

**FAIRFAX COUNTY
BOARD OF SUPERVISORS
May 4, 2021**

AGENDA

1:00	Adopted	Board Adoption of the FY 2022 Budget Plan
1:00	Done	Matters Presented by Board Members
1:00	Done	Items Presented by the County Executive

**ADMINISTRATIVE
ITEMS**

1	Approved	Streets into the Secondary System (Dranesville, Providence, and Sully Districts)
2	Approved	Approval of Traffic Calming Measures as Part of the Residential Traffic Administration Program (Providence District)
3	Approved	Supplemental Appropriation Resolution AS 21296 for the Department of Neighborhood and Community Services to Accept an Award from the Virginia Department of Education for the Virginia Preschool Initiative Community Provider Add-On

ACTION ITEMS

1	Approved	Approval of a Parking Reduction for Avention Huntington Metro Multi-Family Development (Mount Vernon District)
2	Approved	Approval of the Five-Year Consolidated Plan for FY 2022 – FY 2026 and One-Year Action Plan for FY 2022
3	Approved	Approval of a Resolution Authorizing the County to Solicit Bondholder Consent to Proposed Amendments to the Sewer 1985 General Bond Resolution
4	Approved	Approval of an Amendment to the Agreement with the Virginia Department of Transportation for the Implementation of the Fairfax County Parkway at Popes Head Road Interchange Project (Springfield District)

**INFORMATION
ITEMS**

1	Noted	Fairfax-Falls Church Community Services Board Fee Schedule
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**FAIRFAX COUNTY
BOARD OF SUPERVISORS
May 4, 2021**

CLOSED SESSION

Done [Closed Session](#)

**PUBLIC
HEARINGS**

3:30	Approved	Public Hearing on SE 2020-DR-012 (Tri-State Chain Bridge, LLC) (Dranesville District)
3:30	Approved	Public Hearing on, and Approval of, the Proposed Sale of Sewer Revenue Bonds, 2021A and Sewer Revenue Refunding Bonds, Series 2021B
4:00	Approved	Public Hearing to Sublease Ellmore Farmhouse at 2739 West Ox Road in Connection with the Resident Curator Program (Hunter Mill District)
4:00	Approved	Public Hearing on a Proposal to Vacate and Abandon a Portion of Nicotine Trail (Mount Vernon District)

Board Agenda Item
May 4, 2021

1:00 p.m.

Board Adoption of the FY 2022 Budget Plan

ENCLOSED DOCUMENTS:

Attachment 1 - FY 2022 Budget package will be available online on Tuesday, May 4, 2021, at: <http://www.fairfaxcounty.gov/dmb/>

STAFF:

Bryan J. Hill, County Executive
Joseph Mondoro, Chief Financial Officer
Christina Jackson, Director, Department of Management and Budget
Philip Hagen, Deputy Director, Department of Management and Budget

Board Agenda Item
May 4, 2021

1:00 p.m.

Matters Presented by Board Members

Board Agenda Item
May 4, 2021

1:00 p.m.

Items Presented by the County Executive

Board Agenda Item
May 4, 2021

ADMINISTRATIVE - 1

Streets into the Secondary System (Dranesville, Providence, and Sully Districts)

ISSUE:

Board approval of streets to be accepted into the State Secondary System.

RECOMMENDATION:

The County Executive recommends that the street(s) listed below be added to the State Secondary System:

<u>Subdivision</u>	<u>District</u>	<u>Street</u>
Ellison Heights	Dranesville	Hickory Street
Kingston Royce Homes at Fairfax Farms II	Providence	Ganell Place
Taddeo Estates	Sully	Brecknock Street

TIMING:

Routine.

BACKGROUND:

Inspection has been made of these streets, and they are recommended for acceptance into the State Secondary System.

FISCAL IMPACT:

None.

ENCLOSED DOCUMENTS:

Attachment 1 – Street Acceptance Forms

STAFF:

Rachel Flynn, Deputy County Executive
William D. Hicks, P.E., Director, Land Development Services

Street Acceptance Form For Board Of Supervisors Resolution

FAIRFAX COUNTY BOARD OF SUPERVISORS FAIRFAX, VA Pursuant to the request to inspect certain streets in the subdivisions as described, the Virginia Department of Transportation has made inspections, and recommends that same be included in the secondary system.		VIRGINIA DEPARTMENT OF TRANSPORTATION OFFICE OF LAND USE - FAIRFAX PERMITS REQUEST TO THE PERMITS MANAGER, FOR INCLUSION OF CERTAIN SUBDIVISION STREETS INTO THE STATE OF VIRGINIA SECONDARY ROAD SYSTEM.	
		PLAN NUMBER: 8524-PI-003	
		SUBDIVISION PLAT NAME: Ellison Heights - Hickory Street	
		COUNTY MAGISTERIAL DISTRICT: Dranesville	
VDOT PERMITS MANAGER: Houda Ali, PMP BY: <u>Nadia Alphonse</u>		FOR OFFICIAL USE ONLY VDOT INSPECTION APPROVAL DATE: <u>03/15/2021</u>	
STREET NAME	LOCATION		LENGTH MILE
	FROM	TO	
Hickory Street	CL Grove Avenue, Route 1745 - 432' S CL Haycock Road, Route 703	369' W to End of Cul-de-Sac	0.07
NOTES:			TOTALS: 0.07
5' Concrete Sidewalk on the North Side to be maintained by VDOT.			

Street Acceptance Form For Board Of Supervisors Resolution - June 2005

FAIRFAX COUNTY BOARD OF SUPERVISORS FAIRFAX, VA Pursuant to the request to inspect certain streets in the subdivisions as described, the Virginia Department of Transportation has made inspections, and recommends that same be included in the secondary system.		VIRGINIA DEPARTMENT OF TRANSPORTATION - OFFICE OF THE ENGINEERING MANAGER, FAIRFAX, VIRGINIA REQUEST TO THE ENGINEERING MANAGER, FOR INCLUSION OF CERTAIN SUBDIVISION STREETS INTO THE STATE OF VIRGINIA SECONDARY ROAD SYSTEM. PLAN NUMBER: 8672-SD-006 SUBDIVISION PLAT NAME: Kingston Royce Homes at Fairfax Farms II COUNTY MAGISTERIAL DISTRICT: Providence	
ENGINEERING MANAGER: Houda A. Ali, PMP BY: <u><i>Nadia Alphonse</i></u>		FOR OFFICIAL USE ONLY DATE OF VDOT INSPECTION APPROVAL: <u><i>03/19/2020</i></u>	
STREET NAME	LOCATION		LENGTH MILE
	FROM	TO	
Ganell Place	CL Valley Road, Route 1213 - 350' W CL Maple Hills Road, Route 2516	721' S/W to Beginning of Temporary Turnaround Easement	0.14
NOTES: 5' Concrete Sidewalk on the North Side to be maintained by VDOT. 			TOTALS: 0.14

Street Acceptance Form For Board Of Supervisors Resolution - June 2005

FAIRFAX COUNTY BOARD OF SUPERVISORS FAIRFAX, VA Pursuant to the request to inspect certain streets in the subdivisions as described, the Virginia Department of Transportation has made inspections, and recommends that same be included in the secondary system.		VIRGINIA DEPARTMENT OF TRANSPORTATION - OFFICE OF THE ENGINEERING MANAGER, FAIRFAX, VIRGINIA REQUEST TO THE ENGINEERING MANAGER, FOR INCLUSION OF CERTAIN SUBDIVISION STREETS INTO THE STATE OF VIRGINIA SECONDARY ROAD SYSTEM.	
		PLAN NUMBER: 6369-SD-03	
		SUBDIVISION PLAT NAME: Taddeo Estates	
		COUNTY MAGISTERIAL DISTRICT: Sully District	
ENGINEERING MANAGER: Houda A. Ali, PMP BY: <u><i>Nadia Alphonse</i></u>		FOR OFFICIAL USE ONLY DATE OF VDOT INSPECTION APPROVAL: <u><i>03/15/2021</i></u>	
STREET NAME	LOCATION		LENGTH MILE
	FROM	TO	
Brecknock Street	Existing Brecknock Street, Route 6563 - 213' NW CL Fox Land Court, Route 8937	332' NW to End of Cul-de-Sac	0.06
NOTES:			TOTALS: 0.06

Board Agenda Item
May 4, 2021

ADMINISTRATIVE - 2

Approval of Traffic Calming Measures as Part of the Residential Traffic Administration Program (Providence District)

ISSUE:

Board endorsement of Traffic Calming measures as part of the Residential Traffic Administration Program (RTAP).

RECOMMENDATION:

The County Executive recommends that the Board endorse the traffic calming plan for Pine Spring Road (Attachment I and Attachment II) consisting of the following:

- Three speed humps on Pine Spring Road (Providence District)

In addition, the County Executive recommends that the Fairfax County Department of Transportation (FCDOT) be requested to schedule the installation of the approved traffic calming measures as soon as possible.

TIMING:

Board action is requested on May 4, 2021, in order to allow the proposed measures to be installed as soon as possible.

BACKGROUND:

As part of RTAP, roads are reviewed for traffic calming when requested by a Board member on behalf of a homeowners or civic association. Traffic calming employs the use of physical devices such as speed humps, speed tables, raised pedestrian crosswalks, chokers, or median islands to reduce the speed of traffic on a residential street. Staff performs engineering studies documenting the attainment of qualifying criteria. Staff works with the local Supervisor's office and community to determine the viability of the requested traffic calming measure to reduce the speed of traffic. Once the plan for the road under review is approved and adopted by staff, that plan is then submitted for approval to the residents within the ballot area in the adjacent community.

On March 31, 2021, FCDOT received verification from the Providence District Supervisor's office confirming community support for the Pine Spring Road traffic calming plan.

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FISCAL IMPACT:

Funding in the amount of \$24,000 is necessary to fund the traffic calming measures associated with this traffic calming project. Funds are currently available in Project 2G25-076-048, Pine Spring Road Traffic Calming, Fund 300-30050, Transportation Improvements.

ENCLOSED DOCUMENTS:

Attachment I: Traffic Calming Resolution for Pine Spring Road
Attachment II: Traffic Calming Plan for Pine Spring Road

STAFF:

Rachel Flynn, Deputy County Executive
Tom Biesiadny, Director, Fairfax County Department of Transportation (FCDOT)
Gregg Steverson, Deputy Director, FCDOT
Eric Teitelman, Chief, Capital Projects and Traffic Engineering Division, FCDOT
Neil Freschman, Chief, Traffic Engineering Section, FCDOT
Steven K. Knudsen, Transportation Planner, Traffic Engineering Section, FCDOT

RESOLUTION

**FAIRFAX COUNTY DEPARTMENT OF TRANSPORTATION
RESIDENTIAL TRAFFIC ADMINISTRATION PROGRAM (RTAP)
TRAFFIC CALMING MEASURES
PINE SPRING ROAD
PROVIDENCE DISTRICT**

At a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held electronically (due to the State of Emergency caused by the COVID-19 pandemic), on Tuesday, May 4, 2021, at which a quorum was present and voting, the following resolution was adopted:

WHEREAS, the residents in the vicinity of Pine Spring Road have requested the Providence District Supervisor's Office of Fairfax County to consider remedial measures to reduce the speed of traffic on Pine Spring Road; and

WHEREAS, an engineering study by the Fairfax County Department of Transportation (FCDOT) for Pine Spring Road indicates that all basic traffic calming criteria are met pertaining to functional classification of the roadway, identification of a significant speeding concern, and proof of community support; and

WHEREAS, the proposed Traffic Calming Plan was properly presented to the community in the affected survey area for their review and consideration; and

WHEREAS, the Traffic Calming Plan was subsequently approved by the occupied residences within the appropriate surveyed area; and

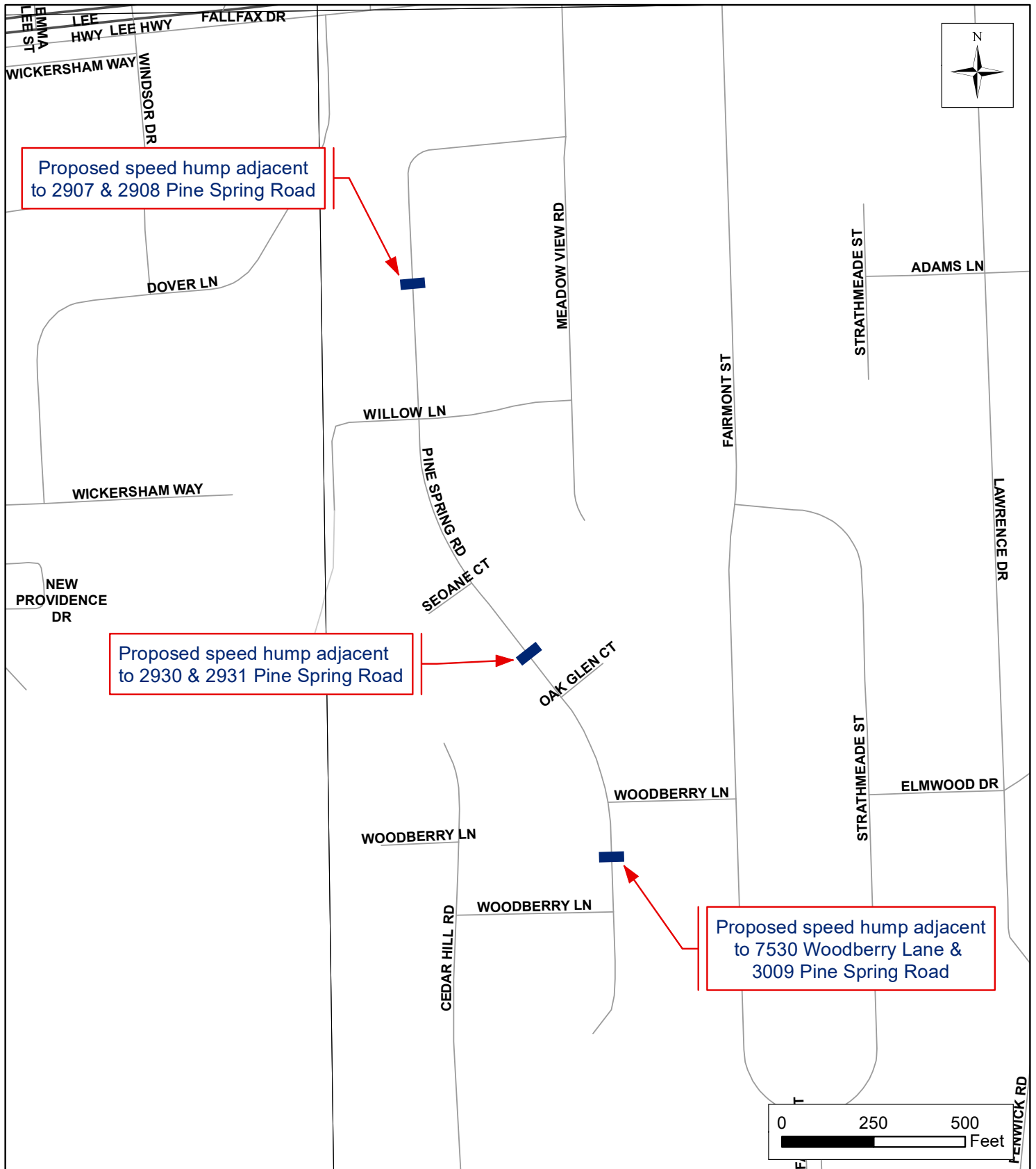
WHEREAS, the intended source of funding for the Traffic Calming Plan is Fairfax County.

NOW THEREFORE BE IT RESOLVED, that the Board of Supervisors endorses the proposed Traffic Calming Plan and requests that the Virginia Department of Transportation review and approve the feasibility of implementing traffic calming measures on Pine Spring Road as part of FCDOT's Residential Traffic Administration Program.

ADOPTED this 4th day of May, 2021.

A Copy Teste:

Jill G. Cooper
Clerk for the Board of Supervisors



Tax Map: 49-4, 50-3

**Fairfax County Department of Transportation
Residential Traffic Administration Program
Traffic Calming Plan
Pine Spring Road
Providence District**

April 2021



Board Agenda Item
May 4, 2021

ADMINISTRATIVE - 3

Supplemental Appropriation Resolution AS 21296 for the Department of Neighborhood and Community Services to Accept an Award from the Virginia Department of Education for the Virginia Preschool Initiative Community Provider Add-On

ISSUE:

Board approval of Supplemental Appropriation Resolution AS 21296 in the amount of \$1,204,000 is requested for the Department of Neighborhood and Community Services (NCS), Office for Children to accept a Virginia Preschool Initiative (VPI) Community Provider Add-On award from the Virginia Department of Education. NCS will administer the VPI Community Provider Add-On funds and provide direct funding to support high quality early childhood experiences for children enrolled in VPI in early childhood programs in the community, including centers and family child care homes. The grant period is July 1, 2020 through June 30, 2021. No Local Cash Match is required. Board authorization is also requested for the Chairman of the Board of Supervisors, the County Executive and/or a designee appointed by the County Executive to enter into the grant agreement and any related agreements, including but not limited to Federal Subaward Agreements, on behalf of the County.

RECOMMENDATION:

The County Executive recommends that the Board approve Supplemental Appropriation Resolution AS 21296 in the amount of \$1,204,000. NCS Office for Children will use the funds to provide direct funding to support high-quality early childhood experiences for children enrolled in VPI in community early childhood programs, including centers and family child care homes. There are no positions associated with this funding and no Local Cash Match is required. The County Executive also recommends the Board authorize the Chairman of the Board of Supervisors, the County Executive and/or a designee appointed by the County Executive to enter into the grant agreement and any related agreements, including but not limited to Federal Subaward Agreements, on behalf of the County.

TIMING:

Board approval is requested on May 4, 2021.

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BACKGROUND:

The VPI program provides at-risk children who are three and four years old the opportunity to receive high quality early childhood education and comprehensive services that support health, development, and social services. For many years, Fairfax County has partnered with community early childhood programs to provide VPI services. Partnering with community programs is an important strategy that increases the number of children who can participate in VPI, recognizes strengths of community programs in meeting the needs of children and families, and provides options to maximize family choice. In recent years, the state has been encouraging these public-private partnerships and the provision of VPI in community-based programs. In an effort to incentivize programs to participate in VPI and to support quality programming, this year the state is providing additional funding for all eligible VPI children served in community early childhood programs. The County will provide these funds directly to participating programs.

FISCAL IMPACT:

Funding in the amount of \$1,204,000 is available from Virginia Department of Education. These funds will be used to provide direct funding to support high-quality early childhood experiences for children enrolled in VPI community early childhood programs, including centers and family child care homes. This action does not increase the expenditure level of the Federal-State Grant Fund, as funds are held in reserve for unanticipated awards received in FY 2021. Indirect costs are not recoverable from this award. No Local Cash Match is required.

CREATION OF NEW POSITIONS:

No new positions will be created as a result of this award.

ENCLOSED DOCUMENTS:

Attachment 1 – Funding Notification for Community Provider Add-on Slots for Fairfax County and City of Fairfax from the Virginia Department of Education

Attachment 2 – Supplemental Appropriation Resolution AS 21296

STAFF:

Christopher A. Leonard, Deputy County Executive

Lloyd Tucker, Director, Neighborhood and Community Services (NCS)

Anne-Marie Twohie, Director, Office for Children, NCS



COMMONWEALTH of VIRGINIA

DEPARTMENT OF EDUCATION

P.O. BOX 2120
RICHMOND, VA 23218 -2120

July 9, 2020

Dr. Scott S. Brabrand
Superintendent
Fairfax County Public Schools
Gatehouse Adm Center
Falls Church, Virginia 22042

Dear Dr. Brabrand:

Thank you for your recent VPI Spring Application for the 2020-2021 school year. We have reviewed your school division's application. The purpose of this letter is to confirm your division's number of allocated VPI slots and participation in any of the new VPI expansions and enhancements (redistribution of slots, requested waitlist slots, community provider add-on, and pilot for three-year-olds).

On June 10, 2020, Governor Ralph Northam [announced](#) that through the federal Governor's Emergency Education Relief (GEER) Fund \$10 million will be used to expand early childhood education and child care programs in the Commonwealth, especially for children with academic and social-emotional needs. These funds will help restore the VPI expansions and enhancements that were unallotted in the revised 2020 state budget. Please see the enclosed *VPI Slots and Enhancements/Expansions Table* showing the number of allocated VPI slots your division has committed to filling and if your division committed to participation in any of the enhancements or expansion efforts. The great news is that all school divisions that submitted requests to expand and enhance their VPI programs will have their requests granted.

I wanted to share this information with you as quickly as possible so that you can continue to plan and take action for serving children in your VPI classrooms as soon as possible. This means that more of your community's most vulnerable children, some of the most impacted by the COVID-19 pandemic, will have the opportunity to enter kindergarten ready for school and to fulfill their potential.

If you have questions, please contact Dr. Mark R. Allan, Associate Director of PreK Programs, by email at Mark.Allan@doe.virginia.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jenna Conway".

Jenna Conway
Chief School Readiness Officer

JLC/MRA/lh

Attachment

c: Ms. Rhonda Houck, VPI Coordinator
Fairfax County Public Schools

Fairfax County Public Schools
2020-2021 VPI Slots and Enhancements/Expansions Table

Slot Description	Number of Full-day Equivalent Slots	Explanation
VPI Slots Available	1745	<ul style="list-style-type: none"> Number of slots claimed by the division as reported on the Spring VPI Application and available for funding. State funds for VPI slots will be distributed to school divisions as recurring bi-monthly payments beginning in January 2021.
VPI Slots Redistributed and Not Available*	1083	<ul style="list-style-type: none"> If your division did not commit to filling 100% of VPI allocated slots, this number of unclaimed VPI slots have been redistributed to other school divisions. Redistribution of unclaimed slots is for one year only and does not negatively affect your division's number of allocated slots for 2021-2022.
Waitlist Slots Requested and Available*	0	<ul style="list-style-type: none"> If your division committed to filling 100% of VPI allocated slots and requested to serve additional VPI children, this is the number of additional funded slots. Redistribution of waitlist slots is for one year only and does not automatically add to your division's number of allocated slots for 2021-2022.
Pilot Slots for Serving Three-year-olds*	135	<ul style="list-style-type: none"> If your division submitted a three-year-old pilot application, this is the number of slots to serve at-risk three-year olds.
Community Provider Add-on Slots (Four-year-olds and Three-year-olds)*	345	<ul style="list-style-type: none"> If your division is collaborating with community providers to serve VPI children, this is the number of slots that will receive the community provider add-on. See Attachment B to Superintendent's Memo #111-20 posted on May 1, 2020 for your division's specific rate per slot.

*Distribution of funds and the type of funds (state or federal GEER) will be determined by VDOE after the fall Student Record Collection and VPI Verification Report are submitted by all school divisions. GEER funds will be distributed through an award process with reimbursement using VDOE's OMEGA system.



COMMONWEALTH of VIRGINIA

DEPARTMENT OF EDUCATION

P.O. BOX 2120
RICHMOND, VA 23218 -2120

July 9, 2020

Dr. Phyllis Pajardo
Superintendent
Fairfax City Public Schools
10455 Armstrong Street
Fairfax, Virginia 22030

Dear Dr. Pajardo:

Thank you for your recent VPI Spring Application for the 2020-2021 school year. We have reviewed your school division's application. The purpose of this letter is to confirm your division's number of allocated VPI slots and participation in any of the new VPI expansions and enhancements (redistribution of slots, requested waitlist slots, community provider add-on, and pilot for three-year-olds).

On June 10, 2020, Governor Ralph Northam [announced](#) that through the federal Governor's Emergency Education Relief (GEER) Fund \$10 million will be used to expand early childhood education and child care programs in the Commonwealth, especially for children with academic and social-emotional needs. These funds will help restore the VPI expansions and enhancements that were unallotted in the revised 2020 state budget. Please see the enclosed *VPI Slots and Enhancements/Expansions Table* showing the number of allocated VPI slots your division has committed to filling and if your division committed to participation in any of the enhancements or expansion efforts. The great news is that all school divisions that submitted requests to expand and enhance their VPI programs will have their requests granted.

I wanted to share this information with you as quickly as possible so that you can continue to plan and take action for serving children in your VPI classrooms as soon as possible. This means that more of your community's most vulnerable children, some of the most impacted by the COVID-19 pandemic, will have the opportunity to enter kindergarten ready for school and to fulfill their potential.

If you have questions, please contact Dr. Mark R. Allan, Associate Director of PreK Programs, by email at Mark.Allan@doe.virginia.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jenna Conway".

Jenna Conway
Chief School Readiness Officer

JLC/MRA/lh

Attachment

c: Ms. Rhonda Houck, VPI Coordinator
Fairfax City Public Schools

Fairfax City Public Schools
2020-2021 VPI Slots and Enhancements/Expansions Table

Slot Description	Number of Full-day Equivalent Slots	Explanation
VPI Slots Available	36	<ul style="list-style-type: none"> Number of slots claimed by the division as reported on the Spring VPI Application and available for funding. State funds for VPI slots will be distributed to school divisions as recurring bi-monthly payments beginning in January 2021.
VPI Slots Redistributed and Not Available*	15	<ul style="list-style-type: none"> If your division did not commit to filling 100% of VPI allocated slots, this number of unclaimed VPI slots have been redistributed to other school divisions. Redistribution of unclaimed slots is for one year only and does not negatively affect your division's number of allocated slots for 2021-2022.
Waitlist Slots Requested and Available*	0	<ul style="list-style-type: none"> If your division committed to filling 100% of VPI allocated slots and requested to serve additional VPI children, this is the number of additional funded slots. Redistribution of waitlist slots is for one year only and does not automatically add to your division's number of allocated slots for 2021-2022.
Pilot Slots for Serving Three-year-olds*	15	<ul style="list-style-type: none"> If your division submitted a three-year-old pilot application, this is the number of slots to serve at-risk three-year olds.
Community Provider Add-on Slots (Four-year-olds and Three-year-olds)*	27	<ul style="list-style-type: none"> If your division is collaborating with community providers to serve VPI children, this is the number of slots that will receive the community provider add-on. See Attachment B to Superintendent's Memo #111-20 posted on May 1, 2020 for your division's specific rate per slot.

*Distribution of funds and the type of funds (state or federal GEER) will be determined by VDOE after the fall Student Record Collection and VPI Verification Report are submitted by all school divisions. GEER funds will be distributed through an award process with reimbursement using VDOE's OMEGA system.

SUPPLEMENTAL APPROPRIATION RESOLUTION AS 21296

At a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held **electronically (due to the State of Emergency caused by the COVID-19 pandemic)** on May 4, 2021, at which a quorum was present and voting, the following resolution was adopted:

BE IT RESOLVED by the Board of Supervisors of Fairfax County, Virginia, that in addition to appropriations made previously for FY 2021, the following supplemental appropriation is authorized and the Fiscal Planning Resolution is amended accordingly:

Appropriate to:

Fund: 500-C50000, Federal-State Grant Fund

Agency: G7979, Department of Neighborhood and Comm Svcs. \$1,204,000

Grant: 1790045-2021, VPI Community Provider Add-On

Reduce Appropriation to:

Agency: G8787, Unclassified Administrative Expenses \$1,204,000

Fund: 500-C50000, Federal-State Grant Fund

Source of Funds: Virginia Department of Education, \$1,204,000

A Copy - Teste:

Jill G. Cooper
Clerk for the Board of Supervisors

Board Agenda Item
May 4, 2021

ACTION - 1

Approval of a Parking Reduction for Aventon Huntington Metro Multi-Family Development (Mount Vernon District)

ISSUE:

Board of Supervisors (Board) approval of an average 10.6 percent reduction (56 fewer spaces) of the required parking for Aventon Huntington Metro multi-family development, 2021 Tax Map 83-3 ((38)) Parcel C and 83-3 ((1)) Parcel 88G (Property).

RECOMMENDATION:

The County Executive recommends that the Board approve a parking reduction for Aventon Huntington Metro pursuant to Paragraphs 5A and 5B of Article 11, Section 102 of the Zoning Ordinance (Ordinance) based on the proximity of mass transit and the site's location in Transit Station Area (TSA) as demonstrated in the parking study #7878-PKS-002, subject to the conditions in Attachment I.

TIMING:

Board action is requested on May 4, 2021.

BACKGROUND:

The Aventon Huntington property is subject to proffers and conditions associated with PCA/CDPA/FDPA 2000-MV-046, which was approved by the Board on July 28, 2020. Proffer 11.c. of the rezoning anticipates the applicant's pursuit of a parking reduction request for this development.

The approved zoning amendment allows the construction of a residential multi-family development on a portion of the site. With this approval, a development plan for a maximum of 379 units was also approved. During staff review of the zoning amendment, the applicant discussed a proposal for a parking reduction for the site. Proffer 11.c.i. discusses the anticipated outcome of site parking with an approved post-zoning reduction.

The applicant is requesting a reduction of the required parking rates to 1.25 spaces per unit which equates to a 10.6 percent reduction in required parking based on the proposed unit mix. The required number of spaces is 530; the applicant proposes a minimum of 474 spaces. This request can be supported due to the site's location within

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1/8 mile of the Huntington Metro Station. The expectation is that residents adjacent to public transportation will require less parking. While residents may not give up vehicle ownership entirely, they are more likely to own fewer vehicles than residents in lower-density areas not well served by transit, thereby reducing parking demand. A comparison of the Ordinance required parking and the proposed parking at full buildout is summarized in Table 1.

Table 1. Comparison of Ordinance Required and Proposed Parking under Development Plan for Aventura Huntington Metro

Unit Type	No. of Units	Rate Required by Code	Code Required Parking	Proposed Parking Rate	Proposed Minimum Number of Spaces	Proposed Reduction
0-1 bedroom	204	1.3 spaces/unit	265.2	1.25 spaces/unit	255	3.8%
2 bedroom	153	1.5 spaces/unit	229.5	1.25 spaces/unit	191.3	16.7%
3 bedroom	22	1.6 spaces/unit	35.2	1.25 spaces/unit	27.5	21.9%
Totals	379		530	1.25 spaces/unit	474	10.6%

This recommendation reflects a coordinated review by the Department of Planning and Development, Office of the County Attorney and Land Development Services (LDS).

FISCAL IMPACT:
None.

ENCLOSED DOCUMENTS:
Attachment I – Parking reduction conditions dated March 17, 2021
Attachment II – Parking reduction request (7878-PKS-002) from Wells and Associates dated August 18, 2020

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STAFF:

Rachel Flynn, Deputy County Executive

William D. Hicks, P.E., Director, Department of Land Development Services (LDS)

Jan Leavitt, Chief, Site Code Research and Development, LDS

Michael Davis, Parking Program Manager, Site Code Research and Development, LDS

ASSIGNED COUNSEL:

Patrick V. Foltz, Assistant County Attorney

PARKING REDUCTION CONDITIONS

March 17, 2021

1. These conditions apply to the current owners, their successors and assigns (hereinafter 'owners') of the parcels identified on 2020 Tax Map 83-3 ((38)) Parcel C and Tax Map 83-3 ((1)) Parcel 88G.
2. Off-street parking for the use designated below must be provided per the following parking rate associated with the development site:
 - Residential Multi-Family. Up to 379 units at a minimum of 1.25 spaces/dwelling unit (DU).

Parking for any uses not listed in Condition #2 must be provided at no less than the minimum rates required by the Zoning Ordinance.

3. If the site is developed in substantial conformance with PCA/CDPA/FDPA 2000-MV-046, then this parking reduction will remain in effect. With any amendments to the rezoning, a revision to this parking reduction may be required and be subject to approval by the Board.
4. The conditions of approval of this parking reduction must be incorporated into any site plan or site plan revision submitted to the Director of Land Development Services (LDS) for approval.
5. The owners must submit a parking space utilization study for review and approval by the Director at any time in the future that the Zoning Administrator or the Director so requests. Following review of that study, or if a study is not submitted within 90 days after its request, the Director may require alternative measures to satisfy the property's on-site parking needs. Such measures may include, but are not limited to, compliance with the full parking requirements specified in the Zoning Ordinance.
6. Any parking utilization study prepared in response to a request by the Zoning Administrator or the Director must be based on applicable requirements of *The Code of the County of Fairfax, Virginia* and the Zoning Ordinance in effect at the time of the study's submission.
7. Any parking provided must comply with the applicable requirements of the Zoning Ordinance and the Fairfax County Public Facilities Manual including the provisions referencing the Americans with Disabilities Act and the Virginia Uniform Statewide Building Code.

8. These conditions of approval are binding on the owners and must be recorded in the Fairfax County Land Records in a form acceptable to the County Attorney. If these conditions have not been recorded and an extension has not been approved by the Director, approval of this parking reduction request will expire without notice six months from its approval date.

WELLS + ASSOCIATES**MEMORANDUM**

1420 Spring Hill Road,
Suite 610,
Tysons, VA 22102
703-917-6620
WellsandAssociates.com

To: Michael Davis
Site Code Research & Development (SCRD)

From: Michael J. Workosky, PTP, TOPS, TSOS
John F. Cavan, PE, PTOE

Re: PCA/CDPA/FDPA 2000-MV-046, Avention Huntington Metro
Fairfax County Tax Map: 83-3 ((38)) and 83-3 ((1)) 88G
Fairfax County, Virginia

Subject: Parking Reduction Request

Date: August 18, 2020

**INTRODUCTION**

This memorandum presents the results of a parking reduction study conducted in support of a parking reduction request for the planned Avention Huntington Metro residential development. The project site is identified as Fairfax County 2020 Tax Map Parcel 83-3 (38) C and 83-3 ((1)) 88G. The site is located east of the Huntington Metro Access Road, north of Huntington Park Drive and south of the Huntington Metrorail Station in the Mount Vernon Magisterial District of Fairfax County and within 500 feet of the Huntington Metrorail Station (See Figure 1). The site is currently vacant and is proposed to be developed with a 379-unit multifamily building (see Figure 2).

The Avention Huntington Metro residential development was the subject of a recently approved proffer condition amendment application (PCA/CDPA/FDPA 2000-MV-046) which amended the previously approved proffers, conceptual development plan, and final development plan. The site is currently zoned PRM (Planned Residential Mixed-Use). The approved development plan includes the provision to pursue a parking reduction.

The multifamily residential building will be served by structured parking with access provided via Huntington Park Drive. A parking reduction from the required 530 parking spaces to 474 parking spaces is proposed.

A full-size copy of the plan is also provided for staff's convenience as **Attachment I**.

The subject parking reduction request is based on the site's proximity to an existing transit facility, a Metrorail station. Trends in auto ownership in such transit rich environments,

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Transportation Demand Management (TDM) program elements, and the target market for this type of housing further support the reduction requested.

In furtherance of this plan, the Applicant has requested a reduction in the number of parking spaces that would be required by a strict application of the Fairfax County Zoning Ordinance. Specifically based on the "...walking distance to a mass transit station..." (Article 11. Section 11-102.5.a). **Specifically, a residential parking reduction of approximately 10.6 percent from the 530 spaces (effective average of 1.4 spaces per DU) as required by the County's Zoning ordinance to 474 spaces (1.25 per DU) resulting in a total reduction of 56 parking spaces is hereby requested.**

In the event that fewer than 379 residential units are constructed, a minimum parking supply based on a ratio of 1.25 spaces per unit will be provided.

Sources of data for this analysis include, but are not limited to, the files and library of Wells + Associates (W+A), VIKA Engineering, Bean Kinney, SK&I Architects, Avention Holdings, LLC, the Institute of Transportation Engineers (ITE), Urban Land Institute (ULI), and Fairfax County.

FAIRFAX COUNTY PARKING REQUIREMENTS

Article 11, Section 11-103 of the Ordinance (see **Attachment II**) outlines the parking requirements for multifamily residential uses in Transit Stations Areas as follows:

- 0 or 1 bedrooms – "One and three-tenths (1.3) spaces per unit"
- 2 bedrooms – "One and five-tenths (1.5) spaces per unit"
- 3 bedrooms – "One and six-tenths (1.6) spaces per unit"

Based on a strict application of the Zoning Ordinance, 530 parking spaces would be required to accommodate the planned 379 rental unit multifamily residential building.

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REQUESTED PARKING REDUCTION

As outlined above, the planned development would require a minimum of 530 parking spaces to meet a strict application of the Ordinance parking requirements for the project's maximum number of dwelling units (see Table 1). The Applicant is requesting a parking reduction of 10.6 percent reduction (or up to 55 fewer spaces) than would be required by the Ordinance. Based on 379 dwelling units, a minimum of 474 parking spaces (1.25 spaces per unit) would need to be provided.

Table 1
Aventon Huntington Station
Parking Analysis Summary

<u>Code Parking Required</u>				
Unit Type	Units	Ratio	Parking Required	
Studio - 1 BR	204	1.30	265.2	spaces
2 Bedroom	153	1.50	229.5	spaces
3 Bedroom	<u>22</u>	1.60	<u>35.2</u>	spaces
Totals	379		530	spaces
<u>Proposed Parking Reduction Request</u>				
Proposed Parking Provided			474	spaces
Proposed Parking Ratio			1.25	spaces/unit
Proposed Reduction			(56)	spaces
Percent Reduction			-10.6%	

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RESIDENTIAL PARKING REDUCTION ANALYSIS

The following sections evaluate the requested parking reduction with respect to this provision.

Provision: Proximity to a Mass Transit

The Fairfax County Zoning Ordinance (“the Ordinance”) provides for a reduction in required off-street parking for sites located in proximity to transit service (see **Attachment III**). Article 11, Section 11-102.5 states:

“Subject to conditions it deems appropriate, the Board may reduce the number of off-street parking spaces otherwise required by the strict application of the provisions of this Part when a proposed development is within:

- A. Reasonable walking distance to a mass transit station wherein the station either exists or is programmed for completion within the same time frame as the completion of the subject development; or*
- B. An area designated in the adopted comprehensive plan as a Transit Station Area; or*
- C. Reasonable walking distance to an existing transportation facility consisting of a streetcar, bus rapid transit, or express bus service or wherein such facility is programmed for completion within the same timeframe as the completion of the subject development and will provide high-frequency service; or*
- D. Reasonable walking distance to a bus stop(s) when service to this stop(s) consists of more than three routes and at least one route serves a mass transit station or transportation facility and provides high-frequency service.*

Such reduction may be approved when the applicant has demonstrated to the Board’s satisfaction that the spaces proposed to be eliminated are unnecessary based on the projected reduction in the parking demand resulting from the proximity of the mass transit station or transportation facility or bus service and such reduction in parking spaces will not adversely affect the site or the adjacent area, including potential impacts on existing overflow parking in nearby neighborhoods. For the purposes of this provision, a determination regarding the completion time frame for a mass transit station or transportation facility must include an assessment of the funding status for the transportation project.”

The proposed residential use would be well served by both existing and planned public transportation infrastructure. As shown on Figure 3, the site is immediately adjacent to the

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Huntington Avenue Metrorail Station with a direct connection provided from the building to the platform. The Huntington Kiss & Ride lot is approximately 600 feet from the site and is served by a number of Fairfax Connector and Metrobus routes.

It is noted that the existing south parking garage serving the Huntington Metrorail station has been recently closed.

Huntington Metrorail Station

Huntington Avenue is immediately adjacent to the site and serves the Yellow Line. The Yellow Line connects to the Blue Line at the King St – Old Town station, the Orange, Silver, Green, and Blue Lines at the L’Enfant Plaza station, and the Red Line at the Gallery Place station. The Huntington Avenue station is the southern terminus of the existing Yellow Line. Multiple bus routes connect with the Huntington Avenue Metrorail station.

Pedestrian/bicycle access to the Huntington Avenue Metrorail station is provided via connected sidewalks along N. Kings Highway, Huntington Avenue, and Richmond Highway. Residents of the Aventon Huntington residential building will utilize the sidewalk along Huntington Park Drive or a path along the private road to access the Metrorail platform.

Bicycle parking is provided at the Huntington Avenue Metrorail station via both bike racks and enclosed, secure lockers with a capacity for approximately 46 bicycles.

The Huntington Metrorail station also serves as a transit hub for multiple bus routes including the following ten (10) Fairfax Connector bus routes and three (3) WMATA routes. Shelters are provided at the Huntington Kiss & Ride lot. A map showing the existing bus routes serving the station is shown on Figure 4.

Fairfax Connector Routes

1. Fort Hunt Line (101)
2. Rose Hill Line (109)
3. Engleside-Mount Vernon Line (151)
4. Engleside Limited-Stop Line (159)
5. Groveton/Mount Vernon Line (152)
6. Hybla Valley Circulator Counter-Clockwise Loop (161)
7. Hybla Valley Circulator Clockwise Loop (162)
8. Richmond Highway Line (171)
9. Telegraph Road Line (301)
10. Franconia - Rolling Valley Line (310)

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Metrobus Routes

- 1. Fort Belvoir (REX)
- 2. King St-Old Town (REX)
- 3. Pentagon (10A)

In addition to the direct access to Metrorail and Metrobus, the site is in proximity to the Richmond Highway corridor that is planned to be modified to include a Bus Rapid Transit route that would serve the Huntington Metrorail station. The “Embark Richmond Highway” plan was initiated in 2015 and would provide a potential route connecting nine (9) Community Business Centers (CBC) to the Huntington Metrorail station. In addition, this system would ultimately provide a connection for Aventon residents to the amenities and services provided along the Richmond Highway corridor.

Residential Unit Mix

Given the location of the building, it is intended to draw residents that are inclined to use transit on a regular basis and own fewer vehicles than other residential buildings. The Applicant is intending to provide the following unit type ratios:

■ One (1) Bedroom Units:	204 Units (53.8 percent)
■ Two (2) Bedroom Units:	153 Units (40.4 percent)
■ Three (3) Bedroom Units:	<u>22 Units (5.8 percent)</u>
Totals	379 units

As shown above, the proposed project would provide one, two and three-bedroom units. The Applicant is proposing to provide a minimum parking supply of approximately 1.25 parking spaces per unit.

Auto Ownership Based on Census Tract Information

Average auto ownership was determined based on data from the 2018 American Community Survey (ACS) published by the U.S. Census Bureau. The 2018 data for the Census Tracts and Block Groups that encompass the subject site and the immediately surrounding area indicates that the average auto ownership for rental units in the area was 1.17 vehicles per rental unit. The ACS data is summarized in Table 2.

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Table 2
Residential Parking Reduction - Rental
2018 American Community Survey Data

	Households	Percent
No vehicle Available	256	10.9%
1 Vehicle Available	1,496	63.5%
2 Vehicles Available	542	23.0%
3 Vehicles Available	62	2.6%
4 vehicles available	0	0.0%
5 vehicles available	0	0.0%
Total Number of Households	2,356	100%
Average Auto Ownership		1.17

Based on Census Tracts 4204, 4205.02 (Block Group 2), 4205.03 (Block Groups 1 and 3)

The Census data indicates that approximately 74% of households own either one (1) or no vehicles. The data can be used to understand trends of development surrounding plentiful transit options in the area. The Census data suggests that a parking ratio of 1.25 parking spaces per unit would be adequate to serve the future residents' parking needs based on the rental unit type and transit-oriented development types in the area. The ACS data is provided as **Attachment IV**.

Recently Approved Nearby Parking Reductions

Recently within vicinity of the site a number of projects have been approved with parking ratios below the requirements of Fairfax County. Below is a summary of approved residential parking reductions including their planned parking ratios as shown on Figure 5.

Huntington Crossing. The residential building with 549 DUs was approved with a parking ratio of 1.3 spaces/DU. The building is approximately ¼ mile from the Huntington Metrorail Station.

Riverside Apartments. The residential building with 1,989 DUs was approved with a parking ratio of 1.3 spaces/DU. This property is located within ¾ mile to the Huntington Metrorail station, similar to the subject site.

A&R Huntington Avenue. The residential portion of the building with 139 DUs was approved with a parking ratio of 1.3 spaces/DU. This property is located within ¼ mile to the Huntington Metrorail station.

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The Grande at Huntington. The residential portion of the building with 275 DUs was approved with a parking ratio of 1.4 spaces/DU. This property is located within one (1) mile to the Huntington Metrorail station, similar to the subject site.

Novus Kings Crossing. The residential building with 549 DUs was approved with a parking ratio of 1.4 spaces/DU. The building is approximately ¼ mile from the Huntington Metrorail Station.

Transportation Demand Management (TDM)

As part of the proposed residential development, the Applicant shall implement a TDM Plan to encourage the use of transit, high-occupant vehicle commuting modes, walking, biking, and teleworking, to reduce the automobile trips generated by the Application Property. While the implementation of a TDM program is not the basis of this parking reduction, these measures would help reduce the need for residents to own vehicles. A copy of the Applicant's TDM proffer is included as **Attachment V**. A TDM program, among other things, helps to reduce residential site-generated vehicle trips. Elements of the TDM program to reduce the number of household vehicles may include:

- Property-wide TDM Program Management with a goal of 45%
- Dissemination of County/Regional Program Information
- Pedestrian/Bicycle facilities
- Regular monitoring/reporting
- Parking Management (e.g. unbundle the multi-family parking spaces by providing each new tenant an option to rent/own a parking space(s) at an additional cost)

Further, FCDOT has developed TDM guidelines for prospective developments to follow. This document speaks specifically to limiting the parking supply, pricing and unbundled parking for residential and office space, incorporating parking permit controls to ensure a convenient supply of appropriate parking, and preferential parking for high occupancy vehicles (HOV). These are several parking management techniques aimed to reduce vehicle trips through alternative mode choices and reducing the minimum parking requirements for uses located within TOD Districts and Non-TOD areas just outside the ½ mile radius from future rail.

Nearby Neighborhood Amenities

Numerous amenities are located in the immediate vicinity of the Aventon Huntington Metro site reducing the need for residents to own an automobile. The Huntington Station shopping center is located directly opposite the site on the west side of North Kings Highway. This center includes a number of restaurants and services to meet the daily needs of residents.

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Marked crosswalks with pedestrian signals are provided on North Kings Highway and Huntington Park Drive that provide for safe and convenient access for residents to the retail center.

A number of other retail establishments, grocery stores and restaurants are located along Richmond Highway (U.S. Route 1) and generally within ¾ to 1 mile of the site. Avenon residents could utilize the bus routes at the Metrorail station to access these services.

A number of new projects are either in progress or planned in close proximity to the Avenon Huntington project. Several of these projects will include retail/commercial uses and amenities that will serve residents in the area.

BASIS FOR THE PARKING REDUCTION REQUEST (Z.O. 11-102.5)

The following summarizes the basis for the parking reduction request:

- The site is immediately adjacent to the Huntington Avenue Metrorail station and direct connections from the building are provided.
- The Huntington Metrorail station is served by a number of existing established Fairfax Connector and WMATA bus routes.
- The pedestrian/bicycle infrastructure existing in the vicinity of the site provides direct walking/biking routes to/from area amenities.
- The majority (approximately 94 percent) of the proposed standard rental dwelling units would be one (1) and two (2) bedroom models.
- Census Tract data supports the proposed parking ratio and indicates that rental households in the vicinity of public transit facilities own fewer vehicles than current code requirements.
- The proffers include a TDM plan that would include elements to help reduce the number of household vehicles and establish a trip reduction goal of 45%. These strategies would reduce the need for residents to own a vehicle.
- The site's proximity to a mix of uses and multimodal amenities would allow residents convenient alternatives to driving.
- The methodologies and recommendations of the parking study are consistent with the guidance provided in the Comprehensive Plan.

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IMPACT TO ADJACENT PROPERTIES (Z.O. 11-102.5)

The proposed residential project is located in close proximity to the existing Huntington Metrorail station as well as multiple bus routes. The proposed site will predominantly offer one (1) and two (2) bedroom units whose parking supply will be provided through structured parking. The project is anticipated to attract one (1) and no car individuals based on its TDM program and proximity to mass transit.

The adjacent parcels consist of the Metrorail station and The Courts at Huntington Station residential property. The curbside parking within the Courts at Huntington Station are restricted for visitor parking with permit only and are enforced by towing. Thus, if the parking reduction request were granted, there would be no impact on the site or surrounding areas.

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CONCLUSIONS

Based on the documentation provided herein, the following can be concluded:

1. Under a strict application of the Zoning Ordinance, 530 parking spaces would be required to accommodate the proposed 379 multi-family rental dwelling units and their visitors.
2. Based on the proximity to transit, the **Applicant requests a residential parking reduction of approximately 10.6 percent from the 530 spaces as required by the County's Zoning ordinance to 474 spaces (1.25 per DU) resulting in a total reduction of 56 parking spaces is hereby requested.**
3. The site is immediately adjacent to the existing Huntington Avenue Metrorail station that is also served by multiple Fairfax Connector and WMATA bus routes. Direct connections from the building to the Metrorail station will be provided.
4. The proposed 379 multi-family residential units would consist primarily of one-bedroom and two-bedroom units (94 percent). The ultimate mix of units will be determined at the time of site plan submission and allow minor potential changes that would not reduce the parking ratio below the requested 1.25 parking spaces per DU.
5. Census tract data from 2018 shows an average auto ownership of 1.17 vehicles per rental unit suggesting that the proposed parking supply would adequately serve residents.
6. Several elements of the TDM program would also benefit the proposed residential multi-family dwelling units and assist in encouraging use of modes other than the automobile. The proffered TDM program complements the site's proximity to mass transit and reduces residential parking needs while supporting County goals to reduce peak hour vehicle trips.
7. The proximity of neighborhood amenities would allow residents the conduct many daily errands without driving, reducing the need for auto ownership.
8. The proposed residential parking reduction is consistent with the recommendations outlined in the Comprehensive Plan.

Questions regarding this document should be directed to Wells + Associates.

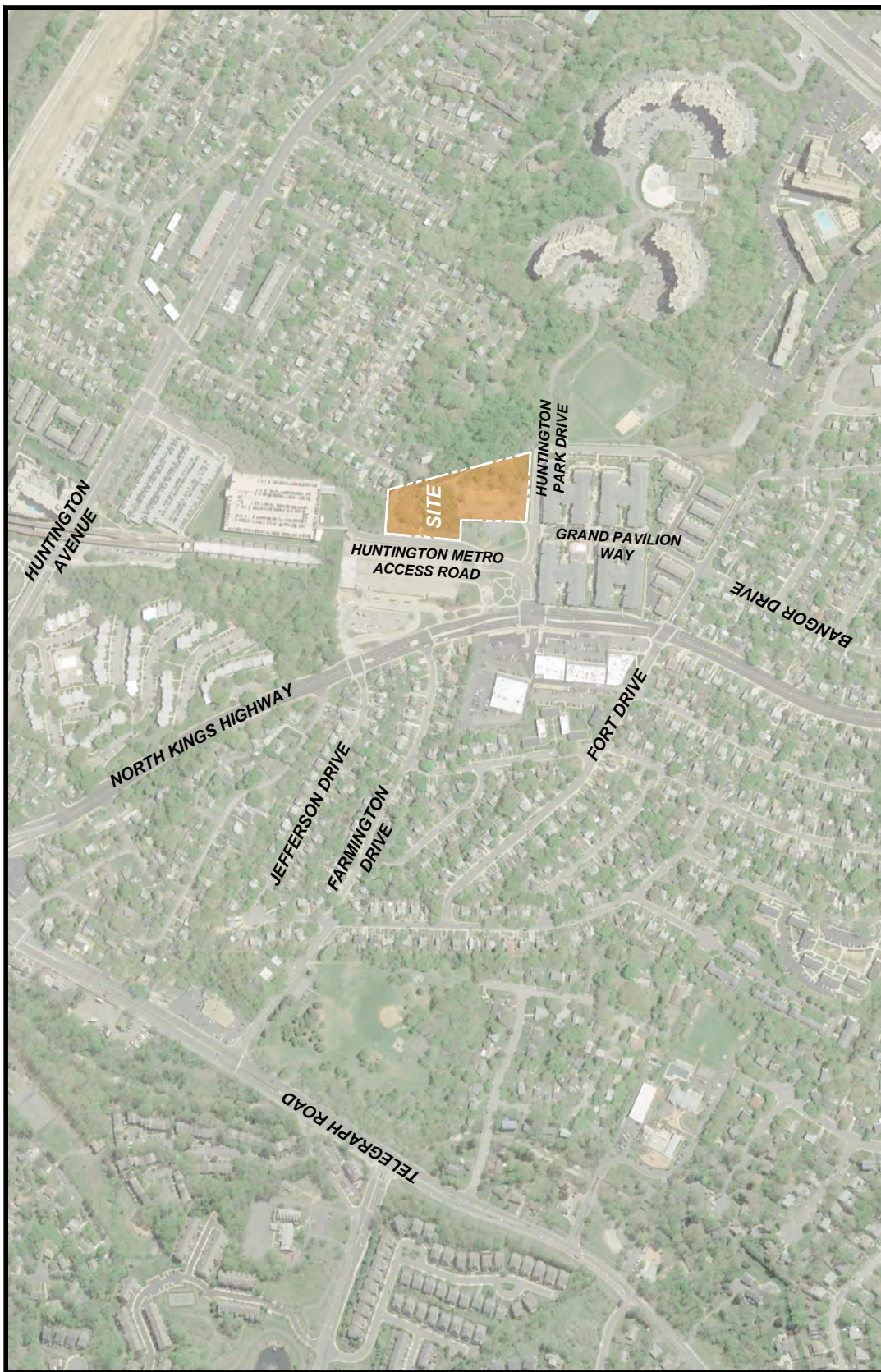


Figure 1
Site Location



NORTH
Avention Huntington Metro
Fairfax County, Virginia



Figure 2
 Conceptual Development Plan

NORTH
 Avention Huntington Metro
 Fairfax County, Virginia



Figure 3
Proximity to Metro



NORTH
Avention Huntington Metro
Fairfax County, Virginia

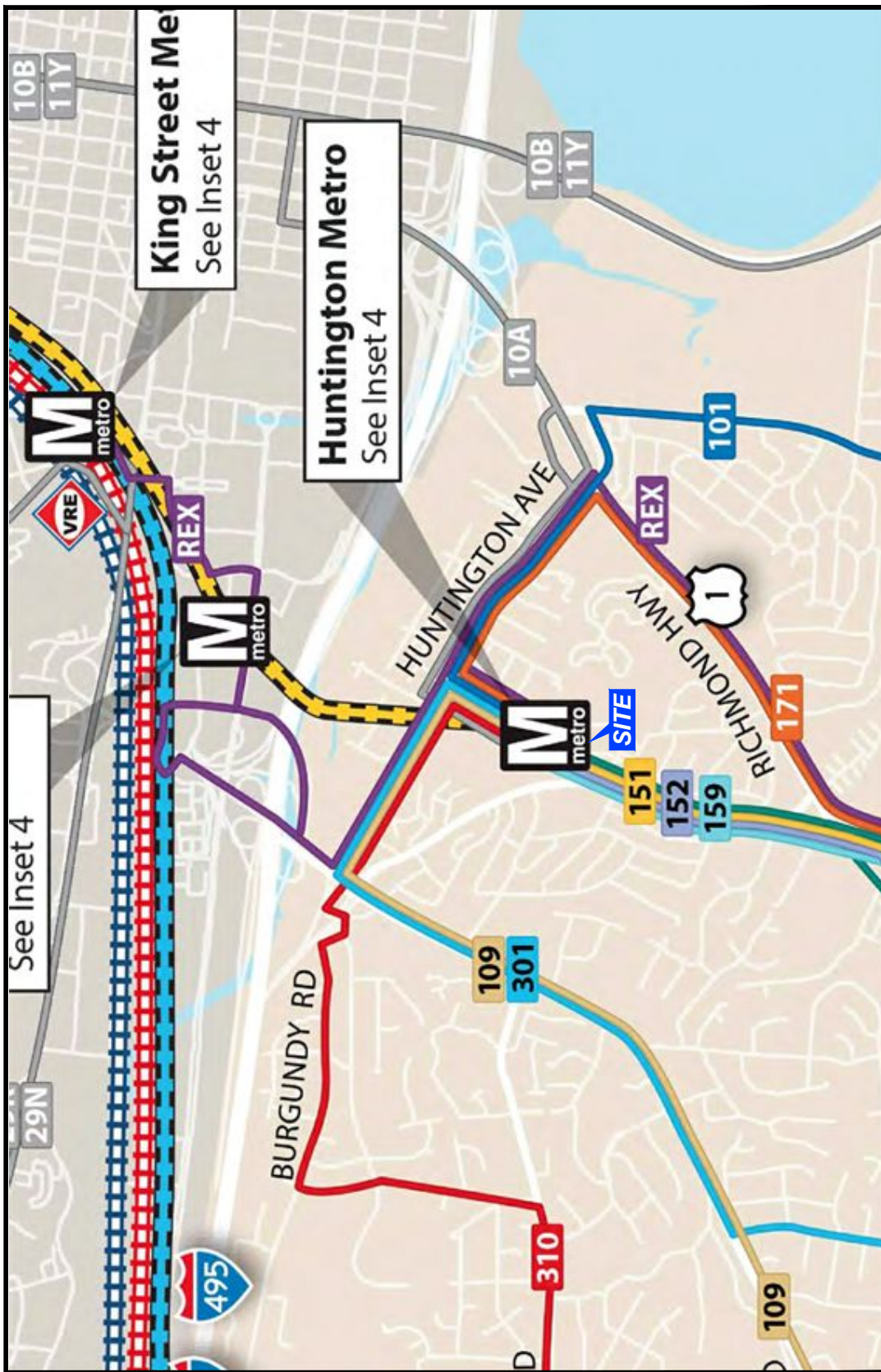


Figure 4
Existing Transit Routes

NORTH
Avention Huntington Metro
Fairfax County, Virginia

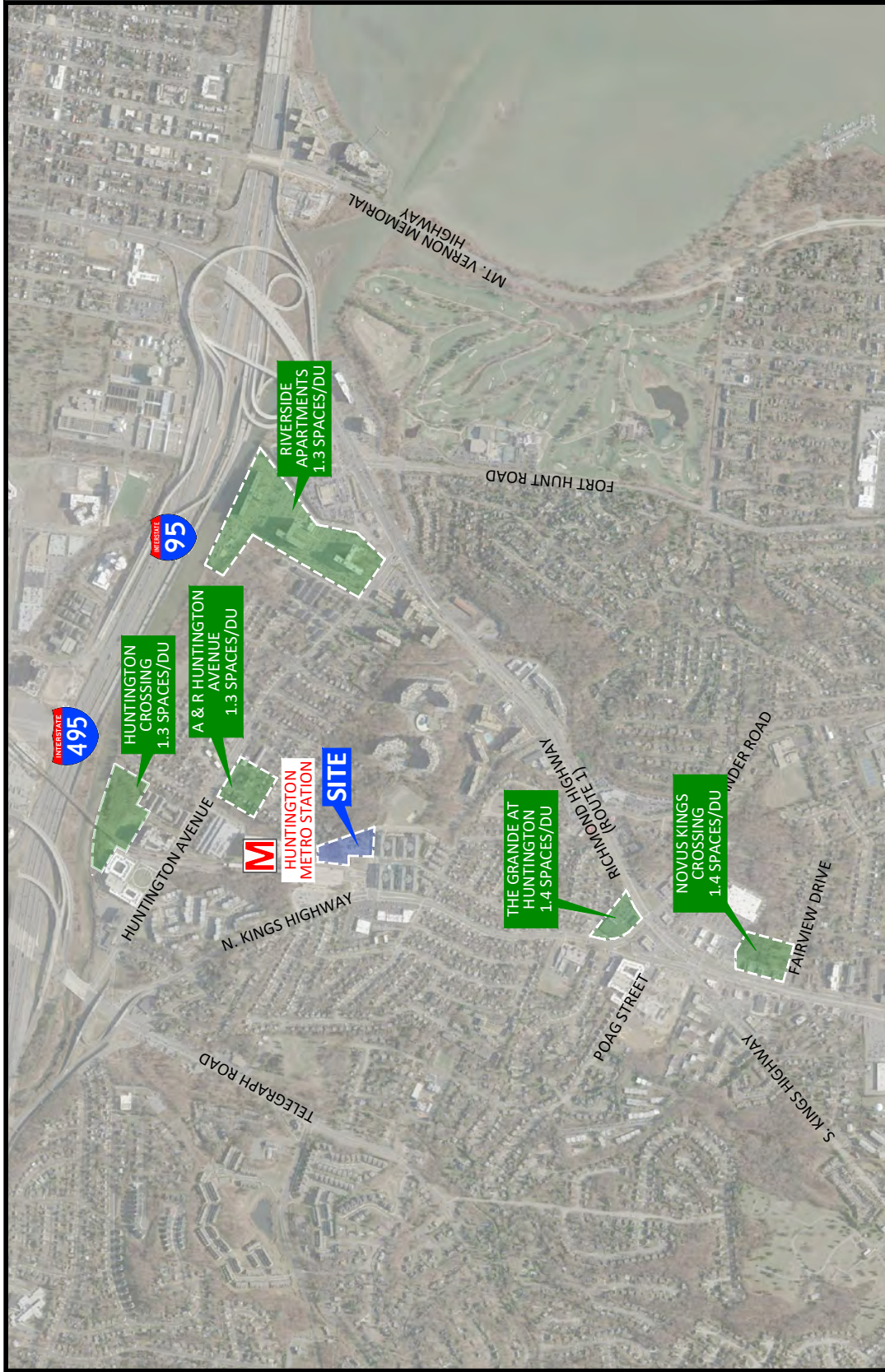


Figure 5
Recently Approved Parking Reductions

NORTH
Aventura Huntington Metro
Fairfax County, Virginia

Zoning Ordinance Parking Requirements

FAIRFAX COUNTY ZONING ORDINANCE

11-107 Minimum Required Spaces for Transit Station Areas

For any development within an area designated in the adopted comprehensive plan as a Transit Station Area, minimum off-street parking spaces accessory to the uses hereinafter designated will be provided as follows:

1. Dwelling, Multiple Family:
 - A. 0 or 1 bedroom: One and three-tenths (1.3) spaces per unit
 - B. 2 bedrooms: One and five-tenths (1.5) spaces per unit
 - C. 3 or more bedrooms: One and six-tenths (1.6) spaces per unit
2. Office:
 - A. Two (2.0) spaces per 1,000 square feet of gross floor area for a building located a distance of 0-1/4 mile from a metro station entrance along an accessible route
 - B. Two and three-tenths (2.3) spaces per 1000 square feet of gross floor area for a building located a distance of greater than 1/4 mile from a metro station entrance along an accessible route
3. Restaurant: Parking rates set forth in Sect. 11-104.
4. Commercial and Related Uses:

All commercial and related uses set forth in Sect. 11-104 and not contained in this section: Eighty (80) percent of the parking rate set forth in Sect. 11-104

All other uses located in a designated Transit Station Area that do not have a parking rate set forth in this section will be subject to the parking rates set forth in Sections 11-103, 11-105 and 11-106.

