overall Coefficient of Dispersion in Fairfax County for tax year 2018 (FY 2019) was 3.4%, and the assessment to sales price ratio was 0.951. A Coefficient of Dispersion of 15% is considered good by professional assessing standards. The County falls into the excellent category, indicating a high degree of assessment uniformity and equity.

The assessed value for FY 2021 of the real estate tax base, as reported for calendar year 2020 assessments in the main tax book for Fairfax County, increased by 3.72% in value from the prior year.

The data in the following five tables are presented to illustrate trends and characteristics of the assessed value of real and personal property which are major sources of County-derived revenue.

Assessed Value of All Taxable Property¹

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Total</u>
2012	\$192,062,068,734	\$15,265,499,862	\$207,327,568,596
2013	198,178,754,789	16,053,881,534	214,232,636,323
2014	205,045,008,994	16,420,356,751	221,465,365,745
2015	216,832,912,747	16,518,808,610	233,351,721,357
2016	224,411,716,328	16,895,179,934	241,306,896,262
2017	231,350,805,374	17,451,767,407	248,802,572,781
2018	235,919,724,142	17,592,325,499	253,512,049,641
2019	244,472,458,923	17,884,347,499	262,356,806,422
2020 ²	253,181,124,101	18,461,570,210	271,642,694,311
2021 ²	262,599,745,710	18,279,799,481	280,879,545,191

Sources: Fairfax County Department of Tax Administration and Department of Management and Budget. All years included figures for the Public Service Corporation. All Public Service Corporation real property assessments are required under Virginia law to be made at 100% of estimated market value annually by the State Corporation Commission.

¹ Figures are net of exonerated assessments and tax relief for the elderly and disabled.

² Estimate from the FY 2021 Adopted Budget Plan per Fairfax County Department of Management and Budget. Fiscal year property taxes are levied on prior year assessments.

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**Tax Rates per \$100 Assessed Value
(Fiscal Year)**

Tax Category	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Real Estate – Regular and Public Service	\$1.07	\$1.075	\$1.085	\$1.09	\$1.09	\$1.13	\$1.13	\$1.15	\$1.15	\$1.15
Personal Property – Regular	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57
Personal Property – Public Service	1.07	1.075	1.085	1.09	1.09	1.13	1.13	1.15	1.15	1.15
Personal Property – Machinery and Tools	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57
Personal Property – Development	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57
Personal Property – Mobile Homes	1.07	1.075	1.085	1.09	1.09	1.13	1.13	1.15	1.15	1.15
Personal Property – Special ¹	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01

Sources: Fairfax County Adopted Budget Plans, FY 2012-FY 2021.

¹ Includes vehicles specially equipped for the handicapped, privately owned vans used for van pools, vehicles belonging to volunteer fire and rescue squad members, vehicles owned by auxiliary police and reserve deputy sheriffs, certain property of homeowners associations, antique cars, aircraft, including flight simulators, and motor vehicles owned by qualified elderly or disabled individuals, and boats.

**Commercial-Industrial Percentage of the
Total Assessed Value of Real Property¹**

<u>Fiscal Year²</u>	<u>Percent (%)³</u>
2012	19.64
2013	20.77
2014	19.96
2015	19.01
2016	18.67
2017	18.89
2018	19.12
2019	19.43
2020	19.66
2021	19.72

Source: Fairfax County Department of Tax Administration

¹ Assessed values are reported by State of Virginia Land Use Codes. Vacant land is defined according to zoning classification.

² Fiscal year property taxes are levied on prior year assessments.

³ Includes the Towns of Vienna, Herndon and Clifton.

The following data show the assessed value of real property of the 25 largest holders of real property in the County as of January 1, 2020.

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**Top 25
Holders of Real Property in Fairfax County
As of January 1, 2020**

Rank	Property Owner	Property Type	Total Assessment¹
1	Tysons Corner Property Holdings LLC	Tysons Corner Regional Shopping Mall	\$1,743,486,950
2	Capital One Bank	Office	838,869,160
3	PR Springfield Town Center LLC	Springfield Town Center	480,692,130
4	Fairfax Company of Virginia LLC	Fair Oaks Mall	430,538,000
5	Ps Business Parks LP	Industrial Parks	427,402,530
6	Reston Town Center Property LLC	Commercial & Retail	425,968,780
7	Washington Gas Light Company	Public Utility	400,179,089
8	Camden Summit Partnership LP	Apartments	383,359,160
9	Tysons Galleria LLC	Commercial & Retail	378,044,450
10	ExxonMobil Foundation	Office	373,021,100
11	Coresite Real Estate 12100	Office	370,264,520
12	Mitre Corporation	Office	365,714,760
13	Federal Home Loan Mortgage Corporation	Office	362,117,420
14	South of Market LLC	Office	323,086,550
15	Tysons Corner Office I LLC	Office	284,794,050
16	Tamares 7950 Owner LLC	Office	256,883,780
17	Hyundai Able Patriots Park LLC	Commercial & Industrial	253,544,290
18	Home Properties Mount Vernon LLC	Apartments and Office	246,484,320
19	WashReit Riverside Apartments LLC	Apartments	236,464,840
20	Writ LP	Commercial & Industrial	232,858,130
21	Boro I Office The LLC	Office	227,832,090
22	Dunn Loring Development Company LLC	Commercial & Retail	215,469,230
23	Eskridge (E&A) LLC	Commercial & Retail	213,234,170
24	JBG/Reston Executive Center LLC	Office, Apartments & Retail	208,988,110
25	Home Properties Orleans Village LLC	Apartments	206,097,360
Total			\$9,885,394,969

Source: Fairfax County Department of Tax Administration, January 1, 2020, tax rolls

¹ As of January 1, 2020, the assessed value of the real property of the 25 largest holders of real property in the County represented 3.76% of the total assessed value of all real property in Fairfax County, excluding tax-exempt properties. January 1, 2020, assessments generate tax revenue in FY 2021.

**Real and Personal Property
Tax Levies and Tax Collections**

Fiscal Year	Total Levy¹	Current Collections²	% of Total Levy Collected³	Collection of Delinquent Taxes	Total Current & Delinquent Taxes⁴	% of Total Levy & Delinquent Taxes
2012	\$2,578,579,112	\$2,563,131,721	99.40	\$22,034,282	\$2,585,166,003	100.26
2013	2,685,186,192	2,679,668,935	99.79	18,659,978	2,698,328,913	100.49
2014	2,789,010,004	2,776,199,493	99.54	21,735,390	2,797,934,883	100.32
2015	2,932,029,373	2,926,228,317	99.80	23,425,378	2,949,653,695	100.60
2016	3,027,718,274	3,019,636,276	99.73	21,161,598	3,040,797,874	100.43
2017	3,218,263,071	3,206,288,719	99.63	25,396,075	3,231,684,794	100.42
2018	3,274,550,619	3,266,018,208	99.74	25,377,255	3,291,395,463	100.51
2019	3,430,013,545	3,420,685,498	99.73	27,120,935	3,447,806,433	100.52
2020	3,551,105,738	3,534,558,666	99.53	27,251,494	3,561,810,160	100.30
2021	3,651,307,109	3,633,073,904	99.50	27,251,494	3,660,325,398	100.25

Sources: Fairfax County Department of Management and Budget and Department of Tax Administration

¹The total levy is the levy for General Fund real and personal property taxes and does not include the property tax levy for Special Revenue Funds, e.g. for refuse collection and community centers.

²Current collections do not include tax collections for the Special Revenue Funds or payments in lieu of taxes. As a result of revised accounting procedures, the collection of penalty and interest payments for late payments of current taxes is included in the collection of current taxes rather than under the collection of back taxes.

³The percentage of levy is not the collection rate since current collections also include penalty and interest payments for late payments of current taxes.

⁴FY 2012 through FY 2019 from Fairfax County Comprehensive Annual Financial Reports; FY 2020 and FY 2021 are estimates per the FY 2021 Adopted Budget Plan via the Department of Management and Budget and Department of Tax Administration. Estimates of tax collections for fiscal years 2020 and 2021 are subject to future adjustment to reflect potential impacts of the COVID-19 pandemic.

Section 58.1-3916 of the Code of Virginia authorizes Fairfax County, pursuant to Section 4-10-1 of the County Code, to impose a penalty of 10% for failure to pay taxes when due, with interest to be due on such taxes and penalty following the day such taxes are due at the rate of 10% per annum the first year and at the greater of 10% per annum and the rate established pursuant to Section 6621 of the Internal Revenue Code for the second and subsequent years of delinquency.

FY 2020 Budget

On May 7, 2019, the Fairfax County Board of Supervisors voted to approve the FY 2020 Adopted Budget Plan. The FY 2020 budget was based on revenue growth of 3.1 percent over the FY 2019 Revised Budget Plan. The real estate tax rate of \$1.15 per \$100 of assessed value remained level over the FY 2019 Adopted Budget Plan. FY 2020 General Fund Disbursements totaled \$4.45 billion, which is a 1.2 percent increase above the FY 2019 Revised Budget Plan. County support to Fairfax County Public Schools totaled \$2.35 billion, which is a 3.8 percent increase over the FY 2019 Adopted Budget Plan and 52.8 percent of total FY 2020 Disbursements. Funding was also provided for employee compensation and additional funds toward reserves and the County retirement plans. For additional information on FY 2020 results, see “**ECONOMIC FACTORS-COVID-19 Matters**” above.

FY 2021 Budget

On February 25, 2020, the County Executive presented the FY 2021 Advertised Budget Plan to the Board of Supervisors. The FY 2021 Advertised Budget Plan was based on revenue growth of 3.5 percent and an increase of 3 cents to the real estate tax rate from \$1.15 per \$100 of assessed value to \$1.18 per \$100 of assessed value. The initial FY 2021 General Fund Disbursements would have been equal to \$4.63 billion, which would have been a 3.65

percent increase above the FY 2020 Adopted Budget Plan. County support to Fairfax County Public Schools would have been equal to \$2.43 billion, which be a 3.65 percent increase over the FY 2020 Adopted Budget Plan, and 52.6 percent of total originally proposed FY 2021 Disbursements. Also, funding would have been provided for employee compensation and additional funds toward Board priorities such as Early Childhood Opportunities, Environmental Initiatives, Diversion First, Opioid Use Prevention Efforts, Body-Worn Cameras, Police and Fire positions, and Library Hours. In addition, a new Strategic Plan was released concurrent with the original proposed budget.

On April 7, 2020, the initial FY 2021 budget proposal was updated and streamlined substantially to reflect the new economic realities associated with the COVID-19 pandemic. All proposed tax rate and fee increases were eliminated to alleviate pressure on the County's taxpayers. The real estate tax rate would remain at \$1.15 per \$100 of assessed value in FY 2021. Spending adjustments would be refocused on essential services only, which would include the elimination of employee compensation increases. New positions would be reduced from 177 to 20 – with all but one of these positions directed to the Health Department to boost the County's efforts to combat the COVID-19 pandemic. This updated proposal exemplified the County's efforts to meet the community's most critical needs and to protect the County's existing employees. The budget approval timeline was also shifted back to allow for more time for Board of Supervisors' and residents' consideration.

The Board of Supervisors approved the FY 2021 Adopted Budget Plan on May 12, 2020, with no further changes from the update provided in April. Additional adjustments to the FY 2021 Revised Budget Plan, pending further economic and financial data, may be made in the fall of 2020 as part of the new FY 2021 Mid-Year Review and in the spring of 2021 as part of the FY 2021 Third Quarter Review.

APPENDIX F**DEFINITIONS AND SUMMARY OF
CERTAIN PROVISIONS OF THE INDENTURE**

*The following is a brief summary of certain provisions of the Indenture, effective on the Closing Date for the 2020 Bonds. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Indenture, copies of which are on file with the Authority and the Trustee. See also the front portion of the Official Statement sections “**THE 2020A BONDS**” and “**SECURITY FOR THE 2020A BONDS**.”*

DEFINITIONS OF CERTAIN TERMS

The following terms used in this Official Statement have the respective meanings set forth below:

“Additional Bonds” means any Bond other than the 2020 Bonds issued under the Indenture pursuant to a Supplemental Indenture.

“Administrative Expenses” means costs directly related to the administration of the Authority, including the costs of computing the Special Assessments and preparing the annual Special Assessment collection schedules and the costs of collecting the Special Assessments and the County Advanced Revenues (whether by the County or otherwise); the costs of remitting the Pledged Revenues to the Trustee; the fees and costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the fees and costs of the Administrator in the discharge of the duties required of it under the Indenture and the Administrator Agreement; any administrative expenses of the Authority (including costs of official meetings of the Authority, fees paid to its board members and to its legal counsel and other consultants and advisors); the costs of the Authority of complying with arbitrage rebate requirements; and the costs of the County or the Administrator related to any appeal of the Special Assessments or the Special Taxes. Administrative Expenses also include amounts advanced or costs incurred by the County, the Authority or the Administrator for any administrative purpose of the Authority, including costs in connection with establishing the Authority, costs related to assessing and collecting Pledged Revenues and prepayments of Special Assessments or the Special Taxes, recordings or other filings related to such prepayments and satisfaction of Special Assessments or the Special Taxes, amounts paid by the Authority to make rebate payments, costs of complying with securities disclosure requirements, and the costs incurred by the Administrator or the County, if any, in connection with collection or foreclosure of delinquent Special Assessments or Special Taxes.

“Administrative Expense Fund” means the fund of such name established by the Indenture.

“Administrator” means the entity selected by the Authority to perform any and all tasks described under the caption “**THE ADMINISTRATOR**” herein and those tasks specified in the Administrator Agreement, initially, MuniCap, Inc., a Maryland corporation.

“Administrator Agreement” means the Agreement for Administrative Services, dated as of [June 1, 2011], by and between the Authority and the Administrator, as such Agreement may be amended from time to time.

“Authorized Authority Representative” means the Chairman, the Vice-Chairman, or the Treasurer of the Authority or any other person or persons designated to act on behalf of the Authority by a certificate signed by the Chairman and filed with the Trustee.

“Authority-Owned Facilities” means those Facilities owned by the Authority and financed as in whole or in part with the proceeds of the Bonds and refinanced with proceeds of the 2020 Bonds.

“Beneficial Owners” means, during any period when the Bonds are held in book entry form, any owner of any Bonds as shown on the records of the participants of DTC or any successor securities depository, and during any period when the Bonds are issued in certificated form, any registered owner of any Bonds.

“Bond” or “Bonds” means the 2020 Bonds issued pursuant to the Indenture, and any Additional Bonds issued under the Indenture, but will not include any subordinate debt or any bonds or other evidence of indebtedness of the Authority issued from time to time under any other indenture, trust agreement, resolution or similar instrument.

“Bond Counsel” means Norton Rose Fulbright US LLP or a firm of attorneys (designated by the Authority) of nationally recognized standing in matters pertaining to the validity of and the tax-exempt nature of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

“Bond Fund” means the fund of such name established by the Indenture.

“Business Day” means any day other than (i) a Saturday or Sunday, (ii) a day on which commercial banks in the Commonwealth, or the jurisdiction in which the designated corporate trust office of the Trustee or the Paying Agent is located, are authorized by law to close, (iii) a day on which the New York Stock Exchange is closed, or (iv) such other days as may be specified in a Supplemental Indenture.

“Chairman” means the Chairman of the Authority.

“Closing Date” means, with respect to the 2020 Bonds, the date the 2020 Bonds are issued and delivered by the Authority to the initial purchasers thereof against payment therefor (December __, 2020).

“Code” means the Internal Revenue Code of 1986, as amended, including applicable regulations and revenue rulings, and any successor codification.