Proximity to Mass Transit Parking Reduction Criteria

FAIRFAX COUNTY ZONING ORDINANCE

5. Subject to conditions it deems appropriate, the Board may reduce the number of off-street parking spaces otherwise required by the strict application of the provisions of this Part when a proposed development is within:
 - A. Reasonable walking distance to a mass transit station wherein the station either exists or is programmed for completion within the same time frame as the completion of the subject development; or
 - B. An area designated in the adopted comprehensive plan as a Transit Station Area; or
 - C. Reasonable walking distance to an existing transportation facility consisting of a streetcar, bus rapid transit, or express bus service or wherein such facility is programmed for completion within the same timeframe as the completion of the subject development and will provide high-frequency service; or
 - D. Reasonable walking distance to a bus stop(s) when service to this stop(s) consists of more than three routes and at least one route serves a mass transit station or transportation facility and provides high-frequency service.

Such reduction may be approved when the applicant has demonstrated to the Board's satisfaction that the spaces proposed to be eliminated are unnecessary based on the projected reduction in the parking demand resulting from the proximity of the mass transit station or transportation facility or bus service and such reduction in parking spaces will not adversely affect the site or the adjacent area, including potential impacts on existing overflow parking in nearby neighborhoods. For the purposes of this provision, a determination regarding the completion time frame for a mass transit station or transportation facility must include an assessment of the funding status for the transportation project.

6. Within areas designated as Community Business Centers on the adopted comprehensive plan, the Board may waive the requirement that all required off-street parking spaces be located on the same lot or on a contiguous lot as set forth in Par. 1 above, provided the following conditions are met:
 - A. The developer shall apply to the Director stating the circumstances which make it impracticable to meet the requirements of this Part, and
 - B. The developer shall agree to pay to the County a sum for each space so eliminated, such sum to be set by the Board in an annually adopted schedule, and
 - C. The County has plans for the erection of a public parking facility in the immediate area of the request, and
 - D. The County has provided for the development of such parking, at a time and in a quantity sufficient to meet the needs of the applicant's proposed use.
7. All required off-street parking spaces and their appurtenant aisles and driveways shall be deemed to be required space on the lot on which the same are situated and shall not be

Note: This is a modified view of the original table produced by the U.S. Census Bureau.
Note: This downloaded or printed version may have missing information from the original table.

TENURE BY VEHICLES AVAILABLE

Survey Program:
American Community Survey
Geographic Area:
Occupied housing units
Year:
2018
Estimates:
Table ID:
B25044

Block Group 1, Census Tract 4254, Fairfax County, Virginia				Block Group 2, Census Tract 4254, Fairfax County, Virginia				Block Group 3, Census Tract 4254, Fairfax County, Virginia			
Block Group 1, Census Tract 4254, Fairfax County, Virginia				Block Group 2, Census Tract 4254, Fairfax County, Virginia				Block Group 3, Census Tract 4254, Fairfax County, Virginia			
Estimate	Marginal Error	Estimate	Marginal Error	Estimate	Marginal Error	Estimate	Marginal Error	Estimate	Marginal Error	Estimate	Marginal Error
✓ Total:	827	1,045	+/-79	433	+/-115	379	+/-68	271	+/-72	271	+/-72
✓ Owner occupied:	483	0	+/-69	0	+/-12	196	+/-77	0	+/-12	0	+/-12
No vehicle available	20	0	+/-18	0	+/-12	9	+/-14	0	+/-12	0	+/-12
1 vehicle available	180	0	+/-40	0	+/-12	124	+/-44	0	+/-12	0	+/-12
2 vehicle available	229	0	+/-69	0	+/-12	22	+/-19	0	+/-12	0	+/-12
3 vehicle available	34	0	+/-25	0	+/-12	37	+/-27	0	+/-12	0	+/-12
4 vehicle available	0	0	+/-12	0	+/-12	0	+/-12	0	+/-12	0	+/-12
5 or more vehicles available	0	0	+/-12	0	+/-12	4	+/-12	0	+/-12	0	+/-12
✓ Renter occupied:	404	1,045	+/-79	453	+/-115	183	+/-62	271	+/-72	271	+/-72
No vehicle available	33	113	+/-26	27	+/-49	32	+/-38	51	+/-42	51	+/-42
1 vehicle available	252	702	+/-47	264	+/-112	150	+/-43	138	+/-44	138	+/-44
2 vehicle available	111	189	+/-37	142	+/-46	25	+/-28	75	+/-55	75	+/-55
3 vehicle available	8	41	+/-12	0	+/-38	6	+/-11	7	+/-11	7	+/-11
4 vehicle available	0	0	+/-12	0	+/-12	0	+/-12	0	+/-12	0	+/-12
5 or more vehicles available	0	0	+/-12	0	+/-12	0	+/-12	0	+/-12	0	+/-12

13. Transportation Demand Management. This Proffer sets forth the programmatic elements of a transportation demand management program ("TDM Program") that must be implemented by the Applicant, and subsequently the property owner, to encourage the use of transit (Metrorail and bus), other high-occupant vehicle commuting modes, walking, biking, and teleworking, all in order to reduce automobile trips generated by the residential uses constructed on the Property.

- a. Definitions. For purposes of this Proffer, (i) "Stabilization" will be deemed to occur one (1) year following issuance of the last RUP for the multifamily residential buildings to be constructed on the Property, and (ii) "Prestabilization" will be deemed to occur any time prior to Stabilization.
- b. Transportation Demand Management Plan. The proffered elements of the TDM Program as set forth below will be more fully described in a TDM Plan submitted by the Applicant concurrent with the first site plan submission (the "TDM Plan"). It is the intent of this Proffer that the TDM Plan will adapt over time to respond to the changing transportation related circumstances of the Property, the surrounding community and the region, as well as to technological and/or other improvements, all with the objective of meeting the trip reduction goals as set forth in these Proffers. Accordingly, modifications, revisions, and supplements to the TDM Plan as coordinated with the Fairfax County Department of Transportation ("FCDOT") can be made without the need for a PCA, provided that the TDM Plan continues to reflect the proffered elements of the TDM Program as set forth below.
- c. Trip Reduction Goals. The objective of the TDM Plan will be to reduce the number of AM and PM peak hour vehicle trips generated by the residential uses located within the Property through the use of mass transit, ridesharing, and other strategies, including, but not limited to, those outlined in the TDM Plan. In addition, the implementation of enhanced pedestrian and bicycle connections/facilities will provide safe and convenient access to nearby Metrorail and bus facilities thereby encouraging commuting options other than the automobile to residents, employees and visitors to the Property.
 - i. Baseline. The baseline number of AM and PM peak hour residential vehicle trips for the proposed units within the Property against which the TDM Goals (as defined in subparagraph c.ii) will be measured will be derived upon the number of residential units that are site plan approved, constructed, and occupied on the Property as part of the proposed development at the time traffic counts are conducted in accordance with these Proffers and using the trip generation rates/equations applicable to such residential uses as set forth in the Institute of Transportation Engineers, Trip Generation, 10th Edition for Land Use Code = 221. In the event at Build Out, the Applicant has constructed fewer than 379 multifamily residential units as part of the proposed development, then the Baseline Trip generation numbers applicable upon Build Out must be

calculated as if 379 residential units had actually been constructed as reflected in the Operational Analysis for the Applicant prepared by Wells & Associates dated October 10, 2019.

- ii. TDM Goal. The TDM strategies will be utilized to reduce the baseline number of AM and PM peak hour residential vehicle trips by a minimum of forty-five percent (45%).
- d. Process of Implementation. The TDM Program must be implemented as follows, provided that modifications, revisions, and supplements to the implementation process as set forth herein and as coordinated with FCDOT can be made without requiring a PCA.
 - i. The applicant must appoint and continuously employ, or cause to be employed, a TDM Program Manager ("TPM") for the Property. If not previously appointed, the TPM must be appointed by no later than sixty (60) days after the issuance of the first building permit for the first new building to be constructed on the Property. The TPM duties may be part of other duties associated with the appointee. The TPM must notify FCDOT in writing within ten (10) days of the appointment of the TPM. Thereafter the TPM must do the same within ten (10) days of any change in such appointment.
 - ii. The TPM must prepare and submit to FCDOT an initial TDM Work Plan ("TDMWP") and annual budget (the "Annual Budget") no later than 180 days after issuance of the first building permit for the new multifamily buildings on the Property. Every calendar year after the first issuance of RUP, and no later than May 15, the TPM must submit an annual report (the "Annual Report"), based on a report template provided by FCDOT, which may revise the Annual Budget in order to incorporate any new construction on the Property. The Annual Report and Annual Budget must be reviewed by FCDOT. If FCDOT has not responded with any comments within sixty (60) days after submission, then the Annual Report and Annual Budget will be deemed approved and the program elements will be implemented. If FCDOT responds with comments on the Annual Report and Annual Budget, then the TPM will meet with FCDOT staff within fifteen (15) days of receipt of the County's comments. Thereafter, but in any event, no later than thirty (30) days after the meeting, the TPM must submit such revisions to the TDMWP and/or Annual Budget discussed and agreed to with FCDOT and begin implementation of the approved program and fund the approved Annual Budget.
 - iii. The TPM must establish a separate interest bearing account with a bank or other financial institution qualified to do business in Virginia (the "TDM Account") within 30 days after approval of the TDMWP and Annual Budget. All interest earned on the principal will remain in the TDM

Account and must be used by the TPM for TDM purposes on the Property. Funding of the TDM Account must be in accordance with the budget for the TDM Program elements to be implemented in a year's TDMWP. In no event will the Annual Budget exceed \$60,000.00 (this amount will be adjusted annually from the date of rezoning approval for the Property (the "Base Year")) and will be adjusted on each anniversary thereafter of the Base Year in accordance with these Proffers. The TPM must provide written documentation to FCDOT demonstrating the establishment of the TDM Account within ten (10) days of its establishment. The TDM Account must be replenished annually thereafter following the establishment of each year's Annual Budget. The TDM Account will be managed by the TPM.

- iv. At the same time the TPM creates and funds the TDM Account, the TPM must establish a separate interest bearing account (referred to as the "TDM Remedy Fund") with a bank or other financial institution qualified to do business in Virginia. Funding of the TDM Remedy Fund must be made one time on a building by building basis at the rate of \$0.10 per gross square foot of new residential uses on the Property. Funding must be provided by the Applicant, or its successors or assigns as applicable, prior to the issuance of the first RUP for the new buildings. This amount will be adjusted annually from the date of rezoning approval of the Property (the "Base Year") and will be adjusted on each anniversary thereafter of the Base Year as permitted by VA. Code Ann. Section 15.2-2303.3. Funds from the TDM Remedy Fund may be drawn upon only for purposes of immediate need for TDM funding and may be drawn on prior to any Annual Budget adjustments as may be required.
- v. The "TDM Incentive Fund" is an account into which the Applicant, or its successors or assigns as applicable, through the TPM, will deposit contributions to fund a multimodal incentive program for initial purchasers/lessees. Such contributions must be made one time on a building by building basis at the rate of \$0.02 per gross square foot of new residential uses to be constructed on the Property and provided prior to the issuance of the first RUP for the new buildings. In addition to providing transit incentives, such contributions may also be used for enhancing/providing multimodal facilities within and proximate to the Property.
- vi. The TPM must verify that the proffered trip reduction goals are being met through the completion of Person Surveys, Vehicular Traffic Counts of residential uses, and/or other such methods as may be reviewed and approved by FCDOT. The results of such Person Surveys and Vehicular Traffic Counts must be provided to FCDOT as part of the Annual Report. Person Surveys and Vehicular Traffic Counts must be conducted for the Property beginning one year following issuance of the final RUP for the

new buildings to be constructed on the Property. Person Surveys must be conducted every three (3) years and Vehicular Traffic Counts must be collected annually until the results of three consecutive annual traffic counts conducted upon Build Out show that the applicable trip reduction goals for the Property have been met. Any time during which Person Survey response rates do not reach 20%, FCDOT may request additional surveys be conducted the following year. At such time and notwithstanding anything in these Proffers to the contrary, Person Surveys and Vehicular Traffic Counts must thereafter be provided every five (5) years. Notwithstanding the aforementioned, at any time prior to or after Stabilization, FCDOT may suspend such Vehicle Traffic Counts if conditions warrant such.

- e. Remedies. If the Maximum Trips After Reduction for the Subject Property is exceeded as evidenced by the Vehicular Traffic Counts outlined above, then the TPM must meet and coordinate with FCDOT to address, develop, and implement such remedial measures as may be identified in the TDM Plan and annual TDMWP.

- i. Such remedial measures must be funded by the Remedy Fund, as may be necessary, and based on the expenditure program that follows:

Maximum Trips Exceeded	Remedy Expenditure
Up to 1%	No Remedy needed
1.1% to 3%	3% of Remedy fund
3.1% to 6%	6% of Remedy Fund
6.1% to 10%	10% of Remedy Fund
Over 10%	15% of Remedy Fund

- ii. There is no requirement to replenish the TDM Remedy Fund at any time; provided, however, that the Applicant must transfer control of any funds remaining in the Remedy Fund to any successor or assign to be used for TDM purposes.

- f. Additional Trip Counts. If an Annual Report indicates that a change has occurred that is significant enough to reasonably call into question whether the applicable vehicle trip reduction goals are continuing to be met, then FCDOT may require the TPM to conduct additional Vehicular Traffic Counts (pursuant to the methodology set forth in the TDM Plan) within 90 days to determine whether in fact such objectives are being met. If any such Vehicular Traffic Counts demonstrate that the applicable vehicle trip reduction goals are not being met, then the TPM must meet with FCDOT to review the TDM strategies in place and to develop modifications to the TDM Plan to address the surplus of trips.

- g. Review of Trip Reduction Goals. At any time and concurrent with remedial actions and/or the payment of penalties as outlined herein, the Applicant may request that FCDOT review the vehicle trip reduction goals established for the Property and set a revised lower goal for the Property consistent with the results of such surveys and vehicular traffic counts provided for by this Proffer. In the event a revised lower goal is established for the Property, the Maximum Trips After Reduction will be revised accordingly for the subsequent review period without the need for a PCA.
 - h. Continuing Implementation. The TPM bears sole responsibility for continuing implementation of the TDM Program and compliance with this Proffer. The TPM will continue to administer the TDM Program in the ordinary course in accordance with this Proffer including submission of Annual Reports.
 - i. Notice to Owners. All owners of the Property must be advised of the TDM Program set forth in this Proffer. The Applicant must advise all successor owners and/or developers of their funding obligations pursuant to the requirements of this Proffer prior to purchase and the requirements of the TDM Program, including the annual contribution to the TDM Program (as provided herein), must be included in all initial and subsequent purchase documents.
 - j. Enforcement. If the TPM fails to timely submit a report to FCDOT as required by this Proffer, the TPM will have sixty (60) days within which to cure such violation. If after such sixty (60) day period the TPM has not submitted the delinquent report, then the Applicant will be subject to a penalty of \$75 per day not to exceed \$27,375 for any one incident. Such penalty will be payable to Fairfax County.
14. Traffic Signal Preemption Devices. Prior to issuance of the first building permit for the multifamily residential buildings to be constructed on the Property, the Applicant must contribute \$20,000 to the Capital Project titled Traffic Light Signals – FRD Proffers in Fund 300-C30070, Public Safety Construction for installation of emergency vehicle preemption equipment on traffic signals in the vicinity of the Property, as determined by the Fire and Rescue Department. The Applicant will not have any responsibility for installation or maintenance of the signal devices.

ENVIRONMENT

15. Stormwater Management Facilities and Best Management Practices. Stormwater management must be provided as generally depicted on the CDPA/FDPA in accordance with the County Stormwater Management Ordinance and the Public Facilities Manual (“PFM”) and as approved by Land Development Services (“LDS”). The stormwater management techniques will utilize existing facilities as outlined in the approved SWOD and will include, low impact development practices to infiltrate or evapotranspire water on site such as, but not limited to, bioretention facilities, permeable pavers, filtered strips, and infiltration facilities. All such facilities must be located in a manner that is in

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ACTION - 2

Approval of the Five-Year Consolidated Plan for FY 2022 – FY 2026 and One-Year Action Plan for FY 2022

ISSUE:

Final action by the Fairfax County Board of Supervisors (Board) on the Five-Year Consolidated Plan for FY 2022 – FY 2026 and One-Year Action Plan for FY 2022 (the Plans).

RECOMMENDATION:

The County Executive recommends the Board (1) adopt the Plans with funding allocations outlined below; (2) authorize signature of the Consolidated Plan certifications and federal funding application forms (SF-424s); and (3) authorize submission of the Plans with the certifications and SF-424s by May 16, 2021, as required by the U.S. Department of Housing and Urban Development (HUD).

TIMING:

Board action is required on May 4, 2021, to maintain the schedule for the Consolidated Plan process, which is included in the Grantee Unique Appendices section of the Plans and to ensure timely submission of the Plans to HUD.

BACKGROUND:

The Plans identify a wide range of needs, current programs and strategies, and gaps and priorities for housing, community service, homeless, community development, neighborhood preservation and revitalization, employment and economic opportunity programs and services in the County. The Plans also contain the proposed uses of funding for three federal programs: Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Emergency Solutions Grant (ESG) funds. In accordance with federal requirements, the Plans include several certifications, including drug-free workplace, affirmatively furthering fair housing, prohibition of excessive force, and lobbying requirements. If the Board approves this item and the Plans, each of the certifications will be signed by the County Executive.

Funding levels previously described in the Plans and released for public comment were based on FY 2021 funding levels, because the County had not yet received notification from HUD of the actual grant levels at the time the Consolidated Community Funding Advisory Committee's (CCFAC's) released the documents. HUD notified the County of

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the actual grant levels on February 25, 2021 and the funding levels incorporated into the Plans are based on the actual funding levels. The \$8,722,979 actual total entitlement funding recommended in this item for the three programs is \$127,446 more than estimated in the draft Plan when released for public comment. The \$6,039,155 actual CDBG funding is \$78,356 more than estimated; the \$2,175,471 actual HOME funding is \$33,617 more than estimated; and the \$508,353 actual ESG funding is \$15,473 more than estimated. The Plans also include estimates of approximately \$380,137 in CDBG program income and \$47,000 in HOME program.

In accordance with the Board-adopted Citizen Participation Plan for the Consolidated Plan process, the Plans were made available and circulated for review and comment by residents, service providers, and other interested parties during the formal public comment period, which ended with a public hearing held by the Board on March 23, 2021. Following the public comment period, all comments were considered and summarized in the Plans. Pursuant to this item, the CCFAC now forwards the Plans to the Board with a recommendation for final approval on May 4, 2021.

STAFF IMPACT:

None. No positions will be added as a result of this action.

FISCAL IMPACT:

Total anticipated entitlement funding of \$8,722,979 has been recommended in this item:

- \$6,039,155 in CDBG (Fund 50800, Community Development Block Grant)
- \$2,175,471 in HOME (Fund 50810, HOME Investment Partnerships Program)
- \$508,353 in ESG (Fund 50000, Federal-State Fund)

As part of the *FY 2021 Carryover Review*, an estimated total of \$7,322,146, to include \$6,098,535 in CDBG (Fund 50800) and \$1,223,611 in HOME (Fund 50810) funds, will be recommended to be carried forward for ongoing CDBG and HOME activities, as well as previously programmed funding for ongoing capital projects.

An estimated \$427,137 in FY 2021 program income will be available for use in FY 2022, including \$380,137 in CDBG (Fund 50800) program income and \$47,000 in HOME (Fund 50810) program income.

ENCLOSED DOCUMENT:

Attachment 1: The Five Year Consolidated Plan for FY 2022-2026 and One-Year Action Plan for FY 2022 with Appendices is available online at <https://www.fairfaxcounty.gov/housing/data/consolidated-plan>

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STAFF:

Christopher Leonard, Deputy County Executive

Thomas Fleetwood, Director, Department of Housing and Community Development (HCD)

Teresa Lepe, Deputy Director, Real Estate, Finance and Development, HCD

Laura O. Lazo, Associate Director, Grants Management (GM), HCD

Beverly A. Moses, Senior Program Manager, GM, HCD

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ACTION - 3

Approval of a Resolution Authorizing the County to Solicit Bondholder Consent to Proposed Amendments to the Sewer 1985 General Bond Resolution

ISSUE:

Board approval of a resolution approving the form of proposed amendments to the Sewer 1985 General Bond Resolution and authorizing the County to solicit bondholder consent to the amendments.

RECOMMENDATION:

The County Executive recommends approval of the resolution included as Attachment 1.

TIMING:

Board action is requested on May 4, 2021.

BACKGROUND:

Fairfax County's Sewer Revenue Bonds are governed by the 1985 General Bond Resolution. The resolution covers guiding legal provisions, in addition to financial guidelines that relate to the County's issuance of Sewer Revenue bonds. Some of these components include the following:

- Rate Covenant - after payment of annual operating and maintenance costs, sets a threshold for net revenues required to be generated, and then divided by debt service.
- Additional Bonds Test - requires the forecasting of certain financial metrics to be maintained prior to authorizing the issuance of additional Sewer Revenue bonds. This check and balance approach is used to ensure new debt service payments are affordable before new debt is issued.
- Debt Service Reserve Subfund – established as an additional form of security to bond holders in the event there are insufficient net revenues of the system to pay debt service.
- Conditions under which the resolution may be amended.

Debt Service Reserve Subfund (DSRF)

When the County issues a new money Sewer Revenue bond, such as the planned Series 2021A, a DSRF calculation is required to determine any required increase in the size of the DSRF. The resulting figure is then taken into account in sizing the bond issue, with bond proceeds in such amount deposited into the DSRF at closing. The DSRF requirement is currently equal to the lesser of Maximum Annual Debt Service (MADS) in any fiscal year and 125 percent of average annual debt service for all outstanding bonds on the system. The current balance in the DSRF is approximately \$24.9 million. The County's Financial Advisor estimates an additional \$10 million deposit (subject to change per market conditions) will be required to be included for the Series 2021A Bonds, which the Board will consider during the public hearings portion of this meeting. Thus, if the Series 2021A bonds are issued, the revised balance in the DSRF after the 2021A deposit would be approximately \$34.9 million. There are limited circumstances under which the DSRF can be accessed, namely, when net revenues of the system are insufficient to make the required debt service payments on the County's senior lien bonds. If the DSRF is never accessed, the balance can be used to fund the last year of debt service on the bonds.

Since the inception of the DSRF as mandated by the 1985 General Bond Resolution, it has never been utilized to date. However, it has continued to grow incrementally and increase the overall cost of every new money borrowing.

As the municipal bond market has evolved, investor requirements for General Bond Resolutions have also evolved. In the current market, a DSRF provides no discernable benefit to already strong financial enterprise credits, generally those issuers with bond ratings rated double-A or higher, as the likelihood of using it is incredibly low. The County's Sewer Revenue Bonds hold triple-A bond ratings from all three major bond rating agencies. If the Sewer Fund were to start with a new General Bond Resolution today, the County's Financial Advisor would not recommend including a DSRF requirement.

Bond Rating Agency Financial Review - DSRF

The County's Financial Advisor has also reviewed the three bond ratings agencies internal ratings criteria for a DSRF and has concluded the impact is immaterial. For Standard & Poor's and Fitch, a DSRF is not an explicit credit factor for highly rated issuers such as Fairfax County. For Moody's, the DSRF requirement is 5 percent of the total score, thus the absence of a DSRF only slightly weakens this category.

Sewer Bond Resolution – Proposed Changes

Per the aforementioned factors and as previously explained in the NIP, County staff in consultation with its Financial Advisor recommend amending the 1985 General Bond Resolution to authorize the County to reduce or eliminate the DSRF requirement and make one other minor update. Once the amendments are effective, two revisions would occur. First, the DSRF requirement on prior bonds could be eliminated. For future bond sales or at any other time after the adoption of the amendments, the County would retain discretion to fund the DSRF in a manner to be determined in its future discretion. While this is highly unlikely, it does allow flexibility if there are future shifts in the municipal bond market. Staff also recommend minor adjustments to the definition of Operating Expenses to align with the Governmental Accounting Standards Board (GASB) recent changes on expense recognition.

The County is not alone in requesting changes to its Sewer General Bond Resolution. Other Virginia enterprise fund issuers who have completed the same process include Norfolk Water, Henrico County Water and Sewer, and the Hampton Roads Sanitation District.

Bondholder Consent to Amendments for Sewer 1985 General Bond Resolution

Staff view this an opportune time to request Bondholder consent to the Sewer 1985 General Bond Resolution. This Action Item is requested in conjunction with the public hearing scheduled for later today for the Sewer Series 2021A and Series 2021B bond sale.

Following Board consideration of this Action Item and the public hearing on the Series 2021 bonds, County staff will work with its Financial Advisor and Bond Counsel as part of the standard timeline leading up to the bond sale. In addition, the County has selected an underwriting team from its Underwriting Pool that was approved by the Board on March 9, 2021. The senior managing underwriter, Morgan Stanley & Co. LLC, has relevant experience working on bond sales that involve Amendments to General Bond Resolutions for enterprise funds, communicating the changes to investors, and documenting investor consents to the changes. The underwriting team also includes Wells Fargo Securities, LLC, and American Veterans Group, PBC, which is a service-disabled veteran-owned small business.

The bondholder consent process requires a majority of outstanding bondholders (more than 50 percent of the bonds outstanding on the consent effective date) to approve the proposed changes within a three-year period, as mandated by the County's Sewer 1985 General Bond Resolution. This three-year period would commence with the Series 2021 bond sale planned for mid-May 2021, if approved, and would end in May 2024.

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The underwriters will not actively seek consent from any currently outstanding bonds given the cumbersome nature of attempting to track down these bondholders through the primary and secondary bond market. Rather, the underwriters would seek consent from new bondholders as part of the Series 2021A and Series 2021B bond sale. To secure the consents, bondholders will be asked to provide signoff agreeing to the amendments as a condition to buying the bonds. Bondholders would understand there is a future chance the DSRF would be released, and they might not have that additional form of security for the full life of the bonds.

Based on current projections, County staff anticipate reaching the 50 percent majority bondholder requirement within the required three-year period. As cited below, if issued, the Series 2021A and Series 2021B are expected to provide approximately 47 percent of outstanding bondholder consent. The County anticipates meeting the remaining three percent of bondholder consent over the course of the next three years through either an approximate \$200 million new money bond sale (64 percent) or through a \$62 million refunding of the Series 2017 (61 percent), or if the County receives consents from holders of previously issued and outstanding sewer revenue bonds.

	Expected Consent to Amendments (% of Total Bonds)
Existing Bonds	None
Series 2021A&B Bonds (Estimated)	~47%
Series 2023 Bonds New Money (Estimated)	~64%
Series 2023 Bonds Refunding (Estimated)	~61%

As the County is not expected to meet the 50 percent threshold bondholder consent as part of the Series 2021A and Series 2021B sale alone, no changes would occur at this point and the DSRF requirement would be funded per prior practice.

Assuming the bondholder 50 percent target is achieved within the three-year period, County staff would then return to the Board to request adoption of the amendments. The full DSRF of approximately \$34.9 million could then be released for other purposes. Subject to review and signoff from the County's Bond Counsel, the DSRF funds could be used in the same manner as any tax-exempt bond proceeds, such as to pay for future Sewer capital projects or payment of existing Sewer debt service.

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If the County were not to achieve the required 50 percent consent within the three-year period, the DSRF would remain fully funded and the amount on deposit in the DSRF would not be available for release. The process would need to start up again at the next logical starting point from County staff internal consultation.

The Sewer General Bond Resolution has been amended a few times since 1985. The most recent example was in 2009 when the rate covenant (net revenues divided by debt service) was amended to exclude nonrecurring revenue such as availability fees from the calculation. That amendment did not require bondholder consent because the County was adding to the bondholder security rather than taking away from it.

FISCAL IMPACT:

Assuming the bondholder 50 percent target is achieved by May 2024, County staff would return to the Board to request adoption of the amendments. The full DSRF of approximately \$34.9 million could then be available for release. Subject to review and signoff from the County's Bond Counsel, the DSRF funds could be used in the same manner as any tax-exempt bond proceeds, such as to pay for future Sewer capital projects or payment of existing Sewer debt service. The Sewer System revenue bonds currently hold Triple A Bond Ratings from Moody's Investors Service, Standard & Poor's, and Fitch Ratings.

ENCLOSED DOCUMENT:

Attachment 1: Resolution Proposing Amendments to the Sewer 1985 General Bond Resolution, Authorizing Staff to Solicit Bondholder Consent

STAFF:

Joseph Mondoro, Chief Financial Officer
Rachel O'Dwyer Flynn, Deputy County Executive
Randolph W. Bartlett, Director, Department of Public Works and Environmental Services (DPWES)
Ellie Coddington, Deputy Director, Stormwater and Wastewater Division, DPWES
Shahram Mohsenin, Director, Wastewater Planning and Monitoring Division, DPWES
Anand Goutam, Financial Manager, Wastewater Management, DPWES
Christina Jackson, Director, Department of Management and Budget
Joseph LaHait, Debt Manager, Department of Management and Budget

ASSIGNED COUNSEL:

Emily Smith, Assistant County Attorney

At a regular meeting of the Board Supervisors of Fairfax County, Virginia, held electronically (due to the State of Emergency caused by the COVID-19 pandemic), on May 4, 2021, at which meeting a quorum was present and voting, the following resolution was adopted:

Fairfax County,
Virginia

RESOLUTION

RESOLUTION PROPOSING AMENDMENTS TO THE GENERAL BOND RESOLUTION OF THE BOARD OF SUPERVISORS OF FAIRFAX COUNTY, VIRGINIA, AUTHORIZING THE ISSUANCE OF SEWER REVENUE BONDS; APPROVING THE FORM OF SUCH PROPOSED AMENDMENTS; DELEGATING TO THE CHAIRMAN AND VICE CHAIRMAN OF THE BOARD, THE COUNTY EXECUTIVE AND THE CHIEF FINANCIAL OFFICER OF THE COUNTY AUTHORITY TO DETERMINE CERTAIN DETAILS OF SUCH PROPOSED AMENDMENTS; AND AUTHORIZING COUNTY STAFF TO SEEK BONDHOLDER CONSENT TO SUCH PROPOSED AMENDMENTS.

WHEREAS, the Board of Supervisors (the “Board of Supervisors” or “Board”) of Fairfax County, Virginia (the “County”), has adopted a General Bond Resolution authorizing the issuance initially of not exceeding \$179,000,000 Sewer Revenue Bonds and thereafter the issuance of additional and refunding sewer revenue bonds (such resolution as initially adopted on July 29, 1985, amended and restated on July 21, 1986, further amended on January 9, 1989, further amended and restated on June 26, 1989, and further amended and restated on May 18, 2009, effective July 1, 2009, and as further supplemented and amended from time to time, herein called the “General Bond Resolution”); and

WHEREAS, County staff have presented to the Board the form of a supplemental resolution (the “Proposed Amendments”) containing certain proposed amendments to the General Bond Resolution that would, if adopted, among other things, (i) amend the definitions of the terms “Operating Expenses” and “Reserve Subfund Requirement” under the General Bond Resolution, and (ii) permit the County to modify or eliminate the requirement for funding and

maintaining the Reserve Subfund heretofore established under the General Bond Resolution, provided, however, that the County may elect, but shall not be required, at any time after any modification or elimination of the Reserve Subfund Requirement, to fund the Reserve Subfund in an amount or amounts set forth in a supplemental resolution; and

WHEREAS, the Board has duly reviewed and considered the form of the Proposed Amendments and has determined that it is in acceptable form, in the public interest and otherwise beneficial to the County; and

WHEREAS, in accordance with Section 1102 of the General Bond Resolution, before the Board adopts the Proposed Amendments, the holders of not less than a majority of the principal amount of the bonds then outstanding under the General Bond Resolution that would be affected by the Proposed Amendments must consent to the adoption of such Proposed Amendments; and

WHEREAS, the Board has determined to delegate to each of the Chairman and Vice Chairman of the Board and the County Executive and the Chief Financial Officer of the County (each a "Delegate") the power to (i) approve the details of the Proposed Amendments, (ii) provide notice of the Proposed Amendments and (iii) determine the methods of soliciting bondholder consent to the Proposed Amendments, but subject to the guidelines and standards established hereby; now, therefore,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF FAIRFAX COUNTY, VIRGINIA, AS FOLLOWS:

Section 1. Approval of Form of Proposed Amendments. The form of the Proposed Amendments presented to this meeting is hereby approved.

Section 2. Authorization to Solicit Bondholder Consent; Delegation. Each of the Delegates is hereby authorized, in the name and on behalf of the County, to give notice of the Proposed Amendments to bondholders that would be affected by the Proposed Amendments and to solicit the consent of bondholders to the adoption of the Proposed Amendments. Such notice shall refer to or include a copy of the Proposed Amendments substantially in the form presented at this meeting, with such additions, deletions and modifications as shall be consistent with Section 1102 of the General Bond Resolution and approved by a Delegate prior to issuing such notice, the issuance of such notice by, or as directed by, such officer being conclusive evidence of such approval. The Board of Supervisors also hereby delegates to each of the Delegates the power and duty to determine the time, place, and manner of giving the notice authorized by this Section 2.

Section 3. Effect of Resolution. Notwithstanding the authorization contained in this Resolution for the solicitation of bondholder consent to the Proposed Amendments, the Proposed Amendments shall not take effect, if at all, until and unless the Board duly adopts, after the receipt of requisite bondholder consent, a supplemental resolution substantially in the form described in the notice authorized by Section 2 of this Resolution.

Section 4. Definitions. All terms not otherwise defined herein shall have the meanings ascribed thereto by the General Bond Resolution.

Section 5. Authority of Officers. The officers and agents of the County are hereby authorized and directed to do all the acts and things required of them for the full, punctual, and complete performance of all the terms, covenants, provisions and agreements contained in this Resolution and the General Bond Resolution.

Section 6. Effectiveness. This Resolution shall take effect immediately upon its adoption.

A Copy - Teste:

Jill G. Cooper,
Clerk for the Board of Supervisors

EXHIBIT A

Fairfax County,
Virginia

SUPPLEMENTAL RESOLUTION

**RESOLUTION SUPPLEMENTING AND AMENDING THE
GENERAL BOND RESOLUTION OF THE BOARD OF
SUPERVISORS OF FAIRFAX COUNTY, VIRGINIA,
AUTHORIZING THE ISSUANCE OF SEWER REVENUE
BONDS, TO AMEND THE DEFINITIONS OF THE TERMS
“OPERATING EXPENSES” AND “RESERVE SUBFUND
REQUIREMENT” IN SUCH GENERAL BOND
RESOLUTION AND TO AMEND CERTAIN PROVISIONS
RELATING TO THE RESERVE SUBFUND ESTABLISHED
UNDER SUCH GENERAL BOND RESOLUTION.**

WHEREAS, the Board of Supervisors (the “Board of Supervisors” or “Board”) of Fairfax County, Virginia (“County”), has adopted a General Bond Resolution authorizing the issuance initially of not exceeding \$179,000,000 Sewer Revenue Bonds and thereafter the issuance of additional and refunding sewer revenue bonds (such resolution as initially adopted on July 29, 1985, amended and restated on July 21, 1986, further amended on January 9, 1989, further amended and restated on June 26, 1989, further amended and restated on May 18, 2009, effective July 1, 2009, and as further supplemented and amended, herein called the “General Bond Resolution”); and

WHEREAS, the Board of Supervisors has determined to adopt this resolution (this “Supplemental Resolution”) to supplement and amend the General Bond Resolution to (i) amend the definitions of the terms “Operating Expenses” and “Reserve Subfund Requirement” under the General Bond Resolution, and (ii) permit the County to modify or eliminate the requirement for funding and maintaining the Reserve Subfund heretofore established under the General Bond Resolution, provided, however, that the County may elect, but shall not be required, at any time after any modification or elimination of the Reserve Subfund Requirement, to fund the Reserve Subfund in an amount or amounts set forth in a supplemental resolution; and

WHEREAS, in accordance with Section 1102 of the General Bond Resolution, the County has (i) given notice to the Holders of all Bonds Outstanding (each as defined in the General Bond Resolution) of the proposed adoption of this Supplemental Resolution and (ii) within three years of the initial notice to such Holders of such proposed adoption, has received, from the Holders of not less than a majority in aggregate principal amount of Bonds Outstanding that affected thereby, consent and approval to the adoption of this Supplemental Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF FAIRFAX COUNTY, VIRGINIA, AS FOLLOWS:

Section 1. Amendment to Definition of “Operating Expenses.” The term “Operating Expenses” defined in Section 101 of the General Bond Resolution is hereby amended and restated in its entirety so that it shall read as follows:

“Operating Expenses” means, for any period, the County’s reasonable and necessary current expenses paid for the operation, repair and maintenance of the System, without intending to limit or restrict any proper definition of such expenses under any applicable laws or generally accepted accounting principles. For the purpose of this definition, such current expenses shall include, without limiting the generality of the foregoing, all ordinary and usual expenses of maintenance, repair and operation, which may include expenses not annually recurring, administrative expenses, any reasonable payments to pension or retirement funds properly chargeable to the System, premiums and reserves for insurance, fees or premiums for a Credit Facility, Reserve Subfund Insurance Policy or bond insurance policy (but not including any amounts payable as interest, whether or not characterized as a fee or premium on draws, advances or loans), all administrative and engineering expenses relating to maintenance, repair and operation, fees and expenses of the Depositary, any Paying Agent, remarketing agent, indexing agent, the Bond Registrar and any Trustee, legal expenses, fees of consultants, any taxes that may be lawfully imposed on, or payments in lieu of taxes that may be lawfully paid by,

the System or the income therefrom, operating lease payments, the Operating Component of the Cost of Contracted Services, and any other expenses required or permitted to be paid by the County under the provisions of this Resolution or by law payable on a parity with Operating Expenses under this Resolution, but shall not include any reserves for extraordinary maintenance or repair or any allowance for depreciation, or any deposits to the credit of the Debt Service Subfund, the Reserve Subfund, the Subordinate Obligations Subfund or the Extension and Improvement Subfund (other than Operating Expenses hereinabove described in this definition).”

Section 2. Amendment to Definition of “Reserve Subfund Requirement”. The first paragraph of the term “Reserve Subfund Requirement” defined in Section 101 of the General Bond Resolution is hereby amended and restated in its entirety so that it shall read as follows:

“**Reserve Subfund Requirement**” as to all Bonds means, except as otherwise provided in accordance with Section 506 of this Resolution, as of any date of calculation, an amount of money, securities or Reserve Subfund Insurance Policy equal to the lesser of (i) the maximum Principal and Interest Requirements of the Outstanding Bonds for any Bond Year and (ii) 125% of the average annual Principal and Interest Requirements of the Outstanding Bonds for any Bond Year.”

Section 3. Amendment to Section 506 of General Bond Resolution. Section 506 of the General Bond Resolution is hereby amended to delete in its entirety the third paragraph of such Section 506 (which begins with the words “Except as provided in a Series Resolution...”) and to add the following paragraphs at the end of such section:

“Notwithstanding anything to the contrary in this Section 506 or otherwise in this Resolution, the County may, at any time and from time to time, by written notice from a County Representative to the Depository, modify or eliminate the Reserve Subfund Requirement heretofore established under this Resolution with respect to all or any Series of Bonds Outstanding.

The Depository shall apply or transfer all amounts in the Reserve Subfund in excess of such modified or eliminated Reserve Subfund Requirement for one or more of the following purposes, as directed in a written notice from a County Representative: to (i) redeem Bonds in accordance with their terms, (ii) pay principal installments of Bonds as they come due for payment, (iii) pay the costs of certain additions, extensions and improvements to the County’s sewage collection, treatment and disposal systems, paying capital improvement costs allocable to the County at certain wastewater treatment facilities that provide service to the County and, if necessary, purchasing additional capacity at certain wastewater treatment facilities for the benefit of the County, or (iv) pay rebate amounts to the United States Treasury in accordance with Section 148(f) of the Internal Revenue Code or similar provisions. Such direction shall be accompanied by an opinion of counsel nationally recognized as expert in tax matters relating to obligations of states and their political subdivisions to the effect that such proposed application of such amounts will not adversely affect the exclusion of interest on any of the Bonds from the gross income of the recipients thereof for federal income tax purposes.

Except as provided in the immediately preceding paragraph or in a Series Resolution, if on the first Business Day before any Interest Payment Date, the amount of money held for the

credit of the Reserve Subfund shall exceed the Reserve Subfund Requirement as then calculated, the County shall direct the Depositary to transfer from the Reserve Subfund the amount of such excess to the following Subfunds in the following order: (i) prior to the Completion Date, the Construction Subfund and (ii) thereafter, the Debt Service Subfund; provided, however, that the County may direct the Depositary to transfer to the Revenue Subfund the portion of such excess derived from Gross Revenues but not from proceeds of Bonds.

The County may elect, but shall not be required, at any time after any modification or elimination of the Reserve Subfund Requirement, to fund the Reserve Subfund in an amount or amounts set forth in a supplemental resolution adopted pursuant to Section 1101 of this Resolution.”

Section 4. Effect of Covenants. All covenants, stipulations, obligations and agreements of the County contained in this Supplemental Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the County to the full extent permitted by the Constitution and laws of the Commonwealth of Virginia. This Supplemental Resolution is adopted with the intent that the laws of the Commonwealth of Virginia shall govern its construction.

Section 5. Expenses Payable Under this Supplemental Resolution. All expenses incurred in carrying out this Supplemental Resolution shall be payable solely from funds derived by the County from the System. Anything in this Supplemental Resolution to the contrary notwithstanding, the performance by the County of all duties and obligations imposed upon it hereby, the exercise by it of all powers granted to it hereunder, the carrying out of all covenants, agreements and promises made by it hereunder, and the liability of the County for all warranties and other covenants herein shall be limited solely to the money and revenues received from the payments from the System, and from money attributable to the proceeds of Bonds, or the income from the temporary investment thereof, and, to the extent herein, the proceeds of insurance, sale and condemnation awards; and the County shall not be required to effectuate any of its duties, obligations, powers or covenants except from, and to the extent of, such money, revenues, proceeds, and payments.

Section 6. Headings. Any heading preceding the text of the several articles hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Supplemental Resolution, nor shall they affect its meaning, construction or effect.

Section 7. Definitions. All terms not otherwise defined herein shall have the meanings ascribed thereto by the General Bond Resolution.

Section 8. Further Authority. The officers of the County, members of the Board and other agents or employees of the County are hereby authorized to do all acts and things required of them by this Supplemental Resolution for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bonds and this Supplemental Resolution.

Section 9. Supplemental Resolution Effective. This Supplemental Resolution shall take effect immediately upon its adoption.

Board Agenda Item
May 4, 2021

ACTION - 4

Approval of an Amendment to the Agreement with the Virginia Department of Transportation for the Implementation of the Fairfax County Parkway at Popes Head Road Interchange Project (Springfield District)

ISSUE:

Board of Supervisors' approval and authorization for the Director of the Fairfax County Department of Transportation (FCDOT) to amend a Project Administration Agreement (PAA) for the implementation of the Fairfax County Parkway at Popes Head Road Interchange (Project).

RECOMMENDATION:

The County Executive recommends that the Board of Supervisors approve a resolution (Attachment 1) authorizing the Director of FCDOT to amend a PAA with the Virginia Department of Transportation (VDOT), substantially in the form of Attachment 2, for the development of the project. Once executed, this amended agreement will secure full funding for the Project.

TIMING:

The Board should act on this item on May 4, 2021, so that VDOT can continue implementation of the Project.

BACKGROUND:

This Project will construct an interchange at the intersection of the Fairfax County Parkway and Popes Head Road. Currently, there is a signalized intersection at this location that causes significant congestion on Fairfax County Parkway. The Project includes a grade-separated interchange, which anticipates the widening of the Fairfax County Parkway from Route 123 to Route 29. The interchange will provide significant congestion relief, as well as improve safety by removing the signalized intersection at Popes Head Road. The project will allow for the future connection to Shirley Gate Road to the east, which will improve regional north-south travel in this area of the County and alleviate congestion along the parallel Route 123 to the east. The project also includes pedestrian features.

The project is in the design phase, which was endorsed by the Board on April 14, 2020. The Interchange Justification Report was completed in July 2020. Several field inspection meetings were held in Fall 2020. The right of way phase is underway and expected to be completed in 2021, with construction to take place from 2023-2026.

Board Agenda Item
May 4, 2021

On September 22, 2015, the Board approved an agreement with VDOT for the widening of Fairfax County Parkway between Route 123 (south) and Route 29 (north). The agreement secured \$10 million in Northern Virginia Transportation Authority (NVTA) regional revenue. On January 24, 2017, the Board approved amending the widening agreement to increase NVTA regional funding to \$24.3 million.

This action proposes to breakout the interchange into a separate sub-agreement of the widening project, and moves \$13.4 million from the widening agreement to the sub-agreement for the interchange. In addition to the \$13.4 million, the County has secured \$50.6 million in Commonwealth Transportation Board Smart Scale funds, and \$22.8 in additional NVTA regional funds for the interchange. The new interchange agreement (Attachment 2) reflects these funding levels. Staff will return to the Board in the future with a revised, full funding agreement for the widening of the northern segment of the Fairfax County Parkway.

FISCAL IMPACT:

The current project estimate for the interchange is \$86.8 million. Funding will be provided through state Smart Scale (\$50.6 million), and NVTA regional (\$36.2 million) sources. NVTA will provide funding directly to VDOT for the Project. There is no impact to the General Fund.

ENCLOSED DOCUMENTS:

Attachment 1: Resolution for Approval and Authorization to Amend the Project Administration Agreement with the VDOT for the Fairfax County Parkway at Popes Head Road Interchange Project
Attachment 2: Proposed Amendment of the Project Administration Agreement
Attachment 3: Original and Revised Agreements with VDOT for Fairfax County Parkway

STAFF:

Rachel Flynn, Deputy County Executive
Tom Biesiadny, Director, Fairfax County Department of Transportation (FCDOT)
Gregg Steverson, Deputy Director, FCDOT
Todd Wigglesworth, Chief, Coordination and Funding Division, FCDOT
Todd Minnix, Chief, Transportation Design Division, FCDOT
Eric Teitelman, Chief, Capital Projects and Traffic Engineering Division, FCDOT
Michael Guarino, Chief, Capital Projects Section, FCDOT
Ray Johnson, Chief, Funding Section, FCDOT

ASSIGNED COUNSEL:

Richard F. Dzubin, Assistant County Attorney

Fairfax County Board of Supervisors Resolution

At a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held **electronically (due to the State of Emergency caused by the COVID-19 pandemic)**, on Tuesday, May 4, 2021, at which meeting a quorum was present and voting, the following resolution was adopted:

AGREEMENT AMENDMENT EXECUTION RESOLUTION

A RESOLUTION FOR THE BOARD OF SUPERVISORS OF THE COUNTY OF FAIRFAX, VIRGINIA

FOR THE AMENDMENT OF AN AGREEMENT OF Fairfax County Parkway at Popes Head Road Interchange PROJECT

WHEREAS, in accordance with the Commonwealth Transportation Board construction allocation procedures, it is necessary that a resolution be received from the sponsoring local jurisdiction or agency requesting the Virginia Department of Transportation (VDOT) to establish a project(s), if not already established, in the County of Fairfax.

NOW, THEREFORE, BE IT RESOLVED, that the County of Fairfax requests the Commonwealth Transportation Board to establish a project(s), if not already established, for the implementation of the Fairfax County Parkway at Popes Head Road Interchange project (VDOT project #0286-029-365, UPC 111725) ("Project").

BE IT FURTHER RESOLVED, that the County of Fairfax hereby agrees to provide its share of the local contribution, in accordance with the new Appendix A for UPC 111725, executed pursuant to this Resolution.

BE IT FURTHER RESOLVED, that the Board of Supervisors of Fairfax County, Virginia, authorizes the Director of Fairfax County's Department of Transportation to execute, on behalf of the County of Fairfax, the Appendix A and associated amended agreement documents, with the Virginia Department of Transportation for the implementation of the Project to be administered by VDOT.

Adopted this 4th day of May 2021, Fairfax, Virginia

ATTEST _____
Jill G. Cooper
Clerk for the Board of Supervisors

VDOT Administered, Locally Funded Appendix A (Breakout project from UPC 107937)

Date: 3/26/2021

Project Number: 0286-029-365	UPC: 111725	CFDA# 20.205	Locality: Fairfax County
Project Location ZIP+4: 22030-5834	Locality DUNS #074873626	Locality Address (incl ZIP+4): 4050 Legato Road, Suite 400 Fairfax, VA 22033-2667	
Project Narrative			
Work Provide congestion relief and improve safety by constructing an interchange at the intersection of Fairfax County Parkway, Popes Head Road and future Shirley Gate			
Description: Road Extension. NEPA UNDER UPC 107937			
From: 0.95 miles south of Route 645 Popes Head Road			
To: 0.45 miles north of Route 654 Popes Head Road			
Locality Project Manager Contact Info:		Nick Alexandrow Nikolai.Alexandrow@fairfaxcounty.gov	703-877-5754
Department Project Manager Contact Info:		Sitaram Kodali sitaram.kodali@vdot.virginia.gov	703-691-6710

Project Estimates				
Phase	Estimated Project Costs	Estimated Start Date (month/day/year)	Estimated End Date (month/day/year)	Total Number of Months per Phase
Preliminary Engineering	\$3,700,000	3/15/2021	12/15/2021	9
Right of Way & Utilities	\$9,700,000	12/15/2021	5/14/2024	29
Construction	\$73,373,123	5/14/2024	1/26/2026	20
Total Estimated Cost	\$86,773,123	Total Months =		58

Project Cost				
Phase	Project Allocations	Funds type (Choose from drop down box)	Local % Participation for Funds Type	Local Share Amount
Preliminary Engineering	\$3,700,000	NVTA	100%	\$3,700,000
				\$0
Total PE	\$3,700,000			\$3,700,000
Right of Way & Utilities	\$9,700,000	NVTA	100%	\$9,700,000
				\$0
Total RW	\$9,700,000			\$9,700,000
Construction	\$22,814,753	NVTA	100%	\$22,814,753
	\$50,558,370	SMART SCALE	0%	\$0
				\$0
Total CN	\$73,373,123			\$22,814,753
Total Estimated Cost	\$86,773,123			\$36,214,753

Total Maximum Reimbursement / Payment by Locality to VDOT	\$36,214,753
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Project Financing				
NVTA	SMART SCALE			Aggregate Allocations
\$36,214,753	\$50,558,370			\$86,773,123

Payment Schedule			
FY 2021	FY 2022	FY 2023	FY2024
\$500,000	\$7,900,000	\$5,000,000	\$22,814,753

Program and Project Specific Funding Requirements	
<ul style="list-style-type: none"> This project is a breakout project and linked with UPC 107937. This is a limited funds project. The locality shall be responsible for any additional funding in excess of \$50,558,370. The locality will be billed their share of the project costs based on the payment scheduled shown in this appendix. The billing will be adjusted to include the Construction estimate beginning at the award date. All local funds included on this appendix have been formally committed by the local government's board or council resolution subject to appropriation. VDOT has billed the LOCALITY \$0 for this project as of 3/26/2021. VDOT has received \$0 from the LOCALITY for this project as of 3/26/2021. The LOCALITY shall make payments to VDOT as follows upon receipt of invoice: FY2021 (\$500,000) - One payment based on expenditures FY2022 (\$7,900,000) - Quarterly payments based on expenditures FY2023 (\$5,000,000) - Quarterly payments based on expenditures FY2024 (\$22,814,753) - Quarterly payments based on expenditures Project estimate, schedule and commitment to funding are subject to the requirements established in the Commonwealth Transportation Board (CTB) Policy and Guide for Implementation of the SMART SCALE Project Prioritization Process, Code of Virginia, and VDOT's Instructional and Informational Memorandums. This project shall be initiated and at least a portion of the project's programmed funds expended within one year of the budgeted year of allocation or funding may be subject to reprogramming to other projects selected through the prioritization process. In the event the Project is not advanced to the next phase of construction when requested by the CTB, the LOCALITY or Metropolitan Planning Organization may be required, pursuant to § 33.2-214 of the Code of Virginia, to reimburse the DEPARTMENT for all state and federal funds expended on the project. This project has been selected through the Smart Scale (HB2) application and selection process and will remain in the SYIP as a funding priority unless certain conditions set forth in the CTB Policy and Guidelines for Implementation of a Project Prioritization Process arise. Pursuant to the CTB Policy and Guidelines for Implementation of a Project Prioritization Process and the SMART SCALE Reevaluation Guide, this project will be re-scored and/or the funding decision re-evaluated if any of the following conditions apply: a change in the scope, an estimate increase, or a reduction in the locally/regionally leveraged funds. Applications may not be submitted in a subsequent SMART SCALE prioritization cycle to account for a cost increase on a previously selected project. 	

This attachment is certified and made an official attachment to this document by the parties to this agreement

Authorized Locality Official and Date

Authorized VDOT Official and Date

Typed or printed name of person signing

Typed or printed name of person signing

Revised: February 1, 2019

Appendix B

Project Number: 0286-029-365 **(UPC 111725)** **Locality:** Fairfax County

Project Scope			
Work Description:	Provide interchange at Fairfax County Parkway (VA 286) and Popes Head Road Interchange		
From:	0.95 miles south of Route 654 Popes Head Road		
To:	0.45 miles north of Route 654 Popes Head Road		
Locality Project Manager Contact Info:	Nick Alexandrow	Nikolai.Alexandrow@fairfaxcounty.gov	703 877-5754
Department Project Coordinator Contact Info:	Sitaram Kodali	sitaram.kodali@VDOT.Virginia.gov	703-691-6710

Detailed Scope of Services

VDOT to Construct interchange at the intersection of Fairfax County Parkway, Popes Head Road and Shirley Gate Road Extension per the Fairfax County Transportation Plan. The project will:

- Include a grade-separated interchange in the vicinity of the Popes Head Road intersection and the future Shirley Gate Road extension, which anticipates the widening of the Fairfax County Parkway from Route 123 to Route 29. Design includes three roundabouts
- Provide for the future connection to Shirley Gate Road to the east. It is anticipated that the Shirley Gate Road extension will be built as a separate project after the interchange project is completed; however, the portion of the roadway from Fairfax County Parkway to the future Fairfax County Park Access Road entrance would be built as part of the interchange project.
- Include a portion of the Shirley Gate Road Extension as a new alignment roadway from Fairfax County Parkway to the future Fairfax County Park Access Road entrance.
- Include shared use paths on Fairfax County Parkway.
- Modify community driveways adjacent to the intersection to allow safer access to Popes Head Rd.
- Construct two new bridges, including one for Popes Head Road, over the parkway.
- Include a 10-foot shared use path for both pedestrians and bicyclist on the Parkway and Shirley Gate Road Extension. As a part of the proposed multi-modal improvement on Fairfax County Parkway, a special attention will be paid at the interchange location to provide a connection of the shared-use path between the Parkway and Shirley Gate Rd Extension.
- Include sidewalk along one side of Popes Head Road
- Sidewalk would be constructed on one side of the section of Shirley Gate Road to be constructed with this project. The connection to the Parkway shared-use path will be provided at a proper location.
- Includes right of way needed for the interchange and ramps.
- Includes Stormwater management.

This attachment is certified and made an official attachment to this document by the parties of this agreement

Authorized Locality Official and date

Residency Administrator/PE Manager/District Construction Engineer
Recommendation and date

Typed or printed name of person signing

Typed or printed name of person signing

**VDOT ADMINISTERED – LOCALLY FUNDED
PROJECT ADMINISTRATION AGREEMENT**

FAIRFAX COUNTY
PROJECT NUMBER 0286-029-259 UPC 107937

THIS AGREEMENT, made and executed in triplicate on this the 2nd day
of November, 2015, between the COMMONWEALTH OF
VIRGINIA DEPARTMENT OF TRANSPORTATION, hereinafter referred
to as the "DEPARTMENT" and the COUNTY OF FAIRFAX, hereinafter
referred to as the "COUNTY."

WITNESSETH

WHEREAS, the COUNTY has expressed its desire to have the DEPARTMENT administer
the work as described in Appendix B, and such work for each improvement shown is hereinafter
referred to as the Project; and

WHEREAS, the funds as shown in Appendix A have all been allocated by the COUNTY to
finance the project; and

WHEREAS, the COUNTY has requested that the DEPARTMENT design and construct this
project in accordance with the scope of work described in Appendix B, and the DEPARTMENT
has agreed to perform such work; and

WHEREAS, both parties have concurred in the DEPARTMENT's administration of the
project identified in this Agreement and its associated Appendices A and B in accordance with
applicable federal, state, and local law and regulations; and

WHEREAS, the County's governing body has, by resolution, which is attached hereto,
authorized its designee to execute this Agreement; and

WHEREAS, Section 33.2-338 of the Code of Virginia authorizes both the DEPARTMENT
and the COUNTY to enter into this Agreement;

NOW THEREFORE, in consideration of the promises and mutual covenants and
agreements contained herein, the parties hereto agree as follows:

A. The DEPARTMENT shall:

1. Complete said work as identified in Appendix B, advancing such
diligently, and all work shall be completed in accordance with the
schedule established by both parties.
2. Perform or have performed, and remit all payments for, all
preliminary engineering, right-of-way acquisition, construction,
contract administration, and inspection services activities for the
project(s) as required.

3. Provide a summary of project expenditures to the COUNTY for charges of actual DEPARTMENT cost upon request and at the end of the project
 4. Notify the COUNTY of additional project expenses resulting from unanticipated circumstances and provide detailed estimates of additional costs associated with those circumstances. The DEPARTMENT will make all efforts to contact the COUNTY prior to performing those activities.
 5. Return any unexpended funds to the COUNTY no later than 90 days after the project(s) have been completed and final expenses have been paid in full.
 6. Make the Project available for review during its design, right of way, and/or construction phases by the COUNTY personnel upon request.
-
7. Maintain accurate documentation and records of all project costs incurred and paid for all phases of the Project and make said documentation and records available for review by the COUNTY upon request.

B. The COUNTY shall:

1. Provide funds to the Department for Preliminary Engineering (PE), Right of Way (ROW) and/or Construction (CN) in accordance with the payment schedule outlined in Appendix A.
2. Accept responsibility for any additional project costs resulting from unforeseeable circumstances, but only after concurrence of the COUNTY and modification of this Agreement.
3. In the event that the project involves construction or modification of a facility that is or will be in the State Highway System, upon completion of the Project, provide a final accounting of all capitalizable Project costs, irrespective of funding source, by the first day of August following the end of the fiscal year in which the Project was completed. As the Project asset is owned by the Commonwealth, in accord with Government Accounting Standards Board Statement 34, the Project will be included in the Commonwealth's Comprehensive Annual Financial Report.

- C. Funding by the COUNTY shall be subject to annual appropriation or other lawful appropriation by the Board of Supervisors.
- D. The Parties mutually agree and acknowledge, in entering this Agreement, that the individuals acting on behalf of the Parties are acting within the scope of their official authority and the Parties agree that neither Party will bring a suit or assert a claim against any official, officer, or employee of either party, in their individual or

personal capacity for a breach or violation of the terms of this Agreement or to otherwise enforce the terms and conditions of this Agreement. The foregoing notwithstanding, nothing in this subparagraph shall prevent the enforcement of the terms and conditions of this Agreement by or against either Party in a competent court of law.

- E. The Parties mutually agree that no provision of this Agreement shall create in the public, or in any person or entity other than the Parties, rights as a third party beneficiary hereunder, or authorize any person or entity, not a party hereto, to maintain any action for, without limitation, personal injury, property damage, breach of contract, or return of money, or property, deposit(s), cancellation or forfeiture of bonds, financial instruments, pursuant to the terms of this Agreement or otherwise. Notwithstanding any other provision of this Agreement to the contrary, unless otherwise provided, the Parties agree that the County or the Department shall not be bound by any agreements between either party and other persons or entities concerning any matter which is the subject of this Agreement, unless and until the County or the Department has, in writing, received a true copy of such agreement(s) and has affirmatively agreed, in writing, to be bound by such Agreement.
- F. Nothing in this Agreement shall be construed as a waiver of the LOCALITY's or the Commonwealth of Virginia's sovereign immunity.
- G. Should funding be insufficient and county funds be unavailable, both parties will review all available options for moving the project forward, including but not limited to, halting work until additional funds are allocated, revising the project scope to conform to available funds, or cancelling the project.
- H. Should the project be cancelled as a result of the lack of funding by the COUNTY, the COUNTY shall be responsible for any costs, claims and liabilities associated with the early termination of any construction contract(s) issued pursuant to this agreement.
- I. This Agreement may be terminated by either party upon 60 days advance written notice. Eligible expenses incurred through the date of termination shall be reimbursed to the DEPARTMENT subject to the limitations established in this Agreement.
- J. The Parties mutually agree that should any Northern Virginia Transportation Authority (NVTA) funding be utilized to pay for all or any portion of the Project being administered by the DEPARTMENT, the provisions/terms in Appendix C shall apply and are incorporated herein by reference as if set forth in full in this Agreement.

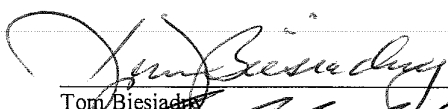
THE COUNTY and DEPARTMENT acknowledge and agree that this Agreement has been prepared jointly by the parties and shall be construed simply and in accordance with its fair meaning and not strictly for or against any party.

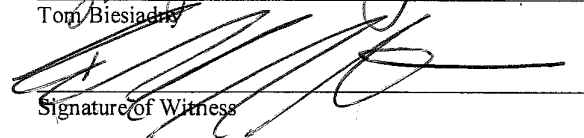
THIS AGREEMENT, when properly executed, shall be binding upon both parties, their successors and assigns.

THIS AGREEMENT may be modified in writing upon mutual agreement of both parties.

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be executed as of the day, month, and year first herein written.

COUNTY OF FAIRFAX, VIRGINIA:



Tom Biesiada


Signature of Witness

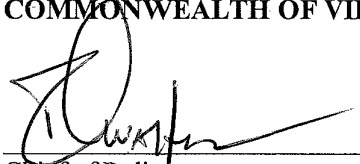
Date
9/28/15

Date
9/28/15

Date


NOTE: The official signing for the LOCALITY must attach a certified copy of his or her authority to execute this Agreement.

COMMONWEALTH OF VIRGINIA, DEPARTMENT OF TRANSPORTATION:



Chief of Police
Commonwealth of Virginia
Department of Transportation

Date
11/7/15



Signature of Witness

Date
11/2/2015

VDOT Administered Locally Funded Appendix A

Date: 10/26/2015

Project Number: 0286-029-259

UPC: 107937 CFDA#

20.205 Locality:

Fairfax County

Project Location ZIP+4: 22030-5834

Locality DUNS# 074873626

Locality Address (incl ZIP+4): 4050 Legato Road,
Suite 400, Fairfax, VA 22033-2867

Project Narrative

Scope: Widen Route 286 from 4 to 6 lanes and add full bike and pedestrian accommodations between Route 123 and approximately 2000 feet north of Route 29.

From: Ox Road (Route 123)

To: 2000 feet north of Lee Highway (Route 29)

Locality Project Manager Contact Info: Karyn Moreland 703-877-5760 Email: karyn.moreland@fairfaxcounty.gov

Department Project Coordinator Contact Info: Stephen Bates 703-259-2949 Email: Stephen.Bates@vdot.virginia.gov

Project Estimates

Phase	Estimated Project Costs
Preliminary Engineering	\$10,000,000
Right of Way & Utilities	\$10,330,000
Construction	\$62,100,656
Total Estimated Cost	\$82,430,656
Estimate for Current Billing	

Project Cost

Phase	Project Allocations	Funds type (Choose from drop down box)	Local % Participation for Funds Type	Local Share Amount
Preliminary Engineering	\$10,000,000	Local Funds - NVT	100.00%	\$10,000,000
				\$0
Total PE	\$10,000,000			\$10,000,000
Right of Way & Utilities				
Total RW				
Construction				
Total CN				
Total Estimated Cost	\$10,000,000			\$10,000,000

Total Maximum Reimbursement / Payment by Locality to VDOT

\$10,000,000

Project Financing

Local Funds -NVT				Aggregate Allocations (A+B+C+D+E)
\$10,000,000				\$10,000,000

Payment Schedule

FY 2016	FY 2017		
\$4,000,000	\$6,000,000		

Program and Project Specific Funding Requirements

- This is a limited funds project. The locality shall be responsible for any additional funding in excess of \$10,000,000 (if applicable)
- The locality will be billed the locality share above beginning at the project scoping phase for the estimated PE costs. The billing will be adjusted to include the Construction estimate beginning at the award date. (if applicable)
- VDOT has billed zero (\$0.00) (dollar amount) the locality for this project as of 1/5/2016 (date)
- VDOT has received zero (\$0.00) (dollar amount) from the locality for this project as of 1/5/2016 (date)
- NVT to distribute 5 quarterly payments of \$2,000,000 per quarter over 12 months with the payment due on the first day of 1/5/2016 (date) each quarter beginning on

Authorized Locality Official and date

Tom Bresciani

Typed or printed name of person signing

Authorized VDOT Official Recommendation and Date

Terry Yates

Typed or printed name of person signing

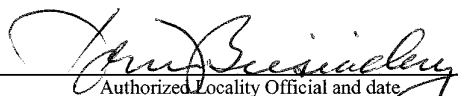
Appendix B


Project Number: 0286-029-259 **(UPC 107937)** **Locality:** Fairfax County

Project Scope	
Work Description:	Route 286 (Fairfax County Parkway) Widen from 4 to 6 lanes to include bicycle and pedestrian accommodations.
From:	Ox Road (Route 123)
To:	2000 feet (approximately) north of Route 29
Locality Project Manager Contact Info: Karyn Moreland; Email: Karyn.Moreland@fairfax county.gov; Phone 703 877-5760 Department Project Coordinator Contact Info: Steve Bates; Email: Stephen.Bates@VDOT.Virginia.gov; Phone: 703 259-2949	

Detailed Scope of Services
VDOT to administer the Preliminary Engineering for widening approximately 5.6 miles of Route 286 from four to six lanes, including full bicycle and pedestrian accommodations, between Route 123 and approximately 2000 feet north of Route 29.

This attachment is certified and made an official attachment to this document by the parties of this agreement


Authorized Locality Official and date
TOM BIESIADNY
Typed or printed name of person signing

 12/24/15
Residency Administrator/PE Manager/District Construction Engineer
Recommendation and date

Typed or printed name of person signing

Appendix C

- All Northern Virginia Transportation Authority (“NVTA”) revenues shall be used solely for the transportation purposes referenced in the Memorandum of Agreement (MOA) between VDOT, VDRPT and NVTA, and in accordance with Virginia Code Section 33.2-2509-2510, and for the PROJECT as approved by NVTA.
- On a quarterly basis, the DEPARTMENT will provide a summary of PROJECT expenditures to the COUNTY for charges of actual DEPARTMENT costs consistent with Appendix A and the most recently approved NVTA cash flow estimates, containing detailed summaries of actual PROJECT costs incurred with supporting documentation as mutually agreed upon between VDOT and the COUNTY and containing certifications that all such costs were incurred in the performance of work for the PROJECT as authorized by this Agreement.
- Should the DEPARTMENT be requested and agree to provide additional funds in order to proceed or complete the funding necessary for the PROJECT, the DEPARTMENT shall certify to the COUNTY that such additional funds have been either authorized and/or appropriated by the Commonwealth Transportation Board (CTB) or the Virginia General Assembly as may be applicable or have been obtained through another independent source. Nothing in this provision shall be interpreted or construed to require VDOT to provide additional funding for the PROJECT and any agreement by VDOT to provide additional funding shall be contained in a modified Appendix or an addendum to this Agreement, executed by both VDOT and LOCALITY.
- Should the NVTA funding be discontinued or insufficient to cover the costs of the PROJECT or portions thereof to be funded with NVTA funds, the provisions of sections B(2) , G and H of this Agreement shall apply.
- The DEPARTMENT shall reimburse the COUNTY for all NVTA Project Funding that the DEPARTMENT misapplies or uses in violation of the NVTA Act, Chapter 766 of the 2013 Virginia Acts of Assembly (“Chapter 766”), or any term or condition of this Agreement, plus, to the extent permitted by law, interest at the rate earned by NVTA (the “NVTA Rate”) .
- The DEPARTMENT shall name the COUNTY, NVTA, and to the extent applicable NVTA’s Bond Trustee and/or require that all DEPARTMENT’s contractors name the COUNTY, NVTA and NVTA’s Bond Trustee as additional insureds on any liability insurance policy issued for the work to be performed by or on behalf of the DEPARTMENT for the PROJECT and present to NVTA and the COUNTY satisfactory evidence thereof before any NVTA Project Funding is used by the DEPARTMENT for the PROJECT.
- The DEPARTMENT shall give notice to the COUNTY that the DEPARTMENT may use NVTA funds to pay legal counsel (as opposed to utilizing the services of its own in-house counsel or NVTA’s in-house legal counsel) in connection with the work performed under this Agreement so as to ensure that no conflict of interest may arise from any such representation.
- Under no circumstances will the COUNTY or NVTA be considered responsible or obligated to operate and/or maintain the PROJECT after its completion.

- The DEPARTMENT is solely responsible for obtaining all permits and permissions necessary to construct and/or operate the PROJECT, including but not limited to, obtaining all required VDOT and local land use permits, applications for zoning approvals, and regulatory approvals.
- The COUNTY shall provide coordination as between NVTA and the DEPARTMENT for the PROJECT, as may be necessary and/or as may be agreed to by the PARTIES.
- Funding by NVTA shall be subject to annual appropriation or other lawful appropriation by the NVTA, and Virginia General Assembly, respectively. Should the DEPARTMENT agree to provide any funding for the PROJECT or any portion thereof, said funding shall be subject to appropriation by the General Assembly and allocation by the CTB.
- In the event of disputes arising under this Agreement, the PARTIES agree to attempt to first resolve any such dispute by engaging in an informal dispute resolution process. Each party shall designate an authorized representative to conduct informal dispute resolution discussions on its behalf. Any resolutions and/or settlements of pending disputes reached via the informal dispute resolution method shall be presented to the County's Board of Supervisors and the Commissioner of Highways for ratification in order to be considered in full force and effect; and this Agreement shall be amended to reflect the substance of any such resolution. Nothing herein, however, shall limit or abrogate the right of either party to pursue whatever legal remedies that may be available to it in a court of competent jurisdiction.
- The DEPARTMENT shall maintain complete and accurate financial records relative to the PROJECT and all original conceptual drawings and renderings, architectural and engineering plans, site plans, inspection records, testing records, and as built drawings for the PROJECT for all time periods as may be required by the Virginia Public Records Act and by all other applicable state or federal records retention laws and provide copies of any such financial records to the COUNTY, free of charge, upon request.
- The DEPARTMENT shall provide a certification to the COUNTY and NVTA no later than 90 days after final payment to the contractors that VDOT adhered to all applicable laws and regulations and all requirements of this Agreement.

FAIRFAX COUNTY BOARD OF SUPERVISORS RESOLUTION


At a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held in the Board Auditorium in the Fairfax County Government Center of Fairfax, Virginia, on Tuesday, September 22, 2015, at which meeting a quorum was present and voting, the following resolution was adopted.

AGREEMENT EXECUTION RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Fairfax County, Virginia, authorizes the Director of Fairfax County's Department of Transportation to execute, on behalf of the County of Fairfax, Project Funding Agreements with the Northern Virginia Transportation Authority and the Virginia Department of Transportation (VDOT) for the implementation of the Route 286 Widening (Route 123 to approximately 2,000 feet north of Route 29) project to be administered by VDOT.

Adopted this 22nd day of September 2015, Fairfax, Virginia

A Copy – Teste:



Catherine A. Chianese
Clerk to the Board of Supervisors

VDOT Administered, Locally Funded Appendix A- REVISION #1

Date: 12/12/2016

Project Number: 0286-029-259

UPC: 107937

CFDA#

20.205

Locality: Fairfax County

Project Location ZIP+4: 22030-5834

Locality DUNS# 074873626

Locality Address (incl ZIP+4): 4050 Legato Road,
Suite 400, Fairfax, VA 22033-2867

Project Narrative

Scope: Widen Route 286 from 4 to 6 lanes between Route 123 and approximately 2000 feet north of Route 29, improvements will include bike and pedestrian accommodations. Scope includes a grade-separated interchange in the vicinity of Popes Head Road Intersection and a portion of the Shirley Gate Road extension.

From: Ox Road (Route 123)

To: 2000 feet north of Lee Highway (Route 29)

Locality Project Manager Contact Info: Maggie Qi 703-877-5758 Email: Honglu.Qi@FairfaxCounty.gov

Department Project Coordinator Contact Info: Angel Tao 703-259-2377 Email: Angel.Tao@vdot.virginia.gov

Project Estimates

Phase	Estimated Project Costs
Preliminary Engineering	\$ 14,000,000.00
Right of Way & Utilities	\$ 10,330,000.00
Construction	\$ 62,100,656.00
Total Estimated Cost	\$86,430,656
Estimate for Current Billing	

Project Cost

Phase	Project Allocations	Funds type (Choose from drop down box)	Local % Participation for Funds Type	Local Share Amount
Preliminary Engineering	\$10,000,000	Local Funds- NVTA	100.00%	\$10,000,000
	\$4,000,000	Local Funds	100.00%	\$4,000,000
Total PE	\$14,000,000			\$14,000,000
Right of Way & Utilities	\$10,000,000	Local Funds- NVTA	100.00%	\$10,000,000
	\$330,000	Local Funds	100.00%	\$330,000
Total RW	\$10,330,000			\$10,330,000
Construction				
Total CN				
Total Estimated Cost	\$24,330,000			\$24,330,000

Total Maximum Reimbursement / Payment by Locality to VDOT

\$24,330,000

Project Financing

Local Funds- NVTA	Local Funds				Aggregate Allocations
\$20,000,000	\$4,330,000	\$0	\$0	\$0	\$24,330,000

Payment Schedule

FY 2017	FY 2018	FY 2019	FY 2020
\$8,000,000	\$6,000,000	\$5,000,000	\$5,330,000

Program and project Specific Funding Requirements

- All local funds included on this appendix have been formally committed by the local government's board or council resolution.
- The locality will be billed the locality share above beginning at the project scoping phase for the estimated PE and RW costs. The billing will be adjusted to include the Construction estimate beginning at the award date. (if applicable)
- This Appendix A supersedes any previously listed funding schedule.
- VDOT has billed zero (\$0.00) (dollar amount) the locality for this project as of 1/1/2017
- VDOT has received zero (\$0.00) (dollar amount) from the locality for this project as of 1/1/2017
- Billing will begin 1/1/2017 for FY 2017 funding
- NVTA shall distribute semi-annual payments (amounts shown below) to VDOT for the duration of the Payment Schedule, until \$20,000,000 has been received. These will be used for the PE and RW phases of the Route 286 widening portion of the project. NVTA regional funds will not be used for any phase of the grade separated interchange widening portion of the project.
- The Locality will pay \$4,000,000 upfront to VDOT to cover the cost of the design for Popes Head Road Interchange. NVTA Regional funds are not to be used on this portion.
- The Locality will pay the remaining \$330,000 in ROW directly to VDOT on or before 10/1/2019. The breakdown is as follows:
 - FY17-\$4,000,000 in Quarter 3 (Local, non NVTA) FY19-\$2,500,000 in Quarters 1 & 3 (NVTA)
 - FY17-\$4,000,000 in Quarter 3 (NVTA) FY20-\$2,500,000 in Quarters 1 & 3 (NVTA)
 - FY18-\$3,000,000 in Quarters 1 & 3 (NVTA) FY20-\$330,000 in Quarter 1 (Local, non-NVTA)

This attachment is certified and made an official attachment to this document by the parties to this agreement

Authorized Locality Official and Date

Tom BIESIADNY

Typed or printed name of person signing

Authorized VDOT Official and Date

Terry Yates

Typed or printed name of person signing

Revised: June 15, 2016

Appendix B- REVISION #1



Project Number: 0286-029-259 (UPC 107937)

Locality: Fairfax County

Project Scope	
Work Description:	Widen Route 286 from 4 to 6 lanes between Route 123 and approximately 2000 feet north of Route 29, improvements will include bike and pedestrian accommodations. Scope includes a grade-separated interchange in the vicinity of Popes Head Road Intersection and a portion of the Shirley Gate Road extension.
From:	Ox Rd (Route 123)
To:	2000 Feet (approximately) north of Route 29
Locality Project Manager Contact Info: Maggie Qi ; 703-877-5758 ; Hongtu.Qi@fairfaxcounty.gov Department Project Coordinator Contact Info: Angel Tao/ 7032592377/ Angel.Tao@vdot.virginia.gov	

Detailed Scope of Services
<p>The project scope provides for preliminary engineering and right-of-way phases for the widening of Fairfax County Parkway (Route 286) from Ox Road (Route 123) to 2,000 feet north of Lee Highway (Route 29) from four lanes (divided) to six lanes (divided). This improvement will provide or improve pedestrian and bicycle amenities. Conceptual design assumes that all existing lanes will be used and that 12 feet of pavement will be added to the inside median and two feet will be added to the outside. The additional lanes will also allow the accommodation of future HOV lanes as designated on the County's Comprehensive Plan. Intersection improvements and access management will be considered in the design.</p> <p>The project scope also provides for preliminary engineering for the Fairfax County Parkway\Popes Head Road Interchange project. The section of the project also includes shared use paths, bicycle accommodations, and a portion of the Shirley Gate Road extension as a new alignment roadway from Fairfax County Parkway to the future Fairfax County Park Access Road entrance.</p> <p>VDOT is to administer all phases included in this agreement.</p>

This attachment is certified and made an official attachment to this document by the parties of this agreement

 Authorized Locality Official and date	 Authorized VDOT Official and date
<u>TOM BIESIADNY</u> Typed or printed name of person signing	<u>Terry Yang</u> Typed or printed name of person signing

Fairfax County Board of Supervisors Resolution

At a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held in the Board Auditorium in the Fairfax County Government Center of Fairfax, Virginia, on Tuesday, January 24, 2017, at which meeting a quorum was present and voting, the following resolution was adopted:

AGREEMENT EXECUTION RESOLUTION

**A RESOLUTION FOR THE BOARD OF SUPERVISORS OF THE COUNTY OF
FAIRFAX, VIRGINIA
AS AN ENDORSEMENT OF
Fairfax County Parkway Widening
(Route 123 to approximately 2,000 feet north of Route 29)
and
Fairfax County Parkway/Popes Head Road Interchange Project**

WHEREAS, in accordance with Commonwealth Transportation Board construction allocation procedures, it is necessary that a resolution be received from the sponsoring local jurisdiction or agency requesting the Virginia Department of Transportation (VDOT) to establish a project, if not already established, in the County of Fairfax;

NOW, THEREFORE, BE IT RESOLVED, that the County of Fairfax requests the Commonwealth Transportation Board to establish a project, if not already established, for the implementation of Fairfax County Parkway Widening (Route 123 to approximately 2,000 feet north of Route 29) and Fairfax County Parkway/Popes Head Road Interchange Project.

BE IT FURTHER RESOLVED THAT, the County of Fairfax hereby agrees to provide its share of the local contribution, in accordance with the Project Administration Agreement (Attached) and associated financial documents (Appendix A), executed pursuant to this Resolution.

BE IT FURTHER RESOLVED THAT, the Board of Supervisors of Fairfax County, Virginia, authorizes the Director of Fairfax County's Department of Transportation to execute, on behalf of the County of Fairfax, the attached amendment to the Project Administration Agreement with the Virginia Department of Transportation for the implementation of the Fairfax County Parkway Widening (Route 123 to approximately 2,000 feet north of Route 29) and Fairfax County Parkway and Popes Head Road Interchange Project (Project # 0286-029-259, UPC 107937) to be administered by VDOT.

Adopted this 24th day of January 2017, Fairfax, Virginia

ATTEST:


Catherine A. Chianese
Clerk to the Board of Supervisors

INFORMATION - 1

Fairfax-Falls Church Community Services Board Fee Schedule

Since its establishment in 1969, the Fairfax-Falls Church Community Services Board (CSB) has complied with Section 37.2-504 (A) (7) of the Code of Virginia, which states the CSB shall prescribe a reasonable schedule of fees for services provided by personnel or facilities under the jurisdiction or supervision of the CSB Board and establish procedures for the collection of the same.

The CSB ensures compliance with the Code of Virginia by: (1) conducting a review of fee-related materials by CSB staff, in consultation with CSB Board Members; (2) reviewing publicly during CSB Board meetings and accepting written comments regarding proposed changes; and (3) accepting comments during multiple public CSB Board meeting. In accordance with the CSB's Memorandum of Agreement with the Board of Supervisors as well as State regulations, on March 24, 2021, the CSB Board approved a Fee Schedule with revisions to selected service charges.

The services on the Fee Schedule include outpatient, residential, and ancillary services. Fees for Virginia Medicaid State Plan Option services are set at the Medicaid reimbursement rate. Fees for outpatient services are traditionally cost-based and recorded in increments that are consistent with Current Procedural Terminology (CPT) maintained by the American Medical Association to uniformly describe medical (including psychiatric), surgical, and diagnostic services. Fees for residential services are based on Medicaid set rates, and in some cases income-based due to the extended length of stay for residential treatment or the permanency of a community-living setting for individuals with an intellectual disability. Ancillary charges include usual and customary fees such as those to cover administrative costs such as copying records or returned checks and as prescribed by Fairfax County Code and/or the Code of Virginia.

The current proposed changes to the CSB Fee Schedule are primarily attributable to revising Medicaid and Medicare reimbursement rates for services.

Unless otherwise directed by the Board of Supervisors, the County Executive will direct staff to proceed with the implementation of the revised Fee Schedule. Sufficient advance notice of fee changes must be given to consumers.

Board Agenda Item
May 4, 2021

FISCAL IMPACT:

The fee related documents provide the CSB with uniform mechanisms to maximize revenues from clients, Medicaid, Medicare, and other health insurance plans. The FY 2021 Revised Budget Plan for the CSB includes \$19.5 million in estimated fee revenues.

ENCLOSED DOCUMENTS:

Attachment 1 – CSB Fee Schedule

Attachment 2 – Summary of Changes to CSB 2021-2022 Fee Schedule

STAFF:

Christopher Leonard, Deputy County Executive

Daryl Washington, Executive Director, Fairfax-Falls Church CSB

Daniel Herr, Deputy Executive Director of Administrative Operations, Fairfax-Falls Church CSB

Sebastian Tezna, Director of Behavioral Health Operations, Fairfax-Falls Church CSB

Service	Service Code	Revenue Code (Facility Billing Only)	Subject to Ability to Pay Scale	Previous Rate	New Rate	Unit	Change
Interactive Complexity* add on to other clinic services when there is a factor that complicates the psychiatric service or increases the work intensity of the psychotherapy service	90785		Yes	\$16.92	\$16.47	per event	(\$0.45)
Initial Evaluation/Assessment	90791		Yes	\$159.18	\$199.30	per event	\$40.12
Psychiatric Evaluation, Medical Services	90792		Yes	\$176.58	\$223.16	per event	\$46.58
Individual Therapy/Counseling (16 to 37 minutes)	90832		Yes	\$77.62	\$85.48	per event	\$7.86
Individual Therapy/Counseling (38 to 52 minutes)	90834		Yes	\$103.20	\$113.62	per event	\$10.42
Individual Therapy/Counseling (53 minutes or greater)	90837		Yes	\$154.34	\$167.71	per event	\$13.37
Crisis Intervention - non-Medicaid	90839		Yes	\$161.02	\$159.80	per hour	(\$1.22)
Crisis Intervention - Add'l 30 Min	90840		Yes	\$77.18	\$75.54	each add't 30 min	(\$1.64)
Family Therapy w/out client (50 minutes)	90846		Yes	\$111.75	\$107.42	per event	(\$4.33)
Family Therapy w/ client (50 minutes)	90847		Yes	\$115.54	\$111.10	per event	(\$4.44)
Multi-Family Group Therapy	90849		Yes	\$41.32	\$39.85	per event	(\$1.47)
Group Therapy/Counseling (per group, per person)	90853		Yes	\$30.75	\$30.37	per event	(\$0.38)
Injection Procedure	96372		Yes	\$16.59	\$16.62	per event	\$0.03
Urine Collection & Drug Screen- Retests Only (Specimen Handling)	99000		Yes	\$25.00	\$25.00	per event	\$0.00
Office Outpatient New 15-29 Min	99202		Yes	New	\$55.95	per event	New
Psychiatric Evaluation & Management Low Complexity - New Patient 30-44 Min	99203		Yes	\$124.97	\$130.74	per event	\$5.77
Psychiatric Evaluation & Management Moderate Complexity - New Patient 45-59 Min	99204		Yes	\$189.38	\$193.99	per event	\$4.61
Office Outpatient New High 60-74 min	99205		Yes	New	\$255.71	per event	New
Nursing Subsequent Care - Established Patient	99211		Yes	\$27.55	\$27.34	per event	(\$0.21)
Office Outpatient Established 10-19 Min	99212		Yes	New	\$40.51	per event	New
Psychiatric Evaluation & Management Low Complexity - Established Patient 20-29 Min	99213		Yes	\$87.12	\$106.24	per event	\$19.12
Psychiatric Evaluation & Management Moderate Complexity - Established Patient 30-39 Min	99214		Yes	\$125.75	\$150.25	per event	\$24.50
Office Outpatient Established High 40-54 min	99215		Yes	New	\$209.07	per event	New
Preventative Visit Estimated Age 18-39	99395		Yes	\$86.72	\$86.72	per event	\$0.00
Preventative Visit Estimated Age 40-64	99396		Yes	\$89.89	\$89.89	per event	\$0.00
Preventative Visit Estimated Age 65+ (negotiated)	99397		Yes	\$95.00	\$95.00	per event	\$0.00
Prolonged Office Outpatient ea 15 min	99417		Yes	New	\$45.00	per 15 min	New
Complex E/M visit add on	G2211		Yes	New	\$45.00	per event	New
Prolonged Outpatient Office Visit	G2212		Yes	New	\$45.00	per event	New
Case Management - SA	H0006		Yes	\$243.00	\$243.00	per month	\$0.00
Residential Treatment	H0010 - HB	Revenue Code(s) 1002, and DRG(s) 894-897	Yes	\$393.50	\$393.50	per day	\$0.00
Intensive Outpatient - SA	H0015	Revenue Code 905 or 906	Yes	\$250.00	\$250.00	per day	\$0.00
Behavioral Health Short Term Residential (TDOs)	H0018 - HK		Yes	New	\$657.96	per event	New
Behavioral Health Outreach Service (Case Management - MH)	H0023		Yes	\$326.50	\$326.50	per month	\$0.00
Community Psychiatric Supportive Treatment	H0036		Yes	New	\$30.79	per 15 min	New
Intensive Community Treatment	H0039/ H0040		Yes	\$153.00	\$153.00	per hour	\$0.00
Crisis Intervention - Medicaid	H2011		Yes	\$30.79	\$30.79	per 15 min	\$0.00
Therapeutic Behavioral Services	H2019		Yes	\$89.00	\$89.00	per 15 min	\$0.00
Crisis Stabilization - Adult Residential (Therapeutic Behavioral Services)	H2019	Revenue Code(s) 1001, and DRG(s) 876, 880-887	Yes	\$583 (Facility only)	\$583 (Facility only)	per day	\$0.00
Turning Point Program	H2020		Yes	\$146.22	\$146.22	per day	\$0.00
Detoxification, Medical, Residential-setting	H2036 - HB	Revenue Code(s) 1002, and DRG(s) 894-897	Yes	\$393.50	\$393.50	per day	\$0.00
Detoxification, Social, Residential-setting	H2036 - HB	Revenue Code(s) 1002, and DRG(s) 894-897	Yes	\$393.50	\$393.50	per day	\$0.00
Drop-In Support Services, ID	None		Yes	Rate set by vendor(s) but no less than \$2 per hour and for those with incomes above 150% of FPL, apply 20% liability (based on ATP Scale) of the CSB contracted negotiated rate. If below 150% of FPL, charge \$2 per hour.	Rate set by vendor(s) but no less than \$2 per hour and for those with incomes above 150% of FPL, apply 20% liability (based on ATP Scale) of the CSB contracted negotiated rate. If below 150% of FPL, charge \$2 per hour.	per hour	\$0.00
Late Cancellation or No Show (commercial insurance coverage only)	None		Yes	\$25.00	\$25.00	per appointment	\$0.00
Residential Fee ID Community Living Services	None		No	75%	75%	of monthly gross income	\$0.00
Residential Fee MH/SA Community Living Services	None		No	30%	30%	of monthly gross income	\$0.00

Returned Check (due to insufficient funds or closed account)	None		No	\$50.00	\$50.00	per check	\$0.00
Transportation	None		No	\$100.00	\$100.00	per month	\$0.00
Partial Hospitalization Psychiatric Patient	S0201	Revenue Code 912	Yes	\$500.00	\$500.00	per diem	\$0.00
Partial Hospitalization Substance Abuse Patient	S0201	Revenue Code 913	Yes	\$500.00	\$500.00	per diem	\$0.00
Release of Information: Research	S9981		No	\$10.00	\$10.00	per event	\$0.00
Release of Information: Per Page	S9982		No	18¢ per pg up to 50 pgs; 25¢ per pg for > = 51 pgs	\$.37 per pg up to 50 pgs; \$.18 per pg > = 51 pgs; \$6.00 per CD	per pages/CD	Varies

Summary of Changes to CSB 2021-2022 Fee Schedule

Fee Schedule

- The CSB has adopted the use of the national standard for rate development used by Medicare to determine reimbursement rates. The following structure has been adopted to allow for the Schedule to be updated annually with a standard methodology that can be validated with transparency.
 - First, use of CMS Medicare code/rate structure for Fairfax County
 - Second, if code/rate not available, use Virginia Department of Medical Assistance (DMAS) Fee Schedule
 - Third, if code/rate not available, use CSB negotiated rate with payers
- All codes validated against CMS service table to ensure accuracy of code/service description.
- Units of service validated by AMA coding manuals.

CLOSED SESSION:

- (a) Discussion or consideration of personnel matters pursuant to Virginia Code § 2.2-3711(A) (1).
- (b) Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, pursuant to Virginia Code § 2.2-3711(A) (3).
- (c) Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, and consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel pursuant to Virginia Code § 2.2-3711(A) (7).
 - 1. *Claim and Demand of Sentry Select Insurance Company as subrogee of Powerride Motorsports, Inc., and Cycles, Inc., dba Coleman Powersports from a rain event on July 8, 2019*
 - 2. *David Berry, Carol A. Hawn, Helen H. Webb, Adrienne A. Whyte v. Board of Supervisors of Fairfax County, Case No. CL-2021-0003366 (Fx. Co. Cir. Ct.) (Countywide)*
 - 3. *Anthry Raul Milla v. PFC McComas and PFC D. Brown, Case No. 1:20-cv-694 (E.D. Va.)*
 - 4. *Lamonta Gladney v. Tyler Tyan Timberlake, Case No. 1:21-cv-287 (E.D. Va.)*
 - 5. *County of Fairfax, Virginia, ex rel. Joseph A. Glean v. Fairfax County Board of Supervisors, Case No. CL-2021-0004227 (Fx. Co. Cir. Ct.)*
 - 6. *Joseph A. Glean v. Fairfax County Board of Supervisors, Case No. GV21-004904 (Fx. Co. Gen. Dist. Ct.)*
 - 7. *Declaratory Judgment Action Pending in State Corporation Commission filed by T-Mobile Northeast (Case No. PST-2019-00010)*
 - 8. *Mathieu Ghirardo v. Jarryd Blackford, Case No. GV21-003151 (Fx. Co. Gen. Dist. Ct.)*
 - 9. *Vijaipart Parthiban Ekkadu Pattu, by GEICO, subrogee v. Enoch Green, Case No. GV21-004748 (Fx. Co. Gen. Dist. Ct.)*
 - 10. *Allstate Insurance Company a/s/o Adam Kamran v. Fairfax County Police Dept. and Todd Owens, Case No. GV21-004713 (Fx. Co. Gen. Dist. Ct.)*

11. *Rodger E. Perkins v. Fairfax County Police Dept.*, Case No. GV21-005011 (Fx. Co. Gen. Dist. Ct.)
12. *Hannah Lee v. Lauren Yeung and Fairfax County*, Case No. GV21-003698 (Fx. Co. Gen. Dist. Ct.); *Hee Yun Lee v. Lauren Yeung and Fairfax County*, Case No. GV21-003699 (Fx. Co. Gen. Dist. Ct.)
13. *Brian F. Foley, Building Official for Fairfax County, Virginia v. Tuyen Quang Huynh and Minh Nha Thanh Nguyen*, Case No. GV21-005600 (Fx. Co. Gen. Dist. Ct.) (Braddock District)
14. *Leslie B. Johnson, Fairfax County Zoning Administrator v. Edgardo Rodriguez and Izumi E. Guzman*, Case No. GV21-006105 (Fx. Co. Gen. Dist. Ct.) (Braddock District)
15. *Leslie B. Johnson, Fairfax County Zoning Administrator, and Elizabeth Perry, Property Maintenance Code Official for Fairfax County, Virginia v. Scorpion Floors, Inc.*, Case No. CL-2020-0019932 (Fx. Co. Cir. Ct.) (Dranesville District)
16. *Elizabeth Perry, Property Maintenance Code Official for Fairfax County, Virginia v. 300 Beverly Road, LLC*, Case No. CL-2021-0005289 (Fx. Co. Cir. Ct.) (Hunter Mill District)
17. *Brian F. Foley, Building Official for Fairfax County, Virginia v. Izzet Burak Temel*, Case No. GV21-005601 (Fx. Co. Gen. Dist. Ct.) (Hunter Mill District)
18. *Leslie B. Johnson, Fairfax County Zoning Administrator v. Lazaro Villatoro and Maria Lazo*, Case No. CL-2021-0005288 (Fx. Co. Cir. Ct.) (Lee District)
19. *Brian F. Foley, Building Official for Fairfax County, Virginia v. 3SELS Properties, LLC*, Case No. GV21-005233-00 (Fx. Co. Gen. Dist. Ct.) (Mason District)
20. *Brian F. Foley, Building Official for Fairfax County, Virginia v. Rosa E. Coreas*, Case No. GV21-005234 (Fx. Co. Gen. Dist. Ct.) (Mason District)
21. *Brian F. Foley, Building Official for Fairfax County, Virginia v. Douglas E. Larios and Alexandria J. Larios*, Case No. GV21-005238 (Fx. Co. Gen. Dist. Ct.) (Mason District)
22. *Brian F. Foley, Building Official for Fairfax County, Virginia v. Juan Carlos Rojas-Lujan*, Case No. GV21-005239 (Fx. Co. Gen. Dist. Ct.) (Mason District)
23. *Brian F. Foley, Building Official for Fairfax County, Virginia v. Ramon Tobias Rodriguez Romero*, Case No. GV21-005605 (Fx. Co. Gen. Dist. Ct.) (Mason District)

24. *Brian F. Foley, Building Official for Fairfax County, Virginia v. Ghalib Shaukat Sethi and Zaryab W. Sethi*, Case No. GV21-005604 (Fx. Co. Gen. Dist. Ct.) (Mason District)
25. *Leslie B. Johnson, Fairfax County Zoning Administrator v. Richard A. Cauthers, Jr. and R C Company, LLC*, Case No. CL-2021-0001874 (Fx. Co. Cir. Ct.) (Mount Vernon District)
26. *Brian F. Foley, Building Official for Fairfax County, Virginia v. Armstrong, Green and Embrey, Inc.*, Case No. GV21-005230 (Fx. Co. Gen. Dist. Ct.) (Mount Vernon District)
27. *Brian F. Foley, Building Official for Fairfax County, Virginia v. Charbel C. Markoul and Rita A. Douaihy* Case No. GV21-005232 (Fx. Co. Gen. Dist. Ct.) (Mount Vernon District)
28. *Leslie B. Johnson, Fairfax County Zoning Administrator v. Brian W. Sherfey and Emily B. Sherfey*, Case No. CL-2020-0002028 (Fx. Co. Cir. Ct.) (Sully District)
29. *Elizabeth Perry, Property Maintenance Code Official for Fairfax County, Virginia v. Samuel A. Velasquez*, Case No. CL-2019-0002543 (Fx. Co. Cir. Ct.) (Sully District)
30. *Brian F. Foley, Building Official for Fairfax County, Virginia v. Tajinder K. Sharma and Barjinder Kumar*, Case No. GV21-005603 (Fx. Co. Gen. Dist. Ct.) (Sully District)
31. *Elizabeth Perry, Property Maintenance Code Official for Fairfax County, Virginia v. Asrat Betew Lulu*, Case Nos. GV21-005576 and GV21-005577 (Fx. Co. Gen. Dist. Ct.) (Sully District)
32. *Brian F. Foley, Building Official for Fairfax County, Virginia v. Arash Saffari Ashtianti and Nahal Moussavi*, Case No. GV21-005602 (Fx. Co. Gen. Dist. Ct.) (Sully District)
33. *Board of Supervisors of Fairfax County v. Mr. Bubbles Power Washing Services, LLC*, Case No. GV21-005128 (Fx. Co. Gen. Dist. Ct.) (Lee District)
34. *Board of Supervisors of Fairfax County v. H.K. Lee Academy of Tae Kwon Do*, Case No. GV21-004451 (Fx. Co. Gen. Dist. Ct.) (Dranesville District)
35. *Board of Supervisors of Fairfax County v. Samson Companies, LLC*, Case No. GV21-004452 (Fx. Co. Gen. Dist. Ct.) (Dranesville District)
36. *Board of Supervisors of Fairfax County v. Simpson Garage Doors*, Case No. GV21-004942 (Fx. Co. Gen. Dist. Ct.) (Sully District)

Board Agenda Item
May 4, 2021

3:30 p.m.

Public Hearing on SE 2020-DR-012 (Tri-State Chain Bridge, LLC) to Permit an Independent Living Facility, Located on Approximately 3.23 Acres of Land Zoned R-3 (Dranesville District)

This property is located at 1638 and 1642 Chain Bridge Rd., McLean, 22101. Tax Map 30-3 ((1)) 53A and 53B.

PLANNING COMMISSION RECOMMENDATION:

On March 17, 2021, the Planning Commission voted 11-1 (Commissioner Cortina voted in opposition) to recommend to the Board of Supervisors the following actions:

- Approval of SE 2020-DR-012, subject to the proposed development conditions dated March 15, 2021;
- Modification to the 50-foot required yard setback per Par. 11A of Sect. 9-306 of the Zoning Ordinance in favor of that shown on the SE Plat;
- Modification to the transitional screening requirement along a portion of the northern lot line to permit a two thirds (2/3) reduction of the screening yard, with the addition of a seven-foot-tall architectural block wall;
- Modification of the transitional screening requirement along all property lines to use existing vegetation and additional supplemental native vegetation as depicted on the SE Plat;
- Waiver of the barrier requirement along all lot lines, except for the portion along the northern lot line where a wall is depicted on the SE Plat; and
- Modification of the Public Facilities Manual (PFM) requirement for a five-foot-wide sidewalk along the Chain Bridge Road frontage, in favor of the eight-foot-wide major trail shown on the SE Plat.

ENCLOSED DOCUMENTS:

Planning Commission Verbatim Excerpt and Staff Report available online at:
<https://www.fairfaxcounty.gov/planning-development/board-packages>

Board Agenda Item
May 4, 2021

STAFF:

Tracy Strunk, Director, Zoning Evaluation Division, Department of Planning and Development (DPD)

Kelly Posusney, Planner, DPD

Board Agenda Item
May 4, 2021

3:30 p.m.

Public Hearing on, and Approval of, the Proposed Sale of Sewer Revenue Bonds, 2021A and Sewer Revenue Refunding Bonds, Series 2021B

ISSUE:

The Board of Supervisors' approval is needed to sell Sewer Revenue Bonds, Series 2021A in an estimated maximum principal amount of \$245 million during the week of May 10, 2021. Va. Code Section 15.2-2606 requires the governing body to hold a public hearing on the proposed bond issue before the final authorization of the issuance of the bonds. The proceeds from this bond Series will be used to fund a portion of the County's share of construction costs for Capital Improvement Programs (CIP) at the following Wastewater Treatment Plants (WTPs):

1. The County's Noman M. Cole, Jr. Pollution Control Plant (NMCPCP)
2. The District of Columbia Water and Sewer Authority (DCWASA) Blue Plains Advanced WTP
3. Alexandria Renew Enterprises (ARE) WTP
4. Arlington County's WTP
5. Loudoun Water's Broad Run WTP
6. Upper Occoquan Service Authority

Proceeds from the Series 2021A will also be used for upgrades to meet current environmental regulations, extensions, additions or improvements to, and renovations and replacements of, System infrastructure, to purchase additional treatment capacity if needed by the Integrated Sewer System (System), and to fund required deposits to bond reserves.

The Board of Supervisors' approval is also needed to authorize the sale of Sewer Revenue Refunding Bonds, Series 2021B, in one or more series in an aggregate principal amount not to exceed \$300 million. The proceeds from the Series 2021B will be used to refund a portion of outstanding sewer revenue bonds. Virginia law does not require a public hearing prior to the issuance of refunding bonds, however, because both Series of Bonds will be part of one deal, and for administrative efficiency, the Series 2021B refunding bonds are included as part of the public hearing.

RECOMMENDATION:

The County Executive recommends that the Board of Supervisors hold a public hearing and then adopt the attached Series Resolution that will authorize the sale of

Board Agenda Item
May 4, 2021

Sewer Revenue Bonds, Series 2021A and the attached Series Resolution that will authorize the sale of Sewer Revenue Refunding Bonds, Series 2021B.

Lastly, the Office of the Clerk for the Board of Supervisors is directed to file certified copies of the Series Resolutions with the Circuit Court.

TIMING:

Immediate. On April 13, 2021, the Board authorized advertisement of a public hearing to be held on May 4, 2021, at 3:30 p.m. The public hearing was advertised on April 16, and April 23, 2021. The bond sale is anticipated to occur during the week of May 10, 2021, and close during the week of June 7, 2021.

BACKGROUND:

On March 19, 2021, County staff provided a Not in Package (NIP) to the Board and on April 13, 2021, County staff provided an Administrative Item to the Board in advance of this Public Hearing. The NIP provided a comprehensive overview of the plan of finance for the Sewer Revenue Bonds Series 2021A and Sewer Revenue Refunding Bonds Series 2021B, supplemented with similar information contained in the Administrative Item. The following summarizes the details provided in the NIP and Administrative Item.

Sewer Revenue Bonds, Series 2021A:

The proceeds of the sale of the Series 2021A Sewer Revenue Bonds will primarily be used to support the capital improvement projects at certain WTPs that provide wastewater treatment capacity to the System. The projects are either driven by the Commonwealth of Virginia, Department of Environmental Quality (DEQ), or to address other capital needs of the System.

Per the Series 2021A Resolution (Attachment 1), County staff are recommending a new money bond sale to finance \$230 million of capital projects over the next several years, and an estimated \$10 million deposit to the Sewer Bond Debt Service Reserve Subfund (DSRF). The last time the Sewer Fund conducted a new money bond issue was in 2017 for \$86 million. As these funds have now been nearly exhausted, the System needs to replenish its coffers to have ample funding on hand to meet its increasing capital project requirements. County staff have included in the current fiscal year the appropriation for the bond proceeds, the estimated debt service payments, and the required deposit to the debt service reserve fund. Staff recommend Board adoption of an authorizing resolution that will incorporate a maximum amount of \$245 million to provide for flexibility of the timing and potential market changes between Board approval and the actual date of the bond sale. Existing bond ratings for the Sewer Revenue Bonds are Aaa from Moody's and AAA from S&P and Fitch.

Board Agenda Item
May 4, 2021

Sewer Revenue Refunding Bonds, Series 2021B:

In 2012, the County issued \$91 million in Sewer Revenue Bonds (Series 2012). Bond proceeds funded the same components as cited previously: a portion of the County's share of capital projects at its own and regional WTPs due to environmental regulation, and renovation and replacement of aging infrastructure. The County's Financial Advisor monitors monthly all the County's outstanding debt issuances as it relates to Sewer Revenue Bonds. Assuming market conditions as of March 31, 2021, a tax-exempt current refunding bond sale of \$28.625 million of the Series 2012 would generate net present value savings of \$8.3 million or 28.8 percent of the refunded bonds. Actual savings will be dependent upon market conditions at the time of the bond sale. There is no extension of the original maturity date for any of the potential refunding candidates. Accordingly, County staff recommend pursuing this refinancing opportunity and couple it with the Series 2021A new money bond sale.

The Series 2021B resolution (Attachment 2) also authorizes the potential refunding of additional series of outstanding Sewer Revenue Bonds, including the Series 2014, Series 2016, and Series 2017. While they do not generate savings under the current market conditions, the County would be positioned to capture those savings if future market conditions change. The total maximum amount of refunding bonds authorized in the Series 2021B resolution, including the Series 2012, reflects \$300 million for refinancing flexibility. The term of this bond resolution allows these bonds to be issued before June 30, 2022.

The bond sale for the Series 2021A and Series 2021B is anticipated to occur during the week of May 10, 2021, and close during the week of June 7, 2021 per the Bond Sale Schedule of Events (Attachment 3).

Staff also submitted earlier today a related Action Item that recommended adoption of a Resolution approving the form of proposed amendments to the Sewer 1985 General Bond Resolution and authorizing the County Executive and Chief Financial Officer to solicit bondholder consent for the amendments as required by the General Bond Resolution. The primary amendment sought would remove the DSRF requirement for Sewer bonds. The DSRF may only be used if System revenues are insufficient to pay debt service. Given the strong financial status of the Sewer Fund and its Triple A Bond Ratings, the County's Financial Advisor has recommended a process to release the funding requirement of the DSRF. Board consideration of this Action Item was timed to coincide with authorization of the Series 2021A and 2021B bonds so that the County can solicit consent to the proposed amendments as part of the bond sale process.

Board Agenda Item
May 4, 2021

FISCAL IMPACT:

Assuming market conditions as of March 31, 2021, annualized debt service payments for the Series 2021A will be approximately \$11.58 million. Funding will be available in Fund 69000, Sewer Revenue, with no General Fund impact. This bond sale is in conformance with the Sewer Revenue Fund's 10-year Capital Improvement Program and the January 2021 Revenue Sufficiency and Rate Analysis study.

Based on market conditions as of March 31, 2021, the Series 2021B refunding bond sale of \$28.625 million of the existing Sewer Revenue Bonds, Series 2012 is estimated to generate net present value savings of \$8.3 million or 28.8 percent of the refunded bonds. In addition, the County will be positioned to refund Sewer Revenue Bonds, Series 2014, 2016 and 2017 in the total amount of \$271.375 million if future market conditions change to allow for savings associated with refunding these bonds.

ENCLOSED DOCUMENTS:

Attachment 1 – Series 2021A Resolution
Attachment 2 – Series 2021B Resolution
Attachment 3 – Bond Sale Schedule of Events
Attachment 4 – Preliminary Official Statement
Attachment 5 – Bond Purchase Agreement

STAFF:

Joseph Mondoro, Chief Financial Officer
Rachel O'Dwyer Flynn Deputy County Executive
Randolph W. Bartlett, Director, Department of Public Works and Environmental Services (DPWES)
Ellie Coddington, Deputy Director, Stormwater and Wastewater Division, DPWES
Shahram Mohsenin, Director, Wastewater Planning and Monitoring Division, DPWES
Anand Goutam, Financial Manager, Wastewater Management, DPWES
Christina Jackson, Director, Department of Management and Budget
Joseph LaHait, Debt Manager, Department of Management and Budget

ASSIGNED COUNSEL:

Emily Smith, Assistant County Attorney

At a regular meeting of the Board Supervisors of Fairfax County, Virginia, held electronically on May 4, 2021, at which meeting a quorum was present and voting, the following resolution was adopted:

Fairfax County,

Virginia

SERIES RESOLUTION

SERIES RESOLUTION SUPPLEMENTING AND AMENDING THE GENERAL BOND RESOLUTION OF THE BOARD OF SUPERVISORS OF FAIRFAX COUNTY, VIRGINIA, AUTHORIZING THE ISSUANCE OF SEWER REVENUE BONDS, TO PROVIDE FOR THE ISSUANCE OF AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$245,000,000 SEWER REVENUE BONDS, IN ONE OR MORE SERIES; DELEGATING TO THE CHAIRMAN AND VICE CHAIRMAN OF THE BOARD, THE COUNTY EXECUTIVE AND THE CHIEF FINANCIAL OFFICER OF THE COUNTY AUTHORITY TO DETERMINE CERTAIN DETAILS OF SUCH BONDS, DESIGNATING A PAYING AGENT AND BOND REGISTRAR AND DEPOSITARY FOR THE BONDS; APPROVING THE FORM AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT RELATING TO SUCH BONDS; APPROVING THE EXECUTION OF A BOND PURCHASE AGREEMENT RELATING TO THE PURCHASE OF SUCH BONDS OR THE USE OF A NOTICE CALLING FOR BIDS TO PURCHASE SUCH BONDS; APPROVING THE MAKING OF A CONTINUING DISCLOSURE AGREEMENT; AND DIRECTING THE AUTHENTICATION AND DELIVERY OF SUCH BONDS.

WHEREAS, the Board of Supervisors (the “Board of Supervisors” or “Board”) of Fairfax County, Virginia (“County”), has adopted a General Bond Resolution authorizing the issuance initially of not exceeding \$179,000,000 Sewer Revenue Bonds and thereafter the issuance of additional and refunding sewer revenue bonds (such resolution as initially adopted on July 29, 1985, amended and restated on July 21, 1986, further amended on January 9, 1989, further amended and restated on June 26, 1989, further amended and restated on May 18, 2009, effective July 1, 2009, and, as further supplemented and amended from time to time, herein called the “General Bond Resolution”); and

WHEREAS, the Board of Supervisors has determined to issue additional bonds authorized pursuant to the provisions of Section 209 of the General Bond Resolution for the purpose of providing funds, with any other available funds, for paying a portion of costs of improvements to the County’s sanitary sewer system including capital improvements to regional systems in which County has acquired capacity, as more fully described in Exhibit A hereto (the “Project”), such bonds to be payable solely from the funds provided under the General Bond Resolution and this Series Resolution; and

WHEREAS, the Board has determined to delegate, pursuant to the terms of this Series Resolution, to each of the Chairman and Vice Chairman of the Board and the County Executive and the Chief Financial Officer of the County (each a “Delegate”) authority to determine whether a competitive sale or negotiated sale of the bonds to be issued pursuant to this Series Resolution is in the best interest of the County; and

WHEREAS, the Board has found and determined that the issuance and sale of the bonds authorized hereby on the terms contemplated hereby are in the public interest and otherwise beneficial to the County; and

WHEREAS, Section 209 of the General Bond Resolution contemplates that the County will fix in this Series Resolution the aggregate principal amount of the additional bonds and the details thereof and describe the Project to be financed; and

WHEREAS, the Board has found and determined that it is in the public interest and otherwise beneficial to the County to amend, in the manner described herein, the definition of the term “Defeasance Obligations” in the General Bond Resolution with respect to bonds issued pursuant to this Series Resolution and that such amendment will not adversely affect the security for the bonds previously issued pursuant to the General Bond Resolution; and

WHEREAS, County staff has presented to the Board a draft of the Preliminary Official Statement to be furnished for use in connection with a sale of the bonds authorized hereby upon the terms set forth therein and will prepare a final Official Statement to be furnished to the purchasers or underwriters of the bonds for their use in connection with a bona fide public offering of the bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF FAIRFAX COUNTY, VIRGINIA, AS FOLLOWS:

Section 1. Authorization of Bonds. Pursuant to Section 209 of the General Bond Resolution, bonds of Fairfax County, Virginia, are hereby authorized to be issued as Current

Interest Bonds, in one or more series, in the maximum aggregate principal amount not to exceed \$245,000,000 to provide funds, with any other available funds, for paying a portion of the cost of financing, acquiring, constructing and placing into service the Project specified in Exhibit A hereto. The bonds authorized hereby shall be designated “Sewer Revenue Bonds, Series 2021 [A]” (the “Bonds”), or otherwise as determined by a Delegate. The definitive Bonds shall be issuable as fully registered bonds without coupons, in the denominations of \$5,000 and any whole multiple thereof, shall be dated, and shall be numbered from R-1 upwards. The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York, and immobilized in its custody.

All of the Bonds shall mature on July 15 of such year and in such principal amounts, and shall bear interest, payable on January 15 and July 15 of each year unless such different dates are determined pursuant to Section 2 hereof.

Section 2. Delegation. The Board of Supervisors hereby delegates to each of the Delegates, the powers and duties to determine the following, such delegation to be effective only if the Board of Supervisors shall not then be in session (the Board not to be deemed in session if less than a quorum is present and voting):

(a) The aggregate principal amount of the Bonds, which is not to exceed \$245,000,000 required to provide financing for the Project, make a deposit to the Reserve Subfund and pay costs of issuance for the Bonds;

(b) Subject to the provisions of Section 5 hereof, whether the Bonds shall be sold in a negotiated sale to one or more underwriters or in a competitive sale process;

(c) The respective annual maturity dates and any mandatory redemption dates of the Bonds, and the respective principal amounts of the Bonds to mature or be redeemed on such dates, provided that the first maturity date shall occur no later than December 1, 2024, and the final maturity date shall not be later than December 1, 2052;

(d) The dated date of the Bonds, provided, however, that the Bonds shall be dated their date of issue or as of a customary date preceding their date of issue;

(e) The semi-annual interest payment dates, or such other interest payment dates deemed applicable, for the Bonds and the record date for the Bonds, provided that the first interest payment date shall be not more than ten (10) months after the dated date of the Bonds;

(f) The status of the Bonds as Serial Bonds or Term Bonds or a combination thereof, whichever is most likely to be best received by purchasers of or bidders for the Bonds; and

(g) The optional redemption provisions of the Bonds, provided that Bonds shall be made subject to redemption at the option of the County on a date or dates and at the price of par plus accrued interest plus a redemption premium, if any, not in excess of three percent (3%), the first such date on which such a redemption may occur to be no later than the eleventh (11th) anniversary of the dated date of the Bonds.

Section 3. Designations. Pursuant to the General Bond Resolution, the County hereby appoints U.S. Bank National Association, Richmond, Virginia, as (i) Paying Agent and Bond Registrar for the Bonds and (ii) Depositary for the Bonds.

Section 4. Redemption Provisions. (a) When the Bonds become subject to redemption as determined in accordance with Section 2(g), they may be redeemed prior to their respective maturities, at the option of the County, from any money that may be made available for such purpose other than money set aside in respect of the Sinking Fund Requirement, either in whole or in part on any date, at the applicable redemption prices expressed as a percentage of the principal amount of Bonds to be redeemed, together with the interest accrued thereon to the date fixed for redemption.

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

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

The County shall give a redemption notice as contemplated by Securities Exchange Act of 1934 Release No. 34-23856, dated December 3, 1986, including the requirement that notice be given to The Electronic Municipal Market Access (“EMMA”) system administered by the Municipal Securities Rulemaking Board.

(b) In the event any of the Bonds will be a Term Bond or Bonds, then the following provisions shall apply to such Term Bond or Bonds:

Any Term Bond or Bonds shall be called for redemption, in part, on July 15, or date determined pursuant to the delegation in Section 2 hereof, in such years and in the principal amounts equal to the respective Sinking Fund Requirements for such Term Bonds, which Sinking Fund Requirement shall correspond to the maturities of the Serial Bonds subsumed in such Term Bond or Bonds (less the principal amount of any Term Bond retired by purchase and otherwise subject to adjustment as herein provided in this Section) from money in the Debt Service Subfund at a redemption price equal to par plus accrued interest thereon to the date fixed for redemption.

Amounts accumulated for each Sinking Fund Requirement may be applied by the County prior to the giving of notice of redemption of the Bonds on account of such Sinking Fund Requirement to the purchase for cancellation of Bonds at a cost not exceeding the principal amount thereof plus accrued interest, and upon any such purchase, an amount equal to the principal amount thereof shall be credited toward the applicable Sinking Fund Requirement. The accrued interest on any Bonds so purchased shall be paid from money in the appropriate special account in the Debt Service Subfund established in respect of the interest accrued on the Bonds.

If at the close of any Principal Payment Date the total principal amount of the Term Bonds of any maturity of each Series retired by purchase or redemption or called for redemption under the provisions of this Series Resolution prior to such Principal Payment Date shall be in excess of the total amount of the Sinking Fund Requirements for the Term Bonds of such maturity and Series on such Principal Payment Date, then, the total amount of the Sinking Fund Requirements for the Term Bonds of such maturity and Series for all subsequent Principal Payment Dates shall be reduced by the amount of such excess. The amount of the reduction in the Sinking Fund Requirement for each such subsequent Principal Payment Date shall be specified in a certificate of a County Representative filed with the Clerk to the Board of Supervisors.

It shall be the duty of the Department of Finance of the County, on or before the 1st day of December, to compute the Sinking Fund Requirements for all subsequent Principal Payment Dates for the Term Bonds of each Series then Outstanding. The Sinking Fund Requirements for the next succeeding Principal Payment Date shall continue to be applicable and no further adjustment shall be made therein by reason of Bonds purchased or redeemed prior to the next succeeding Principal Payment Date.

Any such redemption, either in whole or in part, shall be made in the manner and under the terms and conditions provided in the General Bond Resolution.

Section 5. Sale of the Bonds.

(a) Sale. The Bonds shall be offered in a negotiated sale or for competitive bidding to one or more underwriters on such dates as a Delegate determines in consultation with the County's Financial Advisor, such dates to be not later than December 31, 2021.

(b) (i) Negotiated Sale Delegation. Each Delegate is hereby authorized to sell the Bonds in a negotiated sale to one or more underwriters through the execution of a Bond Purchase Agreement (as defined below) on one or more dates not later than December 31, 2021, subject to the following conditions: (A) the true interest cost of the Bonds sold shall not exceed 5.0%, and (B) the underwriters of the Bonds shall have been chosen pursuant to County guidelines.

(ii) Competitive Sale Delegation. Each Delegate, is hereby authorized to accept the lowest bid (determined in accordance with the Notice of Sale (described herein)) for the Bonds, being offered for sale by the County at competitive bidding on one or more dates not later than December 31, 2021, subject to the following conditions: (A) the Financial Advisor to the County shall have recommended that due to financial market conditions such a competitive sale best serves the interest of the County, (B) a Delegate shall have determined that the bid conforms

in all material respects to the requirements of the Notice of Sale (defined below), (C) a Delegate shall have determined that the bid to be accepted is the lowest bid conforming to the terms of the Notice of Sale, (D) the Financial Advisor to the County shall have recommended that the lowest conforming bid be accepted, and (E) the true interest cost of such bid shall not exceed 5.0%.

In the event of a competitive sale by the County the distribution of an Official Notice of Sale (the "Notice of Sale"), substantially in the form previously used for County bond sales, is hereby authorized. County staff is also authorized to take any actions necessary or appropriate for selling the Bonds in a competitive sale pursuant to bids received electronically via the BiDCOMP/Parity Competitive Bidding System or similar electronic based competitive bidding system. The award of the Bonds as contemplated by Section 5(b)(ii) of this Series Resolution shall be conclusive evidence of the approval of the terms of the Notice of Sale.

(c) Bond Purchase Agreement. The form of the Bond Purchase Agreement (the "Bond Purchase Agreement") presented to this meeting is hereby approved, and each of the Delegates is authorized to execute and deliver, in the name and on behalf of the County, 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 Delegate executing the Bond Purchase Agreement, the execution thereof by such officers being conclusive evidence of such approval.

Section 6. Official Statement. The Preliminary Official Statement of the County relating to the Bonds, and the final preparation and circulation thereof, the completion thereof with the results of the sale and the printing and delivery to the winning bidder or underwriter of a reasonable number of copies thereof as so completed (the "final Official Statement") are hereby approved and authorized, and the Chairman or Vice Chairman of the Board of Supervisors is hereby authorized and directed to execute and deliver the final Official Statement, both the Preliminary Official Statement and the final Official Statement to be in substantially the form of the draft Preliminary Official Statement presented at this meeting, with the changes contemplated hereby and such other changes as the Chairman or Vice Chairman may approve, his or her signature on the final Official Statement to be conclusive evidence of his or her approval thereof.