“Commonwealth” means the Commonwealth of Virginia.

“Cost” or “Cost of the Facilities” means all costs incurred by or on behalf of the Authority in connection with the acquisition, expansion, construction, development, improvement, equipping, planning and financing of the Facilities or any portion of the Facilities, including, without limitation, the payment or reimbursement of costs of issuance of the Bonds, including without limitation the reasonable costs of legal and financial consultants incurred by the Authority, the County, the Developer and the Trustee in connection with the creation of the Authority and the issuance of the Bonds, and the funding of such funds and accounts as are provided in the Indenture, the cost of all lands, properties, rights, easements, franchises and permits acquired, the cost of all machinery and equipment, financing charges, interest prior to and during construction and for up to approximately one year after completion of construction, cost of engineering and legal expenses, plans, specifications, and other expenses necessary or incident to construction of the Facilities.

“Counsel” means such attorney or firm of attorneys selected or approved by the Authority who are duly admitted to practice law before the highest court of any state of the United States of America, who, unless otherwise provided in the Indenture, may be an employee of the Authority or the County or an employee or officer of the Trustee.

“County” or “Fairfax County” means Fairfax County, Virginia.

“County Advanced Revenues” means the County Advanced Revenues, as defined in the Memorandum of Understanding, collected by the County and paid to the Trustee in accordance therewith.

“County Representative” means the County Executive or such officer’s designee.

“Debt Service Reserve Fund” means the fund of such name established by the Indenture.

“Debt Service Reserve Requirement” means an amount equal to the least of (i) the maximum principal and interest due on the Bonds in the then current or any future Fiscal Year, (ii) ten percent of the original stated principal

amount of the Bonds (or ten percent of the issue price of such Bonds if required by the Code), and (iii) 125 percent of the average annual principal and interest due on the Outstanding Bonds in the then current or any future Fiscal Year.

“Delinquent Payments Account” means the Delinquent Payments Account established by the Indenture.

[“Developer” means collectively, Eskridge (E&A), LLC, a South Carolina limited liability company, or its successors and assigns, and Eskridge Properties (E&A), LLC, a South Carolina limited liability company, or its successors and assigns.]

“Development Agreement” means the Development/Acquisition Agreement, dated as of June 1, 2011, among the Authority, the County and the Developer, as such Agreement may be amended from time to time.

“District” means the Mosaic District, the portion of the County comprising the Authority created pursuant to the Ordinance.

“Engineer” means any independent engineering or architectural firm or individual architect or engineer retained or approved by the Authority as Engineer for purposes of the Indenture, which Engineer may be an employee of the Authority or the County, unless otherwise provided in the Indenture.

“Escrow Agent” means The Bank of New York Mellon Trust Company, N.A., as escrow under the Escrow Agreement.

“Escrow Agreement” means the Escrow Deposit Agreement, dated December __, 2020, between the Authority and the Escrow Agent, relating to the 2020 Bonds.

“Event of Default” means any Event of Default specified under the caption “Events of Default.”

“Facilities” means the Infrastructure, as defined in the Petition and financed with proceeds of the 2011 Bonds and refinanced with proceeds of the 2020 Bonds.

“Fiscal Year” means the period of twelve months beginning each July 1 and ending each June 30 or such other period of twelve months as may be established by the Authority as its annual accounting period.

“First Supplemental Indenture” means the First Supplemental Trust Indenture, dated as of December 1, 2020, between the Authority and the Trustee.

“Fitch” means Fitch Ratings, Inc., its successors and assigns, and, if such corporation for any reason no longer performs the functions of a securities rating agency, “Fitch” will be deemed to refer to any other nationally recognized rating agency designated by the Authority.

“Government Certificates” mean certificates representing ownership of either United States Treasury bond principal at maturity or coupons for accrued periods of interest, which bonds or coupons are held by a bank or trust company, organized and existing under the laws of the United States of America or any of its states acceptable to the Trustee and the Authority, in the capacity of custodian independent of the seller of the certificates.

“Government Obligations” mean bonds, notes and other obligations of the United States of America and securities unconditionally guaranteed as to the payment of principal and interest by the United States of America or any agency thereof. Such evidences of indebtedness may be held directly, or in the form of repurchase agreements collateralized by such debt securities, or in the form of securities of any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, as amended, provided that the portfolio of such investment company or investment trust is limited to such evidences of indebtedness, or repurchase agreements collateralized by such debt securities, or securities of other such investment companies or investment trusts whose portfolios are so restricted.

“Indenture” means the Trust Indenture, dated as of December 1, 2020, between the Authority and the Trustee, as it may be modified, altered, amended and supplemented from time to time in accordance with its terms.

“Interest Account” means the Interest Account of the Bond Fund established by the Indenture.

“Interest Payment Date” means March 1 and September 1 of each year, commencing March 1, 2021.

“Land Owner” means any Person that owns a parcel of land within the District.

“Majority Holders” means the Beneficial Owners of more than 50% of the aggregate principal amount of Bonds Outstanding.

“Mandatory Prepayments” means prepayments of the Special Assessments required by the provisions of the RMA.

“Memorandum of Understanding” means the memorandum of understanding, dated as of May 12, 2010, as amended and restated as of June 1, 2011, [as supplemented as of December 1, 2020,] among the Authority, the Land Owners, the Developer and the County, as such memorandum may be amended from time to time.

“Moody’s” means Moody’s Investors Service, Inc., its successors and assigns, and, if such corporation for any reason no longer performs the functions of a securities rating agency, “Moody’s” will be deemed to refer to any other nationally recognized rating agency designated by the Authority.

“Net Proceeds” mean the proceeds from any insurance recovery or condemnation award in respect of Authority-Owned Facilities that are deposited by or on behalf of the Authority with the Trustee and remaining after payment of attorneys’ fees, costs, fees and expenses of the Authority and the Trustee and all other expenses incurred in collection of the gross proceeds.

“Net Proceeds Account” means the Net Proceeds Account of the Project Fund established by the Indenture.

“Opinion of Counsel” means a written opinion of any Counsel, in form and substance acceptable to the Trustee.

“Ordinance” means the Ordinance, adopted by the Board of Supervisors on April 27, 2009, authorizing the creation of the Authority and the District, as amended by the ordinance adopted April 27, 2010.

[“Original Indenture” means the Trust Indenture, dated as of June 1, 2011, between the Authority and the Trustee, prior to the amendment and supplement thereof by the First Supplemental Indenture.]

“Outstanding” means, at any date, the aggregate of all Bonds authorized, issued, authenticated and delivered under the Indenture, except:

- (a) Bonds cancelled or surrendered to the Paying Agent for cancellation;
 - (b) Bonds deemed to have been paid as described under the caption “Discharge of Indenture” herein;
- and
- (c) Bonds in lieu of or in substitution for which other Bonds have been authenticated and delivered pursuant to the Indenture unless proof satisfactory to the Paying Agent is presented that any such Bond is held by a bona fide Owner.

Bonds that are owned by the Authority will be disregarded and deemed not to be Outstanding for the purpose of any such determination; provided, however, that for the purpose of determining whether the Trustee will

be protected in relying upon any request, demand, authorization, direction, notice, consent or waiver, only Bonds that a Responsible Officer of the Trustee actually knows to be so owned will be disregarded.

“Owner” means the Person in whose name a particular Bond is registered on the records of the Paying Agent.

“Paying Agent” means any paying agent for the Bonds (and may include the Trustee) and its successor or successors appointed pursuant to the provisions of any Supplemental Indenture. Unless otherwise provided in a Supplemental Indenture, the Trustee will be the Paying Agent.

“Permitted Investments” means, subject to the provisions of Chapter 45, Title 2.2, Code of Virginia of 1950, as amended, entitled “Investment of Public Funds Act” (the “Investment Act”), any obligations listed below, to the extent permitted by law, as such law may be amended from time to time:

(a) Bonds, notes and other evidences of indebtedness to which the full faith and credit of the Commonwealth is pledged for the payment of principal and interest or which are unconditionally guaranteed as to the payment of principal and interest by the Commonwealth;

(b) Government Obligations;

(c) Government Certificates;

(d) Bonds, notes and other evidences of indebtedness of any county, city, town, district, authority or other public body of the Commonwealth upon which there is no default; provided that such bonds, notes and other evidences of indebtedness are either direct obligations of, or unconditionally guaranteed by the county, city, town, district, authority or other public body and revenue bonds issued by agencies or authorities of the Commonwealth or its political subdivisions upon which there is no default that are rated in one of the two highest debt rating categories by both of the Rating Agencies, without regard to any refinement or gradation of such rating category by numerical modifier or otherwise;

(e) Savings accounts and time deposits in any bank, including the Trustee and its affiliates, or savings institution within the Commonwealth, provided that the funds are secured in the manner required by the Virginia Security for Public Deposits Act or any successor legislation;

(f) Bonds and other obligations issued, guaranteed or assumed by the International Bank for Reconstruction and Development, Asian Development Bank or African Development Bank;

(g) “Prime quality” commercial paper, with a maturity of 270 days or less, of issuing corporations organized under the laws of the United States, or of any state thereof, including paper issued by banks and bank holding companies. “Prime quality” shall be as rated by at least two of the following: Moody’s, within its NCO/Moody’s rating of prime 1, by S&P, within its rating of A-1, by Fitch, within its rating of F-1, or by their corporate successors, provided that at the time of any such investment:

(1) The issuing corporation, or its guarantor, has a net worth of at least \$50,000,000; and

(2) The net income of the issuing corporation, or its guarantor, has averaged \$3,000,000 per year for the previous five years; and

(3) All existing senior bonded indebtedness of the issuer, or its guarantor, is rated A or better by at least two of the following: Moody’s, S&P or Fitch;

provided that, not more than 35% of the total funds held under the Indenture may be invested in commercial paper, and not more than five percent of the total funds held under the Indenture may be invested in commercial paper of any one issuing corporation;

(h) Corporate notes with a rating at least Aa by Moody's and AA by S&P without regard to any numerical refinement or gradation of such rating category by numerical modifier or otherwise, with a maturity of not more than five years; provided that, not more than 35% of the total funds held under the Indenture may be invested in corporate notes, and not more than five percent of the total funds held under the Indenture may be invested in corporate notes of any one issuing corporation;

(i) Direct and general obligations of any state of the United States to the payment of principal of and interest on which the full faith and credit of such state is pledged, upon which there is no default and upon which there has been no default for more than 90 days; provided that within the 20 preceding fiscal years such state has not been in default for more than 90 days in the payment of any debt of such state, if at the time of their purchase such obligations are rated in either of the two highest rating categories by either Rating Agency;

(j) Certificates of deposit and negotiable bank deposit notes of domestic banks and domestic offices of foreign banks with a rating of at least A-1 by S&P and P-1 by Moody's for maturities of one year or less and a rating of at least AA by S&P and Aa by Moody's for maturities longer than one year and not exceeding five years;

(k) Banker's acceptances, as permitted by the Investment Act, with banks rated in one of the two highest debt rating categories by both of the Rating Agencies, without regard to any refinement or gradation of such rating category by numerical modifier or otherwise; and

(l) Such other investments as may be permitted by the Investment Act as certified by the Authority to the Trustee, provided they are rated in one of the two highest debt or other rating categories by both of the Rating Agencies without regard to any numerical refinement or other gradation of such rating.

Any money held by the Trustee in the Bond Fund or in the Debt Service Reserve Fund will be separately invested and reinvested by the Trustee, at the written request of and as directed by an Authorized Authority Representative, only in investments described in paragraphs (a), (b), (c), (d), (e) and (f) above, which are at the time legal investments for public sinking funds under the Investment Act, or any subsequent provisions of law applicable to such investments or in repurchase agreements meeting the requirements set forth in the Indenture.

Investment in a money market fund or in the shares of any other management type of investment company registered under the Investment Company Act of 1940, the investments of which fund or company are exclusively in obligations or securities described above, will be considered investments in obligations described in such paragraphs, including any such fund maintained by the Trustee (including any proprietary mutual fund of the Trustee or any affiliate of the Trustee for which the Trustee or an affiliate of the Trustee serves as investment advisor or provides other services to such mutual fund and receives reasonable compensation therefor).

The Trustee, at the prior written direction of the Authority, may make Permitted Investments through the Virginia State Non-Arbitrage Program.

Any investments described above may be purchased by the Trustee at the written direction of the Authority pursuant to a repurchase agreement that is collateralized with securities described above, or in the case of any investments of the Bond Fund or Debt Service Reserve Fund, collateralized only in investments described in paragraphs (a), (b), (c), (d), (e) and (f) above, with any domestic or foreign bank, insurance company, or corporation the long-term debt or claims paying ability of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated in at least the double A category by both Rating Agencies. Such repurchase agreement will be considered a purchase of the investments even if title to and/or possession of the investments is not transferred to the Trustee so long as (i) the repurchase obligation is collateralized by the investments themselves, (ii) the investments have a fair market value determined at least weekly at least equal to 101% of the amount invested in the repurchase agreement, and any failure to maintain the fair market value of the investments at such level will require the Trustee to give notice to the other party to the agreement to correct the deficiency and if not corrected to liquidate the collateral, (iii) the investments are held by the Trustee or an agent acting for the Trustee, (iv) the investments are not subject to liens or claims of third parties, and (v) a perfected security interest under the Uniform Commercial Code of Virginia or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq., as amended, in the

investments is created for the benefit of the Owners. In the event the fair market value of the investments falls below the amount set forth in clause (ii) of the preceding sentence, and such deficiency is not cured by the next business day, the Trustee is to reduce such investments to cash.

If such investments are held by a third-party, they are to be held as agent for the benefit of the Trustee as fiduciary for the Beneficial Owners and not as agent for the bank serving as Trustee in its commercial capacity or any other party and are to be segregated from securities owned generally by such third party or bank.

The Trustee will not be responsible for determining whether any investment that it is directed to make by the Authority is permitted by law.

“Person” means an individual, a corporation, a partnership, a general partner of a partnership, an association, a joint stock company, a trust, any unincorporated organization, or a governmental entity.

“Petition” means the petition dated February 10, 2009, to create the Authority.

“Pledged Revenues” means Special Assessment Revenues, Special Tax Revenues and County Advanced Revenues, including, without limitation, any investment earnings thereon, but not including amounts in the Net Proceeds Accounts, the Rebate Fund, the Administrative Expense Fund or the Surplus Fund.

“Prepayments” means any Special Assessment, or portion thereof, which is paid to the Authority before such amount becomes due, including Mandatory Prepayments.

“Principal Account” means the Principal Account of the Bond Fund established by the Indenture.

“Principal Payment Date” means any date on which a payment of principal (including any sinking fund installment) of the Bonds is due.

“Project Fund” means the fund of such name established by the Indenture.

“Rating Agency” means _____ or its successors and assigns. If _____ does not provide a rating for a certain purpose under the Indenture, _____ or its successors and assigns may be utilized in lieu of _____.]

“Rebate Amount” means the amount, if any, required to be rebated to the United States pursuant to Section 148(f) of the Code.

“Rebate Fund” means the fund of such name established by the Indenture.

“Redemption Account” means the Redemption Account of the Bond Fund established by the Indenture.

“Responsible Officer” means, when used with respect to the Trustee, any vice president, assistant vice president, senior associate or other officer of the Trustee within the corporate trust office specified in the Indenture (or any successor corporate trust office) having direct responsibility for the administration of the Indenture.

“Revenue Fund” means the fund of such name established in by the Indenture.

“RMA” means the Rate and Method of Apportionment of Special Assessments and attached to the Memorandum of Understanding, as Exhibit D.