Section 7. Continuing Disclosure Agreement. The form of the Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") presented to this meeting is hereby approved, and each of the Delegates is authorized to execute and deliver, in the name and on behalf of the County, 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 Delegate executing the Continuing Disclosure Agreement, the execution thereof by such officers being conclusive evidence of such approval.

Section 8. Manner of Execution of Bonds. The Bonds shall be executed with the facsimile signatures of the Chairman or the Vice Chairman of the Board of Supervisors and the Clerk of the Board, and a facsimile of the official seal of the Board shall be imprinted on the Bonds. The Bonds shall be authenticated by the Bond Registrar for the Bonds, and shall be delivered to or for the account of the purchasers of the Bonds upon receipt of the purchase price of the Bonds.

Section 9. Application of Proceeds of Bonds. The proceeds of the Bonds shall be deposited in accordance with the provisions of Section 209 of the General Bond Resolution as follows:

(1) accrued interest, if any, on the Bonds shall be paid to the Depository thereof for deposit to the Debt Service Subfund;

(2) such amount, if any, shall be paid to the Depository thereof for deposit to the credit of the Reserve Subfund as shall be required to make the balance to the credit of the Reserve Subfund equal to the amount of the Reserve Subfund Requirement on account of all series of bonds outstanding immediately after the issuance of the Bonds; and

(3) the balance shall be retained by the County and deposited to the credit of a special account within the Construction Subfund.

Money deposited in each of the Subfunds shall be held in trust and disbursed in accordance with the General Bond Resolution.

Section 10. Tax Covenant. The County covenants that it will comply with the provisions of the Internal Revenue Code of 1986, as amended, to the extent necessary so that interest on the Bonds will remain excludable from gross income from existing federal income tax to the same extent as it is excludable on the date of the issuance of the Bonds.

Section 11. Amendment of General Bond Resolution-Defeasance Obligations with Respect to Bonds Issued Pursuant to this Series Resolution. Pursuant to Section 1101(g) of the General Bond Resolution, the definition of “Defeasance Obligations” in Section 101 of the General Bond Resolution is hereby amended, solely with respect to the defeasance, pursuant to Section 1201 of the General Bond Resolution and for purposes of Section 307 of the General Bond Resolution, of Bonds issued pursuant to this Series Resolution, to read as follows:

“Defeasance Obligations” means (i) Government Obligations, (ii) obligations unconditionally guaranteed by the United States of America, or evidences of indirect ownership of such obligations, and (iii) the obligations described in clause (D) of the definition of “Investment Obligations”.

Section 12. Definitions. All terms not otherwise defined herein shall have the meanings ascribed thereto by the General Bond Resolution.

Section 13. Authority of Officers. The officers and agents of the County are hereby authorized and directed to do all the acts and things required of them by the bonds and by this Series Resolution for the full, punctual and complete performance of all of the terms, covenants, provisions and agreements contained in the bonds and in this Series Resolution.

Section 14. Effectiveness. This Series Resolution shall take effect immediately upon its adoption. This Series Resolution shall also serve as a supplemental resolution to the General Bond Resolution pursuant to Section 1101 of the General Bond Resolution.

A Copy - Teste:

Jill G. Cooper,
Clerk for the Board of Supervisors

EXHIBIT A

Project

Construction costs for capital improvement programs at the following wastewater treatment plants:

1. Noman M. Cole, Jr. Pollution Control Plant
2. The District of Columbia Water and Sewer Authority Blue Plains Advanced Wastewater Treatment Plant
3. Alexandria Renew Enterprises Wastewater Treatment Plant
4. Arlington County Wastewater Treatment Plant
5. Loudoun Water's Broad Run Wastewater Treatment Plant
6. The County's share of capital costs relating to Upper Occoquan Service Authority wastewater treatment plant facilities

Project costs also include upgrades to meet current environmental regulations, extensions, improvements or additions to, and renovations and replacements of County sanitary sewer system infrastructure and to purchase additional treatment capacity if needed.

At a regular meeting of the Board Supervisors of Fairfax County, Virginia, held electronically on May 4, 2021, at which meeting a quorum was present and voting, the following resolution was adopted:

FAIRFAX COUNTY

Virginia

SERIES RESOLUTION

SERIES RESOLUTION SUPPLEMENTING AND AMENDING THE GENERAL BOND RESOLUTION OF THE BOARD OF SUPERVISORS OF FAIRFAX COUNTY, VIRGINIA, AUTHORIZING THE ISSUANCE OF SEWER REVENUE BONDS, TO PROVIDE FOR THE ISSUANCE OF AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$300,000,000 SEWER REVENUE REFUNDING BONDS, IN ONE OR MORE SERIES; DELEGATING TO THE CHAIRMAN AND VICE CHAIRMAN OF THE BOARD, THE COUNTY EXECUTIVE AND THE CHIEF FINANCIAL OFFICER OF THE COUNTY AUTHORITY TO DETERMINE CERTAIN DETAILS OF SUCH BONDS; DESIGNATING A PAYING AGENT AND BOND REGISTRAR AND DEPOSITARY FOR THE BONDS; APPROVING THE FORM AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT RELATING TO SUCH BONDS; APPROVING THE EXECUTION OF A BOND PURCHASE AGREEMENT RELATING TO THE PURCHASE OF SUCH BONDS; APPROVING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE AGREEMENT AND AN ESCROW DEPOSIT AGREEMENT; AND DIRECTING THE AUTHENTICATION AND DELIVERY OF SUCH BONDS.

WHEREAS, the Board of Supervisors (the “Board of Supervisors” or “Board”) of Fairfax County, Virginia (“County”), has adopted a General Bond Resolution authorizing the issuance initially of not exceeding \$179,000,000 Sewer Revenue Bonds and thereafter the issuance of additional and refunding sewer revenue bonds (such resolution as initially adopted on July 29, 1985, amended and restated on July 21, 1986, further amended on January 9, 1989, further amended and restated on June 26, 1989, further amended and restated on May 18, 2009 effective July 1, 2009, and as further supplemented and amended from time to time, herein called the “General Bond Resolution”); and

WHEREAS, the County has determined, based on the advice of its Financial Advisor (the “Financial Advisor”) and subject to favorable market conditions, that it is advantageous to the County to refund on their earliest redemption dates all, or a portion, of its outstanding Sewer Revenue Bonds, Series 2012 (the “2012 Bonds”), stated to mature on or after July 15, 2038, that are subject to optional redemption by the County; and

WHEREAS, 2012 Bonds in the aggregate principal amount of \$28,625,000 stated to mature on and after July 15, 2022 (the “2012 Refunding Candidates”), are subject to redemption at the option of the County on their July 15, 2021, redemption date at the redemption price of 100% thereof; and

WHEREAS, the County has determined, based on the advice of its Financial Advisor and subject to favorable market conditions, that it is advantageous to the County to refund on their earliest redemption dates all, or a portion of, its outstanding Sewer Revenue Refunding Bonds, Series 2014 (the “2014 Bonds”), stated to mature on or after July 15, 2025, that are subject to optional redemption by the County; and

WHEREAS, 2014 Bonds in the aggregate principal amount of \$21,935,000 stated to mature on and after July 15, 2025 (the “2014 Refunding Candidates”), are subject to redemption at the option of the County on their July 15, 2024 redemption date at the redemption price of 100% thereof; and

WHEREAS, the County has determined, based on the advice of its Financial Advisor and subject to favorable market conditions, that it is advantageous to the County to refund on their earliest redemption dates all, or a portion of, its outstanding Sewer Revenue Refunding Bonds, Series 2016A (the “2016 Bonds”) stated to mature on or after July 15, 2027, that are subject to optional redemption by the County; and

WHEREAS, 2016 Bonds in the aggregate principal amount of \$121,835,000 stated to mature on and after July 15, 2027 (the “2016 Refunding Candidates”), are subject to redemption at the option of the County on their July 15, 2026 redemption date at the redemption price of 100% thereof; and

WHEREAS, the County has determined, based on the advice of its Financial Advisor and subject to favorable market conditions, that it is advantageous to the County to refund on their earliest redemption dates all, or a portion of, its outstanding Sewer Revenue Bonds, Series

2017 (the “2017 Bonds”) stated to mature on or after July 15, 2028, that are subject to optional redemption by the County; and

WHEREAS, 2017 Bonds in the aggregate principal amount of \$69,645,000 stated to mature on and after July 15, 2028 (the “2017 Refunding Candidates” and, together with the 2012 Refunding Candidates, the 2014 Refunding Candidates, and the 2016 Refunding Candidates, the “Refunding Candidates”), are subject to redemption at the option of the County on their July 15, 2027 redemption date at the redemption price of 100% thereof; and

WHEREAS, the County has determined to provide for the issuance of one or more series of refunding bonds pursuant to Section 210 of the General Bond Resolution (the “Refunding Bonds”) for the purpose of providing funds, with any other available funds, for refunding all or any of the Refunding Candidates (the Refunding Candidates actually refunded, the “Refunded Bonds”), including the payment of the redemption price thereon and interest that will accrue on the Refunded Bonds to their respective redemption dates and the expenses in connection with such refunding; and

WHEREAS, the Board has determined to delegate, pursuant to the terms of this Series Resolution, to each of the Chairman and Vice Chairman of the Board and the County Executive and the Chief Financial Officer of the County (each a “Delegate”) authority to make certain determinations for such obligations to be issued pursuant to this Series Resolution that are in the best interest of the County; and

WHEREAS, the Board has found and determined that the issuance and sale of the Refunding Bonds authorized hereby on the terms contemplated hereby are in the public interest and otherwise beneficial to the County; and

WHEREAS, Section 210 of the General Bond Resolution contemplates that the County will fix in this Series Resolution the aggregate principal amount of the Refunding Bonds and the details thereof and describe the indebtedness to be refunded; and

WHEREAS, County staff has prepared a draft of the Preliminary Official Statement to be furnished for use in connection with a sale of the bonds authorized hereby upon the terms set forth therein and will prepare a final Official Statement to be furnished to the purchasers or underwriters of the bonds for their use in connection with a bona fide public offering of the bonds; and

WHEREAS, the Board has found and determined that it is in the public interest and otherwise beneficial to the County to amend, in the manner described herein, the definition of the term “Defeasance Obligations” in the General Bond Resolution with respect to bonds issued pursuant to this Series Resolution and that such amendment will not adversely affect the security for the bonds previously issued pursuant to the General Bond Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF FAIRFAX COUNTY, VIRGINIA, AS FOLLOWS:

Section 1. Authorization of Refunding Bonds. Pursuant to Section 210 of the General Bond Resolution, Bonds of Fairfax County, Virginia, are hereby authorized to be issued as Current Interest Bonds, in one or more series at one or more times, in an aggregate principal amount not to exceed \$300,000,000 to provide funds, with any other available funds, for

refunding the Refunded Bonds, including the payment of the redemption price thereon and interest that will accrue on such Refunded Bonds to their earliest respective redemption dates and the expenses in connection with such refunding. The Refunding Bonds authorized hereby shall be designated "Sewer Revenue Refunding Bonds, Series 2021[B]" or otherwise as determined by a Delegate. The definitive Refunding Bonds shall be issuable as fully registered bonds without coupons, in the denominations of \$5,000 and any whole multiple thereof, shall be dated, and shall be numbered from R-1 upwards. The Refunding Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York, and immobilized in its custody.

All of the Refunding Bonds shall mature on July 15 of such year and in such principal amounts, and shall bear interest, payable on January 15 and July 15 of each year unless such different dates are determined pursuant to Section 2(e) hereof.

Section 2. Delegation. The Board of Supervisors hereby delegates to each of the Delegates, the powers and duties to determine the following, such delegation to be effective only if the Board of Supervisors shall not then be in session (the Board not to be deemed in session if less than a quorum is present and voting):

(a) The aggregate principal amount of the Refunding Bonds, such amount not to exceed the amount required to fund an escrow sufficient to defease the Refunded Bonds in accordance with the General Bond Resolution and pay the costs of issuance of the Refunding Bonds and defeasing the Refunded Bonds;

(b) The respective annual maturity dates and any mandatory redemption dates of the Refunding Bonds, and the respective principal amounts of the Refunding Bonds to mature or be redeemed on such dates, provided that the final maturity date shall not be later than one year after the final maturity date of the Refunded Bonds;

(c) Subject to the provisions of Section 5 hereof, whether the Refunding Bonds shall be sold in a negotiated sale to one or more underwriters or in a competitive sale process;

(d) The dated date of the Refunding Bonds; provided, however, the Refunding Bonds shall be dated their date of issue or as of a customary date preceding their date of issue;

(e) The semi-annual interest payment dates, or such other interest payment dates deemed applicable, for the bonds and the record date for the Refunding Bonds, provided that the first interest payment date shall be not more than ten (10) months after the dated date of the Refunding Bonds;

(f) Whether or not the Refunding Bonds are to be issued as obligations the interest on which is intended to be excluded from the gross income of the beneficial owners thereof for federal income tax purposes;

(g) The status of the Refunding Bonds as Serial Bonds or Term Bonds or a combination thereof;

(h) The amount to release from the Debt Service Subfund and Reserve Subfund, if any, as an additional source of funds to defease the Refunded Bonds; provided that the amount

on deposit in the Reserve Subfund after such release shall not be less than the Reserve Subfund Requirement;

(i) The optional redemption provisions of the Refunding Bonds, provided that the Refunding Bonds shall be made subject to redemption at the option of the County on a date or dates and at the price of par plus accrued interest plus a redemption premium, if any, not in excess of three percent (3%), the first such date on which such a redemption may occur to be no later than the eleventh (11th) anniversary of the dated date of the Bonds, provided, however, that a Delegate, upon the recommendation of the Financial Advisor to the County, may determine that Refunding Bonds issued as taxable bonds shall not be subject to optional redemption prior to their maturity or upon the recommendation of the Financial Advisor, notwithstanding the maximum redemption price referred to above, a make-whole or cost-of-funds premium redemption shall be permitted for such taxable Refunding Bonds;

(j) The particular Escrow Securities (as defined in the Escrow Deposit Agreement hereinafter mentioned), if any, and the form thereof and the terms of any related agreement with respect thereto that in his judgment will improve the efficiency of the Escrow Securities in defeasing the Refunded Bonds; and

(k) The particular Refunding Candidates to be refunded if less than all of the Refunding Candidates are selected to be refunded.

Section 3. Designations. Pursuant to the General Bond Resolution, the County hereby appoints U.S. Bank National Association, Richmond, Virginia, as (i) Paying Agent and Bond Registrar for the Refunding Bonds, (ii) Depositary for the Refunding Bonds and (iii) Escrow Agent under the Escrow Deposit Agreement.

Section 4. Redemption Provisions. (a) When the Refunding Bonds become subject to redemption as determined in accordance with Section 2(i), they may be redeemed prior to their respective maturities, at the option of the County, from any money that may be made available for such purpose other than money set aside in respect of the Sinking Fund Requirement, either in whole or in part on any date, at the applicable redemption prices expressed as a percentage of the principal amount of Refunding Bonds to be redeemed, together with the interest accrued thereon to the date fixed for redemption.

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

If the County gives an unconditional notice of redemption, then on the redemption date the Refunding Bonds called for redemption will become due and payable. If the County gives a conditional notice of redemption, and the amount of money to pay the redemption price of the affected Refunding Bonds shall have been set aside with the Paying Agent or a depositary (either, a “depositary”) for the purpose of paying such Refunding Bonds, then on the redemption date the Refunding Bonds will become due and payable. In either case, if on the redemption date the County holds money to pay the Refunding Bonds called for redemption, thereafter no interest

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

The County shall give redemption notice as contemplated by Securities Exchange Act of 1934 Release No. 34-23856, dated December 3, 1986, including the requirement that notice be given to The Electronic Municipal Market Access ("EMMA") system administered by the Municipal Securities Rulemaking Board.

(b) In the event that any of the Refunding Bonds will be a Term Bond or Bonds, then the following provisions shall apply to such Term Bond or Bonds:

Any Term Bond or Bonds shall be called for redemption, in part, on July 15, or date determined pursuant to the delegation in Section 2 hereof, in such years and in the principal amounts equal to the respective Sinking Fund Requirements for such Term Bonds, which Sinking Fund Requirement shall correspond to the maturities of the Serial Bonds subsumed in such Term Bond or Bonds (less the principal amount of any Term Bond retired by purchase and otherwise subject to adjustment as herein provided in this Section) from money in the Debt Service Subfund at a redemption price equal to par plus accrued interest thereon to the date fixed for redemption.

Amounts accumulated for each Sinking Fund Requirement may be applied by the County prior to the giving of notice of redemption of the Refunding Bonds on account of such Sinking Fund Requirement to the purchase for cancellation of Refunding Bonds at a cost not exceeding the principal amount thereof plus accrued interest, and upon any such purchase, an amount equal to the principal amount thereof shall be credited toward the applicable Sinking Fund Requirement. The accrued interest on any Refunding Bonds so purchased shall be paid from money in the appropriate special account in the Debt Service Subfund established in respect of the interest accrued on the Refunding Bonds.

If at the close of any Principal Payment Date the total principal amount of the Term Bonds of any maturity of each series retired by purchase or redemption or called for redemption under the provisions of this Series Resolution prior to such Principal Payment Date shall be in excess of the total amount of the Sinking Fund Requirements for the Term Bonds of such maturity and Series on such Principal Payment Date, then, the total amount of the Sinking Fund Requirements for the Term Bonds of such maturity and series for all subsequent Principal Payment Dates shall be reduced by the amount of such excess. The amount of the reduction in the Sinking Fund Requirement for each such subsequent Principal Payment Date shall be specified in a certificate of a County Representative filed with the Clerk to the Board of Supervisors.

It shall be the duty of the Department of Finance of the County, on or before the 1st day of December, to compute the Sinking Fund Requirements for all subsequent Principal Payment Dates for the Term Bonds of each Series then Outstanding. The Sinking Fund Requirements for the next succeeding Principal Payment Date shall continue to be applicable and no further adjustment shall be made therein by reason of Refunding Bonds purchased or redeemed prior to the next succeeding Principal Payment Date.

Any such redemption, either in whole or in part, shall be made in the manner and under the terms and conditions provided in the General Bond Resolution.

Section 5. Sale of the Refunding Bonds.

(a) Sale. The Refunding Bonds shall be offered in a negotiated sale or for competitive bidding to one or more underwriters on such dates as a Delegate determine in consultation with the County's Financial Advisor, such dates to be not later than June 30, 2022.

(b) (i) Negotiated Sale Delegation. Each Delegate, is hereby authorized to sell the Refunding Bonds in a negotiated sale to one or more underwriters through the execution of a Bond Purchase Agreement (as defined below) on one or more dates not later than June 30, 2022, subject to the following conditions: (A) the true interest cost of the Refunding Bonds sold shall not exceed 5.0%, (B) the underwriters of the Refunding Bonds shall have been chosen pursuant to County guidelines, and (C) the present value of the debt service savings, as calculated by the Financial Advisor, to be obtained from the issuance of the Refunding Bonds and the refunding of the Refunded Bonds is not less than 3.0% of the principal amount of the Refunded Bonds.

(ii) Competitive Sale Delegation. Each Delegate, is hereby authorized to accept the lowest bid (determined in accordance with the Notice of Sale (described herein)) for the Refunding Bonds, being offered for sale by the County at competitive bidding on one or more dates not later than June 30, 2022, subject to the following conditions: (A) the Financial Advisor to the County shall have recommended that due to financial market conditions such a competitive sale best serves the interest of the County, (B) a Delegate shall have determined that the bid conforms in all material respects to the requirements of the Notice of Sale, (C) a Delegate shall have determined that the bid to be accepted is the lowest bid conforming to the terms of the Notice of Sale, (D) the Financial Advisor to the County shall have recommended that the lowest conforming bid be accepted, (E) the true interest cost of such bid shall not exceed 5.0% and (F) the present value of the debt service savings, as calculated by the Financial Advisor, to be obtained from the issuance of the Refunding Bonds and the refunding of the Refunded Bonds is not less than 3.0% of the principal amount of the Refunded Bonds.

In the event of a competitive sale by the County the distribution of an Official Notice of Sale (the "Notice of Sale"), substantially in the form previously used for County bond sales, is hereby authorized. County staff is also authorized to take any actions necessary or appropriate for selling the Bonds in a competitive sale pursuant to bids received electronically via the BiDCOMP/Parity Competitive Bidding System or similar electronic based competitive bidding system. The award of the Bonds as contemplated by Section 5(b)(ii) of this Series Resolution shall be conclusive evidence of the approval of the terms of the Notice of Sale.

(c) Bond Purchase Agreement. The form of the Bond Purchase Agreement (the "Bond Purchase Agreement") presented to this meeting is hereby approved, and each of the Delegates is authorized to execute and deliver, in the name and on behalf of the County, 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 Delegate executing the Bond Purchase Agreement, the execution thereof by such officers being conclusive evidence of such approval.

Section 6. Official Statement. A Preliminary Official Statement of the County relating to the Refunding Bonds shall be prepared, and the preparation and circulation thereof, the completion thereof with the results of the sale and the printing and delivery to the underwriter(s) of a reasonable number of copies thereof as so completed (the "final Official Statement") are hereby approved and authorized, and the Chairman or Vice Chairman of the Board of

Supervisors is hereby authorized and directed to execute and deliver the final Official Statement, both the Preliminary Official Statement and the final Official Statement to be in substantially the form of the draft Preliminary Official Statement presented at this meeting, with the changes contemplated hereby and such other changes as the Chairman or Vice Chairman may approve, his or her signature on the final Official Statement to be conclusive evidence of his or her approval thereof.

Section 7. Continuing Disclosure Agreement. The form of the Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) presented to this meeting is hereby approved, and each of the Delegates is authorized to execute and deliver, in the name and on behalf of the County, 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 Delegate executing the Continuing Disclosure Agreement, the execution thereof by such officers being conclusive evidence of such approval.

Section 8. Manner of Execution of Refunding Bonds. The Refunding Bonds shall be executed with the facsimile signatures of the Chairman or the Vice Chairman of the Board of Supervisors and the Clerk of the Board, and a facsimile of the official seal of the Board shall be imprinted on the Refunding Bonds. The Refunding Bonds shall be authenticated by the Bond Registrar for the Refunding Bonds, and shall be delivered to or for the account of the purchasers of the Refunding Bonds upon receipt of the purchase price of the Refunding Bonds.

Section 9. Escrow Deposit Agreement. The execution and delivery of one or more escrow deposit agreements (each, an “Escrow Deposit Agreement”) between the County and U.S. Bank National Association, Richmond, Virginia, which will act as escrow agent for the Refunded Bonds, is hereby authorized, each such Escrow Deposit Agreement to be substantially in the form presented to this meeting, with such additions, deletions and modifications as shall be approved by the Delegate executing such Escrow Deposit Agreement, the execution thereof by such officers being conclusive evidence of such approval.

Section 10. Application of Proceeds of Refunding Bonds. The proceeds of the Refunding Bonds shall be deposited in accordance with the provisions of the General Bond Resolution as follows:

- (1) the accrued interest, if any, on the Refunding Bonds shall be paid to the Depositary thereof for deposit to the Debt Service Subfund;
- (2) an amount that taking into account the amount described in the following paragraph, together with the interest that shall accrue and the principal that shall mature on the Escrow Securities, if any, shall be sufficient to pay the principal of and redemption premium, if any, and the interest on the Refunded Bonds to their redemption date shall be paid to the Escrow Agent, for deposit to the credit of an escrow fund, to be held in trust by such Escrow Agent for the sole and exclusive purpose of paying such principal, redemption premium and interest;
- (3) to the credit of a separate account within the Revenue Subfund, the estimated amount of the cost of issuing such Refunding Bonds; and
- (4) any balance of such proceeds shall be paid to the Depositary for deposit to the credit of the Debt Service Subfund.

In the event that after a valuation by the Depositary or the County, as appropriate, of the amounts to the credit of the Reserve Subfund or any other Subfund or account created pursuant to the General Bond Resolution, the Depositary determines that the balance of the credit of such Subfund or account exceeds the amount required to be on deposit therein on account of all Bonds and Parity Indebtedness outstanding after the issuance of the Refunding Bonds, such excess shall be paid to the Escrow Agent for deposit to the credit of the escrow for the Refunded Bonds or for any other purpose allowed by the General Bond Resolution.

Money deposited in each of the Subfunds shall be held in trust and disbursed in accordance with the General Bond Resolution.

Section 11. Tax Covenant. The County covenants that it will comply with the provisions of the Internal Revenue Code of 1986, as amended, to the extent necessary so that interest on the Refunding Bonds will remain excludable from gross income from existing federal income tax to the same extent as it is excludable on the date of the issuance of the Refunding Bonds.

Section 12. Amendment of General Bond Resolution-Defeasance Obligations with Respect to Refunding Bonds Issued Pursuant to this Series Resolution. Pursuant to Section 1101(g) of the General Bond Resolution, the definition of “Defeasance Obligations” in Section 101 of the General Bond Resolution is hereby amended, solely with respect to the defeasance, pursuant to Section 1201 of the General Bond Resolution and for purposes of Section 307 of the General Bond Resolution, of Refunding Bonds issued pursuant to this Series Resolution, to read as follows:

“Defeasance Obligations” means (i) Government Obligations, (ii) obligations unconditionally guaranteed by the United States of America, or evidences of indirect ownership of such obligations, and (iii) the obligations described in clause (D) of the definition of “Investment Obligations.”

Section 13. Definitions. All terms not otherwise defined herein shall have the meanings ascribed thereto by the General Bond Resolution.

Section 14. Authority of Officers. The officers and agents of the County are hereby authorized and directed to do all the acts and things required of them by the bonds and by this Series Resolution for the full, punctual and complete performance of all of the terms, covenants, provisions and agreements contained in the bonds and in this Series Resolution.

Section 15. Effectiveness. This Series Resolution shall take effect immediately upon its adoption. This Series Resolution shall also serve as a supplemental resolution to the General Bond Resolution pursuant to Section 1101 of the General Bond Resolution.

A Copy - Teste:

Jill G. Cooper,
Clerk for the Board of Supervisors

DRAFT Bond Sale Schedule
Fairfax County, Virginia
Sewer Revenue and Refunding Bonds, Series 2021A & B

February 2021							March 2021							April 2021							May 2021							June 2021						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6		1	2	3	4	5	6							1	2	3					1							
7	8	9	10	11	12	13	7	8	9	10	11	12	13	4	5	6	7	8	9	10	2	3	4	5	6	7	8	6	7	8	9	10	11	12
14	15	16	17	18	19	20	14	15	16	17	18	19	20	11	12	13	14	15	16	17	9	10	11	12	13	14	15	13	14	15	16	17	18	19
21	22	23	24	25	26	27	21	22	23	24	25	26	27	18	19	20	21	22	23	24	16	17	18	19	20	21	22	20	21	22	23	24	25	26
28							28	29	30	31				25	26	27	28	29	30		23	24	25	26	27	28	29	27	28	29	30			
																					30	31												

Week of	Activity & Event	Responsible Party
Dec 2020	Discuss plan of finance & potential springing amendments	PFM, NRF, FX
Jan 18th	Mon, Jan 18 th – Martin Luther King Jr Day Holiday	-
Jan 25th	First draft of Series Resolution, POS, & BPA (“Bond Documents”) distributed First draft of ratings presentation sent to County	NRF PFM
Feb 1st	Underwriter selection finalized	FX, PFM
Feb 8th	Wed, Feb 10 th – Credit Assessment	PFM, FX
Feb 15th	Mon, Feb 15 th – Presidents’ Day Holiday Fri, Feb 19 th – Bond structure & financial metric review call	- FX, PFM
Feb 29th	First draft of General Bond Resolution Amendments distributed Revised draft of ratings presentation sent to County Revised draft of Bond Documents distributed	NRF PFM NRF
March 1st	Comments due on Bond Documents & Amendments	All
March 8th	Revised draft of Bond Documents & Amendments distributed NIP (Board memo) distributed to County team	NRF FX
March 15th	Mon, March 15 th – Board Title due for April 13 th meeting Wed, March 17 th – Board Item & Admin Item & NIP due for April 13 th meeting	FX FX
March 22nd	Call to review POS	FX, PFM, NRF
March 29th	Rating Agency Prep Call #1	PFM
April 5th	Mon, Apr 5 th – Board Titles due for May 4 th meeting Wed, Apr 7 th – Board Item due for May 4 th meeting Rating Agency Prep Call #2 Finalize ratings presentation Send draft documents to rating agencies	FX FX FX, PFM PFM PFM

Legend:

FX = Fairfax County
PFM = PFM Financial Advisors, Financial Advisor
NRF = Norton Rose Fulbright, Bond Counsel
MS = Morgan Stanley, Senior Managing Underwriter
KC = Kaufman & Canoles, Underwriters’ Counsel

4/22/2021

DRAFT Bond Sale Schedule
Fairfax County, Virginia
Sewer Revenue and Refunding Bonds, Series 2021A & B

February 2021							March 2021							April 2021							May 2021							June 2021						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6		1	2	3	4	5	6							1	2	3					1			1	2	3	4	5
7	8	9	10	11	12	13	7	8	9	10	11	12	13	4	5	6	7	8	9	10	2	3	4	5	6	7	8	6	7	8	9	10	11	12
14	15	16	17	18	19	20	14	15	16	17	18	19	20	11	12	13	14	15	16	17	9	10	11	12	13	14	15	13	14	15	16	17	18	19
21	22	23	24	25	26	27	21	22	23	24	25	26	27	18	19	20	21	22	23	24	16	17	18	19	20	21	22	20	21	22	23	24	25	26
28							28	29	30	31				25	26	27	28	29	30		23	24	25	26	27	28	29	27	28	29	30			
																					30	31												

Week of	Activity & Event	Responsible Party
April 12th	Due diligence questions distributed	KC
	Draft slides only investor presentation distributed	MS
	Tues, April 13 th – County Board considers Public Hearing advertisement	FX
	Thurs, April 15 th & Friday, April 16 th – Rating agency calls	FX, PFM
April 19th	First Notice of Public Hearing Published	FX
	Revised draft of POS distributed	NRF
	Comments due on draft investor presentation	All
	Call with co-managers regarding consent	MS, PFM
April 26th	Second Notice of Public Hearing published	FX
	Receive bond ratings	-
	Comments due on POS	All
	Wed, April 28 th – Due diligence call	KC
May 3^d	Tues, May 4 th – Public Hearing & County Board considers Bond Documents	FX
	Wed, May 5 th – POS posted	NRF
	Wed, May 5 th – Investor presentation posted	MS
	Wed, May 5 th – EMMA notice regarding consent posted	NRF, MS
	Clerk of Court sends Resolution to Court	FX
May 10th	Bond Pricing	MS, PFM, FX
May 17th	Finalize & Post OS	NRF
May 24th	Finalize Closing Documents	NRF
May 31st	Mon, May 31 st – Memorial Day Holiday	-
June 7th	Wed, June 9th – Closing & investment of bond proceeds	All

Legend:

FX = Fairfax County
PFM = PFM Financial Advisors, Financial Advisor
NRF = Norton Rose Fulbright, Bond Counsel
MS = Morgan Stanley, Senior Managing Underwriter
KC = Kaufman & Canoles, Underwriters' Counsel

4/22/2021

PRELIMINARY OFFICIAL STATEMENT DATED MAY __, 2021**NEW ISSUE- Full Book-Entry**

RATINGS: Fitch “__”
(See “RATINGS” herein) Moody’s “__”
S&P “__”

In the opinion of Bond Counsel, under current law and assuming continuing compliance with the certain tax covenants and requirements of the Internal Revenue Code of 1986, as amended, as described herein, interest on the 2021 Bonds will not be includable in the gross income of the owners thereof for federal income tax purposes. Under existing law, the interest on the 2021 Bonds is excluded from Virginia taxable income for purposes of the individual income tax and the income taxation of corporations by the Commonwealth of Virginia under Sections 58.1-322 and 58.1-402 of the Code of Virginia of 1950, as amended, to the extent that such interest is excludable from gross income for federal income tax purposes. See “TAX MATTERS” herein for further information.

Fairfax County, Virginia
\$ _____ *
Sewer Revenue Bonds, Series 2021A
and
\$ _____ *
Sewer Revenue Refunding Bonds, Series 2021B

Dated: Date of Delivery**Due: July 15, as on inside cover pages**

Interest on the 2021A Bonds and the 2021B Bonds (collectively, the “2021 Bonds”) issued by Fairfax County, Virginia (the “County”), will be payable on each January 15 and July 15, commencing January 15, 2022. The 2021 Bonds will be issuable in denominations of \$5,000 and any integral multiple thereof.

The 2021 Bonds will be issued pursuant to, and secured under, the General Bond Resolution adopted by the Board of Supervisors of Fairfax County (the “Board of Supervisors”) on July 29, 1985, amended and restated on July 21, 1986, further amended on January 9, 1989, further amended and restated on June 26, 1989, and further amended and restated on May 18, 2009, effective July 1, 2009 (the “General Bond Resolution”), and separate Series Resolutions, each adopted by the Board of Supervisors on May __, 2021 (collectively with the General Bond Resolution, the “Bond Resolution”). Payment of the principal of and redemption premium, if any, and the interest on the 2021 Bonds is secured under the Bond Resolution by a pledge of Gross Revenues derived by the County from the ownership and the operation of the County’s sewage collection, treatment and disposal systems (the “System”), after provision for payment of the operating expenses of the System.

The 2021A Bonds are being issued to provide funds to (i) pay the costs of certain additions, extensions and improvements to the County’s sewage collection, treatment and disposal systems, pay for capital improvement costs allocable to the County at certain wastewater treatment facilities that provide service to the County and, if necessary, purchase additional capacity at certain wastewater treatment facilities for the benefit of the County, (ii) make a deposit to the Reserve Subfund, as described herein, and (iii) pay the costs of issuing the 2021A Bonds. The 2021B Bonds are being issued to provide funds to (i) refund certain of the outstanding sewer revenue bonds issued by the County under the General Bond Resolution and (ii) pay the costs of issuing the 2021B Bonds.

The 2021 Bonds are subject to redemption prior to maturity as a whole or in part at any time on or after July 15, 2031*, at a redemption price of the principal amount thereof plus accrued interest. See “DESCRIPTION OF THE 2021 BONDS – Redemption Provisions” herein.

The sale of 2021 Bonds to each initial purchaser is conditioned upon the receipt by the County of such initial purchaser’s irrevocable written consent to certain proposed amendments to the General Bond Resolution. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE 2021 BONDS – Proposed General Bond Resolution Amendments,” APPENDIX D – “PROPOSED AMENDMENTS TO THE GENERAL BOND RESOLUTION” and APPENDIX G – “FORM OF CONSENT TO PROPOSED GENERAL BOND RESOLUTION AMENDMENTS” herein.

The 2021 Bonds shall not be deemed to constitute a pledge of the full faith and credit of the Commonwealth of Virginia (the “Commonwealth”) or of any political subdivision thereof, including the County. Neither the full faith and credit of the Commonwealth nor the full faith and credit of the County are pledged to the payment of the principal of or premium, if any, or interest on the 2021 Bonds, and the issuance of the 2021 Bonds shall not directly or indirectly or contingently obligate the Commonwealth or the County to levy any taxes whatever therefor or to make any appropriation for their payment except from the revenues and receipts provided for their payment under the Bond Resolution.

This page and the inside cover pages contain certain information for quick reference only and are not a summary of this issue. Investors must read this entire Official Statement to obtain information essential to making an informed investment decision.

The 2021 Bonds are offered for delivery when, as and if issued, subject to the approving opinion of Norton Rose Fulbright US LLP, Washington, D.C., Bond Counsel. Certain legal matters will be passed upon for the County by Elizabeth D. Teare, Esquire, County Attorney, and for the Underwriters by Kaufman & Canoles, a Professional Corporation, Richmond, Virginia. The 2021 Bonds will be available for delivery in New York, New York, through the facilities of DTC on or about ____, 2021.

MORGAN STANLEY**WELLS FARGO SECURITIES****AMERICAN VETERANS GROUP, PBC**

Dated: ____, 2021

* Preliminary, subject to change

FAIRFAX COUNTY, VIRGINIA**\$_____ * SEWER REVENUE BONDS, SERIES 2021A****MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES AND YIELDS****Base CUSIP† Number 303867**

Maturity Date	Principal Amount*	Interest Rate	Yield	CUSIP† Suffix
<u>July 15</u>				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				

\$_____ * __% Term Bonds Due July 15, ____; Priced to Yield __%; CUSIP Suffix __†

\$_____ * __% Term Bonds Due July 15, ____; Priced to Yield __%; CUSIP Suffix __†

† CUSIP® is a registered trademark of the American Bankers Association. The CUSIP numbers listed above are being provided solely for the convenience of bondholders only, and the County 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 2021A Bonds.

* Preliminary, subject to change

FAIRFAX COUNTY, VIRGINIA**\$_____ * SEWER REVENUE REFUNDING BONDS, SERIES 2021B****MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES AND YIELDS****Base CUSIP† Number 303867**

Maturity Date	Principal <u>Amount*</u>	Interest <u>Rate</u>	<u>Yield</u>	CUSIP† <u>Suffix</u>
<u>July 15</u>				
2036				
2037				
2038				
2039				
2040				
2041				
2042				

† CUSIP® is a registered trademark of the American Bankers Association. The CUSIP numbers listed above are being provided solely for the convenience of bondholders only, and the County 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 2021B Bonds.

* Preliminary, subject to change

Fairfax County, Virginia
BOARD OF SUPERVISORS
Jeffrey C. McKay, *Chairman*
Penelope A. Gross, *Vice Chairman*
Walter L. Alcorn
John W. Foust
Patrick S. Herrity
Rodney L. Lusk
Dalia A. Palchik
Kathy L. Smith
Daniel G. Storck
James R. Walkinshaw

COUNTY OFFICIALS
Bryan J. Hill, *County Executive*
Christopher A. Leonard, *Deputy County Executive*
Rachel O'Dwyer Flynn, *Deputy County Executive*
David M. Rohrer, *Deputy County Executive*
Elizabeth D. Teare, *County Attorney*
Joseph M. Mondoro, *Chief Financial Officer*
Christina C. Jackson, *Director, Department of Management and Budget*
Christopher J. Pietsch, *Director, Department of Finance*
Randy Bartlett, *Director, Department of Public Works and Environmental Services*
Stacey Smalls, *Director for Wastewater Collection Division*
Michael McGrath, *Director for Wastewater Treatment Division*
Shahram Mohsenin, P.E., *Director, Wastewater Planning and Monitoring Division*
Anand Goutam, *Financial Manager, Stormwater and Wastewater Management Program*

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(202) 662-4760

DEPOSITARY AND BOND REGISTRAR
U.S. Bank National Association
1021 E. Cary Street, Suite 1850
Richmond, Virginia 23219
(804) 343-1567

No person has been authorized by the County to give any information or to make any representations with respect to the County or the 2021 Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations may not be relied upon as having been authorized by the County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2021 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof. This Official Statement is not to be construed as a contract or agreement between the County and the purchasers or owners of any of the 2021 Bonds. Any electronic reproduction of this Official Statement may contain computer generated errors or other deviations from the printed Official Statement. In any such case, the printed version controls.

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

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OFFICIAL STATEMENT
FAIRFAX COUNTY, VIRGINIA

Regarding

\$ _____ *
Sewer Revenue Bonds, Series 2021A
and
 \$ _____ *
Sewer Revenue Refunding Bonds, Series 2021B

INTRODUCTION

The purpose of this Official Statement, which includes the cover and inside cover pages and the appendices hereto, is to furnish information in connection with the sale by Fairfax County, Virginia (the “County”), of its \$ _____ * Sewer Revenue Bonds, Series 2021A (the “2021A Bonds”), and its \$ _____ * Sewer Revenue Refunding Bonds, Series 2021B (the “2021B Bonds” and, together with the 2021A Bonds, the “2021 Bonds”).

The financial and operating data contained herein and in Appendices A and B are as of the dates and for the periods indicated, portions of 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 “THE SYSTEM – COVID-19 Impacts on the System” and APPENDIX B – “FAIRFAX COUNTY INFORMATION – GOVERNMENT SERVICES – COVID-19 Matters.”

Authorization

The 2021 Bonds will be issued pursuant to, and secured under, the General Bond Resolution adopted by the Board of Supervisors of Fairfax County (the “Board of Supervisors”) on July 29, 1985, amended and restated on July 21, 1986, further amended on January 9, 1989, further amended and restated on June 26, 1989, and further amended and restated on May 18, 2009, effective July 1, 2009 (the “General Bond Resolution”). The General Bond Resolution, as supplemented by a Series Resolution adopted by the Board of Supervisors on May __, 2021 (the “2021A Series Resolution”), provides for the issuance of the 2021A Bonds, and as supplemented by a separate Series Resolution adopted by the Board of Supervisors on May __, 2021 (the “2021B Series Resolution”), provides for the issuance of the 2021B Bonds.

The General Bond Resolution, as supplemented, is hereinafter referred to as the “Bond Resolution.” The General Bond Resolution was adopted pursuant to Article 3, Chapter 21, Title 15.2, Code of Virginia, 1950, as amended, and the Public Finance Act of 1991, Chapter 26, Title 15.2, Code of Virginia, 1950, as amended (collectively, the “Act”).

The sale of 2021 Bonds to each initial purchaser is conditioned upon the receipt by the County of such initial purchaser’s irrevocable written consent to certain proposed amendments to the General Bond Resolution. Such consent to the Proposed General Bond Resolution Amendments (as hereinafter defined) is to be provided substantially in the form attached as Appendix G hereto, with such changes as may be acceptable to the county and the Underwriters (as hereinafter defined). See “SECURITY FOR AND

* Preliminary, subject to change

SOURCES OF PAYMENT OF THE 2021 BONDS – Proposed General Bond Resolution Amendments”
herein.

Capitalized terms used in this Official Statement and not otherwise defined herein have the meanings ascribed to such terms in APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION – Definitions of Certain Terms.”

Purpose

The 2021A Bonds are being issued to provide funds for (i) the Project (defined herein), (ii) making a deposit to the Reserve Subfund, as described herein, and (iii) paying the costs of issuing the 2021A Bonds. The 2021B Bonds are being issued to provide funds for (i) refunding certain of the outstanding sewer revenue bonds issued by the County under the General Bond Resolution and (ii) paying the costs of issuing the 2021B Bonds.

Existing Indebtedness

Beginning in 1986, the County has issued various series of bonds under the General Bond Resolution for the benefit of the County’s integrated sewage collection, treatment and disposal systems (the “System”), including \$104,000,000 Sewer Revenue Bonds, Series 1996 (the “1996 Bonds”) issued to provide funds to finance capital improvements for the benefit of the System. The County also issued \$94,005,000 Sewer Revenue Refunding Bonds, Series 2004 (the “2004 Bonds”) on October 14, 2004, to provide funds, with other available funds, to refund the \$91,430,000 of the County’s outstanding 1996 Bonds that were scheduled to mature on and after July 15, 2007. On June 17, 2009, the County issued \$152,255,000 Sewer Revenue Bonds, Series 2009 (the “2009 Bonds”) to provide funds to finance capital improvements for the benefit of the System as well as for the purchase of additional wastewater capacity for the benefit of the County. The 2009 Bonds are no longer outstanding. On August 8, 2012, the County issued \$90,710,000 Sewer Revenue Bonds, Series 2012 (the “2012 Bonds”) to provide funds to pay a portion of capital improvement costs allocable to the County at certain wastewater treatment facilities that are owned by, or that provide service to, the County which were required by the Commonwealth of Virginia’s Department of Environmental Quality to reduce the total nitrogen discharge to newly required limits, the purchase of additional capacity at certain wastewater treatment facilities for the benefit of the County and the costs of certain additions, extensions and improvements to the County’s sewage collection, treatment and disposal systems. On April 16, 2014, the County issued \$61,755,000 Sewer Revenue Refunding Bonds, Series 2014 (the “2014 Bonds”) to refund the outstanding 2004 Bonds. In addition, on May 12, 2016, the County issued \$164,450,000 Sewer Revenue Refunding Bonds, Series 2016A (the “2016 Bonds”) to refund the outstanding 2009 Bonds that were scheduled to mature on and after July 15, 2019, and the outstanding 2012 Bonds that were scheduled to mature on and after July 15, 2021. On June 28, 2017, the County issued \$85,785,000 Sewer Revenue Bonds, Series 2017 (the “2017 Bonds”), to provide funds to finance capital improvements for the benefit of the System and purchase additional capacity at certain wastewater treatment facilities for the benefit of the County.

The outstanding 2012 Bonds, 2014 Bonds, 2016 Bonds, 2017 Bonds, 2021A Bonds, 2021B Bonds, any Additional Bonds and any Refunding Bonds issued on a parity under the Bond Resolution are herein referred to as “Bonds.” As of May __, 2021, there were outstanding under the Bond Resolution \$30,680,000 aggregate principal amount of 2012 Bonds, \$40,405,000 aggregate principal amount of 2014 Bonds, \$160,635,000 aggregate principal amount of 2016 Bonds, \$81,640,000 aggregate principal amount of 2017 Bonds, and certain other Subordinate Obligations. As of the date of issuance of the 2021 Bonds, the 2012 Bonds, the 2014 Bonds, the 2016 Bonds, the 2017 Bonds, the 2021A Bonds, and the 2021B Bonds will be the only Bonds outstanding under the Bond Resolution. See “THE SYSTEM – Sewer Revenue Bonds, Debt Service Payments, and Other Debt Obligations.”

The County may also incur additional “Parity Indebtedness,” payable on a parity with the Bonds, and “Subordinate Obligations,” payable on a subordinated basis to the Bonds. Any Parity Indebtedness would be payable on a parity with Bonds from Gross Revenues after provision for Operating Expenses but has no claim on the Reserve Subfund established for Bonds. See “DEBT SERVICE REQUIREMENTS” and “THE SYSTEM – Sewer Revenue Bonds, Debt Service Payments, and Other Debt Obligations.” See also “SECURITY FOR AND SOURCES OF PAYMENT OF THE 2021 BONDS – Additional Parity Debt” and “– Subordinate Obligations” and APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION – Additional Indebtedness.”

The Project; Refunding Plan

The 2021A Bonds are being issued to provide funds for paying the costs of certain additions, extensions and improvements to the System, including the County’s Noman M. Cole, Jr. Pollution Control Plant, paying capital improvement costs allocable to the County at certain wastewater treatment facilities that provide service to the County and, if necessary, purchasing additional capacity at certain wastewater treatment facilities for the benefit of the County (collectively, the “Project”). See “THE PROJECT” herein.

The 2021B Bonds are authorized to be issued to provide funds, with other available funds, to refund and to redeem prior to their respective maturities outstanding bonds, including all or a portion of the following outstanding bonds of the County, referred to hereafter as the “Refunding Candidates:”

Refunding Candidates*

<u>Refunded Bonds</u>	<u>Maturities</u>	<u>Amount</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP Number[†]</u>
2012 Bonds	July 15, 2038	\$13,030,000	July 15, 2021	100%	303867 HU2
2012 Bonds	July 15, 2042	15,595,000	July 15, 2021	100	303867 KJ3

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The purpose of the refunding is to achieve present value debt service savings. The County’s decision whether to refund any given Refunding Candidates is subject to prevailing market conditions at the time of the sale of the 2021B Bonds. The County may refund only certain Refunding Candidates if refunding such Refunding Candidates permits the County to meet certain savings targets. The Refunding Candidates, if any, that are refunded with proceeds of the 2021B 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 2021B Bonds by the County, proceeds thereof will be used to provide for the payment and redemption of the Refunded Bonds by depositing with U.S. Bank National Association, as escrow agent (in such capacity, the “Escrow Agent”) pursuant to an escrow deposit agreement, cash and non-callable, direct obligations of, or obligations unconditionally guaranteed by, the United States of America the maturing principal of and interest on which, together with such cash, will be sufficient to pay all principal and interest on the Refunded Bonds to their respective redemption dates. The arithmetical computations of the sufficiency of the cash and securities deposited with 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.

* Preliminary, subject to change

SOURCES AND USES OF FUNDS

The estimated sources and uses of the proceeds of the 2021 Bonds are set forth below.

Sources	
Par Amount of 2021A Bonds	\$
Par Amount of 2021B Bonds.....	
Net Offering Premium	
Total Sources.....	<u>\$</u>
Uses	
Deposit to Construction Subfund.....	\$
Deposit to Reserve Subfund	
Deposit to Defeas Refunded Bonds	
Underwriters' Discount	
Issuance Expenses	
Total Uses.....	<u>\$</u>

DESCRIPTION OF THE 2021 BONDS

General

The 2021 Bonds will be dated their date of delivery, will be issued in the respective aggregate principal amounts and will bear interest at the rates and will mature on July 15, in the years and in the principal amounts as set forth on the inside cover pages of this Official Statement. U.S. Bank National Association will act as Bond Registrar for the 2021 Bonds.

Interest on the 2021 Bonds will be payable on each January 15 and July 15, commencing January 15, 2022. The 2021 Bonds will be issuable in denominations of \$5,000 and any integral multiple thereof under the book-entry system of The Depository Trust Company, and principal and interest on the 2021 Bonds will be payable, in the manner described below under “– Book-Entry-Only System.”

Book-Entry-Only System

The following description of the procedures and recordkeeping with respect to beneficial ownership interests in the 2021 Bonds, payments of principal of and interest on the 2021 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 2021 Bonds and other bond-related transactions by and between DTC, the Direct Participants and Beneficial Owners is based solely on information furnished by DTC.

DTC will act as securities depository for the 2021 Bonds. The 2021 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 2021 Bond certificate will be issued for each maturity of each series of 2021 Bonds, each in the aggregate principal amount of such quantity of 2021 Bonds.

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" and together with the Direct Participants, the "Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2021 Bonds on DTC's records. The ownership interest of each actual purchaser of the 2021 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 2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bond certificates representing their ownership interests in the 2021 Bonds, except in the event that use of the book entry system for the 2021 Bonds is discontinued.

To facilitate subsequent transfers, all 2021 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 2021 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2021 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 2021 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2021 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond Resolution. For example, Beneficial Owners of the 2021 Bonds may wish to ascertain that the nominee holding the 2021 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.

Redemption notices shall be sent to DTC. If less than all of the 2021 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2021 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI 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 2021 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 2021 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 or Depositary (defined herein) or the Trustee, on a payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the County or Depositary, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC), is the responsibility of the County or Depositary, 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 2021 Bonds at any time by giving reasonable notice to the County or Depositary. Under such circumstances, in the event that a successor depository is not obtained, certificates for the 2021 Bonds are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates for the 2021 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 County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

The County 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 2021 Bonds without the consent of Beneficial Owners.

Redemption Provisions

Optional Redemption

The 2021 Bonds that mature on or before July 15, 2031*, are not subject to redemption before maturity. The 2021 Bonds that mature after July 15, 2031*, may be redeemed, at the option of the County, before their respective maturities on any date not earlier than July 15, 2031*, as a whole or in part (in

* Preliminary, subject to change

integral multiples of \$5,000), upon payment of the redemption price of the principal amount thereof plus accrued interest to the redemption date.

Mandatory Redemption – Sinking Fund

The 2021A Bonds due July 15, ____, and due July 15, ____, are subject to mandatory sinking fund redemption prior to maturity to the extent of the Sinking Fund Requirements therefor at a Redemption Price equal to the principal amount of the 2021A Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption, without premium.

The Sinking Fund Requirements for such Term Bonds shall be the following amounts due on the following Principal Payment Dates:

\$_____ Term Bonds Due July 15, ____		\$_____ Term Bonds Due July 15, ____	
<u>Due</u>	<u>Sinking Fund Requirements</u>	<u>Due</u>	<u>Sinking Fund Requirements</u>
July 15, 20__	\$	July 15, 20__	\$
July 15, 20__		July 15, 20__	
July 15, 20__		July 15, 20__	
July 15, 20__	†	July 15, 20__	
		July 15, 20__	†
† Final maturity		† Final maturity	

Amounts accumulated for each Sinking Fund Requirement may be applied by the County prior to the giving of notice of redemption of the 2021A Bonds on account of such Sinking Fund Requirements to the purchase for cancellation of 2021A Term Bonds at a cost not exceeding the principal amount thereof plus accrued interest, and upon any such purchase, an amount equal to the principal amount thereof shall be credited toward the applicable Sinking Fund Requirement. The accrued interest on any 2021A Bonds so purchased shall be paid from money in the appropriate special account in the Debt Service Subfund established in respect of the interest on the 2021A Bonds.

If at the close of any Principal Payment Date the total principal amount of the Term Bonds of any maturity of the 2021A Bonds retired by purchase or redemption or called for redemption under the provisions of the 2021A Series Resolution prior to such Principal Payment Date shall be in excess of the total amount of the Sinking Fund Requirements for the Term Bonds of such maturity on such Principal Payment Date, the total amount of the Sinking Fund Requirements for the Term Bonds of such maturity of the 2021A Bonds for all subsequent Principal Payment Dates shall be reduced by the amount of such excess. The amount of the reduction in the Sinking Fund Requirement for each such subsequent Principal Payment Date shall be specified in a certificate of a County Representative filed with the Clerk to the Board of Supervisors.

The Department of Finance of the County, on or before the 1st day of each December, is to compute the Sinking Fund Requirements for all subsequent Principal Payment Dates for the Term Bonds of each Series then outstanding. The Sinking Fund Requirements for the next succeeding Principal Payment Date shall continue to be applicable and no further adjustment shall be made therein by reason of 2021A Bonds purchased or redeemed prior to the next succeeding Principal Payment Date.

Selection of 2021 Bonds for Redemption

The 2021 Bonds shall be redeemed only in denominations of \$5,000 and in whole multiples of \$5,000. In selecting 2021 Bonds for redemption, the County shall treat each 2021 Bond as representing the number of 2021 Bonds that is obtained by dividing the principal amount of such 2021 Bond by \$5,000. If less than all of the 2021 Bonds of any maturity of a series shall be called for redemption, the particular 2021 Bonds of such series or portions thereof to be redeemed shall be selected by the County by such method as the County in its sole discretion deems fair and appropriate.

Notice of Redemption

Each notice of redemption of 2021 Bonds shall set forth the 2021 Bonds or portions thereof to be redeemed, the date fixed for redemption, the Redemption Price to be paid, and, if less than all the 2021 Bonds shall be called for redemption, the maturities of the 2021 Bonds to be redeemed. If less than all of the 2021 Bonds of any one maturity of a series then outstanding shall be called for redemption, such notice shall also set forth the distinctive numbers and letters, if any, of such 2021 Bonds to be redeemed and, in the case of 2021 Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any 2021 Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such 2021 Bond, a new 2021 Bond of such series in principal amount equal to the unredeemed portion of such 2021 Bond and of the same maturity will be issued.

Such notice is to be given by mail at least 30 days prior to the date fixed for redemption to the owners of 2021 Bonds to be redeemed; provided, however, that any defect in such notice or the failure to mail such notice to any owner owning any 2021 Bonds to be redeemed shall not affect the validity of the proceedings for the redemption of any other 2021 Bonds.

Any notice of optional redemption of the 2021 Bonds may state that it is conditioned upon there being available on the redemption date an amount of money sufficient to pay the redemption price plus interest accrued and unpaid to the redemption date, and any conditional notice so given may be rescinded at any time before the payment of the redemption price if any such condition so specified is not satisfied. If a redemption does not occur after a conditional notice is given due to an insufficient amount of funds on deposit by the County, the corresponding notice of redemption shall be deemed to be revoked.

SECURITY FOR AND SOURCES OF PAYMENT OF THE 2021 BONDS**Pledge by Bond Resolution**

The 2021 Bonds, the 2012 Bonds, the 2014 Bonds, the 2016 Bonds, the 2017 Bonds and any Additional Bonds and Refunding Bonds issued, and any Parity Indebtedness incurred, under the Bond Resolution will be secured as to the payment of the principal thereof and redemption premium, if any, and the interest thereon by a pledge of the Gross Revenues derived by the County from the ownership and operation of the System, subject to the prior provision for the payment of the Operating Expenses of the System ("Net Revenues"), as provided in the Bond Resolution. See Appendix C – "SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION – Definitions of Certain Terms" and "– Collection and Disposition of Revenues."

The 2021 Bonds shall not be deemed to constitute a pledge of the full faith and credit of the Commonwealth of Virginia (the "Commonwealth") or of any political subdivision thereof, including the County. Neither the full faith and credit of the Commonwealth nor the full faith and credit of the County are pledged to the payment of the principal of or premium, if any, or interest on the 2021 Bonds, and the

issuance of the 2021 Bonds shall not directly or indirectly or contingently obligate the Commonwealth or the County to levy any taxes whatever therefor or to make any appropriation for their payment except from the revenues and receipts provided for their payment under the Bond Resolution.

Proposed General Bond Resolution Amendments

On May __, 2021, the Board of Supervisors adopted a resolution that authorizes the County to seek bondholder consent to certain future amendments to the General Bond Resolution (the “Proposed General Bond Resolution Amendments”). A copy of the Proposed General Bond Resolution Amendments is attached as Appendix D to this Official Statement.

The Board of Supervisors would be authorized to adopt the Proposed General Bond Resolution Amendments following the County’s timely receipt of consents thereto of not less than a majority in aggregate principal amount of the Bonds outstanding and affected by the Proposed General Bond Resolution Amendments.

The sale of 2021 Bonds to each initial purchaser is conditioned upon the receipt by the County of such initial purchaser’s irrevocable written consent to certain proposed amendments to the General Bond Resolution.

Each initial purchaser of the 2021 Bonds will be required to execute and deliver to the County a consent to the Proposed General Bond Resolution Amendments in substantially the form attached as Appendix G to this Official Statement, with such changes as may be acceptable to the County and the Underwriters.

The Proposed General Bond Resolution Amendments would, among other things, eliminate the requirement for funding and maintaining the Reserve Subfund heretofore established under the General Bond Resolution and would permit the County to apply or transfer, at its option, all amounts on deposit in the Reserve Subfund for one or more of the following purposes: to (i) redeem Bonds, (ii) pay principal installments of Bonds as they come due for payment, (iii) pay the costs of certain additions, extensions and improvements to the County’s sewage collection, treatment and disposal systems, paying capital improvement costs allocable to the County at certain wastewater treatment facilities that provide service to the County and, if necessary, purchasing additional capacity at certain wastewater treatment facilities for the benefit of the County, or (iv) pay rebate amounts to the United States Treasury in accordance with Section 148(f) of the Internal Revenue Code or similar provisions. The Proposed General Bond Resolution Amendments, if adopted, would permit, but not require, the County to fund the Reserve Subfund in the future on a voluntary basis.

The Proposed General Bond Resolution Amendments would also amend the first sentence of the definition of “Operating Expenses.”

The first sentence of the definition currently reads: ““Operating Expenses” means, for any period, the County’s reasonable and necessary current expenses for the operation, repair and maintenance of the System, as determined in accordance with generally accepted accounting principles except as modified by this definition.”

If the Proposed General Bond Resolution Amendments are adopted and the first sentence of the definition of “Operating Expenses” is amended, the entire definition of such term would read as follows:

““Operating Expenses” means, for any period, the County’s reasonable and necessary current expenses paid for the operation, repair and maintenance of the System, without intending to limit or restrict

any proper definition of such expenses under any applicable laws or generally accepted accounting principles. For the purpose of this definition, such current expenses shall include, without limiting the generality of the foregoing, all ordinary and usual expenses of maintenance, repair and operation, which may include expenses not annually recurring, administrative expenses, any reasonable payments to pension or retirement funds properly chargeable to the System, premiums and reserves for insurance, fees or premiums for a Credit Facility, Reserve Subfund Insurance Policy or bond insurance policy (but not including any amounts payable as interest, whether or not characterized as a fee or premium on draws, advances or loans), all administrative and engineering expenses relating to maintenance, repair and operation, fees and expenses of the Depositary, any Paying Agent, remarketing agent, indexing agent, the Bond Registrar and any Trustee, legal expenses, fees of consultants, any taxes that may be lawfully imposed on, or payments in lieu of taxes that may be lawfully paid by, the System or the income therefrom, operating lease payments, the Operating Component of the Cost of Contracted Services, and any other expenses required or permitted to be paid by the County under the provisions of this Resolution or by law payable on a parity with Operating Expenses under this Resolution, but shall not include any reserves for extraordinary maintenance or repair or any allowance for depreciation, or any deposits to the credit of the Debt Service Subfund, the Reserve Subfund, the Subordinate Obligations Subfund or the Extension and Improvement Subfund (other than Operating Expenses hereinabove described in this definition).”