“S&P” means S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC, its successors and their assigns, and, if such entity for any reason no longer performs the functions of a securities rating agency, “S&P” will be deemed to refer to any other nationally recognized securities rating agency designated by the Authority.

“Series” means any series of Bonds issued under the Indenture

“Special Assessment Agreement” means, collectively, each Special Assessment Agreement and Declaration of Notice of Special Assessment, dated as of June 1, 2011, between a Land Owner, the 2011 Trustee, the County and the Authority.

“Special Assessment Ordinance” means the ordinance adopted by the Board of Supervisors of the County on April 26, 2011, providing for the levy and collection of the Special Assessments.

“Special Assessment Revenues” means the amounts collected pursuant to the Special Assessments and appropriated by the County to the Authority and paid to the Trustee, including any prepayments thereof, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the Special Assessment lien, penalties and default rate of interest and interest thereon (to the extent such penalties and interest are not retained by the County in accordance with the Memorandum of Understanding). “Special Assessment Revenues” does not include any Administrative Expenses collected by the County in connection with delinquent Special Assessments or other Administrative Expenses payable to the County in accordance with the Memorandum of Understanding.

“Special Assessments” means the special assessments levied within the District pursuant to the Special Assessment Ordinance; provided, however, that such Special Assessments only include Special Assessment Part A, as defined in the RMA.

“Special Tax Revenues” means the amounts collected pursuant to the Special Taxes and appropriated by the County to the Authority and paid to the Trustee including any prepayments thereof, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the Special Tax lien, penalties and default rate of interest and interest thereon (to the extent such penalties and interest are not retained by the County in accordance with the Memorandum of Understanding). “Special Tax Revenues” does not include any Administrative Expenses collected by the County in connection with delinquent Special Taxes or other Administrative Expenses payable to the County in accordance with the Memorandum of Understanding.

“Special Taxes” means the special taxes, if any, on taxable real property in the District pursuant to Virginia Code Section 15.2-5158(A)(3) as described in the Memorandum of Understanding; provided, however, that such Special Taxes only include the portion of Special Taxes relating to Special Assessment Part A, as defined in the RMA.

“Supplemental Indenture” means any indenture supplemental to or amendatory of the Indenture as originally executed, which is duly executed and delivered in accordance with the provisions of the Indenture.

“Surplus” has the meaning set forth in the Memorandum of Understanding.

“Taxable Bond Project Account” means the Taxable Bond Project Account of the Project Fund established pursuant to the Indenture.

“Tax Certificate” means the Tax Certificate executed by the District and the County in connection with the issuance of the 2020A Bonds.

“Tax-Exempt Bond Project Account” means the Tax-Exempt Bond Project Account of the Project Fund established pursuant to the Indenture.

“Tax-Exempt Bonds” means the 2020A Bonds and any other Bonds issued under the Indenture the interest on which is intended to be excluded from the gross income of the recipients thereof for federal income tax purposes.

“Trustee” means The Bank of New York Mellon Trust Company, N.A., a national banking association, and its successor or successors under the Indenture.

“2020 Optional Redemption Subaccount” means the Optional Redemption Subaccount of the Redemption Account within the Bond Fund established by the Indenture.

“2020 Prepayment Subaccount” means the Prepayment Subaccount of the Redemption Account in the Bond Fund established by the Indenture.

SUMMARY OF INDENTURE

Additional Bonds

Additional Bonds may be issued under the Indenture for the purpose of refunding or defeasing Outstanding Bonds or providing funds to the Authority to purchase Outstanding Bonds. Before the issuance and authentication of any such Additional Bonds, the Authority will deliver or cause to be delivered, among other things, the following documents to the Trustee:

- (i) An executed Supplemental Indenture authorizing the issuance of such Bonds and setting forth their terms;
- (ii) A certified copy of a resolution of the Authority authorizing the execution and delivery of the Additional Bonds and the Supplemental Indenture;
- (iii) An Opinion or Opinions of Counsel, who is not an employee of the Authority or the Trustee, subject to customary exceptions and qualifications, to the effect that the Supplemental Indenture has been duly authorized, executed and delivered by the Authority;
- (iv) An opinion of Bond Counsel, subject to customary exceptions and qualifications, to the effect that the issuance of such Additional Bonds has been duly authorized, that the Additional Bonds are valid and binding limited obligations of the Authority entitled to the benefits and security of the Indenture and that the issuance of such Additional Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on any Tax-Exempt Bonds;
- (v) A request and authorization of the Authority, signed by its Chairman or Vice Chairman, to the Trustee and the Paying Agent to authenticate and deliver such Additional Bonds upon payment to the Trustee for the account of the Authority of the amount specified in the request;
- (vi) A certificate of an Authorized Authority Representative that no Event of Default exists under the provisions of the Indenture and that no condition exists, that with the passage of time would become an Event of Default under the Indenture;
- (vii) Evidence satisfactory to the Trustee that the Authority has made provision as required by the Indenture for the payment or redemption of all Bonds of the Authority to be refunded;
- (viii) A written determination by a firm of independent certified public accountants or of financial consultants that the proceeds (excluding accrued interest) of the Additional Bonds, together with any other money deposited with the Trustee for such purpose and the investment income to be earned on funds held by the Trustee for the payment or redemption of Bonds of the Authority to be purchased or refunded, will be sufficient to pay, whether upon redemption or at maturity, the principal of and redemption premium, if any, and interest on the Bonds of the Authority to be purchased or refunded and unless otherwise provided for, the estimated expenses incident to the payment or refunding;
- (ix) A written determination by a firm of independent certified public accountants or of financial consultants that after the issuance of the Additional Bonds and the provision for payment or redemption of all Bonds of the Authority to be refunded or paid, either (A) the Debt Service for each Fiscal Year in which there will be Outstanding Bonds of any Series not to be refunded or paid will not be more than the Debt Service for such Fiscal Year on all Outstanding Bonds immediately before the

issuance of the Additional Bonds, including the Bonds of the Authority to be refunded or paid, or (B) net present value savings will be achieved with respect to the series of the Bonds being refunded or paid and Pledged Revenues will be sufficient to cover debt service on all Outstanding Bonds;

(x) A certified copy of the resolution of the Board of Supervisors of the County consenting to the issuance of Additional Bonds; and

(xi) A certificate of the underwriter for the Additional Bonds as to the Debt Service Reserve Requirement.

Project Fund

The Trustee will deposit in the Project Fund (i) a portion of the proceeds of the 2020 Bonds to be applied to the defeasance of the 2011 Bonds on the Closing Date and for the payment of costs of issuing the 2020 Bonds, and (ii) any Net Proceeds to be used to repair, reconstruct or restore any portion of the Authority-Owned Facilities as directed by the Authority.

Excess amounts remaining in the Project Fund will be deposited in the Principal Account of the Bond Fund to be used to pay principal of the 2020 Bonds.

Net Proceeds Account

There is established in the Project Fund a Net Proceeds Account. The Authority in the Indenture assigns to the Trustee its rights in any Net Proceeds deposited with the Trustee. Net Proceeds are to be applied at the election of the Authority to either or both of the restoration of the Authority-Owned Facilities in full or the payment of Bonds in full or in part.

Establishment of Funds

The following funds are established under the Indenture and will be held by the Trustee:

(a) Project Fund, in which there are established a separate Tax-Exempt Bond Project Account, and a separate Net Proceeds Account;

(b) Revenue Fund, in which there is established a separate Delinquent Payments Account;

(c) Bond Fund, in which there are established an Interest Account, a Principal Account and a Redemption Account, and within the Redemption Account there are established a 2020 Optional Redemption Subaccount and a 2020 Prepayment Subaccount;

(d) Administrative Expense Fund;

(e) Debt Service Reserve Fund;

(f) Rebate Fund; and

(g) Surplus Fund.

Disposition of Balances in Funds

When the balances on deposit in the Bond Fund, the Debt Service Reserve Fund and the Surplus Fund are sufficient to pay or redeem all the Bonds then Outstanding, the Authority may direct the Trustee in writing to transfer the balances in such Funds to a special account in the Bond Fund to be held by the Trustee for the payment or redemption of Bonds at the earliest practicable date and for no other purpose.

Investment of Funds

Any money held in any funds and accounts established by the Indenture may be separately invested and reinvested by the Trustee, at the written request of and as directed by an Authorized Authority Representative in Permitted Investments.

All investments will be held by or under the control of the Trustee and while so held will be deemed a part of the fund or account in which the money was originally held. Any loss resulting from such investments will be charged to the fund or account in which the money was originally held. The Trustee and the Authority will sell and reduce to cash a sufficient amount of investments whenever the cash balance in any fund or account is insufficient for its purposes.

Investments of money in the Debt Service Reserve Fund must mature or be payable at the option of the Trustee not more than ten years after the date of their purchase.

Money in funds and accounts held by the Trustee in the Project Fund may be pooled and commingled for purposes of investment.

The Trustee may conclusively rely upon the Authority's written instructions as to both the suitability and legality of all directed investments. Ratings of investments will be determined at the time of purchase of such investments and without regard to ratings subcategories. The Trustee will have no responsibility to monitor the ratings of investments after the initial purchase of such investments. Confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered to the Authority or the Administrator.

In computing the amount in any fund or account created by the Indenture, obligations purchased as an investment of money will be valued at their cost or market value, whichever is lower.

Investments (except repurchase agreements) in funds and accounts are to be valued (i) not less often than annually nor more often than monthly, provided, however, the investments in the Debt Service Reserve Fund are to be valued at least 10 days after each Interest Payment Date and Principal Payment Date, and at any time upon request by the Authority and (ii) upon any draw upon the Debt Service Reserve Fund.

Payment of Bonds

The Authority covenants to promptly pay the principal of and redemption premium, if any, and interest on every Bond; provided, however, that such obligations are limited obligations of the Authority and are payable solely from the Pledged Revenues and other property pledged and assigned by the Indenture to secure payment of the Bonds.

Covenants

The Authority will faithfully observe and perform all of its covenants, conditions and agreements contained in the Indenture and in every Bond; provided that the pecuniary liability of the Authority under any such covenant, condition or agreement for any default or breach by the Authority will be limited solely to and satisfied solely from the sources of payment described in the preceding paragraph.

Collection of Pledged Revenues

The Authority is to comply with all requirements of the Act and the Memorandum of Understanding so as to assure the timely collection of Pledged Revenues, including without limitation, the enforcement of delinquent Special Assessments and Special Taxes.

The Authority will not agree to any amendments to, or termination of, the Memorandum of Understanding that may materially and adversely affect the amount of Pledged Revenues received or the time such amounts are received unless the Majority Holders have consented in accordance with procedures substantially identical to those employed for Supplemental Indentures requiring consent of Owners. The Memorandum of Understanding may be amended without the consent of any Owner for purposes substantially analogous to those enumerated for Supplemental Indentures not requiring consent of Owners.

Not later than the 15th day of each month, the Trustee is to provide the Administrator with a notice stating the amount then on deposit in all funds and accounts held by the Trustee under the Indenture. Each year by April 5, the Administrator is to inform the Authority, in writing, of the amount of Pledged Revenues collected or to be collected in accordance with the Memorandum of Understanding including the installments of Special Assessments or Special Taxes, if any, needed to be collected pursuant to the Memorandum of Understanding to provide for payment of the Bonds and Administrative Expenses. The receipt of or failure to receive such notice by the Administrator from the Trustee will in no way affect the obligations of the Administrator. Upon receipt of such notice, the Administrator is to ascertain the relevant parcels on which the Special Assessments or Special Taxes are to be collected, taking into account any parcel splits during the preceding and then current Fiscal Year. Each year, the Authority is to approve the amount of the Special Assessments or Special Taxes to be billed and collected for such fiscal year in the District and by April 5 (unless another date is specified for such year by the County), is to request the County to collect the amount of the Special Assessments to be collected pursuant to the Memorandum of Understanding.

The Special Assessments and Special Taxes will be payable in the same manner and at the same time as the *ad valorem* real estate taxes on real property are payable, and become delinquent at the same time and bear the same penalties and interest after delinquency as do the *ad valorem* taxes on real property in the County. The Authority is to request the County to forward payments of such Special Assessments to the Trustee in accordance with the Memorandum of Understanding.

Covenant to Collect Delinquent Amounts

Pursuant to the Memorandum of Understanding, the County has agreed to pursue collection of delinquent Special Assessments and Special Taxes (unless such delinquency is theretofore brought current) in a manner similar to its collection efforts expended to collect any *ad valorem* tax or installment thereof when not paid when due.

Financial Records and Statements

The Authority is to maintain proper books and records in which full and correct entries will be made in accordance with generally accepted accounting principles of all of its business and affairs. The Authority will have an annual audit made by an independent certified public accountant or accountants and will promptly furnish the Trustee copies of such audit certified by such accountant.

Arbitrage and Tax Covenants

The Authority has covenanted that it will not take any action, or direct the Trustee to make any investment or use of the proceeds of any Bonds, or of any other amounts, that would cause any Tax-Exempt Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code. The Authority will not engage in any activities or take any action that might result in the interest on the Tax-Exempt Bonds becoming includable in gross income of the recipients thereof for federal income tax purposes. The Authority will make all rebate payments required pursuant to the Code to the extent money in the Rebate Fund is insufficient.

The Administrator

The Administrator has agreed, among other things, to determine and calculate County Advanced Revenues, the annual Special Assessments or Special Taxes, and, if requested by the Authority, prepare rebate calculations annually in accordance with the Code.

The Authority may remove the Administrator initially appointed and any successor thereto upon sixty (60) days' written notice to the Administrator, and shall appoint a successor or successors thereto.

The Administrator may resign from its obligations under the Indenture and under the Administrator Agreement upon sixty (60) days' written notice to the Authority and the Trustee. Any resignation or removal of the Administrator shall become effective upon acceptance of appointment by the successor Administrator.

If no appointment of a successor Administrator shall be made within 60 days following receipt by the Authority or the Trustee of the written notice of the resignation of the Administrator, the Authority shall assume the obligations of the Administrator under the Indenture.

Events of Default

Each of the following will be an Event of Default under the Indenture:

- (a) Payment of interest on any Bond is not made when due and payable;
- (b) Payment of the principal of or premium, if any, on any Bond is not made when due and payable;
- (c) Subject to certain rights of the Authority to cure such defaults as set forth in the Indenture, default in the observance or performance of any other covenant, condition or agreement on the part of the Authority under the Indenture or in the Bonds; or
- (d) Appointment by a court of competent jurisdiction of a receiver for all or any substantial part of the Pledged Revenues and other funds of the Authority pledged pursuant to the Indenture, or the filing by the Authority of any petition for reorganization of the Authority or rearrangement or readjustment of the obligations of the Authority under provisions of any applicable bankruptcy or insolvency law.

No Acceleration

The principal of the Bonds is not subject to acceleration upon the occurrence and continuation of an Event of Default.

Other Remedies; Rights of Owners

Upon the occurrence and continuation of an Event of Default, the Trustee may pursue any available remedy, at law or in equity, to enforce the payment of the principal of and premium, if any, and interest on the Bonds, to enforce any covenant or condition under the Indenture or to remedy any Event of Default.

Upon the occurrence and continuation of an Event of Default, and if requested so to do in writing by the Majority Holders and having been indemnified as provided in the Indenture, the Trustee is to exercise such of the rights and powers conferred by the Indenture as the Trustee, being advised by Counsel, deems most effective to enforce and protect the interests of the Owners.

Effect of Discontinuance or Abandonment

If any proceeding taken by the Trustee on account of any Event of Default has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee, then the Authority, the Trustee and the Owners will be restored to their former positions and rights under the Indenture and all rights, remedies and powers of the Trustee will continue as though no such proceeding had been taken.