Flow of Funds

The County has established, under the Bond Resolution, the following subfunds and accounts within the Integrated Sewer System Fund of the County, to be held either by the County or by a Depositary, currently U.S. Bank National Association, Richmond, Virginia, for the application of proceeds of Additional Bonds and the application of Gross Revenues:

<u>Subfunds</u>	<u>Held By</u>
Construction Subfund	County
Revenue Subfund.....	County
Debt Service Subfund:	
Bond Interest and Principal Accounts.....	Depositary
Accounts for Parity Debt Service Components	County
Reserve Subfund	Depositary
Subordinate Obligations Subfund	County
Extension and Improvement Subfund.....	County

Pursuant to the Bond Resolution, all Gross Revenues received by the County are to be deposited in the Revenue Subfund. The money to the credit of the Revenue Subfund following the withdrawal of money from such Subfund and the payment of Operating Expenses and the application of such money, as described herein, may be used by the County for any lawful purpose of the System. After an amount equal to the Operating Expenses (excluding expenses for extraordinary repairs or maintenance) due and payable in such month has been paid or set aside for payment, amounts in the Revenue Subfund are to be deposited on or before the 25th day of each month (a “Deposit Day”), except as described below, in the following subfunds and accounts in the following order:

First, to the Debt Service Subfund, or, in the case of Parity Indebtedness, set aside to the credit of a special account in, the Debt Service Subfund, after first taking into account any accrued interest deposited from the proceeds of any Bonds and any transfers from the Construction Subfund pursuant to the Bond Resolution, the sum of (i) so much of the Interest Requirement for the Bonds as would accrue during such month; (ii) so much of the Principal Requirement for such Bonds as would accrue during such month; and (iii) such amount of the Debt Service Requirements for Parity Indebtedness as the Chief Financial Officer

of the County determines is necessary to accrue in equal monthly installments to insure the sufficiency of deposits to make timely payment of any Parity Indebtedness.

Second, to the Reserve Subfund, beginning on the Deposit Day of the month next succeeding the month in which an amount is transferred from the Reserve Subfund to the Debt Service Subfund to cure a deficiency therein pursuant to the terms of the Bond Resolution, an amount that, taking into account any gain or loss in a subsequent valuation and together with investment income credited to such Subfund during such month, is equal to one thirty-fifth (1/35th) of the amount or amounts so transferred until the amount then on deposit in the Reserve Subfund is equal to the current Reserve Subfund Requirement for the Bonds secured thereby.

Third, to the Subordinate Obligations Subfund, an amount that, together with funds then held to the credit of the Subordinate Obligations Subfund, will make the total amount then to the credit of the Subordinate Obligations Subfund equal to the entire aggregate amount of the Subordinate Obligations due and payable prior to the Deposit Day of the next succeeding month.

Fourth, to the Extension and Improvement Subfund, an amount that, together with funds then held to the credit of the Extension and Improvement Subfund, will make the total amount then to the credit of the Extension and Improvement Subfund equal to the amount, if any, budgeted for expenditure therefrom by the County in its Annual Budget.

The payments and deposits so required are to be cumulative, and the amount of any deficiency in any month is to be added to the amount otherwise required to be paid or deposited in each month thereafter until such time as such deficiency has been made up. Notwithstanding the foregoing clauses *First*, *Second* and *Third*, if there is to the credit of any of such Subfunds on a Deposit Day the amount required to be on deposit to the credit of such Subfund on the next Interest Payment Date or the next Principal Payment Date or the next Parity Indebtedness payment date or Subordinate Obligations payment date, no further deposit into such Subfund on account of the requirements of such clauses will then be required.

Reserve Subfund

Pursuant to the Bond Resolution, the County is required to maintain with a Depositary, for the benefit of the Bonds, including the 2021 Bonds, the Reserve Subfund. As of any date of calculation, the Reserve Subfund Requirement with respect to Bonds is equal to the lesser of (i) the maximum Principal and Interest Requirements of the Outstanding Bonds for any Bond Year and (ii) 125% of the average annual Principal and Interest Requirements of the Outstanding Bonds for any Bond Year. On the date of delivery of the 2021 Bonds, \$_____, an amount equal to the Reserve Subfund Requirement for the 2021 Bonds, the 2012 Bonds, the 2014 Bonds, the 2016 Bonds and the 2017 Bonds (collectively, the "Outstanding Bonds"), will be on deposit in the Reserve Subfund. See Appendix C and the defined terms "Bond Year," "Interest Requirements," "Principal Requirements," and "Principal and Interest Requirements" for information relating to Reserve Subfund calculations.

The Depositary is to transfer money from the Reserve Subfund to the related Interest and Principal Account in the Debt Service Subfund for the purpose of paying the interest on and principal of (whether at maturity, by acceleration or in satisfaction of a Sinking Fund Requirement) the Outstanding Bonds, whenever and to the extent that the money on deposit in such Interest and Principal Account is insufficient for such purposes.

If on the Business Day next preceding an Interest Payment Date or a Principal Payment Date money to the credit of the applicable Interest and Principal Account in the Debt Service Subfund is not sufficient to pay the principal and interest due and payable on the Outstanding Bonds on such Interest Payment Date

or Principal Payment Date, the County, before any transfer is made from the Reserve Subfund, is to transfer from the Revenue Subfund, if and to the extent money in the Revenue Subfund is legally available for such purpose, an amount equal to the deficiency in such Interest and Principal Account.

In the event the County determines to provide for deposits to a separate account within the Reserve Subfund in respect of any Parity Indebtedness, the term “Reserve Subfund Requirement” may be amended to include such additional deposits. No money to the credit of the Reserve Subfund may be withdrawn and applied to the payment of Parity Indebtedness unless the County has first provided for deposits to a separate account within the Reserve Subfund with respect to such Parity Indebtedness.

See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION – Collection and Disposition of Revenues – *Reserve Subfund*.”

As described above, the Proposed General Bond Resolution Amendments would, among other things, permit the modification or elimination of the requirement for funding and maintaining the Reserve Subfund heretofore established under the General Bond Resolution. The Board of Supervisors would be authorized to adopt the Proposed General Bond Resolution Amendments following the County’s timely receipt of consents thereto of not less than a majority in aggregate principal amount of the Bonds outstanding. Accordingly, prospective purchasers of the 2021 Bonds should not rely upon the continued existence and funding of the Reserve Subfund in making an investment decision with respect to the 2021 Bonds. See “ – Proposed General Bond Resolution Amendments” above and APPENDIX D – “PROPOSED AMENDMENTS TO THE GENERAL BOND RESOLUTION.”

Rate Covenant

The County has covenanted in the General Bond Resolution that it will at all times fix, charge and collect reasonable rates and charges for the use of, and for the services and facilities furnished by, the System and that from time to time, and as often as it shall appear necessary, it will adjust such rates and charges so that in each Bond Year both:

(A) the Net Revenues, excluding, for purposes of the calculation described in this clause (A) certain non-recurring revenue such as availability charges, and income previously received and then held by the County under the Bond Resolution, will be sufficient to provide at least 125% of the sum of (i) the Principal and Interest Requirements in such Bond Year on account of all the Bonds then outstanding under the Bond Resolution in such Bond Year and (ii) the Debt Service Requirements of Parity Indebtedness in such Bond Year, and

(B) the Net Revenues, including, for purposes of the calculation described in this clause (B) certain non-recurring revenue such as availability charges, and income previously received and then held by the County under the Bond Resolution, will be sufficient to provide at least 100% of the sum of the amounts described in sub-clauses (A)(i) and (ii) above and the debt service requirements of Subordinate Obligations in such Bond Year.

Under the Act and other applicable laws, the Board of Supervisors of the County is authorized to fix and revise the rates and charges for the services and facilities of the System, and such rates and charges are not subject to regulation by any federal, state, or other local entity.

Additional Parity Debt

The 2021 Bonds are secured on a parity as to their lien on Gross Revenues after provisions for Operating Expenses with all other Outstanding Bonds and certain Parity Indebtedness (collectively, “Parity Debt”). No Bonds may be issued, or Parity Indebtedness incurred, under the General Bond Resolution except upon compliance with the requirements described below.

Additional Bonds. Additional Bonds, as described in the General Bond Resolution, in excess of such amount initially authorized in the Bond Resolution, may be issued under and secured by the General Bond Resolution for paying all or any portion of the cost of projects, which include any future additions, enlargements, improvements, extensions, alterations, fixtures, equipment, land, appurtenances and other facilities to or for the System, or the undivided ownership interest of the County therein, or any entitlement to capacity or service, or any obligations of the County under any Service Contract.

The County has covenanted in the Bond Resolution that in order to issue Additional Bonds the County must meet certain historical and projected tests that show both:

(A) the Net Revenues, excluding, for purposes of the calculation set forth in this clause (A) certain non-recurring revenue such as availability charges, and income previously received and then held by the County under the Bond Resolution, will be sufficient to provide at least 125% of the sum of (i) the Principal and Interest Requirements in such applicable time period on account of all the Bonds then outstanding under the Bond Resolution in such Bond Year and (ii) the Debt Service Requirements of Parity Indebtedness in such applicable time period, and

(B) the Net Revenues, including, for purposes of the calculation set forth in this clause (B) certain non-recurring revenue such as availability charges, and income previously received and then held by the County under the Bond Resolution, will be sufficient to provide at least 100% of the sum of the amounts described in sub-clauses (A)(i) and (ii) above and the debt service requirements of Subordinate Obligations in such applicable time period. See Appendix C – “SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION – Additional Indebtedness.”

Refunding Bonds. Refunding Bonds may be issued from time to time under and secured pursuant to the General Bond Resolution, subject to the conditions provided in the Bond Resolution, for the purpose of providing funds, with any other available funds, for refunding all or any part of any Indebtedness then outstanding (including, without limitation, Bonds, Parity Indebtedness and Subordinate Obligations that may have been issued or incurred under the provisions of the Act and whether or not under the provisions of the Bond Resolution), including the payment of any redemption premium thereon and interest that will accrue on such Indebtedness to the redemption date or stated maturity date or dates and any expenses in connection with such refunding. The Bond Resolution requires, among other things, in connection with the issuance of Refunding Bonds that either (A) during the years in which any of the Bonds and Parity Indebtedness not so refunded are outstanding, the maximum Debt Service Requirements on account of all Bonds and Parity Indebtedness outstanding (after the issuance of such Refunding Bonds and after the redemption or provision for payment of the Indebtedness to be refunded) for any Bond Year following the Bond Year in which provision for the payment of the Indebtedness to be refunded is effected shall not exceed the maximum Debt Service Requirements on account of all the Bonds and Parity Indebtedness outstanding (including the Indebtedness to be refunded) immediately prior to the issuance of such Refunding Bonds for any Bond Year following the Bond Year in which provision for payment of the Bonds to be refunded is effected or (B) the County shall demonstrate satisfaction of the tests for the issuance of Additional Bonds as applied mutatis mutandis to the Refunding Bonds to be issued and the project financed from the proceeds of the Indebtedness to be paid or redeemed.

Parity Indebtedness. The County has no outstanding Parity Indebtedness.

The Bond Resolution permits the County to enter into additional Service Contracts for the benefit of the System provided that any such Service Contract shall specify the items payable as the Debt Service Component of the Cost of Contracted Services and provided further that except in the case of Service Contracts that by their terms do not permit payments from Gross Revenues, the County shall not enter into such additional Service Contracts that would create additional Parity Debt Service Components unless the Chief Financial Officer of the County determines in writing that the requirements for the issuance of Additional Bonds are met. The Chief Financial Officer of the County is to determine in writing on or before the effective date of any new Service Contract the amounts and due dates of any Debt Service Components of the Cost of Contracted Services and any Parity Debt Service Components payable by the County under such Service Contract and the interest and principal portions of such Components.

The County may incur and refund Parity Indebtedness other than Parity Debt Service Components, provided that the documents providing for such Parity Indebtedness specify the amounts and due dates of the Debt Service Requirements of such Parity Indebtedness and the principal and interest components of such Debt Service Requirements and that the Bond Registrar is to determine that all the requirements for the issuance of Additional Bonds or Refunding Bonds, as appropriate, have been met as if such Parity Indebtedness to be incurred were an additional Series of Bonds to be issued under the provisions of the Bond Resolution.

See Appendix C – “SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION – Additional Indebtedness – *Other Parity Indebtedness.*”

Subordinate Obligations

Substantial portions of the County lie in watersheds that flow naturally to other jurisdictions. Consequently, the County has Service Contracts with wastewater systems in neighboring jurisdictions for the treatment of wastewater flows emanating from the County. In two cases, the County has incurred substantial Subordinate Obligations with respect to the capital improvements made by these wastewater systems.

UOSA. Under its contract with the Upper Occoquan Service Authority (“UOSA”) (the “UOSA Contract”) for wastewater treatment services, the County is obligated for a portion of the debt service on bonds issued by UOSA for capital improvements to its wastewater treatment facilities located in Prince William County. Such obligation is expressly made a Subordinate Obligation under the Bond Resolution. However, under the UOSA Contract, the County has the option of providing a cash payment to UOSA to pay for its allocable percentage of the capital improvements to be financed through an UOSA bond issue as opposed to paying for a portion of the debt service on such UOSA bonds. If the County does make a cash payment under the UOSA Contract, the County still is required to make payment, subject to appropriation by the Board of Supervisors for the purpose, for any debt service reserve deficiency for each applicable UOSA bond issue. As of June 30, 2020, the County’s obligation for UOSA’s outstanding debt totaled approximately \$230.58 million in principal amount, and the County estimates that it will be approximately \$250 million as of June 30, 2021. The contract makes no provision for the acceleration of the County’s obligations under the contract were the County to default thereon. See “DEBT SERVICE REQUIREMENTS” and “THE SYSTEM – Interjurisdictional Service Contracts – *Wastewater Treatment Services Provided by Other Entities*” and “– *Upper Occoquan Service Authority (UOSA).*”

ARE. In 2002, the County obtained a loan from the Virginia Water Facilities Revolving Fund (the “Fund”) administered by the Virginia Resources Authority in the amount of \$50 million to pay its 60% share of the capital costs associated with certain improvements being made by Alexandria Renew

Enterprises (“ARE”) to its wastewater treatment plant in Alexandria, Virginia. The County issued to the Fund a “local bond” as a Subordinate Obligation, payable from money in the Subordinate Obligations Subfund under the Bond Resolution, in evidence of its obligation to repay the 20-year loan. The local bond will be repaid in full in February, 2022. See “DEBT SERVICE REQUIREMENTS” and “THE SYSTEM – Interjurisdictional Service Contracts – *Wastewater Treatment Services Provided by Other Entities*” and “– *Alexandria Renew Enterprises (ARE)*.”

Additional Subordinate Debt. The County may issue additional Subordinate Obligations in accordance with and as provided in the General Bond Resolution.

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DEBT SERVICE REQUIREMENTS

The following table shows total debt service requirements¹ for all Indebtedness of the County relating to the System and payable from the Gross Revenues of the System, prior to the issuance of the 2021 Bonds.

Fiscal Year Ending <u>June 30</u>	Parity Debt ²			Subordinate Debt ³				
	2021 Bonds			Outstanding Bond Debt <u>Service</u> ⁴	Total Senior Debt Service	Total VRA Debt	Total UOSA Debt ⁵	Total Debt Service ⁶
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>					
2022				\$25,142,106	\$25,142,106	\$3,276,611	\$20,228,826	\$48,647,543
2023				25,150,381	25,150,381	-	20,623,993	45,774,374
2024				25,175,856	25,175,856	-	20,624,489	45,800,345
2025				25,185,481	25,185,481	-	20,626,831	45,812,312
2026				25,198,781	25,198,781	-	21,102,567	46,301,348
2027				25,223,231	25,223,231	-	21,231,544	46,454,775
2028				25,221,031	25,221,031	-	21,224,909	46,445,940
2029				25,230,956	25,230,956	-	21,229,690	46,460,646
2030				19,351,981	19,351,981	-	9,062,358	28,414,339
2031				19,350,856	19,350,856	-	9,069,023	28,419,879
2032				19,351,231	19,351,231	-	8,968,182	28,319,413
2033				19,357,806	19,357,806	-	8,908,444	28,266,250
2034				19,353,581	19,353,581	-	8,730,535	28,084,116
2035				19,356,878	19,356,878	-	8,651,150	28,008,028
2036				19,354,538	19,354,538	-	8,649,448	28,003,986
2037				19,353,800	19,353,800	-	8,650,649	28,004,449
2038				19,357,075	19,357,075	-	6,800,090	26,157,165
2039				19,353,150	19,353,150	-	8,718,146	28,071,296
2040				19,352,025	19,352,025	-	8,719,376	28,071,401
2041				11,061,438	11,061,438	-	2,944,420	14,005,858
2042				11,063,713	11,063,713	-	2,460,391	13,524,104
2043				11,065,413	11,065,413	-	1,231,011	12,296,424
2044				5,508,500	5,508,500	-	1,100,153	6,608,653
2045				5,507,875	5,507,875	-	1,101,398	6,609,273
2046				5,505,750	5,505,750	-	1,099,806	6,605,556
2047				5,506,500	5,506,500	-	1,101,562	6,608,062
2048				5,509,375	5,509,375	-	1,100,418	6,609,793
2049				-	-	-	1,100,520	1,100,520
2050				-	-	-	1,099,765	1,099,765
2051				-	-	-	1,098,254	1,098,254
Total ⁶	\$	\$	\$	\$475,149,308	\$475,149,308	\$3,276,611	\$277,257,949	\$755,683,868

¹ Cash basis. Amounts shown are due on payment dates in the indicated fiscal years.

² The County's only outstanding series of Parity Debt, other than the 2021 Bonds, are the 2012 Bonds, the 2014 Bonds, the 2016 Bonds, and the 2017 Bonds.

³ See "SECURITY FOR AND SOURCES OF PAYMENT OF THE 2021 BONDS – Subordinate Obligations" and "THE SYSTEM – Interjurisdictional Service Contracts."

⁴ Includes debt service on the Refunding Candidates.

⁵ Does not reflect anticipated payments by the United States Treasury with respect to UOSA Build America Bonds.

⁶ Totals may not add due to rounding.

FAIRFAX COUNTY

Overview

The County is located in the northeastern corner of the Commonwealth of Virginia and encompasses an 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 the County is 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.

In Virginia, cities and counties are discrete units of government and do not overlap. Fairfax County completely surrounds the City of Fairfax and is adjacent to the City of Falls Church and the City of Alexandria. Property within these cities is not subject to taxation by Fairfax County, and the County generally is not required to provide governmental services to their residents. The County does, however, provide certain services to the residents of certain of these cities pursuant to agreements with such cities.

In the County there are located three incorporated towns, Clifton, Herndon, and Vienna, which are underlying units of government within the County, and the ordinances and regulations of the County are, with certain limitations prescribed by Virginia law, generally effective in them. Property in these towns is subject to County taxation, and the County provides certain services to their residents. These towns may incur general obligation bonded indebtedness without the prior approval of the County.

Certain County Administrative and Financial Staff Members

Bryan J. Hill, County Executive, was appointed as County Executive by the Fairfax County Board of Supervisors effective January 2, 2018. He was previously the Chief Administrative Officer and Clerk to the Board for James City County from 2014 to 2017; he previously spent seven years with Beaufort County, South Carolina, as deputy county administrator. At James City County, Mr. Hill was responsible for oversight of staff, major infrastructure projects, economic development, transportation initiatives and the development and implementation of that county's first strategic plan. He led the realignment of James City County's debt portfolio, which resulted in AAA ratings from each of the three major bond rating agencies. Mr. Hill also has served as the vice chancellor for finance and operations at the University of South Carolina's Beaufort/Bluffton Campus, and as the director of finance for the University of Maryland's Office of Information and Technology as well as director of administration for the Department of Aerospace Engineering. He has a bachelor's degree in public administration from Alfred University and a master's degree in public administration from the University of Southern California.

Christopher A. Leonard, Deputy County Executive, was appointed on January 2, 2021, by the Board of Supervisors. Mr. Leonard oversees the various departments that make up the provision of Health, Housing, and Human Services in Fairfax County. He has more than two decades of experience as a county employee, starting as a budget analyst in the Department of Management and Budget. Mr. Leonard spent the ten years prior to his current appointment serving as the Director of the Department of Neighborhood

and Community Services. In that role, he led the considerable change management effort required for the consolidation of two existing county departments into one department, an effort that resulted in considerable savings. Mr. Leonard earned a bachelor's degree in sport management and a master's degree in public administration, both from West Virginia University.

Rachel O'Dwyer Flynn, Deputy County Executive, was appointed on January 22, 2019, by the Board of Supervisors. Ms. Flynn oversees the Department of Public Works and Environmental Services, the Department of Transportation, the Park Authority, the Department of Code Compliance, Land Development Services and the new Department of Planning and Development. Ms. Flynn has 35 years of experience in both private and public organizations as an architect, urban planner, director of planning/building/economic development and real estate development executive. Before her appointment as Deputy County Executive, Ms. Flynn was the director of design management, planning and entitlements at Google, and from 2016-2018, she was the vice president of FivePoint Communities. Previously, Ms. Flynn served as the director of the Department of Planning and Building for the City of Oakland, California, from 2013-2016; the director of planning for Otak International in Abu Dhabi from 2011-2012; the director for the Department of Community Development for the City of Richmond from 2006-2011; and the director of the Department of Community Planning and Development for the City of Lynchburg from 1998-2006. Ms. Flynn has led efforts to develop award-winning master plans and city-wide general plans throughout her career. She has been honored with numerous awards from civic and professional organizations for implementing successful and complex plans, progressive environmental initiatives and innovative GIS/technology programs. Ms. Flynn holds a bachelor's degree in architecture and a master's degree in engineering management from Catholic University and a master's in public administration from Harvard University. Ms. Flynn is a licensed architect and a member of the American Institute of Architects.

David M. Rohrer, Deputy County Executive, has worked with the Fairfax County Police Department for almost 32 years and was appointed chief in 2004. In addition, Mr. Rohrer has also served as deputy chief for investigations and operations support; Patrol Bureau commander; Special Operations Division and district commander; SWAT first-line supervisor; and first-line patrol supervisor. Mr. Rohrer has served two terms as chairman of the Metropolitan Washington Council of Governments Police Chiefs' Committee, and he is a member of numerous organizations, including the International Association of Chiefs of Police; the Major Cities Chiefs' Association; the Police Executive Research Forum; and the Virginia Association of Chiefs of Police. Mr. Rohrer holds a bachelor's degree in administration of justice from George Mason University.

Elizabeth D. Teare was appointed County Attorney by the Fairfax County Board of Supervisors effective July 1, 2016. Prior to her appointment, Ms. Teare served as the Deputy County Attorney for the Land Use and Environmental Law Section of the Fairfax County Attorney's Office from 2012 through 2016. From 2009 through 2012, she served as a Senior Assistant County Attorney and from 2000 to 2008 as an Assistant County Attorney. Prior to her tenure with the Fairfax County Attorney's Office, Ms. Teare was an associate attorney with a law firm known at that time as Surovell, Jackson, Colten & Dugan, P.C., in Fairfax, Virginia, from 1992 to 2000. She also worked as an Assistant Attorney General in Richmond, Virginia, in a temporary position from 1991 to 1992. Ms. Teare clerked for the Honorable Rosemarie Annunziata, who was then a Fairfax County Circuit Court Judge, from 1990 to 1991. Ms. Teare has been appointed by the Supreme Court of Virginia to serve on the faculty of the Virginia State Bar's Harry L. Carrico Professionalism Course. In addition, she has lectured on land use and environmental law related issues for the Fairfax County Bar Association and the Local Government Attorneys of Virginia. Ms. Teare received a Bachelor of Arts degree from Sweet Briar College, *magna cum laude* with high honors in English, in 1986. In 1990, Ms. Teare received her juris doctorate degree, *cum laude*, from the Washington and Lee University School of Law and was admitted to the Virginia State Bar later that year.

Joseph M. Mondoro has been the Chief Financial Officer of the County since September 2015. From 2015 until July 2019 he was also the Director of the Department of Management and Budget. From February 2004 until his appointment as Chief Financial Officer/Director of Management and Budget of the County, Mr. Mondoro served as Deputy Director of the Department of Management and Budget. Mr. Mondoro received his bachelor's degree in History and Government and a Master of Public Policy from the College of William and Mary. Mr. Mondoro worked as an analyst in the Financial Planning Bureau of the City of Norfolk, Virginia from 1993 to 1995. He joined the Fairfax County Department of Management and Budget in July 1995 as a budget analyst.

Christina C. Jackson was appointed Director of the Department of Management and Budget of the County effective July 20, 2019. Prior to assuming the duties of Director, Ms. Jackson served as Deputy Director from November 2015. Ms. Jackson received her bachelor's degree in Public Policy Studies and Political Science from Duke University and a Master of Public Affairs degree from the University of North Carolina at Greensboro. Ms. Jackson joined the Fairfax County Department of Management and Budget in December 2003 as a budget analyst.

Christopher J. Pietsch was appointed Director of Finance for Fairfax County effective December 30, 2013. From 2003 until his appointment as Director of Finance, Mr. Pietsch served as the Director of the Fairfax County Internal Audit Office. Prior to that, Mr. Pietsch spent 16 years working in bank auditing as well as governmental auditing with the Commonwealth. Mr. Pietsch is a graduate of James Madison University, Harrisonburg, Virginia, with a degree in Finance. In addition, he is a Certified Public Finance Officer, Certified Internal Auditor, and a Certified Bank Auditor.

Randolph W. Bartlett, P.E., was appointed the Director of Public Works and Environmental Services (DPWES) on October 30, 2018. From 2008 until his appointment as Director of DPWES, Mr. Bartlett was responsible for overseeing the operations, maintenance, and planning functions for the County's Wastewater and Stormwater Management Programs. Mr. Bartlett joined the County in December 2005 as manager of the Stormwater Management Program. Prior to joining the County, he held a series of responsible positions in Arlington County, most recently as the Department of Environmental Services Director from May 2003 to December 2005; Division Director for Water, Sewer, and Streets from January 1991 through May 2003; and Division Director, Street Operations, from January 1989 to 1991. From October 1983 to January 1989, Mr. Bartlett was Director of Public Works for the Town of Blacksburg, Virginia, and from October 1981 to October 1983, he was Public Works Administrator for the Town of Bedford, Virginia. For a time, from June 1980 to October 1981, he was a design engineer with a consultant firm. From July 1976 to June 1980, he was an engineer with the City of Norfolk, Virginia, first as a civil engineer, then as Director for the Planning and Engineering Division. Mr. Bartlett graduated from Virginia Polytechnic Institute and State University with a Bachelor of Science Degree in Civil Engineering. Mr. Bartlett has announced his intention to retire effective in June 2021, and a recruitment process is underway to seek his replacement.

Stacey Smalls, Director, Wastewater Collection Division of the Fairfax County Wastewater Management Program, joined the County in February 2016. Prior to joining the County, Mr. Smalls was the Chief, Engineering and Officer-In-Charge, Commander's Inspection Program with the Directorate of Public Works, Joint Base Lewis-McChord, Washington from July 2012 to February 2016. Prior to that, Mr. Smalls served as a Deputy Public Works Officer with the Naval Facilities and Engineering Command, Joint Base Pearl Harbor-Hickam, Hawaii from January 2009 to July 2012. Mr. Smalls has deployed three times as an Air Force Civil Engineering Officer to Iraq, Kyrgyzstan and Qatar. While deployed, he served as the US Senior Engineering Advisor to the Al Taji Base Iraqi Army Public Works Director, Chief of Engineering, Manas, Kyrgyzstan where he managed \$25 Million in capital improvement projects and Chief of Installation Management, Al Udeid Air Base, Qatar where he supervised the implementation of \$40 Million [ntd-please clarify] in requirements for the installation. Prior to his service in the United States Air

Force, Mr. Smalls worked in the private sector as a civil/site design engineer. In May 1997, he received a Bachelor of Science Degree in Civil Engineering from The Citadel in Charleston, South Carolina. He also holds a master's degree in Construction Management from Western Carolina University in Cullowhee, North Carolina.

Michael McGrath, P.E., BCEE, Director, Wastewater Treatment Division of Fairfax County Wastewater Management Program, joined the County in July 2002. Prior to joining the County, Mr. McGrath worked for 14 years as a project manager for an engineering consulting firm engaged in the design, construction, and operation of wastewater treatment plants. Mr. McGrath holds a Bachelor of Science Degree in Civil Engineering from Union College and a Master of Science Degree in Environmental Engineering from the University of Massachusetts. He is a licensed Wastewater Treatment Plant Operator and Professional Engineer in the Commonwealth of Virginia and a Board-Certified Environmental Engineer.

Shahram Mohsenin, P.E., Director, Wastewater Planning and Monitoring Division of the Fairfax County Wastewater Management Program, joined the County in August 2002. Prior to joining the County, Mr. Mohsenin was the Director of the Department of Utilities for the City of Fairfax, Virginia from March 1997 to August 2002. From September 1993 to March 1997 he served as a senior engineer in the Planning and Development Engineering Division of the Loudoun County Sanitation Authority in Loudoun County, Virginia. From February 1984 to September 1993 he served as District Engineer with the Office of Water Programs of the Virginia Department of Health regulating the design and operation of water and wastewater facilities in Virginia. From April 1981 to February 1984 he served as Assistant District Engineer with the Office of Water Programs of the Virginia Department of Health. In December 1980 he received a Bachelor of Science degree in Civil Engineering from Old Dominion University in Norfolk, Virginia. He has completed an extensive number of graduate level courses in the Sanitary Engineering field at Old Dominion University.

Anand Goutam, Financial Manager, Stormwater and Wastewater Management of the Fairfax County Department of Public Works and Environmental Services, has served in his current position since January 2019. He joined the County in October 2007 as an Accountant II with the Department of Finance, moved to an Accountant III, and then joined the Wastewater Management Division as a Financial Specialist IV in July 2015. Mr. Goutam received his Bachelor's Degree in Accounting from Strayer University and is a Certified Public Accountant.

See Appendix B – “FAIRFAX COUNTY INFORMATION” for additional general information respecting the County.

THE PROJECT

Upon issuance and delivery of the 2021A Bonds by the County, a portion of the proceeds thereof will be used to provide funds for (i) paying the costs of certain additions, extensions and improvements to the County's sewage collection, treatment and disposal systems including the County's Noman M. Cole, Jr. Pollution Control Plant, paying capital improvement costs allocable to the County at certain wastewater treatment facilities that provide service to the County and, if necessary, purchasing additional capacity at certain wastewater treatment facilities for the benefit of the County; (ii) making a deposit to the Reserve Subfund, as described herein; and (iii) paying the costs of issuing the 2021A Bonds. See “INTRODUCTION – The Project; Refunding Plan.”

THE SYSTEM

Introduction

The following sections present organizational, operational, and financial information pertaining to the System. The System information was compiled by the County's Wastewater Planning and Monitoring Division in the Department of Public Works and Environmental Services.

System Organizational Structure

In Fairfax County, essential management, engineering, design, and construction services in support of the System are provided through the Department of Public Works and Environmental Services. Public Works and Environmental Services is under the general supervision of the County Executive and the Deputy County Executive for Planning and Development. The Wastewater Management Program is one of five Business Areas within the Department of Public Works and Environmental Services and is responsible for the administration and management of the System.

With oversight through a Deputy Public Works Director, the Wastewater Management Program consists of three agencies: the Wastewater Planning and Monitoring Division, the Wastewater Collection Division and the Wastewater Treatment Division.

The Wastewater Planning and Monitoring Division: (1) reviews the need for System development and additional treatment capacity, (2) administers and manages the System's billing operations, (3) administers the contract capacity at interjurisdictional treatment plants providing wastewater treatment under contract, (4) manages the environmental monitoring of the County's collection and pumping system and the County treatment facility, (5) reviews development plans for the construction of new sewer lines, and (6) manages the Wastewater Management Program's finances. The Wastewater Collection Division is responsible for the operation, maintenance, and repair of the System sewer lines, pumping stations, and metering stations. The Wastewater Treatment Division is responsible for the operation, maintenance, and repair of the County-owned treatment facility.

System Characteristics

Approximately 95 million gallons of wastewater are generated daily in the System. Almost 40 percent of the System wastewater flow is treated at the Noman M. Cole, Jr., Pollution Control Plant (NMCPCP) (formerly the Lower Potomac Pollution Control Plant) near Lorton, Virginia. The rest of the flow is distributed between one privately operated plant and five other regional treatment facilities operated and maintained by Arlington County, DC Water (Blue Plains), Alexandria Renew Enterprises (ARE), the Upper Occoquan Service Authority (UOSA) and Prince William County Service Authority (PWCSA) pursuant to contract agreements with the System. In addition, the System has purchased 1.0 million gallons per day (mgd) of capacity in Loudoun Water's Broad Run Water Reclamation Facility for flow capacity in the northern portion of the County, and 0.1 mgd of capacity in the PWCSA for flow generated in the southern portion of the County.

The System consists of over 3,200 miles of sewer lines ranging in size from 8 inches to 72 inches; 63 wastewater pump stations ranging in capacity from 0.1 to 37 mgd; and 57 metering stations. NMCPCP, the County treatment plant, has a capacity of 67 mgd. Capacity entitlement at the other treatment facilities totals 89.5 mgd. The System has a staff of 328 employees and for FY 2020, had an operational outlay of \$107.5 million (NMCPCP, \$23.1 million; ARE, \$11.1 million; Blue Plains, \$15.9 million; UOSA, \$14.3 million; Arlington, \$2.1 million; Falls Church, \$0.4 million; Harbor View, and PWCSA, \$0.5 million;

collections and pumping, \$19.3 million; System repairs and renovations, \$0.4 million; billing administration, \$6.5 million; planning and administration, \$13.9 million).

Approximately 89% of the 421,000 households and virtually all businesses in the County are connected to the System. The sewer service area covers approximately 234 square miles, nearly 60% of the County's 407 square mile land mass. Under separate service agreements, sewer service is provided to nearby Arlington and Loudoun Counties, Fort Belvoir, the Cities of Fairfax and Falls Church, and the Towns of Herndon and Vienna.

A map showing the System and its service area is shown on the following page.

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[Map]

(To be inserted by the printer prior to bond pricing and as part of financial closing)

System Wastewater Flows

System wastewater flows from County and non-County sources are collected in a network of sewer lines, pumping stations, and interceptors. The flows are conveyed to wastewater treatment plants where greases, solids, nutrients, and other oxygen demanding wastes are removed. Treated effluent flows are also disinfected before being discharged into various tributaries leading to the Upper Potomac River Estuary. The resultant sludge streams are collected, conditioned, and disposed of separately.

Wastewater sources and the distribution of flow between wastewater treatment plants in the System are shown in the following tables.

WASTEWATER SOURCES AND CAPACITY ALLOCATION FAIRFAX COUNTY SANITARY SEWER SYSTEM (Million Gallons per Day, mgd)

Wastewater Source	Fiscal Year (Ended June 30)					Current Capacity Allocation
	2016	2017	2018	2019(a)	2020	
County Households and Businesses	85.82	80.85	85.93	100.21	85.66	141.43
Other (Sale of Service) Entities:						
City of Fairfax	3.24	2.95	2.57	3.06	2.34	4.20
Town of Herndon	2.43	2.68	2.88	3.36	3.02	3.00
Arlington County	1.35	1.09	1.17	1.59	1.24	1.80
Fort Belvoir	1.29	1.08	1.18	1.40	1.02	3.00
City of Falls Church	0.94	0.86	1.04	1.24	1.05	1.00
Town of Vienna	0.75	0.69	0.75	1.14	0.89	1.25
Loudoun Water	0.12	0.11	0.11	0.12	0.01	1.00
Fairfax County Water Authority	0.06	0.06	0.05	0.07	0.05	- (b) -
Covanta/ERR Facility	0.20	0.15	0.12	0.19	0.16	- (b) -
Subtotal, Other Entities (c)	10.37	9.67	9.87	12.17	9.78	15.25
Total (c)	96.20	90.52	95.80	112.38	95.44	156.68
(a) Increase in flow in 2019 was due to relatively high level of rainfall.						
(b) No capacity allocated; capacity included in allocation for County households and businesses.						
(c) Due to rounding, columns may not total to the amounts indicated.						

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**DISTRIBUTION OF FLOW TO WASTEWATER TREATMENT PLANTS
FAIRFAX COUNTY SANITARY SEWER SYSTEM
(Million Gallons per Day, mgd)**

Wastewater Treatment Plant (WWTP)	Fiscal Year (Ended June 30)					Current Capacity Allocation
	2016	2017	2018	2019	2020	
County WWTP, Noman M. Cole	37.78	35.64	36.95	42.24	37.08	67.00
Blue Plains (DC Water)(b)	27.14	25.36	26.80	31.66	27.53	31.00
Alexandria Renew Enterprises	16.52	15.46	17.31	21.64	16.18	32.40
Upper Occoquan Service Authority	12.64	11.86	12.47	14.44	12.43	22.10
Arlington County	2.08	2.18	2.25	2.34	2.18	3.00
Loudoun Water	0.00	0.00	0.00	0.00	0.00	1.00
Colchester (Private)	0.02	0.02	0.02	0.05	0.03	0.08
Prince William Co. Service Authority	0.01	0.01	0.01	0.01	0.01	0.10
Subtotal, Non-County WWTPs	58.41	54.88	58.85	70.14	58.36	89.68
Total (a)	96.20	90.52	95.80	112.38	95.44	156.68
(a) Due to rounding, columns may not total to the amounts indicated.						
(b) Increase in flow in 2019 was due to relatively high level of rainfall. Flows to DC Water exceeded the capacity in contract.						

Interjurisdictional Service Contracts

Wastewater Treatment Services Provided for Other Entities

Sewer services are provided to other jurisdictional entities through “Sale of Service” agreements between the County and the entities. As prescribed by each Sale of Service agreement, each entity shares in the operating, debt and capital costs of the System. Each entity’s share is determined on the basis of actual wastewater flow or reserved treatment capacity. The County currently has Sale of Service agreements with Arlington County, Fort Belvoir, the Cities of Fairfax and Falls Church, the Towns of Herndon and Vienna and Loudoun Water (as hereinafter defined). The following table summarizes service charge revenues from the Sale of Service entities for Fiscal Years 2016 through 2020.

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SALE OF SERVICE REVENUES
FAIRFAX COUNTY SANITARY SEWER SYSTEM
(in thousands)

ENTITY	Fiscal Year (Ended June 30)				
	2016	2017	2018	2019	2020
City of Fairfax	\$2,302	\$2,304	\$2,257	\$2,276	\$1,913
Town of Herndon	1,035	1,282	1,377	2,571	1,398
Arlington County	728	339	614	839	607
Fort Belvoir	2,543	2,205	2,327	3,051	2,264
City of Falls Church	1,096	684	821	717	595
Town of Vienna	455	479	502	810	681
Loudoun Water	191	193	224	157	203
Other (a)	633	530	385	630	561
Total (c)	\$8,982	\$8,017	\$8,507	\$11,051(b)	\$8,222
(a) Includes Fairfax Water and the I-95 Energy Resource Recovery Facility operated by Covanta of Fairfax, a private company. (b) Increase in Sale of Service revenue in 2019 was due to a relatively high level of rainfall and, accordingly, relatively high level of wastewater flow. (c) Due to rounding, columns may not total to the amounts indicated.					

Wastewater Treatment Services Provided by Other Entities

The System supplements the capacity of its own collection and treatment facilities through “Treatment by Contract” agreements with DC Water, Alexandria Renew Enterprises, the Upper Occoquan Service Authority and Arlington County. As prescribed in individual agreements, the County pays its share of the capital and operating costs of each entity’s system based on allocated capacity and actual wastewater flows, respectively. Following are amounts paid by the County to the four entities shown as operating expenses, parity indebtedness, or subordinate obligations for Fiscal Years 2016 through 2020.

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TREATMENT BY CONTRACT OPERATING EXPENSES AND INDEBTEDNESS
FAIRFAX COUNTY SANITARY SEWER SYSTEM
(in thousands)

ENTITY	Fiscal Year (Ended June 30)				
	2016	2017	2018	2019	2020
Alexandria Renew Enterprises:					
Operating Expenses	\$11,591	\$13,351	\$13,575	\$11,122	\$11,084
DC Water:					
Operating Expenses	12,801	10,644	14,272	15,517	15,930
UOSA: (a)					
Operating Expenses	13,472	13,420	12,978	12,980	14,281
Subordinate Debt Obligations	20,017	19,838	15,571	19,028	18,652
Arlington County:					
Operating Expenses (b)	2,012	2,066	2,454	2,592	2,073
Other Operating Expenses (c)	582	557	1,037	946	969
Total (d)	\$60,475	\$59,876	\$59,887	\$62,185	\$62,989
(a) Debt payments reflect County's share of payments on UOSA's bond issues, which constitute Subordinate Obligations under the General Bond Resolution. See "SECURITY FOR AND SOURCES OF REPAYMENT OF THE 2021 BONDS – Subordinate Obligations." (b) An annual debt payment (not related to a bond issue) is included in the operating expenses. (c) Includes City of Falls Church and Colchester Utilities, Inc., operating expenses. 169 homes within the Harbor View subdivision in southeastern Fairfax County are served by the Colchester Wastewater Treatment Facility owned and operated by Colchester Utilities, Inc. (d) Due to rounding, columns may not total to the amounts indicated.					

Capital costs paid to Treatment by Contract entities are classified as "Purchased Capacity" expenses in the financial statements and amortized with other System capital expenses. Summarized below are the annual purchased capacity expenditures for Fiscal Years 2016 through 2020.

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PURCHASED CAPACITY ADDITIONS – AMORTIZED CAPITAL EXPENDITURES
FAIRFAX COUNTY SANITARY SEWER SYSTEM
(in thousands)

ENTITY	Fiscal Year (Ended June 30)				
	2016	2017	2018	2019	2020
DC Water (a)	\$19,099	\$13,979	\$16,586	\$7,745	\$8,345
Alexandria Renew Enterprises (b)	24,600	11,407	453	10,437	13,752
Arlington County (c)	10	1	0	373	622
UOSA (d)	14,032	0	0	0	17,004
Total (e)	\$57,741	\$25,387	\$17,039	\$18,555	\$39,723
<p>(a) The County pays 31/370 or 8.38% of the expansion and upgrade expenses at the DC Water’s Blue Plains Advanced Waste Treatment (AWT) Plant. DC Water expenditures in this period were driven in large part by the Potomac River Tunnel Project, with the County’s contribution more heavily weighted in FY 2016 through FY2018.</p> <p>(b) The County pays 32.4/54 or 60% of ARE plant improvement expenses. The County has issued Subordinate Obligations to Virginia Resources Authority to finance its share of certain plant improvements. See “SECURITY FOR AND SOURCES OF REPAYMENT OF THE 2021 BONDS – Subordinate Obligations. [Additional information to come on ARE variations.]</p> <p>(c) The County pays 3.0/40 or 7.5% of Arlington County WWTP upgrade expenses.</p> <p>(d) In Fiscal Year 2020, the County sold 0.5 MGD of its UOSA allocation to the City of Manassas reducing its share of the facility’s total capacity to 22.1 MGD or 41%. See SECURITY FOR AND SOURCES OF PAYMENT OF THE 2021 BONDS – Subordinate Obligations – UOSA” for further description of the UOSA Contract.</p> <p>(e) Due to rounding, columns may not total the amount indicated.</p>					

Blue Plains

In September 1985, the users of the Blue Plains plant (Fairfax County, the District of Columbia (the “District”), Montgomery and Prince George’s Counties in Maryland, and the Washington Suburban Sanitary Commission (WSSC)) entered into the Blue Plains Intermunicipal Agreement (the “1985 IMA”). Under the terms of the 1985 IMA, the County’s capacity entitlement was increased to 31 mgd in February 1997 when the Blue Plains plant was fully upgraded and expanded to 370 mgd. Although the County has a representative on the eleven-member District of Columbia Water and Sewer Authority (described below), which runs the Blue Plains plant, the County has no significant control over plant operation or construction activity and therefore, retained no ongoing equity interest in the assets or liabilities of the facility under the 1985 IMA.

In April 1996, the District established an independent Water and Sewer Authority (“DC Water”) to operate the District’s water and sewer systems including the Blue Plains plant. DC Water has a Board of Directors comprised of six members from the District, two each from Montgomery County and Prince George’s County, and one from Fairfax County. DC Water honored the capacity entitlement assigned to Blue Plains plant users under the 1985 IMA.

In 2012, the parties to the 1985 IMA, together with DC Water, entered into a new IMA (the “2012 IMA”), which replaced the 1985 IMA. The 2012 IMA updates the 1985 IMA to reflect changes since 1985 and recognizes the dynamic nature of regulations and regional needs. Fairfax County’s flow capacity at Blue Plains remains at 31 mgd in the 2012 IMA as it was in the 1985 IMA.

Alexandria Renew Enterprises (ARE)

Under a service agreement amended and restated as of October 1, 1998, the County has a capacity entitlement of 32.4 mgd of ARE’s 54 mgd treatment facility. Currently, the County has a substantial financial responsibility for its share of operating costs and construction costs. Although the County is allowed one non-voting representative at ARE’s board of directors meetings, the County has no significant influence in the management of the plant and has no direct ongoing equity interest in the assets or liabilities of ARE. As mentioned above, in 2002, the County issued \$50 million in Subordinated Obligations to Virginia Resources Authority as administrator to the Virginia Water Facilities Revolving Fund to finance its share of certain plant improvements. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE 2021 BONDS – Subordinate Obligations – ARE.”

The service agreement requires the County to pay its share of capital and operating costs of joint use facilities. On October 6, 2020, the City of Alexandria, Virginia Sanitation Authority and the County signed a memorandum of understanding (the “MOU”) regarding Cost Share for the RiverRenew project. RiverRenew, which includes multiple projects consisting of a new tunnel system and upgrades to Alexandria’s wastewater treatment facility, is the largest infrastructure initiative in the history of Alexandria. The RiverRenew project is required by statute [ntd-need citation] to be completed by July 1, 2025. The MOU memorializes the agreement of the parties with respect to the cost allocation methodology for construction and operating of joint use facilities elements of the RiverRenew project, as well as the County’s capacity rights in the new facilities. The County’s current estimate of its obligations under the RiverRenew project is approximately \$58 million. The County’s current estimate of its obligations for the cost of the RiverRenew project is approximately \$58 million, which is included in the FY 2022 – FY 2026 [proposed] Capital Improvement Plan.

Arlington County

Fairfax County is a minor user of the Arlington County wastewater treatment plant. Based on the most recent service agreement dated October 3, 1994 (the “1994 Agreement”), the County has a capacity entitlement of 3.0 mgd of the plant’s 40 mgd treatment capacity. Although the County has a measurable responsibility for its share of operating and construction costs, the County has no influence in the management of the plant and has no direct equity interest in the assets or liabilities of the plant. The County and Arlington County have agreed to abide by the provisions of the 1994 Agreement until a new agreement is executed between the parties.

Upper Occoquan Service Authority (UOSA)

UOSA, a joint venture formed on March 3, 1971, serves portions of Fairfax County, Prince William County, and the Cities of Manassas and Manassas Park. UOSA is governed by an eight-member board of directors consisting of two members each from the four participating jurisdictions. Effective May 1995, the County had a capacity entitlement of 13.19 mgd of the plant’s 32 mgd treatment capacity. Based on a February 1991 restated service agreement, the County’s capacity entitlement increased to 27.6 mgd when the UOSA facility expanded to 54 mgd in FY 2003. In 2008, the County’s capacity entitlement was reduced to 24.6 mgd with the sale of 3.0 mgd of capacity (2.0 mgd of capacity to the Prince William County Service Authority and 1.0 mgd of capacity to the City of Manassas). In Fiscal Year 2011, the County sold an additional 2.0 mgd of its capacity to Prince William County Service Authority, reducing its entitlement to

22.6 mgd. The sale was based on updated build-out flow projections indicating that the County will not need the extra 2.0 mgd capacity. The County has no explicit and measurable interest in UOSA but does have an ongoing financial responsibility for its share of operating, construction and debt service expenses. In July 2019, the County sold 0.5 mgd of its allocation to the City of Manassas reducing its share of the facility's total capacity to 22.1 mgd or 41%. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE 2021 BONDS – Subordinate Obligations – UOSA."

Prince William County Service Authority (PWCSA)

Based on an agreement, dated August 13, 1999, PWCSA will provide service of up to 100,000 gallons per day to a service area in the southern most section of the County. The County has no explicit and measurable interest in PWCSA but does have an ongoing financial responsibility for its share of operating expenses.

Loudoun County Sanitation Authority (Loudoun Water)

In Fiscal Year 2011, the County entered into an agreement with the Loudoun County Sanitation Authority ("Loudoun Water") to share in the construction and operating costs and debt service requirements for Loudoun Water's sewage treatment facility. The County purchased 1.0 mgd of capacity in Loudoun Water's Broad Run Water Reclamation Facility, representing 9% of the facility's 11 mgd total capacity. The County has no direct ongoing interest in the facility's assets and liabilities. Furthermore, the County has no significant influence in the management of Loudoun Water's treatment facility. Accordingly, the County does not account for this commitment as a joint venture.

The County paid Loudoun Water \$20,942,294 for the 1.0 mgd of capacity in Fiscal Year 2011 and has not paid any operating costs to date. The System will incur operating costs once it starts to deliver flows to Loudoun Water's facilities, which has not happened as yet and is not expected to start until Fiscal Year 2022. The Broad Run Plant is a new facility; therefore, no construction or debt service requirements are expected in the near future.

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Summary of Financial Activity

SEWER FUND FINANCIAL ACTIVITY
FAIRFAX COUNTY SANITARY SEWER SYSTEM
(in thousands)

	Fiscal Year (Ended June 30)				
	2016	2017	2018	2019	2020
BEGINNING BALANCE – POOLED CASH	\$129,570	\$93,940	\$187,764	\$177,553	\$165,395
Sources (Inflows) of Funds:					
Service Charges	190,434	195,753	199,759	210,962	217,854
Availability Fees	14,681	25,206	25,974	21,473	22,181
Interest Earnings	1,171	1,023	2,526	3,676	2,860
Bond Receipts	189,233	103,823	-	-	-
Sale of Purchased Capacity	-	-	-	-	8,220
Grant Revenue	1,958	9,395	5,315	198	69
Other	55	97	54	42	70
Subtotal, Inflows	\$397,532	\$335,297	\$233,628	\$236,351	\$251,254
Uses (Outflows) of Funds:					
O&M Expenses ⁽¹⁾	\$13,472	\$13,420	\$12,978	\$12,980	\$14,281
All Other O&M Expenses	78,981	80,746	88,018	88,379	93,179
Total O&M Expenses	\$92,453	\$94,166	\$100,996	\$101,359	\$107,460
Capital Expenses	103,252	97,706	103,500	95,989	\$122,877
Debt Service	47,116	43,132	43,344	50,029	49,690
Redemption of Sewer Bonds	196,197	674	-	-	-
Other	-	-	-	-	7
Subtotal, Outflows	\$439,018	\$235,678	\$247,840	\$247,377	\$280,034
Changes in Receivables	66	268	(1,632)	(2,743)	(4,302)
Changes in Payables	(603)	5,282	4,282	2,361	6,355
Changes in Inventory and other	370	(4,292)	4,450	707	246
Changes in Investments	6,023	(7,053)	(4,410)	(1,418)	(1,062)
Change in Pension and OPEB related deferred outflows and deferred inflows	-	-	1,311	(39)	2,167
POOLED CASH BALANCE ⁽²⁾	\$93,940	\$187,764	\$177,553	\$165,395	\$140,019
(1) Includes expensed capital costs for sewer repairs and renovations.					
(2) Due to rounding, columns may not total to the amounts indicated.					

Sewer Revenue Bonds, Debt Service Payments, and Other Debt Obligations

History and Description of Bonds and Other Debt Obligations

On July 29, 1985, the Board of Supervisors adopted the General Bond Resolution authorizing the issuance of sewer revenue bonds. The bond proceeds were to be used to finance improvements to the System, primarily at the Noman M. Cole, Jr., Pollution Control Plant. The bond resolution was restated on July 21, 1986, in advance of the initial \$75 million bond sale on August 6, 1986. Since that initial sale, several issues of sewer revenue bonds have been issued to finance capital improvements for the benefit of the System as well as for the purchase of additional wastewater capacity for the benefit of the County and paying a portion of capital improvement costs allocable to the County at certain wastewater treatment facilities that are owned by, or that provide service to, the County. In addition, several revenue refunding bonds series have been issued to provide debt service savings for the County. As of the date of this Official Statement, only the 2012 Bonds, the 2014 Bonds, the 2016 Bonds, and the 2017 Bonds are Outstanding Bonds under the General Bond Resolution. See “INTRODUCTION – Existing Indebtedness.”

Under the Bond Resolution, the County is required to establish rates and fees for connection to and use of the System sufficient to pay operating and maintenance expenses, System debt service, and other obligations payable from the revenues of the System. As described above under “– Interjurisdictional Service Contracts,” the County has classified as indebtedness under the Bond Resolution certain fixed payments owed to UOSA as shares of its debt service costs (such shares derived from the County’s capacity rights in UOSA’s treatment facilities).

Under the Bond Resolution, the County prioritizes its payment obligations under Treatment by Contract agreements as follows: (first) operating expenses, payable on par with operating expenses of the County’s System; (second) debt service on the County’s Outstanding Bonds and Parity Indebtedness, payable on parity with the debt service on the County’s Outstanding Bonds; and (third) Subordinate Obligations, payable after provision is made for operating expenses, debt service on the Outstanding Bonds and parity indebtedness, and Reserve Subfund deficiencies. The County retired the last sewer Parity Indebtedness in 1999.

In addition the County has borrowed money for the System from the Virginia Water Facilities Revolving Fund (the “Revolving Fund”), acting by and through the Virginia Resources Authority (“VRA”). In 2002, the County received financing approval for \$50 million from the Revolving Fund for a period of 20 years. Debt service on the loan, refinanced in 2012 and 2016 and administered through VRA, is subordinate to the debt service on the Outstanding Bonds.

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Debt Service Coverage Ratio; Liquidity

DEBT SERVICE COVERAGE
FAIRFAX COUNTY SANITARY SEWER SYSTEM

The following table shows the coverage of Debt Service on System indebtedness for Fiscal Years 2016 through 2020.

	Fiscal Year (Ending June 30) (\$ in thousands)				
	2016	2017	2018	2019	2020
System Revenue:					
User Service Charges	\$180,719	\$186,796	\$190,550	\$198,632	\$208,705
Sales of Service	8,982	8,017	8,507	11,051	8,222
Availability Fees	14,682	25,206	25,974	21,473	22,181
Interest Income	1,171	1,023	2,526	3,676	2,860
Other	733	940	701	1,300	926
Total System Revenue(a)	206,287	221,982	228,258	236,132	242,894
System O&M Expenses	(92,454)	(94,166)	(100,996)	(101,359)	(107,460)
Revenue Available for Paying Debt Service	\$113,833	\$127,816	\$127,262	\$134,773	\$135,434
Senior Debt Service					
2009 Bonds	9,651	3,697	3,693	3,696	3,695
2012 Bonds	5,557	3,394	3,392	3,396	3,395
2014 Bonds	5,688	5,707	5,723	5,732	5,766
2016 Bonds	0	4,521	6,697	6,697	6,697
2017 Bonds	0	0	2,293	5,505	5,510
Subtotal, Senior Debt Service	\$20,896	\$17,319	\$21,798	\$25,026	\$25,063
Subordinate Obligations:					
UOSA	20,016	19,838	15,571	19,028	18,652
VRA Revolving Fund	6,203	5,975	5,975	5,975	5,975
Subtotal Subordinate Obligations	\$26,219	\$25,813	\$21,546	\$25,003	\$24,627
Total Debt Service	\$47,115	\$43,132	\$43,344	\$50,029	\$49,690
Revenue Available after Paying Debt	\$66,718	\$84,684	\$83,918	\$84,744	\$85,744
Senior Debt Service Coverage (b)	4.74x	5.92x	4.65x	4.53x	4.52x
Total Debt Service Coverage (c)(d)	2.42x	2.96x	2.94x	2.69x	2.73x
(a) FY 2020 revenue excludes \$8.2 million received from the sale of system capacity, revenue from developers, grant revenues, and the gain or loss on the disposition of capital assets. (b) Revenue Available for Paying Debt Service divided by Senior Debt Service. Shows 1.25x or greater coverage as required by the Bond Resolution rate covenant. Revenue does not include non-recurring revenues (availability fees) or income previously received and held by the County derived from the System. (c) Revenue Available for Paying Debt Service divided by Total Debt Service. (d) Due to rounding, columns may not total to the amounts indicated.					

As shown in the previous table, System revenue includes current year revenue from availability fees, service charges and interest income. System revenue does not include available fund balance reserves;

i.e., income received in previous years and currently held by the County in reserve in the Revenue Subfund. To maintain a debt service coverage ratio greater than one and to generate sufficient revenues to meet the System's funding needs, the County's Wastewater Planning and Monitoring division annually evaluates the need for, and the timing of implementing, increases in the availability fees and sewer service charge rates.

In 2009, the County's Board of Supervisors adopted certain financial policies related to the System. The adopted policies include:

- Senior Debt Service Coverage Policy: Commencing July 1, 2010, the County intends to adjust rates and charges for the System such that Net Revenues less Excluded Revenues (as defined in the General Bond Resolution), will be at least 200% of senior debt service requirements.
- Collective Debt Service Coverage Policy: Commencing July 1, 2012, the County intends to adjust rates and charges for the System such that Net Revenues less Excluded Revenues (as defined in the General Bond Resolution), will be at least sufficient to meet the Senior Debt Service Coverage Policy and 125% of senior and subordinate debt service requirements.
- Cash Reserve Policy: The County intends at all times to maintain a balance within the Revenue Subfund in an amount equal to or greater than the reasonable estimate of 90 days of Operating Expenses of the System.

The County has been in compliance with each of these policies since their adoption. Additionally, the County maintains financial targets, above these policy minimums, which are revisited each year.

In its resolution adopting such policies, the Board of Supervisors noted that "[t]he Financial Policies set forth in and adopted by this resolution are not and shall not be legally binding on this Board, or any future Board of Supervisors, but state the current and continuing good faith intentions of this Board of Supervisors as to its intended management of the System and its finances. No third person, whether a ratepayer, bondholder or other creditor of the System, rating agency, trustee, or other person, shall be, or shall be deemed to be, a third party beneficiary of, or otherwise have or acquire any enforceable right as to, this resolution or all or any of the Financial Policies adopted hereby."

The following table shows the System's days cash on hand for Fiscal Years 2016 through 2020.

Historical Days Cash on Hand
(As of Fiscal Years ended June 30)

	2016	2017	2018	2019	2020
Current, Unrestricted Cash & Cash Equivalents	\$24,628,700	\$81,914,843	\$101,259,206	\$121,620,347	\$134,043,965
Construction Improvement Fund ¹	50,964,677				
Operating Expenses, Less Depreciation and Amortization	92,452,813	94,166,419	100,996,444	101,359,127	107,459,887
Days Cash on Hand	298	318	366	438	455

¹The Construction Improvement Fund excludes bond proceeds. Beginning in FY 2017, the County shifted its internal accounting procedures to characterize these funds as "unrestricted" rather than "restricted" on the Statement of Net Position.

Future Financings; Projected Debt Service Coverage Ratio

The following table provides projected debt service coverage for Fiscal Years 2021 through 2025. Such projections are based on revenue projections derived from the expected rates for such time period. System Revenue assumes annual rate increases that affect the average, monthly residential bill as follows: 7.10% in Fiscal Year 2022, 7.40% in Fiscal Year 2023, and 5.0% in Fiscal Years 2024 and 2025. In addition to the 2021 Bonds, the projections assume the County issues \$235 million in Sewer Revenue Bonds in 2023 and \$193 million in Sewer Revenue Bonds in 2025. The County anticipates issuing in Fiscal Year 2022 a Subordinate Obligation in the approximate principal amount of \$24 million to the Fairfax County Economic Development Authority to finance the System's portion of the costs of a new public works complex to be occupied in part by the System.

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PROJECTED DEBT SERVICE COVERAGE
FAIRFAX COUNTY SANITARY SEWER SYSTEM
(\$ in thousands)

	Fiscal Year (Ending June 30)				
	2021	2022	2023	2024	2025
System Revenue:					
User Service Charges	\$210,712	\$223,464	\$245,561	259,422	\$274,031
Sales of Service	9,596	10,635	11,091	11,334	11,649
Availability Fees ⁽¹⁾	22,000	22,517	20,527	20,441	20,352
Interest Income	2,937	3,113	3,300	3,498	3,708
Other	(900)	(120)	(1,179)	0	(965)
Total System Revenue	\$244,344	\$259,610	\$279,228	\$294,695	\$308,774
System O&M Expenses	(123,180)	(119,079)	(121,646)	(124,716)	(127,866)
Revenue Available for Paying Debt	\$121,165	\$140,530	\$157,582	\$169,979	\$180,908
Senior Debt Service:					
Existing Bonds	\$25,134	\$23,854	\$23,862	\$23,888	\$23,897
2021 Bonds	0	5,095	8,492	12,383	12,383
2023 Bonds	0	0	0	9,904	13,969
Subtotal, Senior Debt Service	\$25,134	\$28,949	\$32,355	\$46,174	\$50,249
Subordinate Obligations:					
Existing Obligations	\$26,720	\$17,727	\$20,422	\$20,820	\$20,825
EDA Facilities Revenue Bonds	0	1,696	1,700	1,697	1,698
Total Debt Service ⁽²⁾	\$51,854	\$48,372	\$54,477	\$68,691	\$72,772
Revenue Available after Paying Debt	\$69,311	\$92,158	\$103,106	\$101,288	\$108,137
Senior Debt Service Coverage ⁽³⁾	3.95x	4.08x	4.24x	3.24x	3.20x
Total Debt Service Coverage ⁽²⁾⁽⁴⁾	2.34x	2.91x	2.89x	2.47x	2.49x
(1) Includes spur fees. (2) Due to rounding columns may not total to the amounts indicated. (3) Revenue available for paying debt divided by Senior Debt Service. Shows 1.25x or greater coverage as required by the General Bond Resolution rate covenant. Revenue does not include non-recurring revenues (availability fees) or income previously received and held by the County derived from the System. (4) Revenue available for paying debt service divided by total debt service.					