Rights of Owners

Anything in the Indenture to the contrary notwithstanding, upon the occurrence and continuation of any Event of Default, the Majority Holders will have the right, upon providing the Trustee security and indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred (including reasonable attorneys' fees, costs and expenses), by an instrument 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 Indenture.

Restriction on Owners' Action

In addition to the other restrictions on the rights of Owners to request action upon the occurrence of an Event of Default and to enforce remedies set forth in the Indenture, no Owner of any of the Bonds will have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or any remedy under the Indenture or the Bonds, unless (i) the Owner has given to the Trustee written notice of an Event of Default; (ii) the Majority Holders also have made written request of the Trustee to institute the suit, action, proceeding or other remedy, after the right to exercise the powers or rights of action, as the case may be, has accrued, and have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted in the Indenture or to institute the action, suit or proceeding in its or their name; (iii) there has been offered to the Trustee security and indemnity reasonably satisfactory to it against the costs, expenses and liabilities (including reasonable attorneys' fees, costs and expenses) to be incurred; and (iv) the Trustee has not complied with the request within a reasonable time. Such notification, request and offer of indemnity are declared, at the option of the Trustee, to be conditions precedent to the execution of the trusts of the Indenture or for any other remedy under the Indenture. It is intended that no one or more Owners of the Bonds secured by the Indenture will have any right to affect, disturb or prejudice the security of the Indenture, or to enforce any right under the Indenture or the Bonds, except in the manner provided for in the Indenture, and that all proceedings at law or in equity will be instituted, had and maintained in the manner provided in the Indenture and for the benefit of all Owners of Outstanding Bonds. Nothing in the Indenture will affect or impair the right of the Owners to enforce payment of the Bonds in accordance with their terms.

Remedies Not Exclusive

No remedy in the Indenture conferred on or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy, and each remedy is cumulative, and is in addition to every other remedy given under the Indenture or now or hereafter existing at law, in equity or by statute.

Waiver of Events of Default; Effect of Waiver

The Trustee will waive any Event of Default and its consequences at the written request of the Majority Holders. If any Event of Default with respect to the Bonds has been waived as provided in the Indenture, the Trustee will promptly give written notice of the waiver to the Authority and by first class mail, postage prepaid, to all Owners of Outstanding Bonds if the Owners had previously been given notice of the Event of Default. No waiver, rescission and annulment will extend to or affect any subsequent Event of Default or impair any right, power or remedy available under the Indenture.

No delay or omission of the Trustee or of any Owner to exercise any right, power or remedy accruing upon any default or Event of Default will impair any such right, power or remedy or will be construed to be a waiver of or acquiescence in any such default or Event of Default. Every right, power and remedy given by the Indenture to the Trustee and to the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

Application of Money

Any money received by the Trustee pursuant to the provisions relating to remedies upon an Event of Default will, after payment of the costs and expenses of the proceedings resulting in the collection of the money, the expenses, liabilities and advances incurred or made by the Trustee or the Authority (including reasonable attorneys'

fees, costs and expenses) and the fees (whether ordinary or extraordinary) of the Trustee, be deposited in the Bond Fund and applied as follows:

(a) Unless the principal of all of the Outstanding Bonds is due and payable, all money will be applied:

First - To the payment of the persons entitled to it of all installments of interest then due on the Bonds, in order of the maturity of the installments of such interest and, if the money available is not sufficient to pay in full any particular installment, then ratably, according to the amounts due on such installment, to the persons entitled to it, without any discrimination or privilege;

Second - To the payment of the persons entitled to it of the unpaid principal of and premium, if any, on any of the Bonds that has become due (other than Bonds matured or called for redemption for the payment of which money is held pursuant to the provisions of the Indenture), in the order of their due dates and, if the amount available is not sufficient to pay in full such Bonds and the premium, if any, due on any particular date, then ratably, according to the amount of principal due on such date, to the persons entitled to it without any discrimination or privilege; and

Third - To be held for the payment of the persons entitled to it when due of the principal of and premium, if any, and interest on the Bonds that may thereafter become due either at maturity or upon call for redemption before maturity and, if the amount available is not sufficient to pay in full the Bonds due on any particular date, together with interest and premium, if any, then due and owing, then ratably, according to the amount of principal due on such date, to the persons entitled to it without any discrimination or privilege.

(b) If the principal of all of the Outstanding Bonds is due and payable, to the payment of the principal of and interest then due and unpaid on the Outstanding Bonds without preference or priority of any principal over interest or interest over principal or of any installment of interest over any other installment of interest, or of any such Outstanding Bond over any other such Outstanding Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled to it without any discrimination or preference except as to any difference in the respective amounts of interest specified in the Outstanding Bonds.

(c) Whenever money is to be applied pursuant to the provisions of the Indenture relating to Events of Default, it will be applied at such times, and from time to time, as the Trustee determines, in its sole discretion, having due regard to the amount of money available for application and the likelihood of additional money becoming available for application in the future. If the provisions described in subparagraph (b) are applicable, the Trustee will apply promptly to the payment of the Bonds any money it receives under the provisions of the Indenture relating to remedies upon Events of Default. Whenever the Trustee applies such money, it will fix the date on which payment is to be made, and interest on the amount of principal to be paid on such date will cease to accrue. The Trustee will give, by mailing by first class mail as it may deem appropriate, notice of the deposit with it of any such money and of the fixing of any such date.

Supplemental Indentures Without Consent of Owners

The Authority and the Trustee may, without the consent of the Owners, enter into a Supplemental Indenture or Supplemental Indentures: (a) to add to the covenants and agreements of the Authority contained in the Indenture and any Supplemental Indentures other covenants and agreements, and to surrender any right or power in the Indenture and any Supplemental Indentures reserved to or conferred upon the Authority; (b) to cure any ambiguity, to supply any omission or to cure, correct or supplement any defect in the Indenture or any Supplemental Indenture; (c) to grant to the Trustee for the benefit of the Owners additional rights, remedies, powers or authority; (d) to subject the Indenture and the Supplemental Indentures additional collateral; (e) to modify the Indenture, any Supplemental Indenture, or the Bonds to permit qualification under the Trust Indenture Act of 1939 or any similar federal statute at the time in effect, or to permit the qualification of the Bonds for sale under the securities laws of any state of the United States; (f) to provide for certificated Bonds; (g) to evidence the succession of a new Trustee or Paying Agent or the appointment by the Trustee or the Authority of a Co-Trustee or a Co-Paying Agent and to specify the rights and obligations of such Co-Trustee or Co-Paying Agent; (h) to make any change (including but not limited to a change to comply with the Code or interpretations of it by the Treasury Department or the Internal Revenue Service) that does not materially adversely affect the rights of any Owner of any Bonds then Outstanding; (i) to provide for the issuance of Additional Bonds; and (j) to obtain or maintain a rating for the Bonds.

Supplemental Indentures With Consent of Owners

Any other Supplemental Indentures require the consent of (i) the Majority Holders, or (ii) in case less than all of the Bonds then Outstanding are affected by the modifications or amendments, the Owners of a majority in aggregate principal amount of the Bonds so affected then Outstanding. However, without the consent of each Owner affected, no modification or alteration may (a) extend the maturity of the principal of or interest on any Bond, (b) reduce the principal amount of, or rate of interest on, any Bond, (c) effect a privilege or priority of any Bond or Bonds over any other Bond or Bonds, (d) reduce the percentage of the principal amount of the Bonds required for consent to such modification or alteration, (e) impair the exclusion of interest on any Tax-Exempt Bond from gross income for purposes of federal income taxation, (f) eliminate or extend the mandatory redemption date of any Bonds or reduce the redemption price of Bonds, (g) create a lien ranking prior to or on a parity with the lien of the Indenture on the pledged property except for Additional Bonds, or (h) deprive any Owner of the lien created by the Indenture on such property. In addition, if money has been deposited or set aside with the Trustee pursuant to the provisions summarized under the caption "Discharge of Indenture" for the payment of Bonds and those Bonds have not in fact actually been paid in full, no amendment to those provisions will be made without the consent of the Owner of each of those Bonds affected.

Discharge of Indenture

If (i) all Bonds secured by the Indenture have become due and payable or irrevocable instructions to redeem the Bonds or pay them at maturity have been given by the Authority to the Trustee, and (ii) the Trustee holds cash or noncallable Government Obligations or Government Certificates the principal of and interest on which at maturity will be sufficient (A) if Bonds have been called for redemption, to redeem in accordance with the Indenture all such Bonds on the date set for such redemption, (B) to pay at maturity all Outstanding Bonds not called for redemption, (C) to pay interest accruing on all Bonds until their redemption or payment at maturity, and (D) unless otherwise provided for, to pay the Trustee its reasonable fees and expenses, including the costs and expenses of canceling and discharging the Indenture, the Trustee will cancel and discharge the lien of the Indenture and execute and deliver to the Authority such instruments in writing as will be required to release such lien, and assign and deliver to the Authority any property subject to the Indenture which may then be in its possession, except funds or securities in which such funds are invested which are held by the Trustee for the payment of the principal of and premium, if any, and interest on the Bonds.

In the event that all of the Bonds secured by the Indenture are paid or deemed paid in accordance with the terms of the Indenture, then the right and interest of the Trustee in and to the trust estate created by the Indenture and all covenants, agreements and other obligations of the Authority to the Owners will cease and be discharged and satisfied. In the event any Bonds are paid or deemed paid in accordance with the terms of the Indenture, then such Bonds will cease to be entitled to any lien, benefit or security under the Indenture (other than the right to receive

payment and certain rights regarding registration and transfer), and all covenants, agreements and other obligations of the Authority to the Owners of such Bonds will cease and be discharged and satisfied.

Bonds Deemed to be Paid

Bonds will be deemed paid and no longer Outstanding for the purposes of the Indenture when there has been deposited with the Trustee cash or noncallable Government Obligations or Government Certificates the principal of and/or interest on which will be sufficient to pay or redeem such Bonds and to pay interest accruing on such Bonds to their payment or redemption date (whether on or before their maturity or redemption date); provided, however, that if such Bonds are to be redeemed before their maturity, notice of the redemption must have been duly given or irrevocable instructions to redeem such Bonds must have been given by the Authority to the Trustee. The Authority is to deliver or cause to be delivered to the Trustee a verification report of a firm of independent certified public accountants or of financial consultants acceptable to the Trustee to the effect that such cash or noncallable Government Obligations or Government Certificates and investment income to be earned on such funds held by the Trustee for payment or redemption of Bonds of the Authority, will be sufficient to pay, whether upon redemption or at maturity, the principal of and premium, if any, and interest on the Bonds of the Authority to be refunded.

APPENDIX G**PROPOSED FORM OF BOND COUNSEL OPINION**

December __ 2020

Mosaic District Community
Development Authority
Fairfax, Virginia

We have acted as Bond Counsel for Mosaic District Community Development Authority (the “Authority”) in connection with the issuance of

\$ _____
Mosaic District Community Development Authority
Revenue Refunding Bonds, Series 2020A
(the “Series 2020A Bonds”)
and
\$ _____
Mosaic District Community Development Authority
Revenue Refunding Bonds, Taxable Series 2020A-T
(the “Series 2020A-T Bonds” and together with the Series 2020A Bonds, the “2020 Bonds”)

The 2020 Bonds are being issued pursuant to the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia of 1950, as amended, and other applicable law (the “Act”), to (i) refund certain prior bonds (the “Refunded Bonds”) of the Authority issued to finance the costs of certain public infrastructure improvements benefiting property within the Authority’s boundaries (the “District”), (ii)[make a deposit to a debt service reserve fund for the 2020 Bonds and any Additional Bonds, as hereinafter defined], and (iii) pay certain costs of issuing the 2020 Bonds.

The 2020 Bonds are being issued under and secured by a Trust Indenture, dated as of June 1, 2011, as amended and supplemented by the First Supplemental Trust Indenture, dated as of December 1, 2020 (collectively, the “Indenture”), each between the Authority and the Trustee, pursuant to which the Authority has assigned to the Trustee, among other things, its rights to receive the Pledged Revenues (hereinafter defined). Under and subject to the requirements of the Indenture, the Authority may issue additional bonds (“Additional Bonds”) for refunding or defeasing the 2020 Bonds [or providing funds to the Authority to purchase 2020 Bonds as permitted by the Act], and such Additional Bonds issued under the Trust Indenture will rank on a parity with the 2020 Bonds (together with any such Additional Bonds, the “Bonds”) as to such pledge of the Pledged Revenues.

Simultaneously with the issuance of the Refunded Bonds, Fairfax County, Virginia (the “County”), the Authority, Eskridge (E&A), LLC, and Eskridge Properties (E&A), LLC entered into an Amended and Restated Memorandum of Understanding, dated as of June 1, 2011 (the “Memorandum of Understanding”), pursuant to which the County agreed to provide to the Authority (i) certain incremental tax revenues which consist of an amount equal to that portion of the real estate taxes on property in the District collected by the County pursuant to Chapter 32 of Title 58.1 of the Virginia Code of 1950, as amended (the “Virginia Code”), that is attributable to the increased value between the current assessed value of such property and the base assessed value of such property as of January 1, 2007, as set forth in Virginia Code Section 58.1-3245.2 (the “County Advance Revenues”), and (ii) if necessary, revenues derived from certain special assessments levied and apportioned on the property within the District (the “Special Assessments” and together with the County Advance Revenues, the “Pledged Revenues”) (such Special

Assessments levied and apportioned pursuant to Virginia Code Section 15.2-5158(A)(5)), certain Special Assessment Agreements and Declarations of Notice of Special Assessments, each dated as of June 1, 2011 (collectively, the “Special Assessment Agreement”), entered into by and among the Authority, the property owners within the District and The Bank of New York Mellon Trust Company, N.A., as trustee, and the Memorandum of Understanding) in order for the Authority to pay amounts sufficient to pay the principal of and interest on the Bonds. The Pledged Revenues to be provided by the County to the Authority are subject to annual appropriation by the County’s Board of Supervisors (the “Board of Supervisors”) of funds for such purposes.

The Bonds are dated, bear interest, and are stated to mature, subject to redemption, all as provided in the Indenture.

In our capacity as Bond Counsel, we have examined such documents, records of the Authority and the County and other instruments, including counterparts or certified copies of the Indenture, the Memorandum of Understanding, and the Special Assessment Agreement, 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, by the terms of the Act, is a body politic and corporate with full authority, under the Act, to enter into the Indenture, the Special Assessment Agreement, and the Memorandum of Understanding and to issue and sell the 2020 Bonds.

2. The County is a political subdivision of the Commonwealth of Virginia (the “Commonwealth”) with full authority to enter into the Memorandum of Understanding. The Memorandum of Understanding has been duly authorized, executed, and delivered by the County and, assuming due authorization, execution and delivery of the other parties thereto other than the Authority, constitutes a legal, valid and binding obligation of the County enforceable in accordance with its terms. The obligation of the County to provide the Pledged Revenues as contemplated under the Memorandum of Understanding is expressly therein made subject to the annual appropriation by the Board of Supervisors of funds for such purpose.

3. The Indenture, the Special Assessment Agreement, and the Memorandum of Understanding have been duly authorized, executed and delivered by the Authority and constitute legal, valid and binding obligations of the Authority, enforceable in accordance with their respective terms. Under the Indenture, the Authority has validly assigned substantially all its rights to the Pledged Revenues to the Trustee for the benefit of the holders of the Bonds.

4. The issuance and sale of the 2020 Bonds have been duly authorized by the Authority, and the Bonds have been duly executed and delivered by the Authority and constitute legal, valid and binding, limited obligations of the Authority payable under the Indenture in accordance with their terms solely from Pledged Revenues and other money to the extent provided in the Indenture. Neither the faith and credit nor the taxing power of the Commonwealth or of any political subdivision of the Commonwealth, including the County, is pledged to the payment of the principal or premium, if any, or interest on the Bonds. The issuance of the 2020 Bonds does not directly, indirectly, or contingently obligate the Commonwealth or any political subdivision of the Commonwealth including the County to levy any taxes or make any appropriation for the payment of the 2020 Bonds except from the Pledged Revenues.

5. 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.

6. The 2020 Bonds, their transfer and the income therefrom, including any profit made on their sale, are free from taxation by the Commonwealth of Virginia and its political subdivisions.

The opinions contained in paragraphs 2, 3 and 4 above are qualified to the extent that the enforceability of the Memorandum of Understanding, the Indenture, the Special Assessment Agreement, and the 2020 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 paragraph 2 we have relied upon the opinion of the Office of the County Attorney respecting the existence and organization of the County and its due authorization and execution of the Memorandum of Understanding.

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 this opinion in light of such actions or events.

This opinion is limited to the laws of the Commonwealth and the federal laws of the United States. The opinions in this letter are expressed solely as of the date hereof for your benefit and may not be relied upon in any manner for any purposes by any other person.

Respectfully submitted,

NORTON ROSE FULBRIGHT US LLP

APPENDIX H**PROPOSED FORM OF
CONTINUING DISCLOSURE AGREEMENT**

This Continuing Disclosure Agreement (this “Disclosure Agreement”) is executed and delivered by the Mosaic District Community Development Authority (the “Authority”) in connection with the issuance of its \$_____ Revenue Refunding Bonds, Series 2020A and its \$_____ Revenue Refunding Bonds, Taxable Series 2020A-T (collectively, the “Series 2020 Bonds”) pursuant to the provisions of a resolution (the “Authorizing Resolution”) adopted by the Authority on _____, 2020, and under the Trust Indenture, dated as of June 1, 2011, as amended and supplemented by the First Supplemental Trust Indenture, dated as of December 1, 2020 (collectively, (the “Trust Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (in such capacity, the “Trustee”) [NTD-will likely need to add developer/affiliates to this agreement].

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Authority, for the benefit of the holders of the Series 2020 Bonds and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below). Under the Rule, the Authority is an “obligated person.”

SECTION 2. Definitions. In addition to the definitions set forth in the Trust Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Dissemination Agent” shall mean the Authority, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Authority and which has filed with the Authority a written acceptance of such designation.

“Filing Date” shall have the meaning given to such term in Section 3(a) hereof.

“Financial Obligation” shall mean 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 Authority’s Fiscal Year begins July 1 and continues through June 30 of the next calendar year.

“Holder” or “holder” shall mean, for purposes of this Disclosure Agreement, any person who is a record owner or beneficial owner of the Series 2020 Bonds.

“Listed Events” shall mean any of the events listed in subsection (b)(5)(i)(C) of the Rule, which are as follows:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults; if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;

- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) 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 Series 2020 Bonds;
- (7) modifications to rights of holders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Series 2020 Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Authority;
- (13) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, 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;
- (14) appointment of a successor or additional paying agent or the change of name of a paying agent, if material;
- (15) incurrence of a Financial Obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Participating Underwriters” shall mean any of the original underwriters of the Series 2020 Bonds required to comply with the Rule in connection with the offering of such Series 2020 Bonds.

“Repository” shall mean The Electronic Municipal Market Access (“EMMA”) system administered by the MSRB. EMMA is recognized as a National Repository for purposes of the Rule.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Authority 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 Authority or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the Authority 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 Authority, and (b) the Authority intends the words used in the immediately preceding paragraphs (15) and (16)

and the definition of Financial Obligation in this Section 2 to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

SECTION 3. Provision of Annual Reports.

A. The Authority shall, or shall cause the Dissemination Agent to, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Such Annual Report shall be filed on a date (the “Filing Date”) that is not later than March 31 after the end of any Fiscal Year (commencing with its Fiscal Year ended June 30, 2020). Not later than ten (10) days prior to the Filing Date, the Authority shall provide the Annual Report to the Dissemination Agent (if the Authority is not acting as Dissemination Agent at such time). In such case, the Annual Report (i) may be submitted as a single document or as separate documents comprising a package, (ii) may cross-reference other information as provided in Section 4 of this Disclosure Agreement, and (iii) shall include the Authority’s audited financial statements or, if audited financial statements are not available, such unaudited financial statements as may be required by the Rule. In any event, audited financial statements of the Authority must be submitted, if and when available, together with or separately from the Annual Report.

B. The annual financial statements of the Authority shall be prepared on the basis of generally accepted accounting principles and will be audited. Copies of the audited annual financial statements, which may be filed separately from the Annual Report, will be filed with the Repository when they become publicly available.

C. If the Authority fails to provide an Annual Report to the Repository by the date required in subsection (A) above or to file its audited annual financial statements with the Repository when they become publicly available, the Authority shall send a notice in a timely manner to the Repository in substantially the form attached hereto as Exhibit B.

SECTION 4. Content of Annual Reports. Any Annual Report required to be filed hereunder shall contain or incorporate by reference, at a minimum, the following: (i) audited financial statements of the Authority; and (ii) updated operating data, as described in Exhibit A, all with a view toward assisting Participating Underwriters in complying with the Rule.

Any or all of such information may be incorporated by reference from other documents, including official statements of securities issues with respect to which the Authority is an “obligated person” (within the meaning of the Rule), which have been filed with the Repository or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Authority shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Listed Events. The Authority will provide within 10 business days to the Repository notice of any of the Listed Events.

SECTION 6. Termination of Reporting Obligation. The Authority’s obligations under this Disclosure Agreement shall terminate upon the earlier to occur of the legal defeasance or final retirement of all the Series 2020 Bonds.

SECTION 7. Dissemination Agent. The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Authority shall be the Dissemination Agent.

SECTION 8. Amendment. Notwithstanding any other provision of this Disclosure Agreement, the Authority may amend this Disclosure Agreement, if such amendment is supported by an opinion of independent counsel with expertise in federal securities laws, to the effect that such amendment is permitted or required by the Rule.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Authority chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the Authority shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. Any person referred to in Section 11 (other than the Authority) may take such action as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to file its Annual Report or to give notice of a Listed Event. The holders of not less than a majority in aggregate principal amount of Series 2020 Bonds outstanding may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to challenge the adequacy of any information provided pursuant to this Disclosure Agreement, or to enforce any other obligation of the Authority hereunder. A default under this Disclosure Agreement shall not be deemed an event of default under the Authorizing Resolution, the Trust Indenture or the Series 2020 Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Authority to comply herewith shall be an action to compel performance. Nothing in this provision shall be deemed to restrict the rights or remedies of any holder pursuant to the Securities Exchange Act of 1934, the rules and regulations promulgated thereunder, or other applicable laws.

SECTION 11. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Authority, the Participating Underwriters, and holders from time to time of the Authority's bonds and notes, and shall create no rights in any other person or entity.

Date: December __, 2020

**MOSAIC DISTRICT COMMUNITY
DEVELOPMENT AUTHORITY**

By: _____
Chairman

EXHIBIT A

CONTENT OF ANNUAL REPORT
[to be revised]

Respecting Fairfax County, Virginia:

- (a) audited financial statements of the County, including information relating to the Authority as a blended component unit of the County;
- (b) [to come]'

Respecting the Authority:

[to come]

In general, the foregoing will include information as of the end of the most recent fiscal year or as of the most recent practicable date. Where information for the fiscal year just ended is provided, it may be preliminary and unaudited. Where information has historically been provided for more than a single period, comparable information will in general be provided for the same number of periods where valid and available. Where comparative demographic or economic information for the District or the County and the United States as a whole is contemporaneously available and, in the judgment of the Authority, informative, such information may be included. Where, in the judgment of the Authority, an accompanying narrative is required to make data presented not misleading, such narrative will be provided.

Respecting the Developer

[to come]

Re: \$_____

**\$_____ Revenue Refunding Bonds,
Taxable Series 2020A-T**

Bonds Dated: December __, 2020

Dated: _____

By: _____

ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT, dated as of December __, 2020 (this “Agreement”), by and between **Mosaic District Community Development Authority** (the “Authority”), a political subdivision of the Commonwealth of Virginia, and **The Bank of New York Mellon Trust Company, N.A.**, a national banking association organized and existing under the laws of the United States of America, and any successor thereto, as escrow agent (in such capacity, the “Escrow Agent”),

W I T N E S S E T H:

WHEREAS, the Authority, pursuant to the provisions of resolutions duly adopted by the Authority on April 8, 2011, and on April 15, 2011 (the “Bond Resolutions”), and the Trust Indenture, dated as of June 1, 2011 (the “Trust Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (in such capacity, the “Trustee”), its \$46,980,000 Revenue Bonds, Series 2011A (the “Series 2011A Bonds”) and its \$18,670,000 Revenue Bonds, Taxable Series 2011A-T (the “Series 2011A-T Bonds” and, collectively with the Series 2011A Bonds, the “Series 2011 Bonds”), first subject to optional redemption on March 1, 2021; and

WHEREAS, the Authority has determined to refund for debt service savings the outstanding Series 2011A Bonds maturing on or after March 1, 2021 (the “Series 2011A Refunded Bonds”) and the Series 2011A-T Bonds maturing on or after March 1, 2021 (the “Series 2011A-T Refunded Bonds” and, together with the Series 2011A Refunded Bonds, the “Refunded Bonds”) and to give to The Bank of New York Mellon Trust Company, N.A., as bond registrar and paying agent for the Refunded Bonds (in such capacity, the “Paying Agent”), irrevocable instructions to call the Refunded Bonds for redemption on March 1, 2021, at the applicable redemption price of 100% of the principal amount of each Refunded Bond plus accrued interest to the redemption date; and

WHEREAS, the Authority has deposited with the Escrow Agent the amount of \$_____ (the “Series 2011A Deposit”) derived from (i) certain amounts on deposit in the _____ Fund established under the Trust Indenture and (ii) a portion of the proceeds of the \$_____ Mosaic District Community Development Authority Revenue Refunding Bonds, Series 2020A (the “Series 2020A Refunding Bonds”), and has made arrangements for and has directed the Escrow Agent to purchase from the Series 2011A Deposit the securities listed in Appendix A-1 (the “Series 2011A Escrow Securities”), that, without consideration of any reinvestment of the maturing principal and interest on the Series 2011A Escrow Securities, will provide sufficient money to enable the Escrow Agent to pay to the registered owners of the Series 2011A Refunded Bonds, on behalf of the Authority and the Paying Agent, to pay (a) the principal of the Series 2011A Refunded Bonds on March 1, 2021 (the “Series 2011A Redemption Date”), and (b) when due and payable the interest to accrue on the Series 2011A Refunded Bonds to and including the Series 2011A Redemption Date all as set forth in Appendix B-1; and

WHEREAS, the Authority has deposited with the Escrow Agent the amount of \$_____ (the “Series 2011A-T Deposit” and, together with the Series 2011A Deposit, the “Deposits”) derived from (i) certain amounts on deposit in the _____ Fund established under the Trust Indenture and (ii) a portion of the proceeds of the \$_____ Mosaic District Community Development Authority Revenue Refunding Bonds, Taxable Series 2020A-T (the “Series 2020A-T Refunding Bonds” and, together with the Series 2020A Refunding Bonds, the “Refunding Bonds”), and has made arrangements for and has directed the Escrow Agent to purchase from the Series 2011A-T Deposit the securities listed in Appendix A-2 (the “Series 2011A-T Escrow Securities” and, together with the Series 2011A Escrow Securities, the “Escrow Securities”), that, without consideration of any reinvestment of the maturing principal and interest on the Series 2011A-T Escrow Securities, will provide sufficient money to enable the Escrow Agent to pay to the registered owners of the Series 2011A-T Refunded Bonds, on behalf of the Authority and the Paying Agent, to pay (a) the principal of the Series 2011A-T Refunded Bonds on March 1, 2021 (the “Series 2011A-T Redemption Date”), and (b) when due and payable the interest to accrue on the Series 2011A-T Refunded Bonds to and including the Series 2011A-T Redemption Date all as set forth in Appendix B-2; and

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

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

1. **Receipt of Verification Report.** Receipt of a true and correct copy of the verification report (Appendix E to this Agreement) of [Robert Thomas CPA, LLC,] dated December __, 2020 (the “Verification Report”), is hereby acknowledged by the Escrow Agent and the Authority.

2. **Creation of and Deposits to Escrow Funds.** There are hereby created and established with the Escrow Agent two special, segregated and irrevocable escrow funds, designated the “Mosaic District Community Development Authority Revenue Bonds, Series 2011A Escrow Fund” (the “Series 2011A Escrow Fund”), and the “Mosaic District Community Development Authority Revenue Bonds, Taxable Series 2011A-T Escrow Fund” (the “Series 2011A-T Escrow Fund” and, collectively with the Series 2011A Escrow Fund, the “Escrow Funds”), each to be held in the custody of the Escrow Agent as a trust fund for the benefit of the holders of the related Refunded Bonds, and separate and apart from each other and from other funds of the Authority and the Escrow Agent. The Escrow Agent hereby accepts the Escrow Funds and acknowledges the receipt of, and deposit to the credit of the Series 2011A Escrow Fund and the Series 2011A-T Escrow Fund, the Series 2011A Deposit and the Series 2011A-T Deposit, respectively, a portion of which has been or is to be used to purchase the Escrow Securities listed in Appendices A-1 and A-2, respectively.

3. **Investment of Escrow Fund.** (a) The Escrow Agent is hereby directed to and shall on the date hereof use \$_____ of the Series 2011A Deposit to purchase the Series 2011A Escrow Securities, described in Appendix A-1, in the principal amount of \$_____ at the purchase price indicated in Appendix A-1 and credit such Series 2011A Escrow Securities

to the Series 2011A Escrow Fund. The Escrow Agent further is hereby directed to and shall hold \$__ of the Series 2011A Deposit uninvested (the “Series 2011A Initial Cash”).

(b) The Escrow Agent is hereby directed to and shall on the date hereof use \$_____ of the Series 2011A-T Deposit to purchase the Series 2011A-T Escrow Securities, described in Appendix A-2, in the principal amount of \$_____ at the respective purchase price indicated in Appendix A-2 and credit such Series 2011A-T Escrow Securities to the Series 2011A-T Escrow Fund. The Escrow Agent further is hereby directed to and shall hold \$__ of the Series 2011A-T Deposit uninvested (the “Series 2011A-T Initial Cash”).

4. **Sufficiency Representation.** (a) In sole reliance upon the Verification Report, the Authority represents and warrants that (i) the Series 2011A Initial Cash and the interest on and the maturing principal amounts of the Series 2011A Escrow Securities in accordance with their terms (without consideration of any reinvestment of such maturing principal and interest) are sufficient to assure that money will be available to the Escrow Agent in the amounts and on the dates required to pay (A) the principal of the Series 2011A Refunded Bonds on the Series 2011A Redemption Date, and (B) when due and payable, the interest to accrue on the Series 2011A Refunded Bonds, to the Series 2011A Redemption Date, as described in Appendix B-1, and (ii) the Series 2011A-T Initial Cash and the interest on and the maturing principal amounts of the Series 2011A-T Escrow Securities in accordance with their terms (without consideration of any reinvestment of such maturing principal and interest) are sufficient to assure that money will be available to the Escrow Agent in the amounts and on the dates required to pay (A) the principal of the Series 2011A-T Refunded Bonds on the Series 2011A-T Redemption Date and (B) when due and payable, the interest to accrue on the Series 2011A-T Refunded Bonds to the Series 2011A-T Redemption Date, as described in Appendix B-2. If the amounts available in an Escrow Fund shall be insufficient to make such payments with respect to the related Refunded Bonds as they become due and payable, the Authority shall timely pay to the Escrow Agent for deposit to such Escrow Fund such additional amounts as may be required to meet fully the amount so due and payable. Notice of any insufficiency in an Escrow Fund shall be given by the Escrow Agent to the Authority as promptly as possible, but the Escrow Agent shall in no manner be responsible for the Authority’s failure to make any payments to such Escrow Fund. The Escrow Agent shall not use any of the Series 2011A Deposit or the interest on or maturing principal amounts of the Series 2011A Escrow Securities to make any payment of principal or interest on the Series 2011A-T Refunded Bonds. The Escrow Agent shall not use any of the Series 2011A-T Deposit or the interest on or maturing principal amounts of the Series 2011A-T Escrow Securities to make any payment of principal or interest on the Series 2011A Refunded Bonds.