Capital Improvement Program

As shown on the table below, the County's Adopted Capital Improvement Plan for Fiscal Years 2022 through 2026 includes approximately \$1 billion in System related capital funding. Major initiatives include investment in the System in the following areas. As part of the Washington Metropolitan Area Transit Authority's (WMATA) expansion of its Metrorail system, the Silver Line is being expanded through Fairfax County in two phases. Phase 1 opened in 2014 and includes four Metrorail stations in Tysons, which is the County's largest commercial business district with 29 million square feet of office

development. Phase 2 is anticipated to open in 2022, subject to WMATA review, and will provide for an additional three Metrorail stations in the County. Phase 2 will encompass Reston, which is the second largest commercial business district in the County with 20 million square feet of office development. This planned Transit Oriented Development along the Silver Line was anticipated as part of the County's prior year amendments to its Comprehensive Plan. These areas will require the corresponding increase in conveyance and capacity investments and are included in the System's capital forecast period. In addition, the County continues to invest in its collection system and address all regulatory requirements.

Summary of System Capital Costs for the Forecast Period (in \$000s)						
	Fiscal Year Ending June 30 ⁽¹⁾					5-Year
	2022	2023	2024	2025	2026	Total
Uses of Funds:						
Pump Station & Collection ⁽²⁾⁽³⁾	\$55,090	\$81,696	\$109,540	\$108,702	\$104,167	\$459,195
Noman Cole PCP ⁽³⁾	57,728	70,325	72,114	67,710	67,390	335,267
Treatment by Contract Partners' Plants	43,648	33,002	36,366	38,144	41,390	192,550
UOSA Capital Cost	<u>10,266</u>	<u>12,539</u>	<u>9,658</u>	<u>5,449</u>	<u>1,574</u>	<u>39,486</u>
Total Uses of Funds	<u>\$166,732</u>	<u>\$197,562</u>	<u>\$227,678</u>	<u>\$220,005</u>	<u>\$214,521</u>	<u>\$1,026,498</u>

⁽¹⁾Amounts shown reflect when funding is projected to be required and may vary from when funds are actually expended through project completion. Amounts may not add up to the totals due to rounding.

⁽²⁾Pump Station & Collection amounts include reserves for Extension & Improvements, which may only be used as needed.

⁽³⁾FY 2022 Pump Station & Collection and Noman Cole Pollution Control Plant amounts differ from the Capital Improvement Program because they include the budgeted appropriation of funds unused in prior years (carryover).

The sources of funds for the Capital Improvement Plan include (i) revenues anticipated to be collected by the System during the forecast period (e.g., receipt of System availability fees, deposits made to the Extension and Improvement Subfund from rates, etc.), (ii) contributions from the System's Sale of Service customers, and (iii) bonds assumed to be issued by the County during the forecast period, including the 2021A Bonds.

A summary of the funding sources assumed for the System's Capital Improvement Plan for the forecast period is presented below.

Capital Improvement Program Funding Plan – For the Forecast Period – (in \$000s)						
	Fiscal Year Ending June 30 ⁽¹⁾					5-Year
	2022	2023	2024	2025	2026	Total
Total System Capital Projects	<u>\$166,732</u>	<u>\$197,562</u>	<u>\$227,678</u>	<u>\$220,005</u>	<u>\$214,521</u>	<u>\$1,026,498</u>
Funding Sources:						
Appropriated Carryover from Prior Years	26,818	-	-	-	-	-
Funds on Hand & Expected Future Revenue	80,542	86,089	91,349	96,456	101,500	455,846
Bond Proceeds	<u>86,280</u>	<u>111,473</u>	<u>136,329</u>	<u>123,549</u>	<u>113,021</u>	<u>570,652</u>
Total Funding Sources	<u>\$166,732</u>	<u>\$197,562</u>	<u>\$227,678</u>	<u>\$220,005</u>	<u>\$214,521</u>	<u>\$1,026,498</u>

⁽¹⁾ Amounts shown reflect when funding projected to be required and may vary from when funds are actually expended through project completion. Amounts may not add up to the totals in the "Summary of System Capital Costs for the Forecast Period" above due to rounding.

Rates and Charges

Rate Structure

The County adopts a sewer rate structure designed to satisfy all System revenue requirements. The rate structure is also designed to derive revenues from customers equitably. The sewer rates and availability and other fees for the last five fiscal years and the adopted rate structure, as of July 1, 2020, are summarized below. As described below under “– COVID-19 Impacts on the System,” the County’s Board of Supervisors adopted the Fiscal Year 2021 Budget maintaining wastewater rates at Fiscal Year 2021 levels. This action deferred a 5% rate increase that would have taken effect on July 1, 2020, in consideration of economic effects of the COVID-19 pandemic on ratepayers. [Update table for any change in rates once FY 2022 budget is adopted]

SEWER RATE STRUCTURE FAIRFAX COUNTY SANITARY SEWER SYSTEM

Description of Rate	Fiscal Year (Ending June 30)								
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sewer Service Charge, \$/Thousand Gallons (TG)	6.68	6.75	7.00	7.28	7.28	7.94	8.20	8.48	8.90
Base Charges, \$/Bill	24.68	27.62	30.38	32.91	32.91	39.05	43.12	47.36	49.73
Availability Fee, \$/Unit:									
Single-Family Dwelling	7,750	8,100	8,100	8,340	8,340	8,423	8,423	8,423	8,423
Apartment or Townhouse	6,200	6,480	6,480	6,672	6,672	6,739	6,739	6,739	6,739
Dorm Unit	1,938	2,025	2,025	2,085	2,085	2,106	2,106	2,106	2,106
Fixture Unit, (Commercial)	401	405	405	417	417	421	421	421	421
Connection Charge, \$/Foot	152.50	152.50	152.50	152.50	152.50	152.50	152.50	152.50	152.50

Sewer Service Charges are based on water consumption, in 1,000 gallons (TG), as measured by a water service meter(s). For single-family dwellings and townhouses, water consumption for sewer billing is based on the previous winter quarter consumption. For apartment or multifamily complexes and nonresidential connections, billing is based on actual water used for the quarter. Sewer billings are included in quarterly water and sewer bills issued by the water billing agents.

Base Charges are per bill charges assessed quarterly, in addition to the Sewer Service Charge, to partially recover fixed expenses for billing, wastewater collection, engineering, planning, and administrative expenses.

Availability Fees are one-time charges collected from new sewer customers prior to connection to the System. These fees cover in part the applicants’ proportional share of costs for facilities required beyond the collector system; i.e., sub-trunk sewers, pumping stations, and treatment facilities. For nonresidential units, the minimum availability fee is equal to a single-family dwelling rate. The minimum nonresidential

rate provides for approximately 20 fixture units. Fixture units in excess of the minimum rate are charged at the prevailing fixture unit rate.

Connection Charges are one-time front footage charges used to offset the cost of installing County-built sewers adjacent to the property. The residential minimum is \$7,625; the nonresidential minimum is \$15,250. The residential maximum is \$15,250; for commercial customers, there is no maximum. An additional lateral spur charge of \$600 is charged for connecting to a County-built sewer spur.

Rate Development

Sewer service charge and availability fee rates are reviewed annually by County staff and an outside consultant as part of the County's annual budget process. In Fiscal Year [2020], the Board of Supervisors adopted charges and rates for the following five Fiscal Years. These fees are analyzed and evaluated, adjusted as necessary, and adopted annually by the Board of Supervisors to ensure that rates are priced accurately. The County allocates operating revenues and expenses, interest income, bond proceeds, debt service payments, and capital improvement expenses between existing and new users of the System as described below.

Separate accounting of revenues and expenses for existing and new customers along with analyses to determine the adequacy of sewer service charges and availability fees is conducted annually by the County. The purpose of these analyses is to allocate System revenues and expenses between existing and new customers such that growth pays for growth.

Sewer service charges are adjusted to maintain minimum reserves in the existing customer portion of the fund balance. The availability fee calculation is based on a "growth related" or marginal-incremental cost method whereby new customers are responsible for the next increment of System expansion costs incurred.

Rate Comparison

The table below compares FY 2020 average annual sewer service revenues per Single-Family Residential Equivalent (SFRE) for Fairfax County with selected other regional jurisdictions. Representative average sewer service revenues for the other jurisdictions have been developed by applying each jurisdiction's sewer service rate schedule to appropriate SFRE usage determined from an analysis of Fairfax Water's (FW) historical average water usage records for SFREs.

As the table illustrates, the County's estimated average sewer service revenues per SFRE are less than all but two of the estimated equivalent revenues of other jurisdictions. Management anticipates other jurisdictions' sewer service revenues will also be significantly affected by the Virginia Department of Environmental Quality's adoption of more stringent discharge standards. Such effects may not be reflected in current revenue levels of the other jurisdictions.

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**Comparison of Fiscal Year 2021
Average Annual Sewer Service Revenues for Single-Family Residential Equivalents (SFREs)**

Jurisdiction	Average Sewer Service Revenue (a) (\$/SFRE)
DC Water (b)	\$1,239
City of Alexandria (c)	1,052
WSSC, MD (b)	841
Arlington County (b)	669
Fairfax County (c)	656
Prince William County (b)	624
Loudoun County (c)	513
(a) Each jurisdiction's sewer service rate schedule is applied to the average usage as specified in the respective additional footnotes. (b) Average billed quarterly usage of 18,000 gallons is based on an analysis of Fairfax County Water Authority's annual usage reports. (c) These jurisdictions use a winter quarter billing method for residential customers, eliminating billing of water usage such as lawn irrigation, which does not enter the sewer system. The average winter quarter usage of 18,000 gallons is based on an analysis of Fairfax County Water Authority's annual usage reports.	

As the following table illustrates, the County's availability fees are competitive with charges of other regional jurisdictions. Management anticipates other jurisdictions' availability fees will also be significantly affected by adoption of more stringent discharge standards. Such effects may not be reflected in current fees of the other jurisdictions.

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Comparison of Fiscal Year 2021 Single-Family Availability Fees

Jurisdiction	Availability Fees (\$/SFRE)
Arlington County (a)	\$2,760
DC Water	2,809
WSSC, MD improved/unimproved (b)	3,500/14,500
Fairfax County	8,340
Loudoun County	8,541
City of Alexandria	8,859
Prince William County	10,800
(a) The availability fee for an SFRE is based on the Fairfax County Department of Public Works and Environmental Service's evaluation of Arlington County's drainage fixture unit (FU) charge of \$115/FU. The calculated fee is based on Fairfax County's assumption of 20 FU's per SFRE. (b) WSSC charges separate availability charges based on customer geographic location for improved and unimproved areas.	

Existing Customer Base

Approximately 370,700 households in the County are served by the System. That represents approximately 952,000 County residents. More than 28,300 nonresidential connections are served by the System. The floor area of the nonresidential customers is approximately 291.4 million square feet. The following table summarizes the County's sewer customer base in terms of County residential connections and population during Fiscal Years 2016 through 2020. County nonresidential connections and square footage are also shown for the same period.

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**RESIDENTIAL AND NONRESIDENTIAL CUSTOMER BASE
FAIRFAX COUNTY SANITARY SEWER SYSTEM**

Service Class	Fiscal Year (Ended June 30)				
	2016	2017	2018	2019	2020
Residential Connections:					
Single-Family Dwellings	165,113	165,552	165,936	166,462	166,981
Townhouses	77,722	77,905	78,159	78,636	79,155
Apartments	96,247	96,251	96,256	96,258	96,263
Total Residential Connections	339,082	339,708	340,351	341,356	342,399
Connected County Population	935,000	937,000	945,000	948,000	952,000
Annual Growth – total residential connections, %	0.2%	0.1%	0.2%	0.3%	0.3%
Nonresidential Connections	28,229	28,243	28,262	28,300	28,330
Nonresidential Square Feet, MSF (million square feet)	227.9	229.9	261.5	273.7	291.4 ¹
Annual Growth of Nonresidential Connections, %	0.23%	0.05%	0.07%	0.13%	0.11%
Total Connections	367,311	367,951	368,613	369,656	370,729
(1) Estimate. FY2021 Demographic information not yet available.					

The following is a summary of the top ten retail sewer customers (does not include sales of service customers that receive bulk wastewater service on a contractual basis) for the System for the Fiscal Year ended June 30, 2020.

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Retail Wastewater Top Ten Utility Customers – Fiscal Year 2020 (Based on Sales Revenue)⁽¹⁾

Retail Account ⁽²⁾	Service Class	Total Revenues	% of Total System Rate Revenues
Greenspring Village	Commercial	\$595,637	0.28%
INOVA Fairfax Hospital	Commercial	536,109	0.25
INOVA - Fair Oaks Hospital	Commercial	481,560	0.23
Fairmont Residential	Commercial	253,382	0.12
5599 Seminary Rd VA Owner LLC	Commercial	250,607	0.12
Skyline SQ Owner Association	Commercial	181,011	0.09
RBDW AVANT LLC	Commercial	163,165	0.08
Woodlake Towers Inc.	Commercial	160,954	0.08
Goodwin House Inc.	Commercial	160,620	0.08
Homart Development Corp.	Commercial	<u>160,401</u>	<u>0.08</u>
Total ⁽³⁾		<u>\$2,943,446</u>	<u>1.41</u>
Total Retail Wastewater Rate Revenues ⁽⁴⁾		<u>\$207,678,564</u>	<u>100.0%</u>

⁽¹⁾ Based on information provided by the County and includes only retail sales information; does not reflect customers that receive wastewater service on a bulk or wholesale basis. Amounts reflect information for the Fiscal Year ended June 30, 2020, the most recently completed fiscal year.

⁽²⁾ Represents the sum of all meters (accounts) that are considered as service to an individual customer, where applicable.

⁽³⁾ Totals may not add due to rounding.

⁽⁴⁾ Amount reflects revenues derived from the application of retail wastewater service charges and does not include bulk or wholesale service revenues or any other operating revenues received by the System for the respective Fiscal Year.

FY 2021 Budget

On May 12, 2020, the Fairfax County Board of Supervisors approved the Fiscal Year 2021 Adopted Budget Plan. The Fiscal Year 2021 Adopted Budget Plan represented total sewer revenues reduction of approximately \$35.7 million over the Fiscal Year 2020 Revised Budget Plan due to potential future outcomes associated with COVID-19 and no change to Sewer Charges and Fees. Sewer Revenue Fund Disbursements totaled \$230.4 million, an increase of \$1.1 million or 0.5% from the Fiscal Year 2020 Revised Budget Plan, leaving the Fund with an estimated \$84.7 million fund balance. The Fiscal Year 2021 Adopted Budget Plan included a sewer service charge of \$7.28 per 1,000 gallons of water consumption, which is no change from the prior fiscal year's sewer service charge. The budget also included a base charge of \$32.91 per quarter, which is no change from the prior fiscal year's base charge. Making no adjustments to both the sewer service charge and the base charge resulted in an annual average residential bill of \$655.80 in Fiscal Year 2021, the same as in Fiscal Year 2020. On September 29, 2020, based on better than planned sewer revenues, the Fairfax County Board of Supervisors adopted the Fiscal Year 2021 Revised Budget Plan. The Revised Budget Plan increased estimated availability charge revenue from \$1,869 to \$12 million and increased the revenue from Sewer Service Charges from \$188 million to \$198 million. The Revised Budget Plan also included \$12 million in additional sewer construction improvement expenditures. Through March 2021, total revenues were 85% of the Fiscal Year 2021 Revised Budget Plan. The largest variance was driven by availability fee revenue, which totaled \$26 million through March 2021. Through the same time period, total operating expenses were 73% of the Revised Budget Plan.

FY 2022 Budget

On February 23, 2021, the County Executive presented the FY 2022 Advertised Budget Plan to the Board of Supervisors. The FY 2022 Advertised Budget Plan represents a proposed total sewer revenue increase of approximately \$33.2 million over the FY 2021 Revised Budget Plan based on proposed increases to the Sewer Charges and Fees. Sewer Revenue Fund Disbursements total \$259.1 million, a proposed increase of \$16.8 million or 6.9% over the FY 2021 Revised Budget Plan, leaving the Fund with an estimated \$97.5 million fund balance. The FY 2022 Advertised Budget Plan includes a sewer service charge of \$7.72 per 1,000 gallons of water consumption, which is a proposed increase from the prior fiscal year's sewer service charge of \$7.28 per 1,000 gallons of water consumption. The budget also includes a base charge of \$36.54 per quarter, which is a proposed increase from the prior fiscal year's base charge of \$32.91 per quarter. These proposed adjustments to both the sewer service charge and the base charge would result in the annual average residential bill to increase \$46.20 (7%) from \$655.80 in FY 2021 to \$702.00 in FY 2022. The Board of Supervisors is scheduled to vote on the FY 2022 Adopted Budget Plan on May 4, 2021.

COVID-19 Impacts on System

Through February 28, 2021, compared to a year prior, the System experienced a 3% decline in total consumption due to the impact of the COVID-19 pandemic. During that time period, declines in commercial consumption were largely offset by an increase in residential consumption. For the Fiscal Year ended June 30, 2020, the System's total revenues were 98% of budget, and expenditures were 95% of budget. As described above, through the second quarter of Fiscal Year 2021, revenues were tracking higher than budget, and expenses were tracking under budget. As shown previously in the Projected Debt Service Coverage table, the County estimates Fiscal Year 2021 total debt service coverage will be approximately 2.3 times.

On May 12, 2020, the County Board of Supervisors adopted the Fiscal Year 2021 budget maintaining wastewater rates at Fiscal Year 2020 levels. This action deferred a 5% rate wastewater rate increase that would have taken effect on July 1, 2020, in consideration of the economic stresses created by the COVID-19 pandemic on ratepayers. On February 23, 2021, the County Executive's Fiscal Year 2022 Advertised Budget Plan included a 7% wastewater rate increase for Fiscal Year 2022. The Board of Supervisors is scheduled to vote on the FY 2022 Adopted Budget Plan on May 4, 2021.

Beginning in March 2020, the System suspended service disconnections for delinquent payments. Between March 2020 and March 2021, the balance of delinquent payments increased from \$1.2 million to \$2.2 million. The County has received \$1.47 million in funding through the federal Coronavirus Aid, Relief and Economic Security (CARES) Act program to help customers faced with past due utility bills due to COVID-19-related financial hardships.

Additional information relating to the impact of COVID-19 on the County can be found in Appendix B under the caption "GOVERNMENT SERVICES - COVID-19 Matters."

Environmental Priorities

In July 2019, the County launched its Office of Environmental and Energy Coordination (OEEC) to advance environmental and energy priorities. The creation of the OEEC reflects the County's commitment to environmental and sustainability initiatives. The Sustainability Initiatives Report for Fiscal Year 2020 provides an overview of many of the projects and programs in support of the targets, goals and policies adopted by the County Board of Supervisors. Additional information regarding OEEC, including

its targets, goals, and policies, can be found at <https://www.fairfaxcounty.gov/environment-energy-coordination/>.

The Sewer System has multiple projects and initiatives underway in support of the County's environmental priorities. These capital projects include, but are not limited to, a biosolids project that is anticipated to reduce natural gas and electricity consumption at the Noman Cole Jr. Plant, an Industrial Grade Audit at the Noman Cole Jr. Plant that will establish an energy consumption baseline and recommend a preliminary list of potential Energy Conservation Measures, analyzing the use of energy at facilities to understand areas of improvement and supporting County carbon footprint reduction initiatives, and development of a new hydraulic model to best understand system capacity condition and to better manage future wet weather conditions.

LITIGATION

To the County's knowledge, no litigation is pending or threatened (a) to restrain or enjoin the issuance, sale or delivery of any of the 2021 Bonds, the application of the proceeds thereof as provided in the Bond Resolution or the collection of revenues pledged under the Bond Resolution, (b) in any way contesting or affecting any authority for the issuance or validity of the 2021 Bonds or the validity of the Bond Resolution, (c) in any way contesting the creation, existence or powers of the County or (d) that, if determined adversely against the County, would have a material adverse effect on the County.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters relating to the authorization and issuance of the 2021 Bonds are subject to the approval of Norton Rose Fulbright US LLP, Washington, D.C., Bond Counsel, the proposed form of whose opinion is included herein as Appendix E.

Certain legal matters will be passed upon for the County by Elizabeth D. Teare, Esquire, Fairfax County Attorney, and for the Underwriters by Kaufman & Canoles, a Professional Corporation, Richmond, Virginia.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Norton Rose Fulbright US LLP, Bond Counsel, assuming continuing compliance by the County with its covenants to comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and, except as provided in the following sentence, interest on the 2021 Bonds will not be includable in gross income of the owners of the 2021 Bonds for federal income tax purposes. Interest on the 2021 Bonds will be includable in the gross income of the owners thereof retroactive to the date of issue of the Bonds in the event of a failure by the County to comply with the applicable requirements of the Code, and its covenants regarding use, expenditure, and investment of the proceeds of the 2021 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 2021 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 2021 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 2021 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 2021 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 2021 Bonds. In general, the issue price of a maturity of the 2021 Bonds is the first price at which a substantial amount of 2021 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 2021 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 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 2021 Bonds purchased as part of the initial public offering to a purchaser (other than a purchaser who holds such 2021 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 2021 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 2021 Bonds. An owner of such Bonds is required to decrease his adjusted basis in such Bonds by the amount of amortizable Bond Premium attributable to each taxable year such 2021 Bonds are held. An owner of such 2021 Bonds should consult his 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 2021 Bonds and with respect to state and local income tax consequences of owning and disposing of such 2021 Bonds.

Backup Withholding

Interest paid on the 2021 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 2021 Bonds from gross income for federal income tax purposes, the reporting requirement

causes the payment of interest on the 2021 Bonds to be subject to backup withholding if such interest is paid to beneficial owners who (i) are not “exempt recipients,” and (ii) either fail to provide certain identifying information (such as the beneficial owner’s taxpayer identification number) in the required manner or have been identified by the Internal Revenue Service as having failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or a credit against such beneficial owner’s federal income tax liability provided the required information is furnished to the Internal Revenue Service.

Other Tax Consequences

Under existing law, the interest on the 2021 Bonds is excluded from Virginia taxable income for purposes of the individual income tax and the income taxation of corporations by the Commonwealth of Virginia under Sections 58.1-322 and 58.1-402 of the Code of Virginia of 1950, as amended (the “Virginia Code”), to the extent that such interest is excludable from gross income for federal income tax purposes.

The Code and the Virginia Code contain other provisions (some of which are noted below) that could result in tax consequences, upon which Bond Counsel expresses no opinion, as a result of ownership of the 2021 Bonds or the inclusion in certain computations of interest on the 2021 Bonds that is excluded from gross income for purposes of federal income taxation.

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.

PROSPECTIVE PURCHASERS OF THE 2021 BONDS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE APPLICABILITY AND IMPACT OF ANY SUCH COLLATERAL TAX CONSEQUENCES.

Future Tax Developments

Future or pending legislative proposals, if enacted, regulations, rulings or court decisions may cause interest on the 2021 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 2021 Bonds. Prospective purchasers of the 2021 Bonds should consult their tax advisors regarding any future, pending or proposed federal or state tax legislation, regulations, rulings or litigation as to which Bond Counsel expresses no opinion.

RATINGS

The 2021 Bonds have been rated “___” by Fitch Ratings (“Fitch”), “___” by Moody’s Investors Service, Inc. (“Moody’s”), and “___” by S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC (“S&P”). The County requested that the 2021 Bonds be rated and furnished certain information to Fitch, Moody’s and S&P, including certain information that is not included in this Official Statement.

These ratings are not a recommendation to buy, sell or hold the 2021 Bonds. Generally, rating agencies base their ratings on such materials and information, as well as investigations, studies and assumptions of the rating agencies. Such ratings may be changed at any time and no assurance can be given that they will not be revised downward or withdrawn entirely by any or all of such rating agencies, if, in the judgment of any or all, circumstances so warrant. Such circumstances may include, without limitation, change in or unavailability of information relating to the County. Any such downward revision or withdrawal of any of such ratings may have an adverse effect on the market price of the 2021 Bonds.

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 2021 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 the Official Statement. The Financial Advisor is not engaged in the business of underwriting municipal securities.

UNDERWRITING

The 2021 Bonds are being purchased for reoffering by Morgan Stanley & Co. LLC, as representative of itself and Wells Fargo Securities and American Veterans Group, PBC (collectively, the “Underwriters”), at a purchase price of \$_____ (which reflects the par amount of the 2021 Bonds, less \$_____ underwriters’ discount and plus \$_____ net original issue premium). The Underwriters intend to offer 2021 Bonds to the public at the offering prices set forth on the inside cover pages 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 2021 Bonds into investments trusts), which may realow concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Underwriters.

The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. The Underwriters and their affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the County, for which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the County. The Underwriters and their affiliates may also communicate independent investment recommendations, market color or trading ideas or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Morgan Stanley & Co. LLC has entered into a retail distribution arrangement with its affiliate, Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute securities to retail investors through the financial network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its underwriting efforts with respect to the 2021 Bonds.

VERIFICATION OF CERTAIN MATHEMATICAL COMPUTATIONS

The accuracy of the arithmetical computations of the maturing principal and interest earned on the investments, if any, 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.

CONTINUING DISCLOSURE

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 2021 Bonds, unless it has determined that the issuer of such securities and/or other persons deemed to be material “obligated persons” have committed to provide to The Electronic Municipal Market Access (“EMMA”) system administered by the Municipal Securities Rulemaking Board (i) on an annual basis, certain financial information and operating data (“Annual Reports”), and, if available, audited financial statements, and (ii) notice of various events described in the Rule (“Event Notices”).

The County will covenant in the Continuing Disclosure Agreement (the form of which appears in Appendix F), to be dated the date of delivery of the Bonds, for the benefit of the holders of the Bonds, to provide to EMMA, annually, not later than March 31 of each year, commencing March 31, 2022, Annual Reports with respect to itself, as issuer. Similarly, the County will provide Event Notices with respect to the Bonds to EMMA. The County has updated its procedures relating to compliance with its undertakings under the Rule to reflect the recent amendments to the Rule.

The Continuing Disclosure Agreement requires the County to provide only that information which is subject to the terms of the Continuing Disclosure Agreement and only at specific times. The County may, from time to time, provide certain information and data in addition to that required by the Continuing Disclosure Agreement. If the County chooses to provide such information and data, it has no obligation to update such information or data or to include it in a future disclosure.

On January 23, 2019, S&P upgraded its rating from “AA” to “AA+” on several series of the Fairfax County Economic Development Authority’s Silver Line Phase I Bonds payable from certain revenues of the County, subject to appropriation by the County’s Board of Supervisors. Although the rating upgrade was reflected in the EMMA database for such bonds, the County did not file a timely Event Notice with EMMA with respect to this rating upgrade. The County has updated its procedures to ensure the timely filing of Event Notices in the future.

In addition, pursuant to the continuing disclosure undertakings relating to certain sewer revenue bonds defeased on May 12, 2016 (the “Sewer Bonds Defeasance”), the County agreed to provide timely notice of the Sewer Bonds Defeasance. Pursuant to the escrow deposit agreement, dated May 12, 2016, between Fairfax County and its Escrow Agent, the Escrow Agent agreed to provide notice to EMMA of the Sewer Bonds Defeasance within two days of the date of the agreement. The Escrow Agent did not provide this notice within the two-day period. After inquiry from the County, the Escrow Agent did provide such notice, but not within the time periods required by the relevant sewer undertakings. The County has strengthened its procedures to ensure that event notices to be provided by outside entities on the County’s behalf are done within the required time periods.

Except as described under this caption, in the five years preceding the date of this Official Statement, the County has materially complied with its undertakings under the Rule.

MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of the estimates will be realized.

The distribution of this Official Statement has been duly authorized by the Board of Supervisors of the County.

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PRELIMINARY OFFICIAL STATEMENT DEEMED FINAL

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

**BOARD OF SUPERVISORS OF FAIRFAX
COUNTY, VIRGINIA**

By: _____, Chairman

APPENDIX A

**COUNTY OF FAIRFAX, VIRGINIA, INTEGRATED SEWER SYSTEM
COMPREHENSIVE ANNUAL FINANCIAL REPORT⁽¹⁾**

¹ This Appendix comprises the County's Integrated Sewer System Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020. In order to preserve cross-references within such pages, this Appendix has not been repaginated and, accordingly, retains the original pagination.

APPENDIX B**FAIRFAX COUNTY INFORMATION*****TABLE OF CONTENTS**

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* The inclusion of general information about Fairfax County and its financial position does not imply that Fairfax County is legally obligated to make payments on the 2021 Bonds except from the revenues and other sources of funds described in this Official Statement.

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FAIRFAX COUNTY

GENERAL DESCRIPTION

Overview

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, 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.

In Virginia, cities and counties are discrete units of government and do not overlap. Fairfax County completely surrounds the City of Fairfax and is adjacent to the City of Falls Church and the City of Alexandria. Property within these cities is not subject to taxation by Fairfax County, and the County generally is not required to provide governmental services to their residents. The County does, however, provide certain services to the residents of certain of these cities pursuant to agreements with such cities.

In Fairfax County there are three incorporated towns, Clifton, Herndon and Vienna, which are underlying units of government within the County, and the ordinances and regulations of the County are, with certain limitations prescribed by Virginia law, generally effective in them. Property in these towns is subject to County taxation, and the County provides certain services to their residents. These towns may incur general obligation bonded indebtedness without the prior approval of the County (more fully discussed in “DEBT ADMINISTRATION – Underlying Bonded Indebtedness”).

Population

Fairfax County’s estimated 2019 population is 1,163,965. 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 9,471 people per year during 2010-2019.

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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
2019	1,163,965

Sources: U.S. Bureau of the Census (1940-2000, and 2010 Decennial Censuses); FY 2011-2020 Fairfax County Comprehensive Annual Financial Reports

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	106,290	9.8
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 \$124,831 and median family income was \$144,687 in 2019. Approximately 37.2% of the County's households and 47.9% of families had annual incomes of \$150,000 or more. The following table shows the 2019 household and family income distribution in the County.

2019 Household and Family Income Distribution (by Percentage)¹

<u>Income Level</u>	<u>Household</u>	<u>Family</u>
Under \$25,000	7.2%	5.0%
\$25,000 – 49,999	9.8%	8.5%
\$50,000 – 74,999	12.3%	8.8%
\$75,000 – 99,999	12.1%	10.1%
\$100,000 – 149,999	21.4%	19.7%
\$150,000 or more	37.2%	47.9%
Median Income	\$124,831	\$144,687

Source: U.S. Census Bureau, 2013-2019 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.

Certain County Administrative and Financial Staff Members

Bryan J. Hill, County Executive, was appointed as County Executive by the Fairfax County Board of Supervisors effective January 2, 2018. He was previously the Chief Administrative Officer and Clerk to the Board for James City County from 2014 to 2017; he previously spent seven years with Beaufort County, South Carolina, as deputy county administrator. At James City County, Mr. Hill was responsible for oversight of staff, major infrastructure projects, economic development, transportation initiatives and the development and implementation of that county's first strategic plan. He led the realignment of James City County's debt portfolio, which resulted in AAA ratings from each of the three major bond rating agencies. Mr. Hill also has served as the vice chancellor for finance and operations at the University of South Carolina's Beaufort/Bluffton Campus, and as the director of finance for the University of Maryland's Office of Information and Technology as well as director of administration for the Department of Aerospace Engineering. He has a bachelor's degree in public administration from Alfred University and a master's degree in public administration from the University of Southern California.

Christopher A. Leonard, Deputy County Executive, was appointed on January 2, 2021, by the Board of Supervisors. Mr. Leonard oversees the various departments that make up the provision of Health, Housing, and Human Services in Fairfax County. He has more than two decades of experience as a county employee, starting as a budget analyst in the Department of Management and Budget. Mr. Leonard spent the ten years prior to his current appointment serving as the Director of the Department of Neighborhood and Community Services. In that role, he led the considerable change management effort required for the consolidation of two existing county departments into one department, an effort that resulted in considerable savings. Mr. Leonard earned a bachelor's degree in sport management and a master's degree in public administration, both from West Virginia University.

Rachel O'Dwyer Flynn, Deputy County Executive, was appointed on January 22, 2019, by the Board of Supervisors. Ms. Flynn oversees the Department of Public Works and Environmental Services, the Department of Transportation, the Park Authority, the Department of Code Compliance, Land Development Services and the new Department of Planning and Development. Ms. Flynn has 35 years of experience in both private and public organizations as an architect, urban planner, director of planning/building/economic development and real estate development executive. Before her appointment as Deputy County Executive, Ms. Flynn was the director of design management, planning and entitlements at Google, and from 2016-2018, she was the vice president of FivePoint Communities. Previously, Ms. Flynn served as the director of the Department of Planning and Building for the City of Oakland, California, from 2013-2016; the director of planning for Otak International in Abu Dhabi from 2011-2012; the director for the Department of Community Development for the City of Richmond from 2006-2011; and the director of the Department of Community Planning and Development for the City of Lynchburg from 1998-2006. Ms. Flynn has led efforts to develop award-winning master plans and city-wide general plans throughout her career. She has been honored with numerous awards from civic and professional organizations for implementing successful and complex plans, progressive environmental initiatives and innovative GIS/technology programs. Ms. Flynn holds a bachelor's degree in architecture and a master's degree in engineering management from Catholic University and a master's in public administration from Harvard University. Ms. Flynn is a licensed architect and a member of the American Institute of Architects.

David M. Rohrer, Deputy County Executive, has worked with the Fairfax County Police Department for almost 32 years and was appointed chief in 2004. In addition, Mr. Rohrer has also served as deputy chief for investigations and operations support; Patrol Bureau commander; Special Operations Division and district commander; SWAT first-line supervisor; and first-line patrol supervisor. Mr. Rohrer has served two terms as chairman of the Metropolitan Washington Council of Governments Police Chiefs' Committee, and he is a member of numerous organizations, including the International Association of Chiefs of Police; the Major Cities Chiefs' Association; the Police Executive Research Forum; and the Virginia Association of Chiefs of Police. Mr. Rohrer holds a bachelor's degree in administration of justice from George Mason University.

Elizabeth D. Teare was appointed County Attorney by the Fairfax County Board of Supervisors effective July 1, 2016. Prior to her appointment, Ms. Teare served as the Deputy County Attorney for the Land Use and Environmental Law Section of the Fairfax County Attorney's Office from 2012 through 2016. From 2009 through 2012, she served as a Senior Assistant County Attorney and from 2000 to 2008 as an Assistant County Attorney. Prior to her tenure with the Fairfax County Attorney's Office, Ms. Teare was an associate attorney with a law firm known at that time as Surovell, Jackson, Colten & Dugan, P.C., in Fairfax, Virginia, from 1992 to 2000. She also worked as an Assistant Attorney General in Richmond, Virginia, in a temporary position from 1991 to 1992. Ms. Teare clerked for the Honorable Rosemarie Annunziata, who was then a Fairfax County Circuit Court Judge, from 1990 to 1991. Ms. Teare has been appointed by the Supreme Court of Virginia to serve on the faculty of the Virginia State Bar's Harry L. Carrico Professionalism Course. In addition, she has lectured on land use and environmental law related issues for the Fairfax County Bar Association and the Local Government Attorneys of Virginia. Ms. Teare

received a Bachelor of Arts degree from Sweet Briar College, magna cum laude with high honors in English, in 1986. In 1990, Ms. Teare received her juris doctorate degree, cum laude, from the Washington and Lee University School of Law and was admitted to the Virginia State Bar later that year.

Joseph M. Mondoro has been the Chief Financial Officer of the County since September 2015. From 2015 until July 2019 he was also the Director of the Department of Management and Budget. From February 2004 until his appointment as Chief Financial Officer/Director of Management and Budget of the County, Mr. Mondoro served as Deputy Director of the Department of Management and Budget. Mr. Mondoro received his bachelor's degree in History and Government and a Master of Public Policy from the College of William and Mary. Mr. Mondoro worked as an analyst in the Financial Planning Bureau of the City of Norfolk, Virginia from 1993 to 1995. He joined the Fairfax County Department of Management and Budget in July 1995 as a budget analyst.

Christina C. Jackson was appointed Director of the Department of Management and Budget of the County effective July 20, 2019. Prior to assuming the duties of Director, Ms. Jackson served as Deputy Director from November 2015. Ms. Jackson received her bachelor's degree in Public Policy Studies and Political Science from Duke University and a Master of Public Affairs degree from the University of North Carolina at Greensboro. Ms. Jackson joined the Fairfax County Department of Management and Budget in December 2003 as a budget analyst.

Christopher J. Pietsch was appointed Director of Finance for Fairfax County effective December 30, 2013. From 2003 until his appointment as Director of Finance, Mr. Pietsch served as the Director of the Fairfax County Internal Audit Office. Prior to that, Mr. Pietsch spent 16 years working in bank auditing as well as governmental auditing with the Commonwealth. Mr. Pietsch is a graduate of James Madison University, Harrisonburg, Virginia, with a degree in Finance. In addition, he is a Certified Public Finance Officer, Certified Internal Auditor and a Certified Bank Auditor.

County Employees

As of July 2020, the School Board of Fairfax County, Virginia (the "School Board"), supported 24,165 full time equivalent positions. The County supported 11,908 full time equivalent positions in activities funded directly or supported by the General Fund and 1,291 full time equivalent positions employed in activities not supported by the General Fund, principally the County's Integrated Sewer System (the "Integrated Sewer System"). Fairfax County employees are not represented by unions. Fairfax County public school employees have, however, organized the Fairfax Education Association and the Fairfax County Federation of Teachers to represent the interests of its members at public hearings and meetings before the School Board and the Board of Supervisors. General County employees' interests are represented at these types of meetings by the Employees Advisory Council and other groups such as police, fire, and sheriff employee organizations. None of these organizations is empowered to serve as negotiating agent for its members for collective bargaining purposes. As part of the 2020 legislative session, the Virginia General Assembly voted to provide localities the ability to collectively bargain with some public employees. The legislation was subsequently signed by the Governor with an amendment making this legislation effective May 1, 2021. The working group most recently met in February 2021 discussing a variety of relevant topics and anticipates meeting again in May 2021. Summary updates from this group are provided to the Board's Personnel Committee.

GOVERNMENT SERVICES

Reflecting its urban character, Fairfax County provides a comprehensive range of public services characteristic of its form of government under Virginia law and its integral position within the Washington

metropolitan area. The following subsections describe principal governmental services and services performed in conjunction with other governmental entities.

General Government Administration

The County government center complex is located in the Fairfax Center area and is accessible by U.S. Routes 50 and 29, near Interstate Highway 66. The 675,000 square foot government center houses core County services and agencies. Three adjacent County office buildings provide an additional 760,000 square feet of space and house primarily human services, community development and public safety agencies and departments of the County. The County also occupies a 135,000 square foot governmental center for delivery of County services in the southeast part of the County, and has six remote governmental centers throughout the County. The centers provide office space for members of the Board of Supervisors, personnel, police, and building inspectors, and provide meeting rooms for community activities.

In June 2020, the International City/County Management Association (ICMA) announced that it had awarded its Certificate of Excellence to Fairfax County for the eleventh consecutive year. The County is among only 27 jurisdictions across the nation being recognized for their superior efforts and results in performance measurement and management with this award – the organization’s highest level of recognition – from the ICMA Center for Performance Measurement™ (CPM). The Certificate of Excellence is the highest of CPM’s three levels of recognition, and pays special tribute to the County’s efforts in identifying and reporting to the public key outcome measures and surveying of residents and employees, as well as the pervasiveness of performance measurement in the County’s culture.

Fairfax County’s Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019, received the Certificate of Achievement for Excellence in Financial Reporting for the 42nd year from the Government Finance Officers Association (GFOA). Fairfax County has also earned GFOA’s Distinguished Budget Presentation Award for the past 36 years. This award represents the highest form of recognition in governmental budgeting and reflects the commitment of the governing body and staff to meet the highest principles of public budgeting. The Association of Public Treasurers of the United States and Canada (“APT”) has awarded the County certification for its investment policy every year since 1998, confirming that the County meets the high public investment standards set forth by the Association. Written investment policies submitted to the APT received vigorous peer team review for conformity with principles of sound investment management, careful public stewardship, and adoption of the profession’s best practices.

Public Schools

Fairfax County Public Schools (“FCPS”) is the largest educational system in the Commonwealth and the tenth largest school system nationwide, ranked by enrollment. The system is directed by a twelve-person School Board elected by County residents to serve four-year terms. A student representative with a one-year term participates in the School Board’s discussions but does not vote. Because the School Board is not empowered to levy taxes or to incur indebtedness, the operating costs of FCPS are provided by transfers to the School Board from the General Fund of the County and the federal and Commonwealth governments (see “FINANCIAL INFORMATION – General Fund Summary” herein). Capital construction funding for public school facilities is provided primarily by the sale of general obligation bonds of the County.

The FCPS system is a high-quality system offering a variety of programs. There is a strong academic program for college-bound students. More than 92% of FCPS graduates self-reported plans to enroll in post-secondary educational programs. In addition to the traditional academic curriculum, the Thomas Jefferson High School for Science and Technology provides a four-year college preparatory program for students who have a strong interest and high aptitude in mathematics, science, computer

science, engineering, or related professional fields. The school is designated as one of the Governor's magnet schools for science and technology, and students from other Northern Virginia counties are admitted on a tuition-paying basis.

FCPS also offers an extensive program for students pursuing opportunities in technical careers, with courses in business, health occupations, industrial technology, marketing, trade and industrial, and family and consumer sciences studies. In addition, there are special programs offered for gifted children and for students with disabilities spanning ages 2 through 21. FCPS also provides an extensive adult education program offering basic education courses and general education, vocational, and enrichment programs.

As of FY 2022, the School Board operates 192 schools and 7 special education centers:

Fairfax County Public Schools

<u>Type of School</u>	<u>Number of Public Schools</u>
Elementary School	142
Middle School	23
High School	22
Secondary Schools ¹	3
Alternative High Schools	2
Special Education Centers	<u>7</u>
Total	199

Source: Fairfax County Public Schools FY 2022 Proposed Budget

¹ Grades 7-12.

The number of students attending Fairfax County Public Schools increased overall between FY 2012 and FY 2020. Enrollment for FY 2020 was 188,355, an increase of 10,437 students over the FY 2012 enrollment. FY 2021 approved enrollment is 189,837 students, and FY 2022 proposed enrollment is 189,944 students.

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Fairfax County Public Schools Enrollment

<u>Fiscal Year</u>	<u>Number of Public School Students</u>	<u>% Change</u>
2013	181,259	-
2014	183,895	1.45%
2015	185,914	1.10
2016	185,979	0.03
2017	186,842	0.46
2018	188,403	0.84
2019	187,521	(0.47)
2020	188,355	0.44
2021	189,837	0.79
2022	189,944	0.06

Source: Fairfax County Public Schools FY 2022 Proposed Budget

The average per pupil expenditures based on FY 2021 budget operating costs for several Washington metropolitan area jurisdictions are as follows:

Washington Metropolitan Area Per Pupil Expenditures

<u>Jurisdiction</u>	<u>Per Pupil Expenditures</u>
Arlington County	\$19,581
Falls Church City	19,228
Alexandria City	18,147
Montgomery County (Md.)	16,759
Fairfax County	16,505
Loudoun County	15,214
Manassas City	13,705
Prince William County	12,641
Manassas Park	12,057

Sources: FY 2021 Washington Area Boards of Education Guide; FCPS FY 2022 Proposed Budget.

Note: Data not available for Prince George's County as part of the FCPS FY 2022 Proposed Budget.

Of the Advanced Placement (AP) tests taken by FCPS students in 2019, 77% rated a score of 3 or above (on a grading scale of 1 to 5). In 2019, 37,234 AP tests were given, an increase of 4.0% from 2014. Students who score a 3 or above on at least three AP exams are recognized by the College Board as AP Scholars; the total number of FCPS students recognized as AP Scholars rose from 6,164 in 2014 to 6,762 in 2019.

For the 2019-2020 school year, FCPS' average SAT score was 1211, compared with the Virginia average of 1116 and the national average of 1051.

Public Works

The Department of Public Works and Environmental Services (DPWES) provides essential management, professional engineering, design, and construction services in support of the construction of roads, sidewalks, trails, storm drainage, sewers, street lights, bus shelters and public facilities (except

schools, housing, and parks). DPWES is also responsible for the acquisition of land for, and timely construction of, public facilities projects contained in bond referenda questions approved by the voters of Fairfax County. See “DEBT ADMINISTRATION – Bond Referenda Authorization” herein.

Wastewater generated in the County is treated at one County-owned treatment facility (Noman M. Cole, Jr. Pollution Control Plant), four inter-jurisdictional treatment facilities (District of Columbia Water and Sewer Authority’s Blue Plains Facility, and plants operated by the Upper Occoquan Sewage Authority, Arlington County, and Alexandria Renew Enterprises), and one private treatment facility (Harbor View Wastewater Treatment Plant). The County’s treatment capacity in the six facilities totals 156.7 million gallons per day (“mgd”). In addition, the County has purchased 1.0 mgd from the Loudoun County Sanitation Authority and 0.1 mgd of capacity from the Prince William County Service Authority for future flow needs in the southern portion of the County. In July 2019, the County sold 0.5 mgd of its allocation at the Upper Occoquan Sewage Authority to the City of Manassas.

DPWES manages and operates the I-95 Sanitary Landfill located on approximately 500 acres in the southern portion of the County. This facility is operated on a “special fund” basis, which utilizes tipping fees to pay for the operation and capital expenditures of the landfill. Since January 1, 1996, the landfill has been dedicated to the disposal of ash generated primarily by the incineration of municipal solid waste at the Arlington/Alexandria Energy-from-Waste Facility and the I-95 Energy/Resource Recovery Facility (“E/RRF”) located in Fairfax County. On older portions of the landfill, the County has initiated closure activities, which involve placing a synthetic or low permeability soil cap over the closed section of the landfill along with installation of landfill gas extraction wells and leachate collection systems. Capping activity has been completed on approximately 260 acres of the site. The closure project is a multi-phase construction project to continue through the remaining life of the facility. The County has established reserves for this purpose and has met the financial assurance requirements established by the Virginia Department of Environmental Quality regarding closure and post-closure care. Additional landfill requirements, whether debris or municipal solid waste, are met through separate contracts.

The E/RRF, which is operated by Covanta Fairfax, Inc., burns solid waste delivered to the facility from the County, other local governments, and merchants. The facility has a dependable electric capacity rating of 63 megawatts for sale to Dominion Virginia Power, although it has the ability to generate over 80 megawatts. Fairfax County and the Fairfax County Solid Waste Authority, which was created by the County, entered into a service contract in August 1987 with Ogden Martin Systems of Fairfax (now Covanta Fairfax, Inc.), under which Covanta Fairfax, Inc., was obligated to design, construct, operate, and maintain a 3,000 ton per day resource recovery facility at the I-95 Landfill Site. On April 11, 2014, the County and Covanta Fairfax, Inc. entered into a Waste Disposal Agreement (“WDA”) that became effective on February 2, 2016, and has an initial five-year term that has since been extended to February 1, 2026. Under the WDA, the County’s delivery commitment is 650,000 tons (as may be adjusted under the terms of the WDA). During FY 2020, the E/RRF processed 671,008 tons of material.

Transportation

General

Fairfax County is served by various highway, rail, and air transportation facilities. The Capital Beltway (Interstate Highways 95 and 495), Interstate Highways 395 and 66 and the Dulles Toll Road provide access to all parts of the Washington metropolitan area and major surface transportation corridors along the eastern seaboard. The Washington Metropolitan Area Transit Authority (“WMATA”) Metrorail system provides area residents with one of the largest and most modern regional transit systems in the world.

Two major airports serve the County with daily national and international service. Washington Dulles International Airport (“Dulles Airport”), located along the County’s western boundary, is also the site of a designated Foreign Trade Zone. Ronald Reagan Washington National Airport, located a few miles east of the County, is accessible by Interstate Highways 66 and 395. In 1987, control of these facilities was transferred by a 50-year lease from the federal government to the Metropolitan Washington Airports Authority (“MWAA”), a public authority created by inter-jurisdictional compact between the Commonwealth and the District of Columbia. In June 2003, the lease was extended to 2067.

Ground transportation receives significant attention from the County, primarily in an effort to relieve traffic congestion along the major arterials leading to Washington, D.C., and also to facilitate cross-County movement, connecting established and developing centers of commerce and industry. Recent efforts have included increased local funding for highway improvements, establishment of transportation improvement districts, creation of County transit systems, continued participation in WMATA, and other improvements which encourage increased use of Metrorail, bus services, and carpooling. The County also participates in a regional commuter rail system to expand transportation services available to County residents. In Virginia, the Commonwealth is generally responsible for highway construction and maintenance. However, highway improvement needs in Fairfax County far exceed the highway revenues available from the Commonwealth.

Since 1993, funding for County transportation projects has been received from Commonwealth bond financing, Federal Highway Reimbursement Anticipation Notes, Commonwealth general funds, fuel tax collections, County bond financing, Northern Virginia Transportation Authority tax collections and other revenue sources. A few of the many projects supported by these funding sources have included the Fairfax County Parkway, the County’s share of capital costs for the WMATA’s Metrorail system, the Dulles Toll Road, and improvements to U.S. Route 1, U.S. Route 29, I-66, I-95, I-495, the Fairfax County Parkway, State Route 7 and State Route 28.

Metro Transit System

Since 1970, Fairfax County and the other major political subdivisions in the Washington, D.C., metropolitan area have contracted with WMATA to finance, construct and operate a 103-mile Metrorail subway and surface rail transit system. Funding for the construction of the Metrorail system has come from direct Congressional appropriations and by direct local contributions. Five Interim Capital Contributions Agreements between WMATA and the participating political jurisdictions were executed to fully fund and complete the original 103-mile adopted regional system. In July 2014, 11.5 miles of the Silver Line extension were completed and began operation. It is anticipated that during FY 2022, an additional 11.6 miles will be added to the system with completion of Phase II of the Silver Line, with new tracks connecting downtown Washington, D.C., to Washington Dulles International Airport and the final terminus in Loudoun County.

WMATA’s Board of Directors periodically adopts a Capital Improvement Plan (“CIP”), which prioritizes and maintains the existing capital plant and rolling stock of the Metrobus and Metrorail systems. The regional counter-parties to WMATA periodically agree to updated funding agreements regarding their portion of capital priorities and infrastructure renewal projects. The County issues bonds as the primary source of the County’s share of WMATA’s CIP.

In 2018, the Virginia General Assembly adopted legislation to provide annual dedicated funding sources to Metro to address long-term capital needs. Revenue sources previously dedicated to the Northern Virginia Transportation Authority for the Transient Occupancy Tax and Grantor’s Tax, in addition to redirecting two statewide revenue sources (state recordation tax currently used to pay bonds from the Northern Virginia Transportation District Fund and motor vehicle rental tax revenues), have been redirected

to Metro. Also, a price floor on the regional gas tax was established to provide further dedicated funds to Metro.

The County's operating assistance to WMATA is funded from the General Fund, gasoline tax receipts, and State aid. Fairfax County's share of the bus and rail operating subsidies for FY 2013-FY 2022 are shown in the following table:

Fairfax County WMATA Operating Subsidies
(Millions of Dollars)

<u>Fiscal Year</u>	<u>Bus Operations^{1,2}</u>	<u>Rail Operations¹</u>	<u>ADA Para-transit¹</u>	<u>Less State Aid³</u>	<u>Less Gas Tax Receipts⁴</u>	<u>Adjustments and Interest Applied</u>	<u>Net General Fund</u>
2013	\$48.829	\$26.209	\$12.424	\$49.734	\$28.568	\$0.056	\$9.104
2014	52.118	34.952	13.351	63.893	23.274	4.119	9.135
2015	53.349	39.271	13.367	69.971	24.501	1.974	9.541
2016	57.820	46.666	13.661	91.867	17.262	0.168	8.850
2017	63.200	42.186	13.262	91.247	15.841	0.701	10.859
2018	63.732	58.237	13.417	106.977	16.631	0.874	10.904
2019	63.106	62.230	14.884	108.403	18.407	1.039	12.371
2020	65.273	70.136	20.803	95.546	18.287	1.292	41.087
2021	59.549	74.167	20.157	73.907	18.000	0.300	61.666
2022	65.490	88.500	23.010	118.942	18.000	5.000	35.058

Sources: Fairfax County Department of Transportation and Department of Management and Budget

¹ The amounts shown for operating subsidies represent actual disbursements in those years. Adjustments based on final WMATA annual audited figures are incorporated in the fiscal year in which the credit for an overpayment was applied or a debited amount was paid rather than the fiscal year in which the credit or debit was earned. Fiscal Years 2013-2020 are actual amounts, and FY 2021 and FY 2022 are estimates.

² Includes other service enhancements.

³ Virginia law permits the use of State aid for transportation to fund transit program operating costs in addition to transit program capital costs.

⁴ A 2% retail gasoline tax is dedicated to mass transit costs in those Northern Virginia jurisdictions covered by the Northern Virginia Transportation Commission ("NVTC"). The receipts from this tax are paid to NVTC, which then allocates these funds to participating jurisdictions for payment of transit operating, capital and debt service costs.

Tax Districts

Transportation improvement districts provide another source of funding for transportation improvements in the County. The County, together with Loudoun County, a neighboring jurisdiction, formed the Route 28 Highway Transportation Improvement District (the "Route 28 District") in 1987 to accelerate highway improvements proposed by the Commonwealth to State Route 28. State Route 28 runs approximately parallel to the County's western border and connects State Route 7 in eastern Loudoun County to U.S. Route 50 and Interstate Highway 66 in western Fairfax County. The initial improvements, which consisted of expanding State Route 28 from two to six lanes, with additional turning lanes, are now complete. State Route 28 provides access to Washington Dulles International Airport, as do the Dulles Access Road and the Dulles Toll Road, both of which connect the Capital Beltway to Dulles Airport. Such improvements were financed from proceeds of a special improvements tax (the "Route 28 Special Improvements Tax") collected from owners of real property zoned for commercial and industrial use in the Route 28 District and bonds issued by the Fairfax County Economic Development Authority (the "EDA") secured by the Route 28 Special Improvements Tax collections.

In 2001, the Virginia General Assembly enacted legislation permitting the creation of one or more special transportation taxing districts located between the West Falls Church Metrorail station and the Dulles Airport area to provide a means of financing an extension of rail service in the Dulles Corridor. The structure of any such district is modeled after the existing Route 28 District. In February 2004, pursuant to a petition submitted by landowners representing a majority of the assessed value of property zoned for commercial or industrial use in the Tysons and Reston commercial districts, the Board of Supervisors formed the Phase I Dulles Rail Transportation Improvement District (the “Phase I District”) to provide funds to support the County’s share of Phase I of a proposed expansion of the Metrorail system to Dulles Airport and beyond (“Phase I”). Funds for financing the County’s \$400 million share of the Phase I expansion of the Metrorail system are provided from a real estate tax levy on all property zoned for commercial and industrial use in the Phase I District (the “Phase I Special Improvements Tax”). In December 2013, the County provided to MWAA its required \$400 million share for the Phase I Project from the proceeds of the Phase I Special Improvements Tax and from bonds issued by the EDA secured by the Phase I Special Improvements Tax collections. Metrorail service for Phase I began in July 2014.

Phase II of the proposed expansion of the Metrorail system (“Phase II”) will complete the 23-mile line to Dulles Airport and beyond into Loudoun County. In October 2009, the County received a valid petition to form another special tax district comprised of the Reston-Herndon-Dulles commercial districts to provide \$330 million toward the County’s portion of the Phase II financing. The Phase II tax district was approved by the Herndon Town Council on November 11, 2009, and by the Fairfax County Board of Supervisors on December 7, 2009. On May 9, 2014, the United States Department of Transportation (“USDOT”) approved an application of the County to receive loans in the aggregate principal amount of up to \$403,274,894 plus capitalized interest to fund County obligated Phase II project costs (the “TIFIA Loan”). The TIFIA Loan closed on December 17, 2014. As of June 30, 2020, the outstanding balance on the TIFIA Loan, including accrued interest, was \$438,449,290.

County Transit Systems

Within the County, the Fairfax Connector System provides feeder bus service to Metrorail Stations. The Fairfax Connector operates 84 routes to 13 Metrorail Stations, which include the Dunn Loring, Crystal City, Franconia-Springfield, Huntington, McLean, Pentagon, Pentagon City, Spring Hill, Tysons Corner, Van Dorn Street, Vienna, West Falls Church, and Wiehle-Reston East stations. Private contractors operate and maintain the service and have the responsibility to employ and supervise all transit personnel, while the Board of Supervisors maintains control and approves all policies for bus service such as routes and service levels, fare structures, and funding assistance. The Fairfax Connector System is supported from General Fund and fare box revenues. FY 2020 actual results also include support of \$6.2 million from State aid. The Fairfax Connector carried approximately 8.3 million passengers in FY 2019, with a reduction to 6.8 million passengers in FY 2020 due to the impact of the COVID-19 pandemic. FY 2021 ridership is projected to be approximately 7.1 million. Fairfax Connector System expenditures totaled approximately \$99.3 million in FY 2020, and are projected to be \$116.5 million in FY 2021, and \$131.6 million in FY 2022, including capital expenditures. The County runs three permanent maintenance and garage facilities for the Fairfax Connector System, with bus operations management provided by a third-party contractor.

Commuter Rail

Fairfax County is a member of the Northern Virginia Transportation Commission and, in cooperation with the Potomac and Rappahannock Transportation Commission, is a participating jurisdiction in the operation of the Virginia Railway Express (“VRE”) commuter rail service. As of December 2019, the service consisted of eight peak period trips from south of the County in Spotsylvania County to north of the County in the District of Columbia and six peak trips that run from west of the County in the City of Manassas to north of the County in the District of Columbia. Under a Master

Agreement among VRE's participating jurisdictions, the County is to contribute to capital, operating, and debt service costs of the VRE on a pro rata basis according to its share of ridership. The County's share of the FY 2022 commuter rail operating and capital budget is \$6.4 million.

Parks, Recreation and Libraries

Fairfax County provides a variety of recreational, educational, and cultural activities and services. In FY 2020, the Fairfax County Public Library system (the "Library System") made more than 8.9 million loans and recorded more than 3.1 million visits to its 23 branches, and reported more than 2.3 million user visits to its web site, reduced as a result of the COVID-19 pandemic from the prior fiscal year's 10.9 million loans, 4.5 million visits and 3.0 million user visits to its web site. The Library System offers free events and activities, including puppet shows for toddlers, story time for school-aged children, book discussion groups for teens, author visits for adults, and English conversation classes for English for Speakers of other Languages customers (or new arrivals). The Library System also makes library services available and accessible to people who have disabilities or are homebound.

The Department of Neighborhood and Community Services provides a variety of recreational, community, and human services for County residents. These services include senior adult programs and centers, therapeutic recreation services for individuals with disabilities, a variety of youth programs including recreational activities at youth centers, community-based recreational opportunities, support for Fairfax County's various volunteer sports councils and leagues, and a variety of volunteer opportunities.

Fairfax County also operates an extensive park system that provides a variety of recreational activities and facilities. Under the direction of a 12-member Park Authority Board appointed by the Board of Supervisors, the Fairfax County Park Authority ("FCPA") works with constituents, government leaders and appointees to implement Park Authority Board policies, preserve and protect natural and cultural resources, and facilitate the development of park and recreation programs and facilities. FCPA oversees operation and management of a 23,607-acre County park system with 427 parks, nine recreation centers, eight golf courses, an ice skating rink, 209 playgrounds, 668 public garden plots, five nature centers, three equestrian facilities, 452 FCPS athletic fields, 43 synthetic turf fields, 263 Park Authority-owned athletic fields, 82 historic sites, two waterparks, a horticultural center, and more than 334 miles of trails. In FY 2020, FCPA welcomed almost 19.5 million visitors to parks, groomed fields for more than 200 youth and adult sports organizations, improved its trail system, and worked to control non-native invasive plants, promote native species and preserve woodlands and green open spaces.

FCPA charges fees for the use of certain park facilities including the recreation and fitness centers, classes, camps, programs and golf courses, which are operated on a cost recovery basis, and represent approximately 65% of FCPA's funding. The remaining operating funds are appropriated by the Board of Supervisors from the County's combined general fund, providing the main operating funds for natural and cultural preservation and protection, administrative tasks, general access parks, planning and development, and park maintenance and operations. User fees do not cover the cost of new development of facilities, land acquisition, or the major renovation of existing facilities. These improvements are funded primarily through revenue bonds and general obligation bonds. General obligation bonds are primarily used for the renovation of existing facilities.