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

5. **Escrow Funds.** The Escrow Agent shall hold the cash and the book-entry credits of the Series 2011A Escrow Securities and Series 2011A-T Escrow Securities in each of the Series 2011A Escrow Fund and Series 2011A-T Escrow Fund, respectively, at all times as a special and separate escrow fund for the benefit of the holders of the related Refunded Bonds,

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

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

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

Wire Instructions for Redemption Payments:

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

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

7. **No Reinvestment or Substitution.** Neither the Authority nor the Escrow Agent shall otherwise invest or reinvest any money in the Escrow Funds.

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

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

10. **Statements.** Semiannually on or before the 30th day of each June or December, commencing with June 30, 2021, so long as the Escrow Fund is maintained under this Agreement, the Escrow Agent shall forward to the Authority, addressed to the attention of the Director of the Department of Finance, a statement in detail of the Escrow Securities, and the income and maturities thereof, held and withdrawals of money from the Escrow Fund for the period from the last statement furnished pursuant to this paragraph.

11. **Notice of Establishment of Escrow Funds; Redemption.** (a) The Authority directs the Escrow Agent, and the Escrow Agent agrees, to cause the notice of the establishment of the Escrow Funds and of the deposit of the Deposits and Escrow Securities to the Escrow Funds to be sent by certified mail, postage prepaid to the registered owners of the Refunded Bonds, to The Electronic Municipal Market Access system administered by the Municipal Securities Rulemaking Board ("EMMA") within five (5) days after the date of this Agreement, such notices to be substantially in the forms set forth in Appendices C-1 and C-2.

(b)(1) The Authority hereby specifically and irrevocably elects to redeem on the Series 2011A Redemption Date the Series 2011A Refunded Bonds at the principal amount of each Series 2011A Refunded Bond plus accrued interest to the Series 2011A Redemption Date, as set forth in Appendix B-1.

(2) The Authority hereby specifically and irrevocably elects to redeem on the Series 2011A-T Redemption Date the Series 2011A-T Refunded Bonds at the principal amount of each Series 2011 A-T Refunded Bond plus accrued interest to the Series 2011A-T Redemption Date, as set forth in Appendix B-2.

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

(d) Not less than thirty-five (35) days prior to the date of redemption, the Escrow Agent shall give notice of such redemption by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission or (iii) through EMMA and the following

securities depository at the address and transmission number given, or such other address or transmission number as may have been delivered in writing to the Escrow Agent for such purpose not later than the close of business on the day before such notice is given:

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

12. **Duties of Escrow Agent.** The Escrow Agent shall have no responsibility to any person in connection herewith except the responsibilities specifically provided herein, no additional covenants or obligations shall be read into this Agreement against the Escrow Agent and the Escrow Agent shall not be responsible for anything done or omitted to be done by it except for its own negligence or willful misconduct in the performance of any obligation imposed on it hereunder. The Escrow Agent, except as herein specifically provided for, is not a party to, nor is it bound by nor need it give consideration to the terms or provisions of any other agreement or undertaking between the Authority and other persons, and the Escrow Agent assents to and is to give consideration only to the terms and provisions of this Agreement. Unless it is specifically provided, the Escrow Agent has no duty to determine or to inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Authority with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund and to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, to exercise reasonable care and diligence, and in the event of material error in making such determination the Escrow Agent shall be liable for its own willful misconduct and its negligence. Notwithstanding any provision herein to the contrary, in no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action. In determining the occurrence of any such event or contingency, the Escrow Agent may request from the Authority or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency and, in this connection, may inquire and consult with the Authority, among others, at any time. The Escrow Agent shall be entitled to conclusively rely upon such evidence that it in good faith believes to be genuine. The Escrow Agent may consult with legal counsel, and the opinion of such counsel shall be full and complete authority and protection to the Escrow Agent as to any action taken or omitted by it in good faith and in accordance with such opinion. Any payment obligation of the Escrow Agent hereunder shall be paid from, and is limited to funds available, established and maintained hereunder, and the Escrow Agent shall not be required to expend its own funds for the performance of its duties under this Agreement. The Escrow Agent may act through its agents and attorneys. The Escrow Agent shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused,

directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions; loss or malfunctions of utilities, or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

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

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

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

to the Authority:

Mosaic District Community Development Authority
c/o Fairfax County Office of Community Revitalization and Reinvestment
12055 Government Center Parkway, Suite 1048
Fairfax, VA 22035
Attention: Director

With a copy to:

Department of Finance
Fairfax County, Virginia
12000 Government Center Parkway
Fairfax, VA 22035
Attention: Director

to the Escrow Agent:

The Bank of New York Mellon Trust Company, N.A.
BNY Mellon Corporate Trust
500 Ross Street, 12th Floor
Pittsburgh, PA 15262
Attention: Corporate Trust

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

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

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

Any legal expenses, or any costs, charges or expenses associated with the mailing of any notice with respect to the Refunded Bonds under this Agreement of the Escrow Agent, shall be paid by the Authority solely from funds of the Authority, and in no event shall such costs, charges or expenses give rise to any claim against the Escrow Fund, the assets of which are solely for the benefit of the holders of the Refunded Bonds. If the Escrow Agent is required by a governmental agency or court proceeding initiated by a third party to undertake efforts beyond that which is set forth herein but related thereto (other than due to the Escrow Agent's negligence or willful misconduct), the Escrow Agent shall notify the Authority of the same in writing and the Authority shall, promptly pay the Escrow Agent for such extraordinary fees, costs and expenses reasonably and necessarily incurred in connection therewith.

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

20. **Removal of Escrow Agent.** The Escrow Agent may be removed at any time, but not less than thirty (30) days from the date of notice for removal, by an instrument or concurrent instruments in writing, executed by the owners of not less than a majority in aggregate principal amount of the Refunded Bonds then outstanding, such instruments to be filed with the Authority.

A photographic copy of any instrument filed with the Authority under the provisions of this paragraph shall be delivered by the Authority to the Escrow Agent.

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

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

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

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

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

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

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

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

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

24. **Identifying Information.** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a Trust or other legal entity the Escrow Agent will ask for documentation to verify its formation and existence as a legal entity. The Escrow Agent may also ask to see financial statements, licenses, and identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

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

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

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

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

**MOSAIC DISTRICT COMMUNITY
DEVELOPMENT AUTHORITY**

By: _____

Name:

Title:

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Escrow Agent**

By: _____

Name:

Title:

APPENDIX A-1

ESCROW SECURITIES FOR THE SERIES 2011A BONDS
(See attached SLGS subscription)

APPENDIX A-2

ESCROW SECURITIES FOR THE SERIES 2011A-T BONDS
(See attached SLGS subscription)

APPENDIX B-1**Mosaic District Community Development Authority
Revenue Bonds, Series 2011A**

Pay to the registered owners of the Series 2011A Refunded Bonds, the amounts shown in the Total Debt Service column on the corresponding dates.

Schedule of Debt Service

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
3/1/2021	<u>\$44,390,000.00</u>	<u>\$</u>	<u>\$</u>
Total	<u>\$44,390,000.00</u>	<u>\$</u>	<u>\$</u>

APPENDIX B-2**Mosaic District Community Development Authority
Revenue Bonds, Taxable Series 2011A-T**

Pay to the registered owners of the Series 2011A-T Refunded Bonds, the amounts shown in the Total Debt Service column on the corresponding dates.

Schedule of Debt Service

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
3/1/2021	<u>\$18,670,000.00</u>	<u>\$</u>	<u>\$</u>
Total	<u>\$18,670,000.00</u>	<u>\$</u>	<u>\$</u>

APPENDIX C-1**NOTICE OF DEFEASANCE AND ESTABLISHMENT OF ESCROW FUND****MOSAIC DISTRICT COMMUNITY DEVELOPMENT AUTHORITY****REVENUE BONDS, SERIES 2011A, Dated June 9, 2011, and maturing March 1, 2021, March 1, 2026, and March 1, 2036**

NOTICE IS HEREBY GIVEN to the owners of the following outstanding Mosaic District Community Development Authority Revenue Bonds, Series 2011A (the “Defeased Bonds”), that there have been deposited, in trust, with The Bank of New York Mellon Trust Company, N.A., as escrow agent (in such capacity, the “Escrow Agent”), United States Treasury obligations and cash in an amount that, together with interest thereon, will provide for the payment in full of the interest on the Defeased Bonds to their earliest redemption date (or maturity date in the case of the Defeased Bonds maturing March 1, 2021), as set forth below, and the principal amount of the Defeased Bonds on such date:

DEFEASED BONDS

Redemption or Maturity Date: March 1, 2021

Redemption or Maturity Date	Principal Amount	Interest Rate	Redemption Price	CUSIP Numbers ¹
March 1, 2021 ²	\$990,000	6.250%	100%	61945D AA9
March 1, 2026	7,595,000	6.625	100	61945D AB7
March 1, 2036	35,805,000	6.875	100	61945D AC5

This is not a notice of redemption. The Escrow Agent for the Defeased Bonds has been given irrevocable instructions to call the applicable Defeased Bonds, and has been directed to give notice of the redemption not more than sixty (60), and at least thirty (30), days before the respective redemption dates of the Defeased Bonds. The principal on all the Defeased Bonds will be payable at the office of The Bank of New York Mellon Trust Company, N.A, as the Defeased Bonds Paying Agent.

THE BANK OF NEW YORK
MELLON TRUST COMPANY, N.A.

Dated: December __, 2020

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

² The Series 2011A Bonds maturing March 1, 2021, are not subject to optional redemption prior to maturity and have been defeased to such maturity date. No notice of redemption will be given to such maturing Series 2011A Bonds.

APPENDIX C-2**NOTICE OF DEFEASANCE AND ESTABLISHMENT OF ESCROW FUND****MOSAIC DISTRICT COMMUNITY DEVELOPMENT AUTHORITY****REVENUE BONDS, TAXABLE SERIES 2011A-T, Dated July 6, 2011, and maturing March 1, 2036**

NOTICE IS HEREBY GIVEN to the owners of the following outstanding Mosaic District Community Development Authority Revenue Bonds, Taxable Series 2011A-T (the “Defeased Bonds”), that there have been deposited, in trust, with The Bank of New York Mellon Trust Company, N.A., as escrow agent (in such capacity, the “Escrow Agent”), United States Treasury obligations and cash in an amount that, together with interest thereon, will provide for the payment in full of the interest on the Defeased Bonds to their earliest redemption date, as set forth below, and the principal amount of the Defeased Bonds on such date:

DEFEASED BONDS

Maturity Date: March 1, 2021

Redemption or Maturity Date	Principal Amount	Interest Rate	Redemption Price	CUSIP Numbers ¹
March 1, 2036	\$18,670,000	7.25%	100%	61945D AD3

This is not a notice of redemption. The Escrow Agent for the Defeased Bonds has been given irrevocable instructions to call the applicable Defeased Bonds, and has been directed to give notice of the redemption not more than sixty (60), and at least thirty (30), days before the respective redemption dates of the Defeased Bonds. The principal on all the Defeased Bonds will be payable at the office of The Bank of New York Mellon Trust Company, N.A., as the Defeased Bonds Paying Agent.

THE BANK OF NEW YORK
MELLON TRUST COMPANY, N.A.

Dated: December __, 2020

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

APPENDIX D-1**NOTICE OF REDEMPTION****MOSAIC DISTRICT COMMUNITY DEVELOPMENT AUTHORITY****REVENUE BONDS, SERIES 2011A, Dated June 9, 2011, and maturing March 1, 2026, and March 1, 2036**

NOTICE IS HEREBY GIVEN to the owners of the following outstanding Mosaic District Community Development Authority Revenue Bonds, Series 2011A (the “Refunded Bonds”), that such Refunded Bonds shall be redeemed on the date at the redemption price (expressed as a percentage of the principal amount of such Refunded Bonds) referred to below together with the interest accrued thereon to the redemption date:

REFUNDED BONDS

Redemption Date: March 1, 2021

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Redemption Price</u>	<u>CUSIP Numbers¹</u>
March 1, 2026	\$7,595,000	6.625%	100%	61945D AB7
March 1, 2036	35,805,000	6.875	100	61945D AC5

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

Payment of the Redemption Price will be made upon presentation and surrender of the Refunded Bonds, on or after March 1, 2021, at the principal corporate trust office of the Escrow Agent.

The Refunded Bonds should be presented for payment as follows:

The Bank of New York Mellon Trust Company, N.A.
 Attention: Global Corporate Trust
 111 Sanders Creek Parkway
 East Syracuse, New York 13507

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

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

Under certain provisions of the Internal Revenue Code of 1986, as amended, a beneficial owner of a Refunded Bond may be subject to information reporting and to backup withholding of certain amounts paid to the beneficial owner unless such beneficial owner provides proof of an applicable exemption or a correct taxpayer identification number, and otherwise complies with applicable requirements of the backup withholding rules.

THE BANK OF NEW YORK
MELLON TRUST COMPANY, N.A.

Dated: January __, 2021

APPENDIX D-2**NOTICE OF REDEMPTION****MOSAIC DISTRICT COMMUNITY DEVELOPMENT AUTHORITY****REVENUE BONDS, TAXABLE SERIES 2011A-T, Dated July 6, 2011, and maturing March 1, 2036**

NOTICE IS HEREBY GIVEN to the owners of the following outstanding Mosaic District Community Development Authority Revenue Bonds, Taxable Series 2011A-T (the “Refunded Bonds”), that such Refunded Bonds shall be redeemed on the date at the redemption price (expressed as a percentage of the principal amount of such Refunded Bonds) referred to below together with the interest accrued thereon to the redemption date:

REFUNDED BONDS

Redemption Date: March 1, 2021

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Redemption Price</u>	<u>CUSIP Numbers¹</u>
March 1, 2036	\$18,670,000	7.25%	100%	61945D AD3

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

Payment of the Redemption Price will be made upon presentation and surrender of the Refunded Bonds, on or after March 1, 2021, at the principal corporate trust office of the Escrow Agent.

The Refunded Bonds should be presented for payment as follows:

The Bank of New York Mellon Trust Company, N.A.
 Attention: Global Corporate Trust
 111 Sanders Creek Parkway
 East Syracuse, New York 13507

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

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

Under certain provisions of the Internal Revenue Code of 1986, as amended, a beneficial owner of a Refunded Bond may be subject to information reporting and to backup withholding of certain amounts paid to the beneficial owner unless such beneficial owner provides proof of an applicable exemption or a correct taxpayer identification number, and otherwise complies with applicable requirements of the backup withholding rules.

THE BANK OF NEW YORK
MELLON TRUST COMPANY, N.A.

Dated: January __, 2021

APPENDIX E

VERIFICATION REPORT

BOND PURCHASE AGREEMENT

\$ _____
MOSAIC DISTRICT COMMUNITY DEVELOPMENT AUTHORITY
REVENUE REFUNDING BONDS
\$ _____ **SERIES 2020A**
(the “Series 2020A Bonds”)
and
\$ _____ **TAXABLE SERIES 2020A-T**
(the “Series 2020A-T Bonds”)

October __, 2020

Mosaic District Community Development Authority
c/o Fairfax County Office of Community Revitalization and Reinvestment
12055 Government Center Parkway, Suite 1048
Fairfax, Virginia 22035
Attention: Director

Dear Ladies and Gentlemen:

The undersigned, Stifel, Nicolaus & Company, Incorporated (the “Representative”), on its own behalf and on behalf of Citigroup Global Markets, Inc., and Piper Sandler & Co. (collectively, the “Underwriters” and each an “Underwriter”), hereby agrees to purchase the above-captioned bonds (collectively, the “Bonds”) from the Mosaic District Community Development Authority (the “Authority”) pursuant to the terms and conditions of this Bond Purchase Agreement (this “Agreement”).

The Bonds are to be authorized and issued pursuant to the Constitution and laws of the Commonwealth of Virginia (the “Commonwealth”), including the Virginia Water and Sewer Authorities Act, Chapter 51, Section 15.2-5152 *et seq.* of the Code of Virginia of 1950, as amended (the “Enabling Act”), a resolution duly adopted by the Authority on September __, 2020 (the “Authority Resolution”), and a Trust Indenture, dated as of June 1, 2011 (the “Original Indenture”), as amended and supplemented by the First Supplemental Trust Indenture, dated as of December 1, 2020 (the “Supplemental Indenture” and the Original Indenture, as so amended and supplemented, the “Indenture”), each between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (in such capacity, the “Trustee”). The Board of Supervisors of Fairfax County, Virginia (the “Board of Supervisors”), authorized the Authority to issue the Bonds pursuant to a resolution adopted on September __, 2020 (the “County Resolution”). Proceeds of the Bonds are to be deposited under an Escrow Deposit Agreement (the “Escrow Deposit Agreement”) between the Authority and The Bank of New York Mellon Trust Company, N.A., as Escrow Agent, and used to discharge the outstanding Revenue Bonds, Series 2011A and Taxable, Series 2011A-T (the “Series 2011 Bonds”) issued by the Authority.

The Bonds are limited obligations payable primarily from (1) certain incremental real estate tax revenues (the “County Advanced Revenues”) collected by Fairfax County, Virginia (the “County”), and paid to the Trustee pursuant to the terms of the Amended and Restated Memorandum of Understanding, dated as of June 1, 2011 (the “Memorandum of Understanding”), among Fairfax County, the Authority, Eskridge (E&A), LLC and Eskridge Properties (E&A), LLC, as co-developers (collectively, the “Developer”) and (2) certain special assessments (“Special Assessments”) imposed and collected, at the request of the Authority, by the County against the taxable real property in the Mosaic District Community Development Authority District (the “District”) pursuant to the terms of a Rate and Method of Apportionment of Special Assessments (the “Rate and Method”).

This offer is made subject to the acceptance hereof by the Authority, evidenced by the Authority’s execution and delivery (manually or by facsimile or electronic (PDF) transmission) of this Agreement (or the signature page) to the Representative or counsel to the Underwriters, at or prior to 11:00 p.m., Eastern Time, today. If not so accepted, this offer shall expire upon written notice sent by the Representative to the Authority at any time prior to acceptance.

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

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

(a) On the basis of the representations, warranties, covenants and agreements contained in this Agreement, and in the other agreements referred to herein, and subject to the terms and conditions described in this Agreement, the Underwriters agree, jointly and severally, to purchase all, but not less than all, the Bonds for the sum of \$_____, representing the aggregate principal amount of the Bonds (\$_____), plus net original issue premium of \$_____, less an underwriting discount of \$_____.

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

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

(i) the sale of the Bonds to any purchaser in connection with the initial public offering of the Bonds unless a copy of the Official Statement (as defined herein) is delivered to such purchaser not later than the settlement of such transaction;

(ii) the offer or sale of Bonds in any jurisdiction where any such offer or sale would be in violation of such jurisdiction’s securities or “Blue Sky” laws;

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

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

(c) On the date hereof, the sum of \$_____ being payment in good faith on account of the purchase price of the Bonds (collectively, the “Good Faith Deposit”), shall be delivered by wire transfer from the Underwriters to the account identified by the Authority. The Good Faith Deposit represents approximately 1% of the aggregate principal amount of the Bonds provided in the Preliminary Official Statement. If the Authority does not accept this offer, such Good Faith Deposit shall be immediately returned to the Underwriters by wire transfer to the account designated by the Underwriters. If the Underwriters fail (other than for a reason permitted herein) to accept and pay for the Bonds on the Closing Date (as defined herein) as herein provided, the amount of such Good Faith Deposit plus any interest earned thereon shall be retained by the Authority as and for liquidated damages for such failure and for any defaults hereunder on the part of the Underwriters, and such retention shall constitute a full release and discharge of all claims by the Authority against the Underwriters arising out of the transactions contemplated hereby. In the event of the Authority’s failure to tender delivery of the Bonds on the Closing Date, or if the Authority shall be unable to satisfy the conditions to the obligations of the Underwriters contained herein (unless such conditions are waived by the Underwriters), or if the obligations of the Underwriters shall be terminated for any reason permitted herein, the Authority shall immediately return to the Underwriters the Good Faith Deposit, plus any interest earned by the Authority on said sum from the date hereof to the date of return of the Good Faith Deposit, by wire transfer of immediately available funds.

Section 2. Establishment of Issue Price of Bonds

(a) The Representative, on behalf of the Underwriters, agrees to assist the Authority in establishing the issue price of the Series 2020A Bonds and shall execute and deliver to the Authority at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2020A Bonds.

(b) The Representative confirms that the Underwriters have offered all of the Bonds to the public on or before the date hereof for purchase at the offering price or prices set forth in Exhibit A attached hereto (the “initial offering price”).

(c) The Authority and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply to each maturity of the Series 2020A Bonds, which will allow the Authority to treat the initial offering price to the public of each maturity of the Series 2020A Bonds as of the date hereof as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2020A Bonds, the Underwriters will neither offer nor sell any Series 2020A Bonds of that maturity to any person at a price that is higher than the initial offering price

to the public during the period starting on the date hereof and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the date hereof; and
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Series 2020A Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative shall promptly advise the Authority when the Underwriters have sold 10% of that maturity of the Series 2020A Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the date hereof.

Initial disclosure of maturities that have met the 10% test will be made after the signing of this Bond Purchase Agreement, at the earlier of (1) all tickets having been entered by the Representative, and (2) 5:00 p.m. on October __, 2020.

The Authority acknowledges that, in making the representation set forth in this subsection, the Representative 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 Series 2020A 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 a 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 Series 2020A 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 requirements for establishing the issue price of the Series 2020A Bonds, including, but not limited to, its agreement to comply with 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 to comply with the requirements for establishing the issue price of the Series 2020A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule.

(d) The Representative confirms that:

- (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Series 2020A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (A) to comply with the hold-the-offering-price rule in each case if and for so long as directed by the Representative and as set forth in the

related pricing wires, (B) to promptly notify the Representative of any sales of Series 2020A Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2020A Bonds to the public (each such term being used as defined below), and (C) to acknowledge that, unless otherwise advised by the Underwriter, dealer, or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer, or broker-dealer is a sale to the public, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Series 2020A 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 Series 2020A 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 Representative or the Underwriter or dealer and as set forth in the related pricing wires.

(e) The Underwriters acknowledge that sales of any Series 2020A Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2020A Bonds to the public (each such term being defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “maturity” means Series 2020A Bonds with the same credit and payment terms; Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate maturities,

(ii) “public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a related party,

(iii) “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 Series 2020A 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 Series 2020A 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 Series 2020A Bonds to the public), and

(iv) a purchaser of any of the Series 2020A Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) 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), (B) 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 (C) 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).

(f) The Underwriters agree to make an initial bona fide public offering of all of the Series 2020A-T Bonds of each maturity at a price equal to the principal amount thereof, and the Representative shall execute and deliver to the Authority an issue price certificate for the Series 2020A-T Bonds in a form satisfactory to Bond Counsel.

Section 3. Official Statement

The Authority hereby deems the Preliminary Official Statement, dated October __, 2020, relating to the Bonds (the “Preliminary Official Statement”), to be final as of its date within the meaning of Rule 15c2-12 (“Rule 15c2-12”) of the Securities and Exchange Commission (the “SEC”), except for the omission of pricing and other information allowed to be omitted pursuant to Rule 15c2-12. The Authority will take all proper steps to complete the Preliminary Official Statement as an Official Statement in final form, including the completion of all information required pursuant to Rule 15c2-12 (the “Official Statement”). The execution of the Official Statement in final form by the Authority’s Chairman or Vice Chairman shall be conclusive evidence that the Authority has deemed it final as of its date. The Authority shall arrange for the delivery within seven business days of the date hereof and, in any event not later than two business days before the Closing Date, the Official Statement in final form (which need not be manually executed) to the Underwriters for delivery to each potential investor requesting a copy of the Official Statement and to each purchaser to which the Underwriters initially sell the Bonds.

The Underwriters agree that a copy of the Official Statement will be deposited before the “end of the underwriting period” (as defined herein) with the MSRB.

The Authority shall prepare the Official Statement, including any amendments thereto, in word-searchable PDF format as described in MSRB Rule G-32 and shall provide the electronic copy of the word-searchable PDF format of the Official Statement to the Underwriters no later than one business day prior to the Closing Date to enable the Underwriters to comply with MSRB Rule G-32.

Section 4. Authority’s Representations, Warranties, Covenants and Agreements

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

(a) The Authority is, and will be at the Closing Time (as defined herein), (i) a political subdivision of the Commonwealth of Virginia created by an ordinance adopted by the Board of Supervisors on April 27, 2009, as amended by ordinance adopted April 27, 2010 (as so amended, the “Enabling Ordinance”), all in accordance with the Enabling Act, and (ii) authorized to adopt the Authority Resolution and to perform its obligations under the Bonds, the Indenture, the Escrow Deposit Agreement, the Continuing Disclosure Agreement (as defined herein), the Memorandum of Understanding, and this Agreement (collectively, the “Authority Documents”).

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

(c) As of the date of the Preliminary Official Statement, at the time of the Authority's acceptance of this Agreement and (unless an event occurs of the nature described in Section 4(h) below) at all subsequent times up to and including the Closing Time, the information contained in the Preliminary Official Statement and the Official Statement (except for the information contained under the heading "**THE 2020 BONDS-DTC and Book-Entry Only System**") and in any amendment or supplement thereto that the Authority may authorize for use with respect to the Bonds was, is and will be true and correct and did not contain, does not contain and will not contain any untrue statement of a material fact and does not omit and will not omit to state a material fact necessary to make the statements in such document, in the light of the circumstances under which they were made, not misleading. If the Official Statement is supplemented or amended pursuant to Section 4(h) below, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such Section 4(h)) at all times subsequent thereto up to and including the Closing Time, the Authority shall take all steps necessary to ensure that the Official Statement (except for the information contained under the heading "**THE 2020 BONDS-DTC and Book-Entry Only System**") as so supplemented or amended does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

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

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

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

(g) The Authority will not take or omit to take any action the taking or omission of which will in any way cause the proceeds from the sale of the Bonds to be applied in a manner other than as described in the Official Statement and as permitted by the Authority Resolution or the Authority Documents or that would cause the interest on the Series 2020A Bonds to be includable in the gross income of the recipients thereof for federal income tax purposes or for Commonwealth income tax purposes.

(h) If between the date of this Agreement and the date that is 25 days after the "end of the underwriting period," as defined below, any event shall occur that might or would cause the Official Statement, as then supplemented or amended (except for the information related to book-entry only), to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Authority shall promptly notify the Underwriters. If, in the opinion of the Underwriters, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority shall at its expense supplement or amend the Official Statement in a form and in a manner approved by the Underwriters.

The "end of the underwriting period" is the time that is the later of (i) the Closing Time and (ii) the time the Underwriters do not retain, directly or as members of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriters shall otherwise advise the Authority in writing prior to the Closing Date, the Authority may assume that the end of the underwriting period is the Closing Time.

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

(j) Any certificate signed by any Authority officer and delivered to the Underwriters shall be deemed a representation and warranty by the Authority to the Underwriters as to the statements made therein.

(k) The Authority agrees to take all reasonable steps as requested to cooperate with the Underwriters and their counsel in order to qualify the Bonds for offering and sale under the securities or "Blue Sky" laws of such jurisdictions of the United States as the Underwriters may

request, provided that the Authority need not consent to jurisdiction or service of process in any jurisdiction other than the Commonwealth.

(l) The Authority has never defaulted in the payment of the principal of or interest on any indebtedness, and has not exercised any rights of nonappropriation or similar rights. No proceedings have ever been taken, are being taken, or are contemplated by the Authority under the United States Bankruptcy Code or under any similar law or statute of the United States or the Commonwealth.

(m) Other than as described in the Official Statement, the Authority has not entered into any contract or arrangement of any kind that might give rise to any lien or encumbrance on the Pledged Revenues.

Section 5. Delivery of Bonds

The Bonds shall be delivered to the order of the Underwriters through The Depository Trust Company in New York, New York, by 12:00 noon, Eastern Time, on December __, 2020, or such other place, time or date as shall be mutually agreed on in writing by the Authority and the Underwriters. Simultaneously, the Underwriters shall make the payments required pursuant to Section 1 above, in immediately available funds, to the Authority or at its direction. In this Agreement, the date of such delivery and payment is called the “Closing Date,” and the time and date of such delivery and payment is called the “Closing Time.”

The Bonds shall be delivered in fully registered form, in the form of one Bond for each maturity of each Series, bearing CUSIP numbers (provided neither the inclusion of a wrong CUSIP number on any Bond nor the failure to include a number thereon shall constitute cause to refuse delivery of any Bond).

Section 6. Conditions to Underwriters’ Obligations

The Underwriters’ obligation hereunder is subject to the following conditions:

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

(b) The performance by the Authority of its obligations and adherence to its covenants hereunder to have been performed at or prior to the Closing Time.

(c) The representations and warranties contained in this Agreement by the Authority, are true, complete and correct today and as of the Closing Time as if made at the Closing Time.

(d) There is no material adverse change in the Authority’s condition (financial or otherwise) between the most recent dates as to which information is given in the Official Statement and the Closing Time, other than as reflected in or contemplated by the Official Statement, and there are at the Closing Time no material transactions or obligations (not in the

ordinary course of business) entered into by the Authority after the date of the Official Statement, other than as reflected in or contemplated by the Official Statement.

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

(f) At the Closing Time, the Underwriters must receive:

(i) Opinions dated the Closing Date of (A) Norton Rose Fulbright US LLP, Bond Counsel, in substantially the form set forth in Appendix G to the Official Statement, and (B) McGuireWoods LLP, counsel to the Underwriters, in form and substance acceptable to the Underwriters.