The Northern Virginia Regional Park Authority ("NVRPA"), an independent entity in which the County participates, operates 31 parks covering approximately 12,000 acres throughout Northern Virginia including the County. NVRPA is continually in the process of completing, acquiring, developing, or expanding its regional park facilities.

Community Development

The Fairfax County Redevelopment and Housing Authority (“FCRHA”) was established in 1966 to meet low and moderate income family housing needs. It owns or administers housing developments in Fairfax County with staff and funding provided from County, federal, Commonwealth, and private sources. As of June 2020, the FCRHA owns or operates 85 properties, which are comprised of over 3,800 apartments, townhouses, senior retirement homes, assisted living facilities, and specialized housing units. The FCRHA also owns other specialized housing such as mobile home pads and beds in group homes. The FCRHA also administers 5,170 federal Housing Choice Vouchers and Rental Assistance Demonstration-Project Based Vouchers. In FY 2020, more than 19,000 people were served through the FCRHA’s major affordable housing programs: the Housing Choice Voucher (HCV) and the Rental Assistance Demonstration-Project-Based Voucher (RAD-PBV) assistance programs and the Fairfax County Rental Program (FCRP). In FY 2020, the average income of households served in these programs plus the local Bridging Affordability tenant subsidy program was approximately \$25,164, or 22% of Area Median Income for a family of three (the average size of the households served). This meets the U.S. Department of Housing and Urban Development’s (HUD) definition of “extremely low income.”

The FCRHA has provided various financing resources to developers to help create or preserve privately owned multifamily developments. Such developers have used FCRHA’s financing along with low-income housing tax credits to create or preserve over 2,000 units for lower income tenants. The Fairfax County Board of Supervisors (the Board) adopted the Countywide and Tysons Workforce Dwelling Unit Administrative Policy Guidelines (the WDU Policies) in 2007 and 2010, respectively. The WDU Policies were designed to encourage the development of rental and for-sale units affordable to households with a wide range of income throughout the County. The WDU Policies provide a proffer-based incentive system that encourages the voluntary development of WDUs in the County’s high-density areas consistent with the Comprehensive Plan. The current WDU Policies create between 12 to 20 percent of total new units as WDUs for households earning up to 120 percent of the Area Median Income and allow a maximum density bonus of up to 20 percent. To date, the WDU Policies produced approximately 1,704 WDUs (1,679 rental and 25 for-sale).

In 2019, the Board established a WDU Policy Task Force to evaluate the WDU Policies to ensure the WDUs provided would enable housing affordability in the County. The WDU Policy Task Force presented its policy recommendations to the Board in June 2020. In July 2020, the Board authorized consideration of a Comprehensive Plan Amendment based on the WDU Policy Task Force’s policy recommendations. The Board approved the Comprehensive Plan Amendment on February 23, 2021.

Other County services include efforts to increase local employment opportunities by encouraging and retaining business and industrial development through the County’s EDA. On July 1, 2007, the County established an Office of Community Revitalization and Reinvestment (“OCR”). The mission of the OCR is to facilitate strategic redevelopment and investments within targeted commercial areas of the County that align with the community vision, and improve the economic viability, appearance and function of those areas. Among other initiatives, the OCR is charged with working with property owners and the community to facilitate interest and participation in commercial development activities, and to develop public/private partnerships that further the County’s revitalization, redevelopment, and reinvestment efforts. As part of the FY 2020 Adopted Budget Plan, OCR and the Department of Planning and Zoning were merged into the newly created Department of Planning and Development.

Health and Welfare

The County provides services designed to protect, promote, and improve the health and welfare of Fairfax County citizens through a decentralized human services program. Based on individual needs,

County human service centers define a comprehensive assistance plan that utilizes the services provided by all County departments. The County operates human service centers in locations convenient to residents to provide financial, medical, vocational, and social services. The Fairfax-Falls Church Community Services Board (“CSB”) is responsible for planning, organizing, and providing services to individuals who have a mental illness, intellectual disability, or a substance use disorder. The CSB provides state mandated services to assist, improve, and maximize the potential of individuals affected by these conditions and strengthen their capacity for living self-determined, productive, and valued lives. The CSB is part of the Fairfax County Human Services System providing its services at many sites throughout the County, including seven community mental health centers, several outpatient sites, a detoxification center, group homes, consumer-operated drop-in centers, and several specialized residential treatment sites.

The County also provides subsidized day care programs for older adults and children of low-income families, two special needs centers that serve emotionally disturbed or physically challenged children, and group homes for youth with serious emotional disturbances. Residential treatment services are also offered in the areas of substance abuse as well as substance abuse outpatient and specialized day treatment programs. Vocational and residential programs are also available for adults with intellectual disabilities and serious mental illness.

Financial assistance and social services are available to eligible residents. For low-income families and individuals, the Department of Family Services (“DFS”) administers federal, Commonwealth, and local programs, such as public assistance, employment and training, and subsidized child care, as well as programs targeted to at-risk children, such as child abuse prevention, Child Protective Services, Foster Care and Adoption, and services purchased under the Comprehensive Services Act. For older adults, DFS also administers programs that include federal funds granted to localities, Commonwealth funds and additional support from the County. The federal and state governments partially reimburse DFS for the cost of administering the programs based on an annual allocation to the County as well as program costs. DFS operates the County’s School-Age Child Care (“SACC”) program in 139 centers located in 136 Fairfax County Public Schools (“FCPS”), one FCPS community building, one County recreation center, and one County community center. Approximately 11,000 children participate in before-and-after-school SACC programs during the school year and in full-day programs in the summer and during school vacations. Since FY 1986, the County has provided a comprehensive County transportation service, Fastran, for qualified elderly, disabled, and low-income persons. Transportation is provided by bus, van, or cab on a door-to-door basis to County programs, medical care, grocery stores, and other destinations.

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.

In April 2020, the County received \$200.2 million in federal funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act Coronavirus Relief Fund (CRF). These funds were appropriated as part of the FY 2020 Third Quarter Review. COVID-19 rapidly escalated, with school closures and event cancellations, and consumers were asked to stay home to combat the spread of the virus. County agencies were requested to defer all non-critical expenditures for the remainder of FY 2020, and all revenue categories were closely monitored. In addition to CRF funds, as part of the FY 2020 Third Quarter Review, the County identified savings – totaling \$11.3 million – that 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 Virginia Governor's Phase 3, Forward Virginia, which began on July 1, 2020, businesses across the County are open with reduced staff and capacity and continue 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 are open on a limited basis. Face coverings are required in Fairfax County and all public buildings. County residents are encouraged to use 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 in spring 2020, and in July 2020 the Board of Supervisors returned to in-person meetings with socially distant spacing. On November 17, 2020, the Board of Supervisors returned to virtual meetings.

In September 2020, the Board of Supervisors approved the FY 2020 Carryover Review process, 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 actual business, professional, and occupational license (BPOL) tax collections were \$173.8 million or 4 percent above the FY 2019 actual of \$167.2 million. The FY 2020 actual sales tax collections were \$191.1 million or 2.2 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 \$275.78 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 of \$34.39 million, totaled \$226.69 million. Of this ending balance, \$81.89 million was from the general fund, and \$144.80 million was from the County's CARES fund, described in more detail later in this section.

In December 2020, the Governor announced additional COVID-19 restrictions. These included a modified stay at home order with curfews from 12:00 midnight to 5 a.m. unless work travel is required. A universal mask requirement is mandated for all Virginians age five and over in indoor settings shared with others and when outdoors within six feet of other persons. Also, limits to social gatherings were reduced from twenty-five to ten individuals whether indoors or outdoors, but exclude religious services, employment and educational settings. On March 1, 2021, the Governor announced an easing of restrictions citing a decrease in the number of COVID-19 case numbers. Alcohol sales are to end at midnight, compared to the previous 10 p.m. deadline. The modified stay at home order from midnight to 5 a.m. was lifted. Starting April 1, 2021, the cap on social gatherings was raised to fifty people indoors and one hundred people outdoors, including weddings. Indoor entertainment venues can accommodate up to a thirty percent capacity or five hundred people, and outdoor venues can accommodate up to thirty percent capacity with no numerical cap. Attendance at recreational sports, both indoors and outdoors, is capped at thirty percent of capacity.

Fairfax County Public Schools (FCPS) provided primarily virtual learning through January 2021. FCPS has however successfully completed a month-long hybrid return of students and staff to FCPS buildings between February 16, 2021, and March 16, 2021. FCPS also participated in the winter sports season and several high schools have begun or are phasing in student activities for the remainder of the school year. FCPS further announced its intention for the return of five days a week of in-person learning in Fall 2021.

As of March 2021, the County has received, or is anticipated to receive \$473.7 million of stimulus funds to support the County's response to the COVID-19 pandemic, which includes \$200.2 million from

the CARES Fund, \$8.2 million anticipated as a result of approved Federal Emergency Management Agency (FEMA) reimbursements, and \$265.3 million in grants and other awards outlined as follows.

Per the federal Consolidated Appropriations Act of 2021 enacted on December 27, 2020, the deadline for the use of CRF was extended from December 30, 2020, to December 31, 2021. As of December 21, 2020, \$191.92 million of the County's \$200.2 million has been encumbered or expended 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.

The County has submitted and has been approved for reimbursements totaling \$8.2 million through the Federal Emergency Management Agency (FEMA). County expenses incurred were for personal protective equipment, disinfectant, and cleaning supplies.

The County has also been awarded \$265.3 million in grants and other awards, for the County and to the Fairfax County Public Schools, to support pandemic response efforts. Notable funding allocations were provided to the following areas. The Fairfax County Public Schools received \$105.7 million in Elementary and Secondary School Emergency Relief (ESSER) Funds from the United States Department of Education and \$32.2 million from the Governor's allocation of federal CARES money to assist public schools in Virginia. The County also received notification from the Washington Metropolitan Area Transit Authority (WMATA) of \$26 million in funding from the Federal Transit Administration (FTA) through the CARES act to support the County's Connector bus transit system. The Virginia Department of Health has provided the County approximately \$36 million to support the County's contact tracing program, COVID-19 testing, support for Community Health Workers, and the hiring of additional County epidemiologists. The County also received notification that it has been awarded \$34.5 million in Emergency Rental Assistance to aid households unable to pay rent and utilities due to COVID-19. The \$30.9 million balance of funding covers a number of County areas including support for low-income housing, utility payment relief, public safety personnel, and workforce development.

County staff continue to provide monthly CARES funding reports to the Board of Supervisors.

County staff added a new Mid-Year FY 2021 Budget Review to the budget calendar. This provided for Board of Supervisors Budget Committee review as part of meetings held on November 24, 2020, and January 12, 2021. Staff recommended revenues be reduced by \$15 million (0.3 percent), due mainly to lower School-Age Child Care revenues, reduced transient occupancy hotel revenue, and decreases to various fines, fees, and charges across the County. This is partially offset by higher than projected sales tax and recordation tax revenues. The County used a portion, \$9 million, of its COVID-19 reserve coupled with net expenditure adjustments and one-time balances of \$6 million to offset the revenue loss. The Board approved these changes on January 26, 2021.

On March 23, 2021, County staff provided further financial updates to the Board of as part of the FY 2021 Third Quarter Review. Revenue estimates are based on revenue collections through February 2021 and are recommended to be reduced by \$5.7 million (0.1 percent) from the FY 2021 Mid-Year Estimate for the following categories. Revenues were decreased in the Charges for Services category (\$23.7 million) due mainly to the loss of School-Age Child Care funding from ongoing virtual learning by the Fairfax County Public Schools, Fines and Forfeitures reflect lower court fines and violations (\$2.6 million), loss of Intergovernmental money for mandated services (\$1.8 million), and lower recovered costs and contract rebates (\$1.1 million). Partial offsets to these revenue reductions include recommended increases

to the following categories. Personal Property (\$11.2 million) reflects an increased levy and year to date collections, Sales Tax (\$2.1 million) notes higher year to date collections, Recordation Tax (\$5.9 million) adjustment due to the high-volume real estate sales and refinancings, Real Estate collections (\$3.7 million), and net adjustments (\$0.6 million).

To offset this revenue loss, the County will again use a portion of its COVID-19 Reserve (\$7.3 million) coupled with Countywide departmental personnel and operational savings (\$23.4 million), and net expenditure adjustments (\$8 million) that notably include IT project funding, and a reimbursement to the Housing Authority.

The net available balance after these adjustments is \$13.8 million. Per the Board's directive in February 2021, County staff were tasked with providing an option for a one-time bonus for County employees as there were no pay increases included in FY 2021 or currently proposed in FY 2022. Accordingly, this available balance could accommodate a one-time bonus of \$1,000 and \$500 for merit and non-merit employees, respectively. [If a bonus were approved, it would be included as part of Board action on the FY 2021 Third Quarter Review on April 27, 2021.]

Additionally, the County is projected to receive \$222.6 million in additional direct federal assistance through the American Rescue Plan (ARP), which was signed into law on March 11, 2021. A first tranche of approximately \$111 million is expected to be received during FY 2021, with the second payment no earlier than 12 months following the first payment. Staff are awaiting confirmation of the funding total from the U.S. Department of Treasury. Allowable uses of ARP funds include the response efforts and revenue losses incurred as a result of COVID-19. The deadline to spend these funds is December 31, 2024, and they cannot be used to offset revenue losses resulting from tax rate reductions or to make pension plan payments. [It is anticipated that, depending on the timing of the notice of the actual award, Board approval and acceptance of the funds could also be included as part of Board action on the FY 2021 Third Quarter Review on April 27, 2021.]

The financial and operating data contained in this Official Statement and in particular in Appendix A and this Appendix B are as of the dates and for the periods indicated, a portion of 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.

Judicial Administration

Fairfax County's court system is one of the most sophisticated systems in Virginia in its use of advanced case management techniques and rehabilitation programs. The County uses automated systems to support case docketing and record retrieval, electronic filing and imaging in the land recordation process, juror selection, service of notices and subpoenas, and the processing of criminal and traffic warrants and collecting delinquent tax obligations.

The County has undertaken rehabilitation efforts through the Juvenile and Domestic Relations District Court and the Office of the Sheriff. These efforts include work training programs and counseling services for both adult and juvenile offenders. Additionally, residential treatment services are provided for juvenile offenders, and a work release program is provided for offenders confined in the County's Adult Detention Center.

Public Safety

A number of agencies share responsibility for public safety in Fairfax County. The Police Department, which is responsible for law enforcement, has an authorized strength of 1,492 police officers and 329 civilian personnel, with 10 positions supported by grant funding, effective July 1, 2020. The Police Department is accredited by the Virginia Law Enforcement Professional Standards Commission, which signifies the Department's compliance with standards that are specific to Virginia law enforcement operations and administration. The commanders of the eight police district stations located throughout the County have considerable latitude to tailor their operations to provide police services in ways most responsive to the needs of their respective communities, including community policing endeavors. The department has specialized units that operate as both standing (staffed full time) and non-standing units (staffed as needed), including the Helicopter Division, which operates two helicopters to provide support to general police operations, traffic monitoring, emergency medical evacuation, and rescue support; the Criminal Intelligence Unit, which provides an effective response to organized criminal activity including terrorist-related, gang, and bias crimes; the Gang Unit, which provides regional leadership directed at combating gang crime through prevention and enforcement initiatives; and the Language Skills Support Unit, which serves to bridge the gap in the diverse cultures in the community by providing language support for the successful resolution of major criminal investigations.

Over the past 10 years, the County has maintained one of the lowest rates of serious crimes among jurisdictions in the Washington metropolitan area and among comparable suburban jurisdictions throughout the United States. Additionally, the Police Department has continually attained a clearance rate for violent crimes such as murder, rape, and robbery far above the national averages for such offenses. At the same time, Fairfax County has maintained one of the lowest per capita costs for police services of all the local jurisdictions in the Washington metropolitan area.

Fire and rescue services are provided by 1,417 paid uniformed personnel, 185 paid civilian support personnel, and approximately 300 operational volunteers as of July 1, 2020. The County operates 38 fire and rescue stations. The department operates various specialty units, including paramedic engine companies, a hazardous materials response unit, a technical rescue operations team, an arson canine unit, and a water rescue team whose members are certified in swift water rescue. The department also supports regional, national, and international emergency response operations through maintaining and supporting the Urban Search and Rescue Team ("US&R"). US&R operates under the auspices of the Department of Homeland Security for domestic responses and is sponsored by the United States Agency for International Development/Office of Foreign Disaster Assistance for international deployments. In addition to emergency response, the department provides various non-emergency services.

In May 2004, the Office of Emergency Management was established as a separate agency serving as the County's focal point for emergency preparedness and internal and external coordination to respond to natural, technological, and terrorist-related emergencies. Employees provided emergency management services for Fairfax County, including the Towns of Clifton, Herndon and Vienna. The major areas of focus include emergency management planning and policy, the County-wide emergency training and exercise program, public preparedness and education, and enhancement of response and recovery capabilities.

Water Supply Service

Fairfax Water ("FW") provides retail water service to residents of Fairfax County and the cities of Fairfax and Falls Church. In addition, FW supplies water for resale, principally in the City of Alexandria, Loudoun County, Prince William County, Fort Belvoir, Towns of Vienna and Herndon. The average total retail and wholesale population served by FW is estimated at 2,000,000 persons. FW, which operates the largest water system in the Commonwealth of Virginia, was established by the Board of Supervisors in

1957 to develop a comprehensive, County-wide water supply system through the acquisition of existing systems and the construction of new facilities. FW is an independent body administered by a ten-member board appointed by the Board of Supervisors. FW finances its capital improvements through the issuance of revenue bonds that are not backed by the full faith and credit of the County but principally repaid by revenues derived from charges for services rendered. Effective April 1, 2020, FW's basic retail water charge is set at \$3.20 per 1,000 gallons, plus a quarterly service charge (currently \$14.40 for most single-family homes and townhouses). Effective April 1, 2021, FW's basic retail water charge will increase to \$3.33 per 1,000 gallons. To pay for treatment and pumping capacity which is used only during periods of high demand, FW also levies a peak use charge of an additional \$3.85 per 1,000 gallons (also effective April 1, 2020), increasing to \$3.90 per 1,000 gallons (effective April 1, 2021) on customers who exceed their winter quarter consumption by 6,000 gallons or 30%, whichever is greater. There also are fees for initial connection to the system and for opening, closing, or transferring an account.

FW uses three sources of water supply (Occoquan and Potomac Rivers and the Washington Aqueduct), operates associated treatment, transmission, storage, and distribution facilities, and provides service to approximately 281,000 retail accounts in Fairfax County, with an average daily consumption of about 166 million gallons per day ("mgd"). The combined maximum daily capacity of the supply and treatment facilities is 376 mgd, which is sufficient to meet current demand.

Under an agreement with the Board of Supervisors, FW annually submits a 10-year capital improvement program which is reviewed and approved by the Board of Supervisors as part of the County's total capital improvement program. FW's 10-year Capital Improvement Program for FY 2021-2030 includes projects totaling \$853,462,000.

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 119.1 million square feet as of mid-year 2020. At that time, construction activity totaled over 2.7 million square feet. The direct vacancy rate for the office market was 13.8 percent as of mid-year 2020. 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.

Federal civilian employment in the County makes up 4.2 percent of the total jobs in the County. Federal were relatively stable in 2019 and declined slightly through the middle of 2020. Overall employment rose 1.6 percent in 2019 after increasing 1.8 percent in 2018 and 1.1 percent in 2017. Due to the COVID-19 pandemic, the trend reversed in 2020. During the first half of 2020, total employment in

the County was 592,440, a decrease of 4.1 percent compared to the same period of 2019. However, employment in the professional and business services sector continued to increase slightly by 0.4 percent during this time. Federal procurement spending in the County increased 5.5 percent to \$28.0 million in FY 2019, after increasing 9.7 percent in FY 2018. County General Fund revenue rose 7.0 percent in FY 2020. Excluding one-time federal stimulus funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act, County General Fund Revenue increased 2.4 percent in FY 2020. Real estate tax receipts rose by 3.6 percent while current personal property tax receipts rose 3.1 percent. Current business professional and occupational license (BPOL) revenue increased 4.0 percent. The combined consultant and business service occupations categories, which represent 42.3 percent of total BPOL receipts and include federal contractors, increased 4.0 percent over the FY 2019 level. The remaining categories rose a combined 3.9 percent. Sales tax receipts rose 2.1 percent in FY 2020 compared to FY 2019.

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.

The most notable area of redevelopment in the County, Tysons – Fairfax County's "downtown" – is undergoing a transformative land-use replanning effort. Spurred by the Metrorail expansion project, the County is working to set the stage for Tysons's evolution into a more urban-scale, pedestrian-friendly environment, with more housing, recreation and open space in addition to more-dense office and retail development. Tysons currently has over 38.5 million square feet of office, retail, and other commercial space and is behind only downtown Washington's Central Business District and the East End submarkets in the entire Washington D.C. metropolitan area in total office inventory, and has 15.1 million square feet of residential space. Now that Phase I of the Metrorail expansion has been completed, it is expected that Tysons will continue to have significant growth in population, employment and commercial, retail and residential space over the next several decades. County staff, in cooperation with private participants, created a 501(c)(6) membership organization known as the Tysons Partnership in January 2011. The Tysons Partnership provides a comprehensive approach to tasks that include marketing and branding, transportation, urban design/planning, public facilities and community amenities and finance. On January 8, 2013, the Board of Supervisors established, by ordinance, the Tysons Transportation Service District No. 1 (the "Tysons Service District") to provide transportation infrastructure and transit services within Tysons. As the governing board of the Tysons Service District, the Board of Supervisors is empowered to levy and collect a tax on any property within Tysons Service District's boundaries to finance the transportation infrastructure and transit services projects. The tax rate of \$0.04 per \$100 of assessed value was adopted by the Board of Supervisors as part of the FY 2014 Adopted Budget Plan, and this rate remained unchanged as part of the FY 2015 Adopted Budget. However, in the FY 2016 Adopted Budget Plan, the tax rate

increased one cent from \$0.04 to \$0.05 per \$100 of assessed value. The tax rate has remained unchanged at \$0.05 per \$100 of assessed value from FY 2017 through the FY 2022 Advertised Budget Plan.

Employment

As of the third quarter of 2020, there were more than 37,000 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 584,000. 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 third quarter of 2020.

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**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	15	85
Mining, quarrying, and oil and gas extraction	9	70
Utilities	23	1,318
Construction	2,321	23,942
Manufacturing	438	5,028
Wholesale Trade	1,054	13,590
Retail Trade	2,577	46,673
Transportation and Warehousing	384	12,888
Information	901	21,076
Finance and Insurance	1,663	28,267
Real Estate and Rental and Leasing	1,668	9,033
Professional and Technical Services ²	10,144	162,057
Management of Companies and Enterprises	354	21,357
Administrative and Waste Services	1,943	41,347
Educational Services	707	9,798
Health Care and Social Assistance	4,135	56,449
Arts, Entertainment, and Recreation	405	6,883
Accommodation and Food Services	2,219	32,735
Other Services except Public Administration	5,102	17,156
Unclassified	905	1,697
Federal Government, all industries	137	24,658
State Government, all industries	37	9,167
Local Government, all industries	<u>87</u>	<u>38,954</u>
Total	37,228	584,227

Source: Virginia Employment Commission, Quarterly Census of Employment and Wages, Fairfax County, third quarter of 2020

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 50 largest private, base sector (non-retail) employers as of September 2020. 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>
Amazon	Professional, Scientific and Technical Services
Booz Allen Hamilton*	Professional, Scientific and Technical Services
Capital One*	Financial Services
Freddie Mac*	Financial Services
General Dynamics*	Professional, Scientific and Technical Services
Inova Health System*	Health Care
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
AECOM	Professional, Scientific and Technical Services
AT&T	Information
BAE Systems	Professional, Scientific and Technical Services
Bechtel	Professional, Scientific and Technical Services
Boeing Company	Professional, Scientific and Technical Services
CACI	Professional, Scientific and Technical Services
Catholic Diocese	Other Services
CGI	Professional, Scientific and Technical Services
Constellis*	Professional, Scientific and Technical Services
Cvent*	Professional, Scientific and Technical Services
Deloitte	Professional, Scientific and Technical Services
Ernst & Young	Financial Services
Greenspring Village	Health Care
HCA Virginia	Health Care
Hilton*	Accommodation and Food Services
IBM	Professional, Scientific and Technical Services
Insperty	Administrative Support
Jacobs	Professional, Scientific and Technical Services
Kaiser Foundation	Health Care
KPMG	Professional, Scientific and Technical Services
Leidos*	Professional, Scientific and Technical Services
Logistics Management Institute	Professional, Scientific and Technical Services
ManTech International*	Professional, Scientific and Technical Services
The MITRE Corporation*	Professional, Scientific and Technical Services
Navy Federal Credit Union*	Financial Services
Northrop Grumman*	Professional, Scientific and Technical Services
Oracle	Professional, Scientific and Technical Services
Perspecta*	Professional, Scientific and Technical Services
PriceWaterhouseCoopers	Financial Services
Quest Diagnostics	Health Care
Securitas	Administrative Support
Sunrise Senior Living*	Health Care
T-Mobile	Telecommunications
United Parcel Service	Transportation

500-999 Employees

<u>Company Name</u>	<u>Type of Business</u>
Allied Universal	Administrative Support
Carahsoft*	Professional, Scientific and Technical Services
Chenega	Professional, Scientific and Technical Services
ICF International	Professional, Scientific and Technical Services
Microsoft	Professional, Scientific and Technical Services
MicroStrategy*	Professional, Scientific and Technical Services
Raytheon	Professional, Scientific and Technical Services
Washington Gas and Light	Utilities

Source: Fairfax County Economic Development Authority, List of 50 Largest Employers September 2020. 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.

A list of the top ten new or expanded office projects within the County announced in the fourth 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>
Volkswagen Group of America (Germany)	Automotive	798
Ntiva	Information technology	97
Chenega Analytic Business Solutions	Information technology	72
Splunk	Software	70
BBB National Programs	Non-profit	60
FireEye	Software	45
Horizon Industries	Information technology	30
Ridgeline International	Information technology	20
Counterpoint Consulting	Software	16
Aireon	Aerospace/defense	14

Source: Fairfax County Economic Development Authority

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 5.7%. The average Virginia and U.S. unemployment rates during the same period were 6.1% and 8.3%, 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

<u>Calendar Year</u>	<u>Fairfax County</u>	<u>Virginia</u>	<u>United States</u>
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	5.7	6.1	8.3

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

¹ The calendar year 2020 data represents the average unemployment rate from January 1, 2020, to November 30, 2020. In addition, 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, 7.5% in July 2020, 6.0% in August 2020, 5.7% in September 2020, 4.9% in October 2020 and 4.4% in November 2020.

According to the Bureau of Labor Statistics, the average total number of jobs in the County was 573,733 in the second quarter of 2020. Self-employed persons are not included in these counts. The following table presents total covered employment in recent years:

Covered Employment¹

<u>Second Quarter</u>	<u>Covered Employment in Fairfax County</u>	<u>% Change</u>
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	630,536	1.73
2020	576,733	(8.53)

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.

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)	
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
2020	9,005	959,102	6,711	820,010	3,657

Sources: Building permits provided by Fairfax County Land Development 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.

Housing

As reported in January 2021, single-family detached housing units represented 46.3% of the total housing units within Fairfax County in 2020. Single-family attached housing accounted for 24.0%, and multi-family housing made up the remaining 29.7% in 2020. The median market value of all owned housing units, including condominiums, in Fairfax County in 2020 was estimated by the Department of Management and Budget to be \$553,970.

Housing Units by Type of Structure

	<u>1990</u>		<u>2000</u>		<u>2010</u>		<u>2020</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	196,238	46.3
Attached ²	67,306	22.3	87,171	24.3	98,972	25.0	101,893	24.0
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>125,956</u>	<u>29.7</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>424,087</u>	<u>100.0</u>

Sources: U.S. Bureau of the Census, U.S. Census of Housing (1990-2000) and 2010 and 2020 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 December 2019, with December 2020, is listed below:

Average Sale Price Housing Units

<u>Type of Structure</u>	<u>December 2020</u>	<u>December 2019</u>	<u>% change</u>
All Homes	\$657,217	\$633,188	3.8%
Detached Homes	879,423	829,001	6.1
Attached Homes	445,934	431,896	3.3

Source: Fairfax County Department of Management and Budget Economic Indicators –November 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; Gunston Hall, home of George Mason, author of the U.S. Bill of Rights and the first Constitution of Virginia; and the National Museum of the United States Army at Fort Belvoir. The region also boasts professional baseball, basketball, football, ice hockey, and soccer.

DEBT ADMINISTRATION

Statement of Bonded Indebtedness

Pursuant to the Constitution of Virginia and the Public Finance Act (Code of Virginia of 1950, §15.2-2600 et seq.), a county in Virginia is authorized to issue general obligation bonds secured by a pledge of its full faith and credit. For the payment of such bonds, the Board of Supervisors of the County is required to levy, if necessary, an annual ad valorem tax on all property in the County subject to local taxation.

As of June 30, 2020, the County had outstanding the following amounts of general obligation bonds:

<u>Purpose</u>	<u>Total General Obligation Bonds</u>
School	\$1,435,772,700
General Government	<u>823,272,300</u>
Total General Obligation Bonded Indebtedness ¹	<u><u>\$2,259,045,000</u></u>

Source: Fairfax County Comprehensive Annual Financial Report FY 2020

¹ See “Debt Administration – Debt Service on Tax Supported Debt Obligations” herein for outstanding debt service as of May __, 2021.

The County does not rely upon short-term borrowings to fund operating requirements. The County has never defaulted in the payment of either principal or interest on any general obligation indebtedness.

Limits on Indebtedness

There is no legal limit on the amount of general obligation bonded indebtedness that Fairfax County can at any time incur or have outstanding. However, all such indebtedness must be approved by voter referendum prior to issuance. Since 1975, the Board of Supervisors has established as a financial guideline a self-imposed limit on the average annual amount of bond sales. In May 2018, the Board of Supervisors increased the bond sale target to \$1.5 billion over a 5-year period, or an average of \$300 million annually, with the flexibility to expand to a maximum of \$325 million based on market conditions and/or priority needs in any given year. The actual amount of bond sales will be determined by construction funding requirements and municipal bond market conditions.

The Board of Supervisors also has imposed limits which provide that the County’s long-term debt should not exceed 3% of the total market value of taxable real and personal property in the County. The limits also provide that annual debt service should not exceed 10% of annual General Fund disbursements. These limits may be changed by the Board of Supervisors, and they are not binding on future Boards of Supervisors of the County.

Bond Referenda Authorization

The following chart presents by purpose Fairfax County's authorized but unissued general obligation bond indebtedness as of May __, 2021:

<u>Authorized Purpose</u>	<u>Principal Amount Authorized but Unissued as of May __, 2021</u>
School Improvements	\$511,850,000
Public Safety Facilities	327,510,000
Transportation Improvements and Facilities	198,240,000
Parks and Park Facilities	170,570,000
Human Services Facilities	152,600,000
Library Facilities	98,000,000
Total	<u>\$1,458,770,000</u>

Source: Fairfax County Department of Management and Budget

Other Tax Supported Debt Obligations

The Board of Supervisors of the County directly or indirectly appoints all or a portion of the governing body of several legally independent local and regional authorities that provide services to the County and its constituents. Such authorities include those that issue revenue bonds that are not general obligations of the County and issue debt supported directly or contingently by appropriations of tax revenues by the County. The full faith and credit of the County are not pledged to secure such bonds.

Beginning in 1996, the Fairfax County Redevelopment and Housing Authority ("FCRHA") has issued \$42,460,000 of revenue bonds in seven series to finance the construction or renovation of five community center buildings, two adult day health care centers, one Head Start facility and one senior center. The County was obligated by the terms of triple net lease agreements or payment agreements with FCRHA to pay amounts equal to debt service on FCRHA's bonds. The County's obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of funds for such purpose. The coincidental terms of the various bonds, lease agreements and payment agreements extend to May 1, 2029. On March 10, 2010, the EDA issued \$43,390,000 revenue bonds (Six Public Facilities Projects) (the "2010 Bonds") and provided a portion of the proceeds of the 2010 Bonds to the County to enable the County pursuant to its lease agreements with FCRHA to purchase five facilities financed from FCRHA bond issuances in 1996, 1998, 1999 and 2004. FCRHA used the funds provided by the County to redeem or defease the four series of bonds that financed the applicable facilities. On September 13, 2017, the original series issued by FCRHA in 2003 financing a head start facility was fully redeemed.

In July 2000, the Fairfax County Board of Supervisors entered into a Master Development Agreement with a private developer to finance and construct a 135,000 square foot government center in the southeastern region of the County. In November 2000, \$29,000,000 of Certificates of Participation ("Certificates" or "COPs") were issued, secured by a triple net lease on the property between the developer and the County. The County was obligated by the terms of the lease agreement to pay an amount equal to the debt service on the Certificates. The County accepted the government center as substantially complete in February 2002. A portion of the proceeds of EDA's 2010 Bonds were provided to the County to enable the County to exercise an option to purchase the government center (the "South County Government Center Purchase"). The purchase price provided by the County was used to defease the COPs. The County is

obligated by the terms of a contract with the EDA to pay amounts equal to debt service on the EDA's 2010 Bonds. The County's obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. In April 2019, the EDA issued Refunding Revenue Bonds, Series 2019 for debt service savings. The Series 2019 Bonds and the related contract extend to April 2032, which is no change from the Series 2010 Bonds.

In June 2003, EDA issued \$70,830,000 of Revenue Bonds (Laurel Hill Public Facilities Project), backed by a contract with the County. Approximately \$55,300,000 of the bonds were allocable to the financing of a new public secondary school in the southern part of the County and \$15,530,000 of the bonds were allocable to the financing of a new 18-hole public golf course in the southern part of the County. The County is obligated by the terms of a contract with EDA to pay amounts equal to debt service on EDA's bonds. The County's obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of the bonds and the contract extend to June 2033. In April 2012, EDA issued its \$47,745,000 Revenue Refunding Bonds (Laurel Hill Public Facilities Projects) to refund a portion of the bonds issued in 2003.

On January 27, 2005, EDA issued \$60,690,000 of Revenue Bonds (School Board Central Administration Building Project Phase I) (the "School Board Building Bonds"), backed by a contract with the County. The bonds were issued to finance the purchase of certain property, including an existing office building thereon, the purchase of certain land adjacent thereto and the improvement of the existing building for use by the School Board as an administration building. The County is obligated by a contract with EDA to pay amounts equal to debt service on the School Board Building Bonds. The County's obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of the School Board Building Bonds and the contract extend to April 2035. In June 2014, EDA issued \$170,690,000 Fairfax County Facilities Revenue and Refunding Bonds Series 2014A (County Facilities Projects) to refund a portion of the School Board Building Bonds.

On December 27, 2005, the Fairfax County Park Authority ("FCPA") issued two promissory notes in the aggregate amount of \$12,900,000 for the purpose of providing a portion of the purchase price of a conservation easement for preservation purposes on an approximately 41-acre parcel of land, and options to purchase certain land. This land is known as "Salona," a historic site within the County. The County is obligated by the terms of a contract with FCPA to pay amounts sufficient to pay the principal and interest installments on the promissory notes when due. The County's obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of the promissory notes and contract extend to December 2025.

On February 16, 2006, FCRHA issued a \$40,600,000 Bond Anticipation Note (Affordable Housing Acquisition) Series 2006 (the "Series 2006 Note"). The Series 2006 Note was issued for the purpose of providing a portion of the funds required for the purchase of a multi-family rental housing complex, known as Crescent Apartments, to further FCRHA's goal of preserving existing affordable housing in Fairfax County. In 2007, 2008, 2011 and 2013 FCRHA issued bond anticipation notes, each time to refinance previous bond anticipation notes issued for the financing or refinancing of the Crescent Apartments project that were not paid from County money set aside to promote affordable housing. In February 2015 the County and FCRHA entered into a direct loan agreement with Bank of America, N.A. (the "Crescent Apartments Loan Agreement"), in a principal amount of \$18,260,000, which together with other County funds refinanced the 2013 Notes. The County is obligated by a contract with FCRHA to make payments equal to the debt service on the Crescent Apartments Loan Agreement. In February 2018, FCRHA issued its Revenue Bonds (Crescent Affordable Housing Acquisition), Series 2018A (Federally Taxable) (the "Series 2018 Bonds") in the aggregate amount of \$11,175,000 with a five-year amortization to refinance the loan payments. The County is obligated by the terms of a payment agreement with FCRHA, subject to the appropriation of funds for the purpose, to pay amounts equal to the interest on and the principal of the

Series 2018 Bonds. The coincidental terms of the Series 2018 Bonds and the related payment agreement extend to October 2022.

On November 28, 2007, FCRHA issued \$105,485,000 Bond Anticipation Notes (Affordable Housing Acquisition) Series 2007B (the “Series 2007B Notes”). The Series 2007B Notes were issued for the purpose of providing a portion of the funds required for the purchase of a multi-family rental housing complex located in Annandale, Virginia. In 2008, FCRHA issued bond anticipation notes to refinance the Series 2007B Notes. On August 20, 2009, FCRHA issued its Revenue Bonds (Affordable Housing Acquisition) Series 2009 in the aggregate amount of \$94,950,000 (the “Series 2009 Bonds”) to pay a portion of the principal amount of the 2008 outstanding bond anticipation notes. A portion of the principal amount of the 2008 bond anticipation notes, and the interest due on such notes, was paid from money set aside to promote affordable housing. On August 13, 2019, FCRHA issued its Revenue Refunding Bonds (Wedgewood Affordable Housing Acquisition) Series 2019 in the aggregate amount of \$61,795,000 (the “Series 2019 Bonds”) to refund a portion of the principal amount of the Series 2009 Bonds outstanding. The County is obligated by the terms of a payment agreement with FCRHA, subject to the appropriation of funds for the purpose, to pay amounts equal to the interest on and the principal of the Series 2019 Bonds. The coincidental terms of the Series 2019 Bonds and the related payment agreement extend to October 2039.

In July 2011, EDA issued \$99,430,000 of Revenue Bonds (Wiehle Avenue Metrorail Station Parking Project) (the “2011 Wiehle Bonds”). The bonds were issued to finance a portion of the costs of construction of a public parking facility to serve the Wiehle Avenue Metrorail Station that was constructed as part of the extension of Washington Metropolitan Area Transit Authority’s Metrorail System in the Dulles Corridor. The County is obligated by contract with EDA to pay amounts equal to debt service on the 2011 Wiehle Bonds. The County’s obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of the bonds and the contract extend to August 2034. On May 5, 2020, EDA issued \$62,285,000 of Revenue Refunding Bonds (Wiehle Avenue Metrorail Station Parking Project), Series 2020 (the “2020 Wiehle Bonds”), to refund for debt service savings all of the 2011 Wiehle Bonds maturing on or after August 1, 2021.

In May 2012, EDA issued \$65,965,000 of Revenue Bonds (Community Services Facilities Projects) (the “2012 EDA Bonds”) backed by a contract between the County and EDA. The bonds were issued to finance the improvement of certain properties to be used by the County as a mental health facility and as a neighborhood community center. The County is obligated by a contract with EDA to pay amounts equal to debt service on such bonds. The County’s obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of the bonds and the contract extend to March 2042. In August 2017, EDA issued its 2017B County Facilities Projects Refunding Bonds (hereinafter defined) to refund certain outstanding maturities of the 2012 EDA Bonds.

In November 2013, the County issued an \$11,085,000 special subfund revenue bond (the “2013 VRA Bond”) to Virginia Resources Authority (“VRA”). In return for issuing the 2013 VRA Bond, VRA provided the County with a portion of the proceeds realized from its autumn 2013 pooled financing bond transaction. The 2013 VRA Bond was issued to finance renovations to a complex that serves as a senior housing and assisted living facility, a senior center and an adult day health care center in the County. The County is obligated by a contract with VRA to pay amounts equal to the debt service on the 2013 VRA Bond. The County’s obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of the 2013 VRA Bond and the contract extend to October 2033.

In June 2014, EDA issued \$170,690,000 of Fairfax County Facilities Revenue and Refunding Bonds Series 2014A (County Facilities Projects) (the “2014A County Facilities Projects Bonds”). The 2014A County Facilities Projects Bonds were issued to provide funds to finance the costs of the construction of a building to serve as a public safety facility for the County and the construction of a related parking garage, to refund and redeem prior to their respective maturities certain outstanding School Board Building Bonds and to capitalize interest on a portion of the Series 2014A County Facilities Projects Bonds up to and including the October 1, 2016, interest payment date. The County is obligated by a contract with EDA to pay amounts equal to debt service on such bonds. The County’s obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of the Series 2014A County Facilities Projects Bonds and the contract extend to October 2034.

In June 2014, EDA issued \$30,175,000 of Fairfax County Facilities Revenue Bonds Series 2014 B (Federally Taxable) (County Facilities Projects) (the “2014B County Facilities Projects Bonds, and together with the 2014A County Facilities Projects Bonds, the “2014 County Facilities Projects Bonds”) to provide funds to permanently finance the leasehold acquisition from LAF, LLC, of the Workhouse Arts Center located in the southeastern corner of the County, for a price sufficient to enable the lessee to retire all of its indebtedness relating to the Workhouse Arts Center. The County leased the 55-acre site and existing historic structures of the Lorton Correctional Complex to the lessee in 2006, and the lessee incurred over \$50 million in debt through EDA to finance improvements to convert the Complex into a center for visual and performing arts. The County plans to provide for the continuation of the existing educational and cultural programs at the Center, while the County conducts a study of the optimum uses of and develops plans for further improvements to the Center. The County is obligated by a contract with EDA to pay amounts equal to debt service on such bonds. The County’s obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of the 2014B County Facilities Projects Bonds and the contract extend to October 2033.

On December 17, 2014, EDA entered into a loan agreement with the United States Department of Transportation and obtained a Transportation Infrastructure Financing and Innovation Act (“TIFIA”) loan in the principal amount up to \$403,274,894 (plus capitalized interest). Proceeds from the TIFIA loan are being used to finance the County’s share of Phase II of the Silver Line Metrorail expansion. The County is obligated by a contract with the EDA to pay amounts equal to debt service on the TIFIA loan. The County’s obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The terms of the TIFIA loan provide for repayment to begin October 1, 2023, and end April 1, 2046. As of June 30, 2020, the outstanding balance on the TIFIA Loan, including accrued interest, was \$438,449,290.

In August 2017, EDA issued \$19,060,000 of Fairfax County Facilities Revenue Bonds Series 2017 A (County Facilities Projects) (Federally Taxable) (the “2017A County Facilities Projects Bonds”) and \$31,150,000 of Fairfax County Facilities Revenue Refunding Bonds Series 2017 B (County Facilities Projects) (the “2017B County Facilities Projects Refunding Bonds” and together with the 2017A County Facilities Projects Bonds, the “2017 County Facilities Projects Bonds”). The 2017A County Facilities Projects Bonds were issued to finance the costs of the construction and improvement of certain property to be used by the County as an adult day care facility, child day care centers and a senior center or for other County approved purposes. The 2017B County Facilities Projects Refunding Bonds were issued to refund certain outstanding maturities of the 2012 EDA Bonds. The County is obligated by a contract with EDA to pay amounts equal to debt service on the 2017 County Facilities Projects Bonds. The County’s obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of sufficient funds for such purpose. The coincidental terms of the 2017 County Facilities Projects Bonds and the contract extend to October 2037.

Lease Commitments and Contractual Obligations

The County leases certain real estate, equipment, and sewer facilities under various long-term lease agreements. In addition, pursuant to contracts with Arlington County, the Alexandria Sanitation Authority, the District of Columbia, and the Upper Occoquan Sewage Authority, the County is obligated to share the capital costs and associated debt service of certain facilities.

In February 1990, the Northern Virginia Transportation Commission (“NVTC”) issued \$79.4 million of bonds to finance certain costs associated with the establishment of commuter rail services (the Virginia Railway Express) in the area of Northern Virginia bordering Washington, D.C. Fairfax County has joined with other jurisdictions through a Master Agreement to bear certain costs associated with operating the rail service as well as servicing the debt issued by NVTC. The Master Agreement requires that the County’s governmental officers charged with preparing its annual budget include an amount equal to its share of the costs of the Virginia Railway Express. Each jurisdiction’s share is determined by a formula set out in the Master Agreement. Fairfax County’s share of this cost was \$6.3 million in FY 2020. An additional \$23 million in NVTC commuter rail revenue bonds were issued in early 1997 to purchase new rail coaches. Debt service on these bonds is being funded predominantly by Commonwealth and federal funds and VRE revenues.

On October 29, 2003, EDA issued \$33,375,000 transportation contract revenue bonds to provide \$30,000,000 to the Commonwealth Transportation Board (CTB) for construction of certain interchanges on Route 28 in the Route 28 Highway Transportation District, which is partly in Fairfax County and partly in Loudoun County. On August 26, 2004, EDA issued \$57,410,000 transportation contract revenue bonds to provide an additional \$60 million for construction of additional interchanges. The bonds issued in 2003 and 2004 financed the construction of six interchanges. In March 2007, EDA issued \$41,505,000 transportation contract revenue bonds to finance a portion of the costs of constructing an additional four interchanges in the Route 28 Highway Transportation District. In July 2008, EDA issued \$51,505,000 transportation contract revenue bonds (the “2008 Bonds”) to finance additional costs of constructing the additional four interchanges on Route 28. See also the discussion of taxes levied by the County in the Route 28 Highway Transportation Improvement District, located partly in the County, to pay debt service on CTB and EDA bonds in “GOVERNMENT SERVICES – Transportation – *Tax Districts*” herein. In May 2012, EDA issued bonds to refund a portion of the bonds issued in 2003 and 2004 and in August 2016 EDA issued bonds to refund all of the outstanding bonds issued in March 2007 and a portion of the outstanding bonds issued in July 2008. The 2008 Bonds were redeemed on April 1, 2018.

On May 26, 2011, EDA issued \$205,705,000 Transportation District Improvement Revenue Bonds (Silver Line Phase I Project) Series 2011 which provided \$220 million to provide a portion of the financing for the expansion of Metrorail of approximately 11.5 miles of rail line through the County’s primary urban center, Tysons to Reston. On October 10, 2012, EDA issued an additional \$42,390,000 Transportation District Improvement Revenue Bonds (Silver Line Phase I Project) Series 2012 to provide \$48,400,000 for this purpose. Debt service on the bonds is paid from a special improvements tax levied by the County on commercial and industrial use property located in the Phase I Dulles Rail Transportation Improvement District within the County. On March 16, 2016, EDA issued \$173,960,000 Transportation District Improvement Revenue Refunding Bonds (Silver Line Phase I Project) Series 2016 which refunded a portion of the outstanding bonds issued in 2011 and 2012. On April 1, 2020, the County defeased a portion of the Series 2016 Bonds in a principal amount of \$17,495,000. In April 2020, the Series 2011 and 2012 Bonds were fully redeemed.

On June 9, 2011, the Mosaic District Community Development Authority (the “CDA”) issued \$46,980,000 Revenue Bonds, Series 2011A, and the CDA issued in July 2011 an additional \$18,670,000 Revenue Bonds, Taxable Series 2011A-T (collectively, the “CDA Bonds”). Proceeds from the CDA Bonds

were used to finance certain public infrastructure improvements within the Mosaic District Community Development Authority District (the “Mosaic District”) to support a mixed-use development to be constructed within the Mosaic District. The CDA Bonds are payable primarily from certain incremental real estate tax revenues collected by the County in the District and certain special assessments imposed and collected by the County within the Mosaic District. The payment of incremental real estate tax revenues and special assessments, as applicable, by the County to the CDA to be used for debt service payments on the CDA Bonds is subject to appropriation by the County. On December 3, 2020, the CDA issued \$55,650,000 Revenue Refunding Bonds, Series 2020A and Series 2020A-T, which refunded all of the prior CDA Bonds.

On March 8, 2017, EDA issued \$69,645,000 Fairfax County Metrorail Parking System Project Revenue Bonds Series 2017 (“Parking System Revenue Bonds”) to provide funds to finance the construction of parking facilities to be owned and operated by the County, that will be located adjacent to WMATA’s Herndon and Innovation Center Metrorail Stations to be constructed as part of Phase II of the Silver Line extension of Metrorail. Debt service on the Parking System Revenue Bonds is payable from the proceeds of net parking revenues collected from customers of parking facilities controlled by the County at certain WMATA Metrorail stations in the County and from certain surcharge revenues collected from customers of certain parking facilities controlled by WMATA.

Debt Service on Tax Supported Debt Obligations

Total principal and interest payments on the County’s outstanding tax supported debt obligations, including general obligation bonds and other tax supported debt obligations, are presented in the following table as of May __, 2021, assuming the issuance of the Bonds:

Fiscal Year Ending June 30	<u>General Obligation Bonds¹</u>		<u>Other Tax</u> <u>Supported Debt Obligations</u>		
	<u>Principal</u>	<u>Interest²</u>	<u>Principal</u>	<u>Interest</u>	<u>Total³</u>
2021	\$42,630,000	\$43,576,235	\$6,942,500	\$9,335,435	\$102,484,170
2022	213,570,000	90,345,124	26,310,000	17,889,666	348,114,790
2023	206,455,000	79,940,990	25,580,000	16,708,900	328,684,891
2024	194,795,000	70,728,677	21,410,000	15,612,973	302,546,650
2025	191,600,000	61,608,249	22,050,000	14,596,088	289,854,337
2026	181,240,000	53,778,279	22,362,500	13,552,090	270,932,869
2027	173,340,000	46,592,462	22,720,000	12,480,806	255,133,268
2028	160,990,000	39,932,665	23,445,000	11,381,559	235,749,224
2029	148,440,000	33,907,853	24,210,000	10,244,430	216,802,282
2030	137,345,000	28,409,875	24,940,000	9,066,671	199,761,545
2031	122,820,000	23,695,985	25,775,000	7,862,189	180,153,173
2032	113,850,000	19,591,219	26,630,000	6,615,077	166,686,296
2033	103,070,000	15,895,077	25,750,000	5,324,847	150,039,924
2034	91,945,000	12,780,350	25,645,000	4,058,524	134,428,874
2035	77,950,000	10,068,697	23,815,000	2,843,365	114,677,062
2036	66,090,000	7,567,609	7,720,000	2,069,476	83,447,085
2037	56,640,000	5,256,500	8,100,000	1,688,720	71,685,220
2038	45,225,000	3,260,300	8,705,000	1,361,539	58,551,839
2039	34,245,000	1,712,000	7,785,000	976,125	44,718,125
2040-2050	36,295,000	779,525	15,395,000	1,089,775	53,559,300
Total ³	<u>\$2,398,535,000</u>	<u>\$649,427,672</u>	<u>\$395,290,000</u>	<u>\$164,758,254</u>	<u>\$3,608,010,926</u>

Source: Fairfax County Department of Management and Budget

¹ Includes debt service on the Bonds.

² Does not reflect anticipated payments by the United States Treasury with respect to the County's Public Improvement Bonds Series 2009E (Federally Taxable - Build America Bonds).

³ Totals may not add due to rounding.

Sewer Revenue Bonds

Beginning in 1986, the County has issued several series of bonds under the General Bond Resolution for the benefit of the County's sewage collection, treatment and disposal systems (the "System"), including \$104,000,000 Sewer Revenue Bonds, Series 1996 (the "1996 Bonds") issued to provide funds for paying a portion of the costs of certain additions, extensions and improvements to the System. The County also issued \$94,005,000 Sewer Revenue Refunding Bonds, Series 2004 (the "2004 Bonds") on October 14, 2004, to provide funds, with other available funds, to refund the \$91,430,000 of the County's outstanding 1996 Bonds that were scheduled to mature on and after July 15, 2007. On June 17, 2009, the County issued \$152,255,000 Sewer Revenue Bonds, Series 2009 (the "2009 Bonds") to provide funds to finance capital improvements for the benefit of the System as well as for the purchase of additional wastewater capacity for the benefit of the County. On August 8, 2012, the County issued \$90,710,000 Sewer Revenue Bonds, Series 2012 (the "2012 Bonds") to provide funds to pay a portion of capital improvement costs allocable to the County at certain wastewater treatment facilities that are owned by, or that provide service to, the County which were required by the Commonwealth's Department of Environmental Quality to reduce the total nitrogen discharge to newly required limits, the purchase of additional capacity at certain wastewater treatment facilities for the benefit of the County and the costs of certain additions, extensions and improvements to the County's sewage collection, treatment and disposal systems. On April 16, 2014, the County issued \$61,755,000 Sewer Revenue Refunding Bonds, Series 2014 to refund the outstanding 2004 Bonds. In addition, on May 12, 2016, the County issued \$164,450,000

Sewer Revenue Refunding Bonds, Series 2016A to refund the outstanding 2009 Bonds that were scheduled to mature on and after July 15, 2019, and a portion of the outstanding 2012 Bonds that were scheduled to mature on and after July 15, 2021. On June 28, 2017, the County issued \$85,785,000 Sewer Revenue Bonds to provide funds to pay the costs of certain additions, extensions and improvements to the County's sewage collection, treatment and disposal systems, paying capital improvement costs allocable to the County at certain wastewater treatment facilities that provide service to the County and, if necessary purchasing additional capacity at certain wastewater treatment facilities for the benefit of the County.

Wastewater treatment capacity and services are also provided to the Integrated Sewer System pursuant to contracts with Arlington County, the Alexandria Renew Enterprises ("ARE"), DC Water, and the Upper Occoquan Sewage Authority ("UOSA"), whereby the County is obligated to share the capital costs and associated debt service of certain facilities. The County's obligations to such entities are payable solely from the revenues of the Integrated Sewer System on a basis, under the General Bond Resolution, subordinate to its sewer revenue bonds, and are not general obligations of the County.

The County has entered into a service agreement with ARE (the "ARE Service Agreement") that obligates the County for 60% of the cost of capacity of the ARE wastewater treatment plant and a joint use system, including debt service on ARE bonds issued for ARE system improvements where the County does not otherwise provide for its share of the capital cost of such improvements. The County's share of previous upgrades was \$200 million. In 2002, the County obtained a loan from the Virginia Water Facilities Revolving Fund (the "Fund") administered by the Virginia Resources Authority in the amount of \$50 million to pay its 60% share of the capital costs associated with certain improvements being made by ARE to its wastewater treatment plant in Alexandria, Virginia. The County issued to the Fund a "local bond" as a Subordinate Obligation, payable from money in the Subordinate Obligations Subfund under the Bond Resolution, in evidence of its obligation to repay the 20-year loan. The local bond will be fully repaid in February, 2022. The County expects to provide the balance of its share of the costs of ARE's improvement project from other borrowings and available Integrated Sewer System funds.

The ARE Service Agreement requires the County to pay its share of capital and operating costs of Joint Use Facilities. On October 6, 2020, the City of Alexandria, Virginia Sanitation Authority and the County signed a memorandum of understanding (the "MOU") regarding Cost Share for the RiverRenew project. RiverRenew, which includes multiple projects consisting of a new tunnel system and upgrades to Alexandria's wastewater treatment facility, is the largest infrastructure initiative in the history of Alexandria. The MOU memorializes the agreement of the parties with respect to the cost allocation methodology for construction and operating of joint use facilities elements of the RiverRenew project, as well as the County's capacity rights in the new facilities. The County's current estimate of its obligations under the RiverRenew project is approximately \$58 million.

UOSA issued regional sewer system revenue refunding bonds in November 2013, May 2013, February 2007, and November 2004 to refund certain of its outstanding bonds. In 2010 and 2007, UOSA issued \$85.2 million and \$119.7 million, respectively, of Regional Sewer System Revenue Bonds, of which the County's share of the par amount of such debt is \$34.1 million and \$53.9 million, respectively, to finance the cost of certain capital improvements. In fiscal year 2012, UOSA entered into two loans to fund costs related to an energy service project and phase 1 of a nutrient compliance improvement project, respectively. In fiscal years 2014, 2015 and 2016, UOSA refinanced bonds issued in 2007. As of June 30, 2020, the County's share of UOSA's outstanding debt was \$230.6 million, and the County estimates that it will be approximately \$250 million as of June 30, 2021.

The debt service on the County's outstanding sewer revenue bonds, its subordinated sewer revenue bond payable to the Virginia Water Facilities Revolving Fund evidencing a loan for a portion of the

County's costs associated with the ARE improvement project, and its subordinated obligations payable for capacity under its contract with UOSA, is reflected in the following table:

Fiscal Year Ending June 30	<u>Sewer Revenue Bonds</u>		<u>Other Sewer Debt Service Obligations</u>		
	<u>Principal</u>	<u>Interest</u>	<u>SRF/VRA¹</u>	<u>UOSA²</u>	<u>Total³</u>
2021	\$11,235,000	\$13,899,131	\$5,974,892	\$19,804,411	\$50,913,434
2022	11,745,000	13,397,106	3,276,611	20,228,826	48,647,543
2023	12,320,000	12,830,381	-	20,623,993	45,774,374
2024	12,970,000	12,205,856	-	20,624,489	45,800,345
2025	13,645,000	11,540,481	-	20,626,831	45,812,312
2026	14,305,000	10,893,781	-	21,102,567	46,301,349
2027	14,955,000	10,268,231	-	21,231,544	46,454,775
2028	15,580,000	9,641,031	-	21,224,909	46,445,940
2029	16,175,000	9,055,956	-	21,229,690	46,460,646
2030	10,845,000	8,506,981	-	9,062,358	28,414,339
2031	11,400,000	7,950,856	-	9,069,023	28,419,879
2032	11,985,000	7,366,231	-	8,968,182	28,319,413
2033	12,555,000	6,802,806	-	8,908,444	28,266,251
2034	13,050,000	6,303,581	-	8,730,535	28,084,116
2035	13,540,000	5,816,878	-	8,651,150	28,008,028
2036	14,050,000	5,304,538	-	8,649,448	28,003,986
2037	14,610,000	4,743,800	-	8,650,649	28,004,449
2038	15,245,000	4,112,075	-	6,800,090	26,157,165
2039	15,920,000	3,433,150	-	8,718,146	28,071,296
2040-2052	<u>68,465,000</u>	<u>11,615,588</u>	<u>-</u>	<u>24,463,370</u>	<u>104,543,958</u>
Total ³	<u>\$324,595,000</u>	<u>\$175,688,441</u>	<u>\$9,251,503</u>	<u>\$297,368,655</u>	<u>\$806,903,599</u>

Source: Fairfax County Department of Public Works and Environmental Services

¹ Debt service on the County's subordinated sewer revenue bond issued to the Virginia Water Facilities Revolving Fund evidencing the County's obligation to repay loans made to the County by Virginia Resources Authority, as administrator of the Fund. See "SECURITY FOR AND SOURCES OF REPAYMENT OF THE 2021 BONDS – Subordinate Obligations."

² Based on the County's share of scheduled UOSA debt service. Does not reflect any anticipated payments by the United States Treasury on outstanding UOSA Build America Bonds.

³ Totals may not add due to rounding.

Debt Ratios

The following data show trends in the relationship of the general obligation bond indebtedness of the County to the estimated market value of taxable property in the County and to its estimated population and the trend of general obligation debt service requirements as a percentage of General Fund disbursements.

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**Trend of Debt as a Percentage of
Estimated Market Value of Taxable Property (in 000s)**

<u>Fiscal Year Ended June 30</u>	<u>Bonded Indebtedness¹</u>	<u>Estimated Market Value²</u>	<u>Percentage</u>
2013	\$2,514,452	\$211,298,487	1.19%
2014	2,766,717	224,369,644	1.23
2015	2,770,822	236,403,666	1.17
2016	2,750,573	244,397,085	1.13
2017	2,766,149	251,724,115	1.10
2018	2,768,103	256,260,725	1.08
2019	2,740,658	262,356,806	1.04
2020	2,768,513	274,815,955	1.01
2021 ³	3,002,395	280,879,545	1.07
2022 ³	3,249,980	288,177,804	1.07

Sources: Fairfax County Comprehensive Annual Financial Report FY 2013-2020 and Department of Finance

¹ Bonded Indebtedness beginning with Fiscal Year 2013 included herein differs from the data shown in Tables 3.1, 3.2 and 3.4 of the Statistical Section of the County's Comprehensive Annual Financial Report based on the treatment of bond premium and discounts. In the Comprehensive Annual Financial Report, beginning with Fiscal Year 2013, Bonded Indebtedness represents principal outstanding plus unamortized premium (minus unamortized discount). In the table above, Bonded Indebtedness is based on outstanding principal without adjustment for unamortized premium or discount. The total includes General Obligation Bonds and other tax supported debt payable from the General Fund including the County's obligation to make payments with respect to "– Other Tax Supported Debt Obligations."

² Estimated market value is based on recorded values as of January 1 of the prior fiscal year, and reflects the original book value and does not reflect any adjustments made during the fiscal year.

³ Estimate from the FY 2022 Advertised Budget Plan per the Fairfax County Department of Management and Budget.