(ii) An opinion of Elizabeth D. Teare, Esq., County Attorney, dated the Closing Date and addressed to the Underwriters, to the effect that (A) the County is a political subdivision of the Commonwealth, duly organized and validly existing under the Constitution and laws of the Commonwealth and vested with all the rights, powers and privileges conferred upon it by the Constitution and laws of the Commonwealth, (B) the County Resolution was duly adopted by the Board of Supervisors and is in full force and effect, (C) the County has all the necessary power and authority (1) to execute and deliver the Memorandum of Understanding and (2) to consummate all of the actions contemplated by the County Documents, (D) the Memorandum of Understanding has been duly authorized and, if applicable, executed and delivered by the County and constitutes the valid and legally binding obligation of the County, enforceable (subject to customary exceptions) against the County in accordance with its terms, (E) the adoption by the Board of Supervisors of the County Resolution and the execution and delivery by the County of the Memorandum of Understanding and the consummation by the County of the transactions contemplated by them are not prohibited by, and do not violate any provision of and will not result in the breach of any law, rule, regulation, judgment, decree, order or other requirement applicable to the County, any ordinance or resolution of the County, or any material contract, indenture or agreement to which the County is a party or by which the County is bound, and have not resulted, and will not result, in the creation or imposition of any lien, encumbrance, mortgage or other similar conflicting ownership or security interest in favor of any third person in or to the County's revenues, assets, properties or funds except as contemplated in the Memorandum of Understanding, and (F) to her knowledge, there is no legal action or other proceeding, or any investigation or inquiry (before any court, agency, arbitrator or otherwise), pending or threatened against the County or any of its officials, in their respective capacities, that may reasonably be expected to have a material and adverse effect upon the due performance by the County of the transactions contemplated by the Memorandum of Understanding and the Official Statement or the validity or enforceability of the Memorandum of Understanding.

(iii) An opinion of the County Attorney, dated the Closing Date and addressed to the Underwriters, to the effect that (A) the Authority is a political subdivision of the Commonwealth, duly organized and validly existing under the Constitution and laws of

the Commonwealth and vested with all the rights, powers and privileges conferred upon it by the Constitution and laws of the Commonwealth, (B) the Authority Resolution was duly adopted by the Authority and is in full force and effect, (C) the Authority has all necessary power and authority (1) to execute and deliver the Authority Documents and (2) to consummate all of the actions contemplated by the Authority Documents, (D) the Authority Documents have been duly authorized and, if applicable, executed and delivered by the Authority and constitute valid and legally binding obligations of the Authority, enforceable (subject to customary exceptions) against the Authority in accordance with their terms, (E) no further approval, consent or withholding of objection on the part of any regulatory body, federal, Commonwealth or local, is required for the Authority to execute and deliver and perform its obligations under the Authority Documents, (F) the adoption by the Authority of the Authority Resolution and the execution and delivery by the Authority of the other Authority Documents and the consummation by the Authority of the transactions contemplated by them are not prohibited by, and do not violate any provision of and will not result in the breach of any law, rule, regulation, judgment, decree, order or other requirement applicable to the Authority, any ordinance or resolution of the Authority, or any material contract, indenture or agreement to which the Authority is a party or by which the Authority is bound, and have not resulted, and will not result, in the creation or imposition of any lien, encumbrance, mortgage or other similar conflicting ownership or security interest in favor of any third person in or to the Authority's revenues, assets, properties or funds except as contemplated in the Authority Documents, and (G) to her knowledge, there is no legal action or other proceeding, or any investigation or inquiry (before any court, agency, arbitrator or otherwise), pending or threatened against the Authority or any of its officials, in their respective capacities, (1) to restrain or enjoin the issuance, sale or delivery of the Bonds or the application of proceeds of the Bonds as provided in the Official Statement or (2) that may reasonably be expected to have a material and adverse effect upon the due performance by the Authority of the transactions contemplated by the Authority Documents and the Official Statement or the validity or enforceability of the Bonds or the Authority Documents.

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

(A) (i) the information contained in those portions of the Official Statement entitled **“THE 2020 BONDS,” “SECURITY FOR THE 2020 BONDS,” “TAX MATTERS-2020A BONDS,” “TAX MATTERS-2020A-T BONDS,” “LEGAL MATTERS,” “CONTINUING DISCLOSURE UNDERTAKING,”** and **Appendices F and G**, insofar as such information summarizes provisions of the Authority Documents or is a description of opinions rendered by Bond Counsel, is a fair and accurate summary of the information purported to be summarized and (ii) nothing has come to Bond Counsel's attention that has caused such counsel to believe that the Official Statement (excepting information relating to The Depository Trust Company and any statistical and financial data included in the Official Statement) contains any untrue statement of material fact or omits any statement of a material fact

necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(B) the Bonds do not require registration under the Securities Act of 1933, as amended (the “Securities Act”);

(C) the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”), does not require the qualification of the Authority Resolution, the County Resolution or the Indenture; and

(D) this Agreement has been duly authorized, executed and delivered and constitutes a valid and legal obligation of the Authority.

(v) A certificate of the Developer, dated the Closing Date, signed by the _____ of the Developer, to the effect that the information in the Official Statement contained under the headings _____ (the “Developer Information”) does not contain any untrue statement of material fact or omit any statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(vi) Evidence satisfactory to the Underwriters that the Bonds have received a rating of “___” from _____ and that such rating is in effect at the Closing Time.

(vii) Certified copies of all relevant proceedings of the Board of the Authority and the Board of Supervisors.

(viii) Original executed or certified copies of the Authority Documents.

(ix) Evidence satisfactory to the Underwriters that the Authority’s issuance of the Bonds has received the County’s required approval and that such approval remains in effect.

(x) Signed copies of a certificate or certificates, dated the Closing Date, signed by the Authority’s Chairman or Vice Chairman to the effect that (1) the representations and warranties of the Authority contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date; (2) to the knowledge of such officer, the information in the Official Statement (excluding the information contained under the headings **“THE 2020 BONDS-DTC and Book-Entry Only System,”** and **“APPENDIX E-Certain Financial, Economic and Demographic Information Concerning Fairfax County, Virginia”**) (the “Authority Information”) does not contain any untrue statement of material fact or omit any statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (3) to the knowledge of such officer, no litigation is pending against the Authority or pending against any other entity or person or threatened in any court in any way adversely affecting the legal existence of the Authority or seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or materially and adversely affecting the right of the Authority to collect revenues and other moneys pledged or to pledged to pay the principal of and interest on the Bonds,

or the pledge thereof, or in any way materially and adversely contesting or affecting the validity or enforceability of the Authority Documents or this Agreement, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the power of the Authority or its authority with respect to the Authority Documents or this Agreement; (4) to the knowledge of such officer, no event materially and adversely affecting the Authority or the transactions contemplated by the Official Statement has occurred since the date of the Official Statement which, in the reasonable opinion of the Authority, is necessary to be set forth in an amendment or supplement to the Official Statement (whether or not the Official Statement shall have been amended or supplemented to set forth such event) to make the statements therein, in the light of the circumstances under which they were made, not misleading; (5) the Authority has the full legal right, power and authority to carry out and consummate the transactions contemplated to be carried out by the Authority by the Official Statement; and (6) the Authority has complied with all the requirements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date.

(xi) Signed copies of a certificate or certificates, dated the Closing Date, signed by the Chief Financial Officer of the County to the effect that (1) to the knowledge of such officer, the information in the Official Statement under the headings **“APPENDIX D-The County’s Financial Statements for Fiscal Year Ended June 30, 2019 (including District Information)”** and **“APPENDIX E-Certain Financial, Economic and Demographic Information Concerning Fairfax County, Virginia”** (the “County Information”), does not contain any untrue statement of material fact or omit any statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) to the knowledge of such officer, no litigation is pending against the County or pending against any other entity or person or threatened in any court in any way adversely affecting the legal existence of the County or seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way materially and adversely contesting or affecting the validity or enforceability of the Bonds, the County Resolution or the Memorandum of Understanding), or this Agreement or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the power of the County or its authority with respect to the Memorandum of Understanding; (3) to the knowledge of such officer, no event materially and adversely affecting the County or the transactions contemplated by the Official Statement has occurred since the date of the Official Statement which, in the reasonable opinion of the County, is necessary to be set forth in an amendment or supplement to the Official Statement (whether or not the Official Statement shall have been amended or supplemented to set forth such event) to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (4) the County has the full legal right, power and authority to carry out and consummate the transactions contemplated to be carried out by the County by the Official Statement.

(xii) An executed version of the Verification Report provided by Robert Thomas CPA, LLC.

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

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

The Authority shall exercise its reasonable best efforts to fulfill such of the foregoing conditions as may be under its control or direction. In no event shall the failure of any such condition to be met constitute a default on the part of any party (except any party who had such condition under its control or direction). The provisions of Section 1(c) shall apply whether or not the failure of any such condition to be met constitutes a default on the part of any party.

Section 7. Underwriters' Right to Cancel

The Underwriters have the right to cancel their obligations hereunder by notifying the Authority in writing of their election to do so between today and the Closing Time, if at any time before the Closing Time:

(a) legislation shall have been enacted by the Congress of the United States, or a decision shall have been rendered by a court of the United States or the Commonwealth, or a ruling, resolution, regulation, or temporary regulation, release, or announcement shall have been made and shall have been proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or Commonwealth authority, with respect to federal or Commonwealth taxation upon revenues or other income of the general character of that to be derived by the Authority or the County from its operations, or upon interest received on obligations of the general character of the Series 2020A Bonds that, in the Underwriters' reasonable judgment, materially adversely affects the market price or marketability of the Series 2020A Bonds; or

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

(c) there shall have occurred (a) an outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war occurs, or (b) the occurrence of any other calamity or crisis or any change in the financial, political, or economic conditions in the United States or elsewhere, if the effect of any such event specified

in clause (a) or (b), in the reasonable judgment of the Underwriters, materially adversely affects the market price or marketability of the Bonds; or

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

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

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

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

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

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

(j) there shall have occurred, after the signing hereof, either a financial crisis or a default with respect to the debt obligations of the Authority, the County or the Commonwealth (which, in the case of a financial crisis or default of the Commonwealth, causes a material adverse change in the affairs of the Authority or the County) or proceedings under the bankruptcy laws of the United States or of the Commonwealth shall have been instituted by the

Authority, the County or the Commonwealth (which, in the case of a bankruptcy proceeding with respect to the Commonwealth, causes a material adverse change in the affairs of the Authority or the County), in either case the effect of which, in the reasonable judgment of the Underwriters, is such as to materially and adversely affect the market price or marketability of the Bonds; or

(k) any litigation shall be instituted or be pending as of the Closing Date to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Authority Resolution, and the Authority Documents or the existence or powers of the Authority with respect to its obligations under the Authority Documents.

Section 8. Representations, Warranties, Covenants and Agreements to Survive Delivery

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

Section 9. Expenses

The Authority acknowledges that the underwriting fee provided for in Section 1 represents compensation and reimbursement to the Underwriters for their professional services and direct expenses (for such items as travel and postage); provided, however, that nothing in this acknowledgement shall be deemed to make the Underwriters an agent of the Authority.

The Underwriters shall pay (which may be included as an expense component of the Underwriters' discount) their out-of-pocket expenses, which may include the fees and expenses of Underwriters' counsel (including the cost of performing any blue sky surveys), advertising expenses in connection with a public offering of the Bonds, fees of the CUSIP Bureau and any fees of the MSRB or the Securities Industry and Financial Markets Association.

The Authority shall pay all expenses and costs to effect the authorization, preparation, execution, delivery and sale of the Bonds, including, without limitation, the Authority's fees and expenses (at or prior to closing), the incidental expenses of the employees of the Authority and the County incurred in connection with this financing, the fees and expenses of Bond Counsel, rating agency fees and expenses, the fees and expenses of the bond registrar and paying agent, any registration or similar fees for qualifying the Bonds for sale in various jurisdictions chosen by the Underwriters and the expenses and costs for the preparation, printing, photocopying, execution and delivery of the Bonds and the Official Statement and all other agreements and documents contemplated by this Agreement.

Section 10. Use of Official Statement

The Authority hereby ratifies and confirms the use of the Preliminary Official Statement by the Underwriters. The Authority authorizes the use of, and will make available, the Official Statement for use by the Underwriters in connection with the offer and sale of the Bonds.

Section 11. Miscellaneous

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

If to the Underwriters:

Stifel, Nicolaus & Company, Incorporated,
as Representative,
501 North Broadway
St. Louis, Missouri 63102
Attention: Laura Radcliff, Managing Director

If to the Authority: Mosaic District Community Development Authority
c/o Fairfax County Office of Community
Revitalization and Reinvestment
12055 Government Center Parkway, Suite 1048
Fairfax, Virginia 22035
Attention: Director

With a copy thereof sent to:
Fairfax County Attorney's Office
12000 Government Center Parkway
Fairfax, Virginia 22035-0064
Attention: Emily Smith, Esq.

(b) The Authority represents and warrants that there are no fees payable by it or on its behalf, other than as described in this Agreement, to any person or party for brokering or arranging (or providing any similar services related to) the transactions contemplated by this Agreement.

(c) This Agreement shall be governed by the laws of the Commonwealth of Virginia, without regard to choice of law principles.

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

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

(f) No covenant, condition or agreement contained herein shall be deemed to be a covenant, agreement or obligation of a present or future member, officer, employee or agent of the Authority or the County in such person's individual capacity, and no officer, member,

employee or agent of the Authority or the County shall be liable personally for the performance of any obligation under this Agreement. No recourse shall be had by the Underwriters for any claim based on this Agreement or otherwise against any officer, member, employee or agent of the Authority or the County in his or her individual capacity, provided such person acts in good faith, all such liabilities, if any, being hereby expressly waived and released by the Underwriters.

(g) The Authority acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction between the Authority and the Underwriters, consented to by the County, (ii) in connection with such transaction, the Underwriters are acting solely as a principal and not as an agent, municipal advisor, financial advisor or a fiduciary of the Authority, (iii) the Underwriters have not assumed (individually or collectively) any advisory or fiduciary responsibility in favor of the Authority with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriters, or any affiliate of any Underwriters, have advised or are currently advising the Authority on other matters) or any other obligation to the Authority except the obligations expressly set forth in this Agreement, (iv) the Authority has consulted with its own municipal, tax, accounting, legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds and (v) the Underwriters have financial and other interests that differ from those of the Authority.

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

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

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

(k) This Agreement is effective on its acceptance by the Authority.

[Counterpart Signature Page to Bond Purchase Agreement]

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED
CITIGROUP GLOBAL MARKETS, INC.
PIPER, SANDLER & CO.**

**By: STIFEL, NICOLAUS & COMPANY,
INCORPORATED,**
as Representative of the Underwriters

By: _____
Managing Director

[Signatures Continued on Following Pages]

[Counterpart Signature Page to Bond Purchase Agreement]

Accepted and agreed to:

**MOSAIC DISTRICT COMMUNITY
DEVELOPMENT AUTHORITY**

By: _____
Title:

[Signatures Continued on Following Pages]

EXHIBIT A**SERIES 2020A BONDS**

Maturity Date			
(March 1)	Principal Amount	Interest Rate	Price
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2036			

SERIES 2020A-T BONDS

Maturity Date			
(March 1)	Principal Amount	Interest Rate	Price
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2036			

[redemption provisions to come]

EXHIBIT B

FORM OF ISSUE PRICE CERTIFICATE

§ _____
MOSAIC DISTRICT COMMUNITY DEVELOPMENT AUTHORITY
REVENUE REFUNDING BONDS
SERIES 2020A

ISSUE PRICE CERTIFICATE
(Hold-the-Offering-Price Rule)

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (the “**Representative**”) 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 Mosaic District Community Development Authority (the “**Issuer**”).

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

(a) 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, dated October __, 2020, the members of 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, 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 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 the Underwriters 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 October __, 2020.

(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).

[Final certificate may include standard representations regarding callable premium bonds and computations performed by the underwriter (e.g., yield and weighted average maturity) as may be required by the Issuer.]

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative'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.

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED**

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)