Estimated Debt Per Capita

<u>Fiscal Year Ended June 30</u>	<u>Bonded Indebtedness (in 000s)¹</u>	<u>Estimated Population (in 000s)²</u>	<u>Bonded Indebtedness Per Capita</u>	<u>Fairfax County Per Capita Income³</u>	<u>Estimated Debt Per Capita as Percentage of Per Capita Income</u>
2013	\$2,514,452	1,131	\$2,223	\$71,607	3.10%
2014	2,766,717	1,138	2,431	71,752	3.39
2015	2,770,822	1,142	2,426	75,007	3.23
2016	2,750,573	1,139	2,415	74,923	3.22
2017	2,766,149	1,143	2,420	75,978	3.19
2018	2,768,103	1,153	2,401	78,376	3.06
2019	2,740,658	1,167	2,348	82,441	2.85
2020 ⁴	2,768,513	1,153	2,401	78,376	3.06
2021 ⁴	3,032,055	1,153	2,604	78,376	3.32
2022 ⁴	3,249,980	1,153	2,819	78,376	3.60

Source: Fairfax County Comprehensive Annual Financial Report FY 2020 and Department of Finance

¹ Bonded Indebtedness included herein differs from the data shown in Tables 3.1, 3.2 and 3.4 of the Statistical Section of the County's Comprehensive Annual Financial Report based on the treatment of bond premium and discounts. In the Comprehensive Annual Financial Report, Bonded Indebtedness represents principal outstanding plus unamortized premium (minus unamortized discount). In the table above, Bonded Indebtedness is based on outstanding principal without adjustment for unamortized premium or discount. The total includes General Obligation Bonds and other tax supported debt payable from the General Fund including the County's obligation to make payments with respect to "– Other Tax Supported Debt Obligations."

² U.S. Census Bureau, 2010 Decennial Censuses, U. S. Census Bureau Annual Estimates of the Resident Population: April 1, 2010, to July 1, 2017. 2020 and 2021, estimates are not yet available.

³ Source: Bureau of Economic Analysis (BEA), U.S. Department of Commerce, and Fairfax County Department of Management and Budget 2013-2021 Estimates. The Cities of Fairfax and Falls Church were not included.

⁴ Estimate from the FY 2022 Advertised Budget Plan per the Fairfax County Department of Management and Budget.

**Debt Service Requirements as a
Percentage of General Fund Disbursements (in 000s)**

Fiscal Year Ended June 30	Debt Service Requirements¹	General Fund Disbursements	Percentage
2013	\$289,714	\$3,533,098	8.20%
2014	295,451	3,637,841	8.12
2015	313,969	3,729,625	8.42
2016	323,859	3,860,655	8.39
2017	313,389	4,005,845	7.82
2018	337,077	4,112,554	8.20
2019	345,310	4,300,484	8.03
2020	332,257	4,449,865	7.47
2021 ²	353,191	4,708,955	7.82
2022 ²	353,113	4,448,427	7.87

Sources: Fairfax County Comprehensive Annual Financial Report FY 2020 and Department of Finance

¹ The Debt Service Requirements include total principal and interest payments on the County's outstanding tax supported debt obligations, including all debt listed under the heading "– Other Tax Supported Debt Obligations."

² Estimates per the Fairfax County Department of Management and Budget. Fiscal year property taxes are levied on prior year assessments. Estimates of General Fund disbursements for fiscal year 2021 are subject to future adjustment to reflect potential impacts of the COVID-19 pandemic.

Underlying Bonded Indebtedness

The following table shows the underlying bonded indebtedness of towns within the boundaries of Fairfax County as of June 30, 2020:

Town of Vienna ¹	General Obligation Bonds	\$56,354,000
Town of Herndon ¹	General Obligation and Public Improvement Notes	<u>19,569,500</u>
Total Underlying Bonded Indebtedness		<u>\$75,923,500</u>

Source: Fairfax County Comprehensive Annual Financial Report FY 2020

¹ Underlying Bonded Indebtedness for Fiscal Year 2020 included herein differs from the data shown in Tables 3.1, 3.2 and 3.4 of the Statistical Section of the County's Comprehensive Annual Financial Report based on the treatment of bond premium and discounts. In the Comprehensive Annual Financial Report, beginning with FY 2013, Bonded Indebtedness represents principal outstanding plus unamortized premium (minus unamortized discount). In the table above, Bonded Indebtedness is based on outstanding principal without adjustment for unamortized premium or discount.

This underlying bonded indebtedness are obligations of the respective towns only and are not obligations of Fairfax County.

The bonds, notes and other obligations of Fairfax Water, the Fairfax County Park Authority, the Fairfax County Industrial Development Authority, the Fairfax County Economic Development Authority, the Fairfax County Redevelopment and Housing Authority, the Northern Virginia Health Center Commission, the Northern Virginia Transportation Commission, and the Mosaic District Community Development Authority are not obligations of the County.

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 2019 (FY 2020) was 3.14%, and the assessment to sales price ratio was 0.953. 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 2022 of the real estate tax base, as reported for calendar year 2021 assessments in the main tax book for Fairfax County, increased by 2.88% 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>
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	253,272,215,743	18,535,851,732	271,808,067,475
2021 ²	262,599,745,710	18,279,799,481	280,879,545,191
2022 ²	269,575,011,490	18,602,792,579	288,177,804,069

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 2022 Advertised Budget Plan per Fairfax County Department of Management and Budget. Fiscal year property taxes are levied on prior year assessments.

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

<u>Tax Category</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>	<u>2022</u>
Real Estate – Regular and Public Service	\$1.075	\$1.085	\$1.09	\$1.09	\$1.13	\$1.13	\$1.15	\$1.15	\$1.15	\$1.14
Personal Property – Regular	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	1.57
Personal Property – Public Service	1.075	1.085	1.09	1.09	1.13	1.13	1.15	1.15	1.15	1.14
Personal Property – Machinery and Tools	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	1.57
Personal Property – Development	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	1.57
Personal Property – Mobile Homes	1.075	1.085	1.09	1.09	1.13	1.13	1.15	1.15	1.15	1.14
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 2013-FY 2021; FY 2022 Advertised Budget Plan

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>
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
2022	18.17

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, 2021.

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**Top 25
Holders of Real Property in Fairfax County
As of January 1, 2021**

Rank	Property Owner	Property Type	Total Assessment¹
1	Tysons Corner Property Holdings LLC	Tysons Corner Regional Shopping Mall	\$1,643,208,210
2	Capital One Bank	Office	905,341,310
3	Inova Health Care Services	Health Care	525,459,990
4	Reston Town Center Property LLC	Commercial & Retail	424,800,900
5	Washington Gas Light Company	Public Utility	421,158,679
6	Ps Business Parks LP	Industrial Parks	414,630,420
7	Camden Summit Partnership LP	Apartments	394,330,920
8	Federal Home Loan Mortgage Corporation	Office	387,191,890
9	PR Springfield Town Center LLC	Springfield Town Center	375,926,030
10	Coresite Real Estate 12100	Office	375,293,440
11	Mitre Corporation	Office	343,944,050
12	Reston Corporate Center LP	Office	325,246,920
13	Tysons Galleria LLC	Commercial & Retail	325,087,840
14	Fairfax Company of Virginia LLC	Fair Oaks Mall	324,049,970
15	South of Market LLC	Office	296,962,160
16	Tysons Corner Office I LLC	Office	265,227,480
17	Tamares 7950 Owner LLC	Office	264,321,040
18	Reston VA II FGF LLC	Office	256,351,130
19	Home Properties Mount Vernon LLC	Apartments and Office	256,299,240
20	Writ LP	Commercial & Industrial	220,918,410
21	WashReit Riverside Apartments LLC	Apartments	220,147,050
22	Home Properties Orleans Village LLC	Apartments	213,425,280
23	PP Avnir Investors LLC	Office	212,701,350
24	Boro I Office The LLC	Office	212,372,130
25	JBG/Reston Executive Center LLC	Office, Apartments & Retail	208,355,400
Total			\$9,812,751,239

Source: Fairfax County Department of Tax Administration, January 1, 2021, tax rolls

¹ As of January 1, 2021, the assessed value of the real property of the 25 largest holders of real property in the County represented 3.60% of the total assessed value of all real property in Fairfax County, excluding tax-exempt properties. January 1, 2021, assessments generate tax revenue in FY 2022.

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

Fiscal Year	<u>Total Levy</u>¹	<u>Current Collections</u>²	<u>% of Total Levy Collected</u>³	<u>Collection of Delinquent Taxes</u>	<u>Total Current & Delinquent Taxes</u>⁴	<u>% of Total Levy & Delinquent Taxes</u>
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	3,554,208,059	3,540,095,440	99.60	29,312,937	3,569,408,377	100.43
2021	3,651,307,109	3,633,073,904	99.50	16,485,044	3,649,558,948	99.95
2022	3,715,196,259	3,690,431,430	99.33	18,957,801	3,709,389,231	99.84

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

¹ The 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.

² Current 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.

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

⁴ FY 2013 through FY 2020 from Fairfax County Comprehensive Annual Financial Reports; FY 2021 and FY 2022 are estimates per the FY 2022 Advertised Budget Plan via the Department of Management and Budget and Department of Tax Administration. Estimates of tax collections for fiscal years 2021 and 2022 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.

FINANCIAL INFORMATION

Five-Year Summary of Revenues, Expenditures and Fund Balances for the General Fund

The financial data shown in the following table represent a summary for the five fiscal years ended June 30, 2020, of the revenues, expenditures, and fund balances accounted for in the County's General Fund.

	Fiscal Years Ended June 30				
	2016	2017	2018	2019	2020
REVENUES					
Taxes	\$3,327,545,952	\$3,516,899,229	\$3,589,886,690	\$3,747,031,873	\$3,875,613,475
Permits, fees, and licenses	48,443,054	52,201,079	52,723,373	55,876,219	54,006,590
Intergovernmental	352,320,212	356,846,491	355,433,536	358,732,841	418,199,405
Charges for services	79,086,734	81,264,762	82,679,276	85,564,413	72,748,807
Fines and forfeitures	14,566,333	15,947,672	15,227,392	15,223,620	12,289,139
Developers' contributions	225,101	-	-	-	-
Use of money and property	22,679,412	31,325,447	47,076,323	75,360,724	67,158,752
Recovered costs	9,423,456	8,960,041	9,234,813	10,573,978	7,586,746
Gifts, donations, and contributions	<u>969,583</u>	<u>890,976</u>	<u>1,221,172</u>	<u>1,352,426</u>	<u>1,994,833</u>
Total revenues	<u>\$3,855,259,837</u>	<u>\$4,064,335,697</u>	<u>\$4,153,482,575</u>	<u>\$4,349,716,094</u>	<u>\$4,509,597,747</u>
EXPENDITURES					
Current:					
General government administration	\$159,574,082	\$158,210,278	\$154,169,910	\$165,860,066	\$196,985,197
Judicial administration	54,237,643	56,018,395	57,378,283	60,449,751	62,189,796
Public safety	646,258,835	673,290,385	683,701,748	712,268,123	721,459,588
Public works	88,201,178	90,215,133	93,472,087	95,769,815	90,578,294
Health and welfare	381,760,426	391,618,833	398,899,103	412,322,298	430,321,393
Community development	60,981,469	62,174,038	64,198,596	67,543,752	69,654,301
Parks, recreation, and cultural	36,311,287	36,528,547	38,349,375	40,003,747	40,154,412
Intergovernmental:					
Community development	10,746,095	10,988,449	11,360,629	11,424,718	13,698,538
Parks, recreation, and cultural	31,502,197	33,129,930	34,155,180	35,656,948	35,316,698
Education - for Public Schools	1,838,341,763	1,926,706,345	1,980,106,487	2,067,345,801	2,149,231,439
Capital outlay:					
General government administration	13,020,325	11,545,792	14,037,641	21,822,724	17,997,369
Judicial administration	40,493	5,720	295,988	88,925	105,483
Public safety	7,726,916	1,851,101	2,055,229	2,385,861	2,563,235
Public works	265,695	247,960	31,250	216,212	39,018
Health and welfare	136,984	483,077	864,435	404,267	227,738
Community development	44,570	7,495	95,076	75,194	85,833
Parks, recreation, and cultural	4,878,597	3,676,970	4,063,338	4,091,628	4,369,355
Debt service:					
Principal retirement	228,213	857,156	866,604	876,157	885,815
Interest and other charges	<u>9,767</u>	<u>68,367</u>	<u>58,919</u>	<u>49,366</u>	<u>39,708</u>
Total expenditures	<u>\$3,334,266,535</u>	<u>\$3,457,623,971</u>	<u>\$3,538,159,878</u>	<u>\$3,698,655,353</u>	<u>\$3,835,903,210</u>
Revenues over (under) expenditures	\$520,993,302	\$606,711,726	\$615,322,697	\$651,060,741	\$673,694,537
OTHER FINANCING SOURCES (USES)					
Transfers in	\$14,363,192	\$21,572,105	16,440,411	6,753,319	13,276,664
Transfers out	(526,388,805)	(548,220,839)	(574,394,290)	(601,828,488)	(613,961,660)
Capital Leases	6,502,955	-	-	-	-
Total other financing sources (uses)	<u>(\$505,522,658)</u>	<u>(\$526,648,734)</u>	<u>(\$557,953,879)</u>	<u>(\$595,075,169)</u>	<u>(\$600,684,996)</u>
Net change in fund balances	15,470,644	80,062,992	57,368,818	55,985,572	73,009,541
Beginning Fund Balance	325,921,817	341,392,461	421,455,453	478,824,271	534,809,843
Ending Fund Balance	\$341,392,461	\$421,455,453	\$478,824,271	\$534,809,843	\$607,819,384

Source: Fairfax County Comprehensive Annual Financial Reports for the fiscal years ended June 30, 2016-2020, Exhibit A-3 - Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds.

Financial Policies

The Board of Supervisors has been guided by long-standing financial policies and guidelines in the conduct of financial management. The governing statement of financial policy is contained within the Ten Principles of Sound Financial Management (“Ten Principles”). Adopted by the Board of Supervisors in 1975 and amended as needed to address changing economic conditions and management practices, the Ten Principles have been reaffirmed and have guided each succeeding Board of Supervisors to establish strong fiscal management tools and practices. The Ten Principles provide for the integration of land use planning with capital and operating budgets; establish guidelines for the development of annual balanced budgets; stress the importance of maintaining positive cash balances; establish firm not to exceed limits to debt ratios; provide guidance on cash management, internal controls, and performance measurement; provide guidelines restricting the proliferation of underlying debt and use of moral obligation financing; and encourage the development of a diversified economy within the County.

In 1982, the Board of Supervisors adopted a financial policy requiring maintenance of a “managed reserve” in the General Fund beginning on July 1, 1982, at a level not less than 2% of General Fund disbursements. This reserve has been incorporated in the budget each fiscal year. This reserve was implemented to provide for temporary financing of unforeseen needs of an emergency nature and to permit orderly adjustment to changes resulting from termination of revenue sources through actions of other governmental bodies. In 1985, the Board of Supervisors adopted a policy on appropriations during quarterly budget reviews, which provides that non-recurring revenues should be used for either capital expenditures or other non-recurring expenditures and that quarterly review adjustments are not to exceed 2% of the General Fund disbursements. In addition, on September 13, 1999, the Board of Supervisors established a Revenue Stabilization Fund with a goal of reaching 3% of General Fund disbursements. As of the FY 2006 Third Quarter Review, the Revenue Stabilization Fund was fully funded at 3% of General Fund disbursements. This reserve is designed to address ongoing requirements in years of significant economic downturn. Criteria for withdrawals from the Revenue Stabilization Fund include (1) projected revenues must reflect a decrease of greater than 1.5% from the current fiscal year estimate, (2) withdrawals must not exceed one-half of the fund balance in any fiscal year, and (3) withdrawals must be used in combination with spending cuts or other measures.

From time to time the Board of Supervisors has amended the Ten Principles in order to address changing economic conditions and management practices. Changes adopted on April 21, 2015, reflect the Board’s commitment to increasing the County’s reserve policies and to continue to strengthen the County’s financial position. The Managed Reserve target was increased from 2% to 4% of General Fund disbursements and the Revenue Stabilization Fund target was increased from 3% to 5% of General Fund Receipts. In addition, an Economic Opportunity Reserve was established to stimulate economic growth and will provide for strategic investment opportunities that are identified as priorities by the Board of Supervisors. This reserve is fully funded at 1% of total General Fund disbursements. Funding for this reserve only occurs after the Managed Reserve and the Revenue Stabilization Fund are fully funded at their new levels of 4% and 5%, respectively. As of the FY 2021 Third Quarter Review, the FY 2021 projected balance has the Managed Reserve fully funded at \$182.6 (4%) million, and the Revenue Stabilization Fund fully funded at \$228.2 million (5%). Also, the Economic Opportunity Reserve is now fully funded at \$45.6 million (1%).

Other policies and tools that have been designed to enhance the impact of the Ten Principles include annual adoption of budgetary guidelines, formal establishment of various expenditure, revenue, and special purpose reserves, capital improvement planning guidelines, policies for risk management, guidelines for acceptance of grant awards, and planning for information technology. Various tools in active use by the County include the annual budget, the Capital Improvement Program, revenue and financial forecasts, and

management initiatives such as a performance measurement program, a pay-for-performance management system, workforce planning, and various information technology initiatives.

Certain Financial Procedures

Description of Funds

The County's annual audited financial statements include the funds administered by the Board of Supervisors and the School Board. The accounts of the County are organized on the basis of funds, each of which is considered to be a separate accounting entity. The transactions in each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenues, and expenditures.

Budgetary Procedure

The County has no legal authority to borrow in anticipation of future years' revenues, except by the issuance of bonds or bond anticipation notes.

Prior to the beginning of each fiscal year, the Board of Supervisors adopts a budget plan consisting of contemplated expenditures and estimated revenues for such fiscal year. On the basis of the adopted budget plan, the Board of Supervisors appropriates funds for the expenditures, and establishes tax rates sufficient to produce the revenues, contemplated in the budget plan.

The annual budgeting process for a fiscal year begins in the first quarter of the previous fiscal year with the submission by agency directors of budget requests to the Department of Management and Budget. During the second quarter, budget requests are reviewed and meetings between the County Executive, Deputy County Executives, and agency directors are held to discuss agency requests. Upon receipt of the preliminary budget of the School Board in the third quarter, the County Executive prepares an initial budget for submission to the Board of Supervisors and proposes tax rates sufficient to produce revenues needed to meet expenditures contemplated in the initial budget. After work sessions with the Board of Supervisors and public hearings on the proposed budget, changes are made and the final budget is adopted. Tax rates are established prior to the beginning of the fiscal year for which the budget is prepared.

During the fiscal year, quarterly reviews of revenue and expenditures are undertaken by the County Department of Management and Budget. On the basis of these reviews, the Board of Supervisors revises appropriations as needed or desired.

Investment Management Policy

The County's Division of Investments and Cash Management operates under the direction of the Investment Committee comprised of the Chief Financial Officer, Director of the Department of Management and Budget, the Director of the Department of Finance, the Director of the Department of Tax Administration, and the Deputy Director of the Department of Finance. Guided by a formal investment policy, the Committee continually reviews the County's investment policies and strategies and monitors daily investment activity.

During FY 2020, the County's average portfolio size (which includes investments in the General Fund, Special Revenue Funds, and Enterprise Funds) was approximately \$3.6 billion. The funds are invested in U.S. Treasury obligations, obligations of the Federal Home Loan Mortgage Corporation, Federal Home Loan Banks, Federal Farm Credit Bank, and Fannie Mae, bankers' acceptances, commercial paper (rated A1/P1 or higher), negotiable and non-negotiable and insured certificates of deposit, money market

mutual funds limited to government obligations, corporate notes, bank notes, and other investments permitted under Virginia law for these purposes.

The County's investment policy, which governs the pooled cash, and general obligation bond proceeds, prohibits investment in instruments generally referred to as derivatives, and the County does not employ leverage in its investments.

The Association of Public Treasurers of the United States and Canada has awarded the County a certification for its investment policy each year since 1998. To achieve certification, an investment policy must establish standards recognized in the profession as fostering prudent management of public funds.

General Fund Revenues, Expenditures, Transfers and Beginning Fund Balance

The General Fund is maintained by the County to account for revenue derived from Countywide ad valorem taxes, other local taxes, licenses, fees, permits, charges for services, certain revenue from federal and State governments, and interest earned on invested cash balances of the General Fund and Capital Project Funds. General Fund expenditures and transfers include the costs of general County government, transfers to the School Operating Fund to pay the local share of operating Fairfax County public schools, and transfers to the Debt Service and Capital Projects Funds to pay debt service on County general obligation bonds and for certain capital improvement projects.

General Fund Summary

Shown below are the County's revenues, expenditures, transfers, and beginning fund balance of the General Fund for FY 2016 through FY 2020:

General Fund Revenues, Transfers In, and Beginning Fund Balance

	2016	2017	2018	2019	2020
General Property Taxes	\$2,818,183,929	\$3,003,139,306	\$3,062,962,780	\$3,218,786,090	\$3,339,797,219
Other Local Taxes	509,362,021	513,759,924	526,923,910	528,245,783	535,816,256
Permits, fees, and licenses	48,443,054	52,201,079	52,723,373	55,876,219	54,006,590
Intergovernmental	352,320,212	356,846,491	355,433,536	358,732,841	418,199,405
Charges for Services and Recovered Costs	88,510,190	90,224,803	91,914,089	96,138,391	80,335,553
Fines and Forfeitures	14,566,333	15,947,672	15,227,392	15,223,620	12,289,139
Use of money and property	22,679,412	31,325,447	47,076,323	75,360,724	67,158,752
Miscellaneous	1,194,684	890,976	1,221,172	1,352,426	1,994,833
Transfers In	14,363,192	21,572,105	16,440,411	6,753,319	13,276,664
Beginning Fund Balance	<u>325,921,817</u>	<u>341,392,461</u>	<u>421,455,453</u>	<u>478,824,271</u>	<u>534,809,843</u>
Total	<u>\$4,195,544,844</u>	<u>\$4,427,300,263</u>	<u>\$4,591,378,439</u>	<u>\$4,835,293,684</u>	<u>\$5,057,684,254</u>

Source: Fairfax County Comprehensive Annual Financial Reports for FY 2016-2020

General Fund Expenditures and Transfers Out

	2016	2017	2018	2019	2020
Transfer to School Operating Fund	\$1,838,341,763	\$1,926,618,902 ¹	\$1,980,019,600	\$2,067,259,207	\$2,149,116,697
Costs of General County Government	1,612,168,270	1,657,082,620	1,688,569,596	1,766,730,529	1,833,362,498
Transfer to Debt Service Funds	314,950,773	326,622,753	335,166,178	340,433,977	329,741,798
Transfer to Capital Project Funds	42,315,124	37,065,093	50,689,799	51,062,674	39,119,032
Transfer to Metro Construction and Operations Fund	11,298,296	13,557,955	13,557,955	20,695,098	43,950,424
Other Transfers	<u>41,581,114</u>	<u>44,897,487</u>	<u>44,551,040</u>	<u>54,302,356</u>	<u>54,574,421</u>
Total	<u>\$3,860,655,340</u>	<u>\$4,005,844,810</u>	<u>\$4,112,554,168</u>	<u>\$4,300,483,841</u>	<u>\$4,449,864,870</u>

Source: Fairfax County Comprehensive Annual Financial Reports for FY 2016-2020

¹ Excludes the operating contribution of \$87,443 to Northern Virginia Community College.

Revenues

The following is a discussion of the General Fund revenue structure.

General Property Taxes – An annual ad valorem tax is levied by the County on the assessed value of real and tangible personal property located within the County as of January 1 preceding the fiscal year in which such tax is due. The personal property tax on motor vehicles that acquire situs within the County or have title transferred on or after January 2 is prorated on a monthly basis. Real property and personal property are assessed at 100% of fair market value. Real property taxes are due on July 28 and December 5 of the fiscal year in which they are levied. The payment date for personal property taxes is October 5. The penalty for late payment is 10% of the amount due, and interest on delinquent taxes and penalties accrues at a rate of 1% per annum for real estate taxes and 5% per annum for personal property taxes. In cases of property on which delinquent taxes are not paid within three years, the County may sell the property at public auction to pay the amounts due. There is no legal limit at the present time on the property tax rates that may be established by the County. Property taxes (including delinquent payments, penalties, and interest) accounted for 74.1% of total General Fund revenues in FY 2020. However, this percentage does not include the reimbursement from the Commonwealth of Virginia for a portion of the personal property tax. Including the reimbursement reflected in Intergovernmental revenue, the percentage of revenue from property taxes in FY 2020 was 78.8%. A description of the Commonwealth's plan to reduce personal property taxes follows.

During its 1998 Special Session, the General Assembly of Virginia enacted legislation to reduce personal property taxes applicable to individually owned motor vehicles. The reduction, which applies to the first \$20,000 in assessed value, was scheduled to be phased in over a five-year period. The legislation states that the Commonwealth will reimburse local governments for the revenue lost from the reduction in personal property tax collections. In fiscal years subsequent to the legislation personal property taxes paid by citizens steadily reduced until such reduction equaled 70% in 2002. Due to Commonwealth budget constraints, the 2003 Virginia General Assembly temporarily froze the tax reduction at 70%. The 2005 General Assembly revised this measure further to limit its tax relief payments to all localities to a total of \$950 million per tax year beginning with 2006 (fiscal year 2007). The County's fixed share of the \$950 million is \$211,313,944, as determined by its share of the total payments made to all localities by the

Commonwealth during calendar years 2004 and 2005 for tax year 2004 (fiscal year 2005). The County's total personal property tax collections for FY 2020 were \$653.0 million, comprised of \$441.7 million paid by taxpayers and \$211.3 million reimbursed by the Commonwealth of Virginia as Intergovernmental Revenue.

Other Local Taxes – The County levies various other local taxes, including a 1% local sales tax (collected by the Commonwealth and remitted to the County), a tax on consumer utility bills based on consumption for gas and electric services and a 5% communications sales tax which is imposed on the charge for or sale of communications services. Also included in this category are a cigarette tax of \$0.30 per pack, property recordation taxes, an automobile license tax, and various businesses, professional, and occupational licenses taxes. These taxes accounted for 11.9% of total General Fund revenues in FY 2020.

Permits, Privilege Fees, and Licenses – The County requires that licenses or permits be obtained in order to perform certain activities in the County and that fees be paid for services provided by certain County departments. These revenues represented 1.2% of total General Fund revenues for FY 2020.

Fines and Forfeitures – The sources of revenue in this category include court fines and penalties from the Circuit Court and the General District Court and court fines, costs from the Juvenile and Domestic Relations District Court and fines for traffic violations, misdemeanors, and felonies. In addition, the County receives revenues from parking violations as authorized under the County Code. Revenues in this category represented 0.3% of General Fund revenues in FY 2020.

Use of Money and Property – The principal sources of revenue to the General Fund from the use of money and property are interest on General Fund and Capital Project Fund investments and minor amounts of revenue from the sale and lease of County equipment and property. These revenues represented 1.5% of General Fund revenues in FY 2020.

Charges for Services and Recovered Costs – The principal sources of revenue to the General Fund from charges for services are County Clerk fees, school age child care fees, recreation fees, publication sales and various other services for which the County charges a fee. Revenues in this category represented 1.8% of General Fund revenues in FY 2020.

Intergovernmental Revenue – Intergovernmental revenue is comprised of revenue from the Commonwealth, revenue from the federal government, and revenue from local government. Revenues in this category represented 9.3% of General Fund revenues in FY 2020. This percentage includes the revenue that the County receives from the Commonwealth as reimbursement for the County's personal property tax. Each revenue source within intergovernmental revenue is described below.

Revenue from the Commonwealth – The County is reimbursed by the Commonwealth for a portion of shared expenses, including certain expenditures for social services, the sheriff's office, courts, the Office of the Commonwealth Attorney, and other constitutional offices. Additionally, the County receives a share of the net profits from the State Alcoholic Beverage Control Board's liquor sales and state contributions to assist in meeting law enforcement expenditures. As mentioned in the section concerning General Property Taxes, the Commonwealth also reimburses the County for a portion of its personal property tax on vehicles. Including the reimbursement for the County's personal property tax, revenues from this category represented 6.9% of total General Fund revenues in the fiscal year ended June 30, 2020. Excluding this reimbursement, revenue from this category represented 2.2% of General Fund revenue in FY 2020. The County receives a significant amount of additional State aid in support of public school operations. These revenues are credited directly to the School Operating and School Lunch Funds, however, and are not reflected in the General Fund.

Revenue from the Federal Government – The principal sources of categorical federal aid to the General Fund are federal grant money supporting human service programs such as supplemental nutrition, temporary assistance for needy families, foster care, adoption assistance, and medical assistance for clients of the Department of Family Services. This revenue category represented 2.3% of General Fund revenues in FY 2020.

Revenue from Local Government – The principal sources of local government revenues are reimbursement from the Public Schools System for school nurses and reimbursement from the Park Authority for the debt service. This revenue category represented 0.1% of General Fund revenues in FY 2020.

Miscellaneous Revenues – The sources of revenue in this category include the sale of land and buildings, contract rebates, and other miscellaneous sources. These revenue sources accounted for 0.04% of General Fund revenue in FY 2020.

Expenditures and Transfers

The following is a discussion of the major classifications of General Fund expenditures and transfers.

Transfer to School Operating Fund – The County transfers money from the General Fund to the School Operating Fund to pay the County's share of the costs of operating public schools in Fairfax County. This transfer represented approximately 48.3% of total disbursements from the General Fund in the fiscal year ended June 30, 2020. The transfer to the School Operating Fund was approximately 72.1% of total receipts of the School Operating Fund. Other revenues credited directly to the School Operating and School Lunch Funds include revenue from the Federal Government, the Commonwealth, the City of Fairfax (representing tuition of students residing in the City of Fairfax who attend Fairfax County schools), and other revenue derived locally from sale of textbooks, school lunches, etc.

Costs of General County Government – The County pays the costs of general County government from the General Fund. These costs include expenditures for general government administration, judicial administration, public safety, public works, health and welfare, parks, recreational and cultural programs, and community development. This classification was approximately 41.2% of total General Fund disbursements in FY 2020.

Transfer to Debt Service Fund – The County transfers from the General Fund to the Debt Service Fund amounts sufficient to pay principal and interest on outstanding County and School debt including general obligation bonds and EDA and FCRHA revenue bonds. Transfers to the Debt Service Fund represented 7.4% of total General Fund disbursements in FY 2020. Effective FY 2006, Fairfax County Public Schools (FCPS) transfers from its operating fund to the County's Debt Service Fund an amount sufficient to pay principal and interest on the applicable portion of the 2014A County Facilities Projects Bonds.

Transfer to Capital Project Funds – The County transfers money from the General Fund to the Capital Project Funds to pay the cost of certain capital improvements. The General Fund transfer to the Capital Project Funds (except for the General Fund transfer for Fairfax County's obligations to WMATA, which is discussed below) represented 0.9% of total General Fund disbursements in FY 2020.

Transfer to Metro Construction and Operations Fund – The County is a member jurisdiction of WMATA and as such has agreed to make certain capital contributions in support of the construction by WMATA of a rail transit system to serve the Washington metropolitan area (which includes the County)

and to pay a portion of the deficit incurred by WMATA in the operation of its bus system and rail system. The County generally has used bond proceeds to fund its capital contributions to WMATA and has transferred money from the General Fund to pay its share of the bus and rail operating subsidies. The General Fund transfer to the Metro Construction and Operations Fund to pay the County's share of the system's operating subsidies represented 1.0% of total General Fund disbursements in FY 2020. See the subsection herein entitled "GOVERNMENT SERVICES – Transportation" for a more complete discussion of the County's obligations with respect to WMATA.

Other Transfers – The County transfers money from the General Fund to other funds for a variety of purposes. The General Fund transfer to other funds includes transfers to the County Transit Systems, Information Technology, Aging Grants and Programs, Community-Based Funding Pool, Housing Programs for the Elderly, Health Benefits Trust, and Equipment Management and Transportation Agency. Transfers to other funds were 1.2% of total General Fund disbursements in FY 2020.

Transfer to Revenue Stabilization Fund – Beginning in FY 2000, the County began setting aside money in the General Fund for a Revenue Stabilization Fund to address significant revenue reductions during severe, prolonged economic downturns. The Revenue Stabilization Fund represented 36.9% of the total fund balance in the General Fund as of June 30, 2020.

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 3.6 percent over the FY 2020 Adopted Budget Plan 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 4.0 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 would have been 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 remained at \$1.15 per \$100 of assessed value in FY 2021. Spending adjustments were refocused on essential services only, which included the elimination of employee compensation increases. New positions were 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.

County staff added a new Mid-Year FY 2021 Budget Review to the budget calendar. This provided for Board of Supervisors Budget Committee review as part of meetings held on November 24, 2020, and January 12, 2021. Staff recommended revenues be reduced by \$15 million (0.3 percent), due mainly to lower School-Age Child Care revenues, reduced transient occupancy hotel revenue, and decreases to various fines, fees, and charges across the County. This was partially offset by higher than projected sales

tax and recordation tax revenues. The County used a portion, \$9 million, of its COVID-19 reserve coupled with net expenditure adjustments and one-time balances of \$6 million to offset the revenue loss. The Board approved these changes as part of its meeting on January 26, 2021.

On March 23, 2021, County staff provided further financial updates to the Board of as part of the FY 2021 Third Quarter Review. Revenue estimates were based on revenue collections through February 2021 and were recommended to be reduced by \$5.7 million (0.1 percent) from the FY 2021 Mid-Year Estimate for the following categories. Revenues were decreased in the Charges for Services category (\$23.7 million) due mainly to the loss of School-Age Child Care funding from ongoing virtual learning by the Fairfax County Public Schools, Fines and Forfeitures reflect lower court fines and violations (\$2.6 million), loss of Intergovernmental monies for mandated services (\$1.8 million), and lower recovered costs and contract rebates (\$1.1 million). Partial offsets to these revenue reductions include recommended increases to the following categories. Personal Property (\$11.2 million) reflects an increased levy and year to date collections, Sales Tax (\$2.1 million) notes higher year to date collections, Recordation Tax (\$5.9 million) adjustment due to the high-volume real estate sales and refinancings, Real Estate collections (\$3.7 million), and net adjustments (\$0.6 million).

To offset this revenue loss, the County will again use a portion of its COVID-19 Reserve (\$7.3 million) coupled with Countywide departmental personnel and operational savings (\$23.4 million), and net expenditure adjustments (\$8 million) that notably include IT project funding, and a reimbursement to the Housing Authority.

The net available balance after these revenue and expenditure adjustments is \$13.8 million. Per the Board's directive in February 2021, County staff were tasked with providing an option for a one-time bonus for County employees because there were no pay increases included in FY 2021 or currently proposed in FY 2022. Accordingly, this available balance could accommodate a one-time bonus of \$1,000 and \$500 for merit and non-merit employees, respectively. If a bonus were approved, it would be included as part of Board action on the FY 2021 Third Quarter Review on April 27, 2021.

FY 2022 Budget

On February 23, 2021, the County Executive presented the FY 2022 Advertised Budget Plan to the Board of Supervisors. The FY 2022 budget is based on revenue growth of 1.5 percent and a decrease in the current real estate tax rate from \$1.15 per \$100 of assessed value to \$1.14 per \$100 of assessed value. FY 2022 General Fund Disbursements total \$4.49 billion, which is a 0.4 percent increase above the FY 2021 Adopted Budget Plan. County support to Fairfax County Public Schools totals \$2.37 billion, which is a 0.6 percent increase over the FY 2021 Adopted Budget Plan, and 52.8 percent of total FY 2022 Disbursements. Also, funding is provided for new County facilities and leases; the recurring impact of FY 2020 Carryover Review adjustments such as the Body Worn Camera Program; positions added for COVID-19 response and positions to support the Lee District Community Center and the Climate Adaptation Plan; and debt service requirements. In addition, the FY 2022 Advertised Budget Plan includes funding of \$20 million for an unappropriated reserve for economic recovery. The FY 2022 Advertised Budget Plan includes no funding for employee pay increases. The Board of Supervisors is scheduled to vote on the FY 2022 Adopted Budget Plan on May 4, 2021.

CAPITAL IMPROVEMENT PROGRAM

In connection with the County's adopted comprehensive land use plan, the Fairfax County Planning Commission annually prepares and submits to the Board of Supervisors a capital improvement program ("CIP") for the ensuing five-year period. The CIP is designed to balance the need for public facilities as expressed by the County's land use plan with the fiscal capability of the County to provide for those needs.

The CIP is an integral element of the County's budgeting process. The five-year document serves as a general planning guide for the construction of general purpose, school and public utility projects in the County. The CIP is updated and approved by the Board of Supervisors each year. This annual review process prompts careful attention to the development of reliable capital expenditure and revenue estimates and the timely scheduling of bond referenda.

In connection with the CIP process, the Board of Supervisors has adopted certain policy guidelines for the development and financing of the CIP. These guidelines include self-imposed restrictions on the issuance of general obligation bonds designed to keep General Fund supported debt service expenditures less than 10% of total Combined General Fund disbursements, and to maintain the ratio of bonded indebtedness to the market value of taxable property in the County at a level less than 3.0%.

The Board of Supervisors continues to review the County's debt program in light of current fiscal conditions and capital needs. Currently, general obligation bond sales for new money projects are limited to an average of \$300 million per year with a maximum limit of \$325 million in a single year. The CIP for fiscal years 2022-2026 (along with estimates for fiscal years 2027 to 2031) [is expected to be considered] by the Board of Supervisors on April 27, 2021. The County program includes new construction, renovation and renewal of school facilities, parks, housing development, revitalization, storm water management, public safety and courts, libraries, human services, solid waste, sewers, and transportation. Significant capital construction activity from FY 2022-2031 totaling \$10.46 billion is anticipated for the County, in addition to \$0.88 billion in regional parks and water supply projects that are undertaken within the County to benefit County residents, but is not managed or funded directly by the County. The total capital construction activity to be financed by the County totals \$11.34 billion from FY 2022-2031.

RETIREMENT SYSTEMS

Fairfax County administers four separate public employee retirement systems that provide pension benefits for various classes of County employees: Fairfax County Employees' Retirement System (ERS), Fairfax County Police Officers Retirement System (PORS), Fairfax County Uniformed Retirement System (URS), and the Educational Employees' Supplemental Retirement System of Fairfax County (ERFC). In addition, professional employees of the Fairfax County Public Schools participate in a plan sponsored and administered by the Virginia Retirement System (VRS).

The Fairfax County retirement systems investments are managed by independent professional investment managers. Investments in derivatives are not made for speculative purposes but may be used by investment managers to gain access to markets, to reduce risk, or to reduce transaction costs.

In fiscal year 2015, the County implemented GASB No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. GASB Statement No. 68 establishes the standards for accounting and reporting employee pension plans including the recognition and measurement of liabilities, deferred inflows and outflows, expenses and expenditures. The tables below are presented in conformity with GASB Statement No. 68.

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As of June 30, 2019, membership in the reporting entity's plans consisted of the following:

Description	Primary Government			Component Unit –
Public Schools				
	ERS	PORS	URS	ERFC
Retirees and beneficiaries receiving benefits	9,468	1,153	1,402	12,482
Terminated employees entitled to, but not yet receiving, benefits	2,293	69	89	5,240
Deferred Retirement Option Plan participants	806	59	137	N/A
Active employees	14,000	1,382	1,939	22,176

Source: Fairfax County Comprehensive Annual Financial Report for FY 2020

Fairfax County Employees' Retirement System (ERS)

Plan Description

The Fairfax County Employees' Retirement System (ERS) is a legally separate single-employer defined benefit pension plan established under the Code of Virginia which covers only employees of the reporting entity. The plan covers full-time and certain part-time employees of the reporting entity who are not covered by other plans of the reporting entity or the VRS. This is the only plan that provides pension benefits to both the primary government and component units. The balances have been allocated in the financial statements as follows: County 67.8 percent including business type activities, FCPS 26.9 percent, EDA 0.4 percent, FCRHA 1.5 percent, FCPA 3.4 percent of all totals.

Benefit provisions are established and may be amended by County ordinances. All benefits vest at five years of creditable service. Members who were hired before January 1, 2013, had the option to elect to join Plan A or Plan B, and members who were hired on or after January 1, 2013, may elect to join Plan C or Plan D. Members who were hired on or after July 1, 2019, are automatically enrolled in Plan E. To be eligible for normal retirement, an individual must meet the following criteria: (a) attain the age of 65 with five years of service, (b) for Plans A and B, attain the age of 50 with age plus years of service being greater than or equal to 80, or (c) for Plans C, D, and E, attain the age of 55 with age plus years of service being greater than or equal to 85. The normal retirement benefit is calculated using average final compensation (i.e., the highest 78 consecutive two week pay periods or the highest 36 consecutive monthly pay periods) and years (or partial years) of creditable service at date of termination. For Plans A, B, C, and D, if normal retirement occurs before Social Security benefits are scheduled to begin, an additional monthly benefit is paid to retirees. Plan E eliminates the pre-Social Security Supplement; however, there is a cost-neutral Early Age Option for employees who retire prior to full retirement age under Social Security. The plan provides that unused sick leave credit may be used in the calculation of average final compensation by projecting the final salary during the unused sick leave period. Those who commenced employment on or after January 1, 2013, may not use more than 2,080 hours of accrued sick leave toward service credit for retirement or entry into the Deferred Retirement Option Program (DROP). The benefit for early retirement is actuarially reduced and payable at early termination.

On December 4, 2018, the Fairfax County Board of Supervisors voted to approve changes to ERS, for employees hired on or after July 1, 2019, who will participate in a new plan. The changes include eliminating the pre-Social Security Supplement and eliminating the one-time 3 percent calculated

retirement annuity increase from the plan. Changes also include the addition of a cost-neutral Early Age Option for employees who retire prior to full retirement age under Social Security.

Effective July 1, 2005, a DROP was established for eligible members of the ERS. Members who are eligible for normal service retirement are eligible to participate in this program. DROP provides the ability for an employee to retire for purposes of the pension plan, while continuing to work and receive a salary for a period of three years. During the DROP period, the pension plan accumulates the accrued monthly benefit into an account balance identified as belonging to the member. The account balance is credited with interest in the amount of 5.0 percent per annum, compounded monthly. The monthly benefit is calculated using service and final compensation as of the date of entry in DROP, with increases equal to the annual COLA adjustment provided for retirees.

Funding Policy

All contribution requirements for ERS are established and may be amended by County ordinances, including member contribution rates. Plan A and Plan C require member contributions of 4.0 percent of compensation up to the maximum Social Security wage base and 5.33 percent of compensation in excess of the wage base. Plan B, Plan D, and Plan E require member contributions of 5.33 percent of compensation.

The County is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2020, was 28.35 percent of annual covered payroll. Since the ERS's adjusted funded ratio (the ratio of the sum of the actuarial value of assets and commitments already made to fund changes to the actuarial accrued liability) fell below 90 percent, the contribution rate includes a margin to amortize this shortfall back to the 90 percent level. For fiscal year 2020, the amortization target of 100 percent was achieved. The employer contribution made during the measurement period of the liability was \$210,964,434. The [FY] 2020 employer contribution totaled \$234,743,643.

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Schedule of Changes in Net Pension Liability and Related Ratios (Dollar amounts in thousands)

CAFR Reporting Year		
Measurement Date June 30 of prior year		2020
Total Pension Liability		
Service cost		\$99,759
Interest		400,860
Changes in benefit terms		29,355
Differences between expected and actual experience		-
Changes of assumptions		(329,517)
Benefit payments, including refunds of member contributions		
Net change in total pension liability		200,457
Total pension liability – beginning		5,591,224
Total pension liability – ending		\$5,791,681
Plan Fiduciary Net Position		
Contributions – employer		210,964
Contributions – member		37,916
Net investment income		243,546
Benefit payments, including refunds of member contributions		(329,517)
Administrative expense		(2,198)
Net change in plan fiduciary net position		160,711
Plan fiduciary net position – beginning		3,940,927
Plan fiduciary net position – ending		\$4,101,638
Net pension liability – ending		\$1,690,043
Plan fiduciary net position as a percentage of the total pension liability		70.8%
Covered employee payroll		\$777,319
Net pension liability as a percentage of covered employee payroll		217.4%

Source: Fairfax County Comprehensive Annual Financial Report for FY 2020

Administration

There are ten members of the ERS Board of Trustees. Four members are appointed by the Board of Supervisors. Three members are elected representing the following groups: County employees, Schools employees, and retired employees. The Fairfax County Director of Human Resources and the Director of Finance serve as ex-officio members of the board, along with an appointee from the Fairfax County Public Schools system.

Professional Services

An independent auditor and actuary are hired to provide service to the fund.

Fairfax County Police Officers Retirement Systems (PORS)*Plan Description*

The Fairfax County Police Officers Retirement System (“PORS”) is a legally separate single-employer defined benefit pension plan established under the Code of Virginia. The plan covers County police officers who are not covered by other plans of the reporting entity or the VRS and former Park Police officers who elected to transfer to the PORS from the Uniformed Retirement System effective January 22, 1983.

Benefit provisions are established and may be amended by County ordinances. All benefits vest at five years of creditable service. Based on sworn in date, individuals were enrolled in Plan A, Plan B or Plan

C. To be eligible for normal retirement, an individual must meet the following criteria: for Plan A (if sworn in before December 31, 2012) attain the age of 55 or have completed 25 years of creditable service (20 years of creditable service if sworn in prior to July 1, 1981); for Plan B (sworn on or after January 1, 2013) and for Plan C (sworn on or after July 1, 2019) attain the age of 55 or have completed 25 years of creditable service. The normal retirement benefit is calculated using average final compensation and years (or partial years) of creditable service at date of termination. The plan provides that unused sick leave credit may be used in the calculation of average final compensation by projecting the final salary during the unused sick leave period. For Plan B and Plan C, individuals may not use more than 2,080 hours of accrued sick leave toward service credit for retirement or DROP entry. For Plan C, individuals are not eligible for the one-time 3 percent calculated retirement annuity increase from the plan. To be eligible for early retirement, the employee must have 20 years of creditable service (does not apply if sworn in before July 1, 1981). The benefit for early retirement is actuarially reduced and payable at early termination.

Effective October 1, 2003, a DROP was established for eligible members of the PORS. Members who are eligible for normal service retirement are eligible to participate in this program. DROP provides the ability for an employee to retire for purposes of the pension plan, while continuing to work and receive a salary for a period of three years. During the DROP period, the pension plan accumulates the accrued monthly benefit into an account balance identified as belonging to the member. The account balance is credited with interest in the amount of 5.0 percent per annum, compounded monthly. The monthly benefit is calculated using service and final compensation as of the date of entry in DROP, with increases equal to the annual COLA adjustment provided for retirees.

Funding Policy

All contribution requirements for PORS are established and may be amended by County ordinances, including member contribution rates. Member contributions were based on 8.65 percent of compensation at June 30, 2020.

The County is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2020, was 41.60 percent of annual covered payroll. Since the PORS's adjusted funded ratio (the ratio of the sum of the actuarial value of assets and commitments already made to fund changes to the actuarial accrued liability) fell below 90 percent, the contribution rate includes a margin to amortize this shortfall back to the 90 percent level. For fiscal year 2020, the amortization target of 100 percent was achieved. The employer contribution made for the measurement period of the liability was \$47,182,840. The [FY] 2020 employer contribution totaled \$50,781,403.

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Schedule of Changes in Net Pension Liability and Related Ratios (Dollar amounts in thousands)

CAFR Reporting Year Measurement Date June 30 of prior year		2020
Total Pension Liability		
Service cost		\$ 31,993
Interest		123,663
Differences between expected and actual experience		(7,959)
Changes in assumptions		-
Benefit payments, including refunds of member contributions		(80,576)
Net change in total pension liability		67,121
Total pension liability – beginning		1,713,295
Total pension liability – ending		\$1,780,416
Plan Fiduciary Net Position		
Contributions – employer		\$47,183
Contributions – member		10,177
Net investment income		71,578
Benefit payments, including refunds of member contributions		(80,576)
Administrative expense		(611)
Net change in plan fiduciary net position		47,751
Plan fiduciary net position – beginning		1,435,923
Plan fiduciary net position – ending		\$1,483,674
Net pension liability – ending		\$296,742
Plan fiduciary net position as a percentage of the total pension liability		83.3%
Covered employee payroll		\$117,663
Net pension liability as a percentage of covered employee payroll		252.2%

Source: Fairfax County Comprehensive Annual Financial Report for FY 2020

Administration

There are seven members of the PORS Board of Trustees. Three members are appointed by the Board of Supervisors. Two members are active employee elected representatives, and one member is a retiree elected representative. The Fairfax County Director of Finance serves as an ex-officio member of the board.

Professional Services

Independent auditor, actuary and investment consultants are hired to provide service to the fund.

Fairfax County Uniformed Retirement System (URS)*Plan Description*

The Fairfax County Uniformed Retirement System (“URS”) is a legally separate single-employer defined benefit pension plan. The plan covers uniformed or sworn employees of the Fire and Rescue Department, Office of Sheriff, Park Police, helicopter pilots, and Animal Control Officers as well as non-administrative positions of the Department of Public Safety Communications who are not covered by other plans of the reporting entity or the VRS.

Benefit provisions are established and may be amended by County ordinances. All benefits vest at five years of creditable service. Employees hired before July 1, 1981, were enrolled in Plan A. Plan A members were given the opportunity to enroll in Plan B as of July 1, 1981, and to enroll in Plan C as of

April 1, 1997. From July 1, 1981, through March 31, 1997, all new hires were enrolled in Plan B. Plan B members were given the opportunity to enroll in Plan D as of April 1, 1997. From April 1, 1997, through December 31, 2012, all new hires were enrolled in Plan D. From January 1, 2013, forward, all new hires are enrolled in Plan E. From July 1, 2019, forward, all new hires are enrolled in Plan F. To be eligible for normal retirement an individual must meet the following criteria: (a) attain the age of 55 with six years of creditable service, or (b) complete 25 years of creditable service. The normal retirement benefit is calculated using average final compensation and years (or partial years) of creditable service at date of termination. Annual cost-of-living adjustments are provided to retirees and beneficiaries equal to the lesser of 4.0 percent or the percentage increase in the Consumer Price Index for the Washington Consolidated Metropolitan Statistical Area. The plan provides that unused sick leave credit may be used in the calculation of average final compensation by projecting the final salary during the unused sick leave period. Those enrolled in Plan E and Plan F may not use more than 2,080 hours of accrued sick leave toward service credit for retirement or DROP entry. For Plan F, individuals are not eligible for the one-time 3 percent calculated retirement annuity increase from the plan. In addition, Plan F eliminates the pre-Social Security Supplement; however, there is a cost neutral Early Age Option for employees who retire prior to full retirement age under Social Security. To be eligible for early retirement, employees must have 20 years of creditable service. The benefit for early retirement is actuarially reduced and payable at early termination.

Effective October 1, 2003, a DROP was established for eligible members of the URS. Members who are eligible for normal service retirement are eligible to participate in this program. DROP provides the ability for an employee to retire for purposes of the pension plan, while continuing to work and receive a salary for a period of three years. During the DROP period, the pension plan accumulates the accrued monthly benefit into an account balance identified as belonging to the member. The account balance is credited with interest in the amount of 5.0 percent per annum, compounded monthly. The monthly benefit is calculated using service and final compensation as of the date of entry in DROP, with increases equal to the annual COLA adjustment provided for retirees.

Funding Policy

All contribution requirements for URS are established and may be amended by County ordinances, including member contribution rates. Plan A requires member contributions of 4.0 percent of compensation up to the Social Security wage base and 5.75 percent of compensation in excess of the wage base. Plan B requires member contributions of 7.08 percent of compensation up to the Social Security wage base and 8.83 percent of compensation in excess of the wage base. Plan C requires member contributions of 4.0 percent of compensation. Plan D, Plan E, and Plan F require contributions of 7.08 percent of compensation.

The County is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2020, was 38.44 percent of annual covered payroll. Since the URS's adjusted funded ratio (the ratio of the sum of the actuarial value of assets and commitments already made to fund changes to the actuarial accrued liability) fell below 90 percent, the contribution rate includes a margin to amortize this shortfall back to the 90 percent level. For fiscal year 2020, the amortization target of 100 percent was achieved. The employer contribution made for the measurement period of the liability was \$69,246,070. The [FY] 2020 employer contribution totaled \$69,930,974.

Schedule of Changes in Net Pension Liability and Related Ratios (Dollar amounts in thousands)

CAFR Reporting Year		2020
Measurement Date June 30 of prior year		
Total Pension Liability		
Service cost		\$43,537
Interest		153,521
Differences between expected and actual experience		(7,395)
Changes in assumptions		-
Benefit payments, including refunds of member contributions		(105,543)
Net change in total pension liability		83,580
Total pension liability – beginning		2,125,850
Total pension liability – ending		\$2,209,430
Plan Fiduciary Net Position		
Contributions – employer		\$69,246
Contributions – member		12,605
Net investment income		78,142
Benefit payments, including refunds of member contributions		(105,543)
Administrative expense		(620)
Net change in plan fiduciary net position		53,830
Plan fiduciary net position – beginning		1,759,903
Plan fiduciary net position – ending		\$1,813,733
Net pension liability – ending		\$395,697
Plan fiduciary net position as a percentage of the total pension liability		82.1%
Covered employee payroll		\$178,285
Net pension liability as a percentage of covered employee payroll		221.9%

Source: Fairfax County Comprehensive Annual Financial Report for FY 2020

Administration

There are eight members of the URS Board of Trustees. Three members are appointed by the Board of Supervisors. Three members are employee elected representatives comprised of two members from the Fire and Rescue Department, and one member from the Sheriff's Department. The Fairfax County Director of Finance and Director of Human Resources serve as ex-officio members of the board.

Professional Services

An independent auditor and actuary are hired to provide service to the fund.

Educational Employees' Supplementary Retirement System of Fairfax County (ERFC)*Plan Description*

The Educational Employees' Supplementary Retirement System of Fairfax County ("ERFC") is a legally separate single-employer retirement system established under the Code of Virginia. The ERFC covers all full-time educational and civil service employees who are employed by the Public Schools and who are not covered by other plans of the reporting entity. The ERFC 2001 is the retirement plan for members of the ERFC whose membership commenced on or after July 1, 2001.

Benefit provisions for ERFC and ERFC 2001 are established and may be amended by ERFC's Board of Trustees (ERFC Board) subject to approval by the School Board. All members are vested for benefits after five years of service. The ERFC benefit formula was revised effective July 1, 1988, following

changes to VRS, which ERFC has historically supplemented. The benefit structure is designed to supplement VRS and Social Security benefits to provide a level retirement benefit throughout retirement.

ERFC 2001 has a stand-alone structure. Member contributions for ERFC and ERFC 2001 are made through an arrangement that results in a deferral of taxes on the contributions. Further details of member contributions may be found in Article III of the ERFC and ERFC 2001 Plan Documents.

ERFC and ERFC 2001 provide for a variety of benefit payment types. ERFC's payment types include Service Retirement, Reduced Service, Disability, Death-in-Service, and Deferred Retirement. ERFC 2001's payment types include Service Retirement, Death-in-Service, and Deferred Retirement. ERFC's minimum eligibility requirements for receipt of full benefits range from members attaining the age of 55 with 25 years of service to completing five years of service prior to age 65. The minimum eligibility requirements for full benefits for ERFC 2001 Tier 1 members are age 60 with five years of service or any age with 30 years of service. The minimum eligibility requirements for full benefits for ERFC Tier 2 members are full Social Security age with five years of service or age and service equal 90 (the rule of 90). Annual post-retirement cost-of-living increases are effective each March 31. Participants in their first full year of retirement from ERFC 2001 Tier 1 receive a 1.49 percent increase. Participants who retire on or after January 1 receive no cost-of-living increase that first March. Under ERFC 2001 Tier 2, the first cost-of-living increase will equal approximately half of the full amount. Thereafter, the full cost-of-living increase will equal 100 percent of the Consumer Price Index for all Urban Consumers for the Washington, D.C. metropolitan area for the period ending in November of each year, capped at 4%. Additional details regarding benefit payment types can be found in the actuarial valuation and the Plan Documents.

Funding Policy

All contribution requirements for ERFC plans are established and may be amended by the ERFC Board with the approval of the School Board. The requirements are based upon a fundamental financial objective of having rates of contribution that remain relatively level from generation to generation of employees. To determine the appropriate employer contribution rates and to assess the extent to which the fundamental financial objective is being achieved, ERFC has actuarial valuations prepared annually. Members are required to contribute 3 percent of annual salary. The employer is required to contribute at an actuarially determined rate which was 6.44 percent for fiscal year 2020. Employer contributions to the pension plan were \$104,741,255 and \$96,982,911 for the years ended June 30, 2020, and June 30, 2019, respectively.

The actuarial valuations are used to set the employer contribution rate for the two-year period beginning 18 months after the valuation date. As such, the December 31, 2017, valuation recommended that the contribution rate for the two-year period beginning July 1, 2019, to June 30, 2021, be increased from 6.26 percent to 6.44 percent.

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Schedule of Changes in Net Pension Liability and Related Ratios (Dollar amounts in thousands)

CAFR Reporting Year Measurement Date June 30 of prior year		2020
Total Pension Liability		
Service cost		\$90,633
Interest		231,477
Changes of Benefit Terms		-
Differences between expected and actual experience		27,727
Changes of assumptions		-
Benefit payments, including refunds of member contributions		(181,932)
Net change in total pension liability		<u>167,905</u>
Total pension liability – beginning		<u>3,238,436</u>
Total pension liability – ending		<u>\$3,406,341</u>
Plan Fiduciary Net Position		
Contributions – employer		\$96,983
Contributions – member		46,645
Net investment income		117,728
Benefit payments, including refunds of member contributions		(181,932)
Administrative expense		(4,262)
Net change in plan fiduciary net position		<u>75,162</u>
Plan fiduciary net position – beginning		<u>2,446,280</u>
Plan fiduciary net position – ending		<u>\$2,521,442</u>
Net pension liability – ending		<u>\$884,899</u>
Plan fiduciary net position as a percentage of the total pension liability		<u>74.0%</u>
Covered employee payroll		\$1,549,248
Net pension liability as a percentage of covered employee payroll		<u>57.1%</u>

Source: Fairfax County Comprehensive Annual Financial Report for FY 2020

Administration

The Board is composed of seven members: three are appointed by the School Board, and three are elected by active ERFC members. The six combined Board members recommend someone who is not affiliated with FCPS for the seventh position, which is subject to approval by the School Board.

Professional Services

An independent auditor and actuary are hired to provide service to the fund.

Virginia Retirement Systems (VRS)*Plan Description*

FCPS contributes to VRS on behalf of its covered professional employees. VRS is a cost-sharing, multiple-employer retirement system, which administers two defined benefit plans and a hybrid plan that combines the features of a defined benefit plan and a defined contribution plan. These plans are administered by the Commonwealth and provide coverage for Commonwealth employees, public school board employees, employees of participating political subdivisions, and other qualifying employees. All full-time, salaried, permanent employees of VRS-participating employers are automatically covered under VRS. All employees hired after January 1, 2014, are automatically enrolled in the Hybrid Plan. Contributions made by members and participating VRS employers are invested to provide future retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

Funding Policy

The contribution requirement for active employees is governed by Section 51.1-145 of the Code, as amended, but may be affected as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.0 percent of their compensation toward their retirement. Each school division's contractually required contribution rate for the year ended June 30, 2019, was 15.68 percent of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarial rate for the Teacher Retirement Plan was 15.68 percent. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Based on the provisions of Section 51.1-145 of the Code, as amended, the contributions were funded at 100 percent of the actuarial rate for the year ended June 30, 2020. Employer contributions to the pension plan were \$255,030,396 and \$242,912,277 for the years ended June 30, 2020, and June 30, 2019, respectively.

Fairfax County Retirement Systems – Plan Revisions from the Board of Supervisors

As directed by the Board of Supervisors, the Fairfax County Department of Human Resources contracted with a benefits consultant to conduct a comprehensive retirement study. Based on the results of this study, the Board of Supervisors, as part of their mark-up of the FY 2013 Adopted Budget Plan on April 24, 2012, reaffirmed the County's commitment to a defined benefit plan model for current employees and for new hires. The Board also directed staff to prepare revisions to the Fairfax County Code to incorporate several modifications to the retirement systems, to apply only to new employees who are hired after January 1, 2013. These changes included increasing the minimum retirement age from 50 to 55 in the Employees' system, increasing the rule of 80 to the rule of 85 in the Employees' system, removing the pre-Social Security Supplement from DROP accounts in the Employees' system and the Uniformed system, and placing a cap on the use of sick leave for retirement purposes at 2,080 hours for all three retirement systems.

During 2017 and 2018, the Board of Supervisors again directed County staff to review its retirement plans. A retirement workgroup was established consisting of Board members and employee group representatives that included presentations and group discussions on retirement demographics, trends, potential benefit changes. Following a public hearing on December 4, 2018, the Board of Supervisors approved changes for new employees hired on or after July 1, 2019. These changes included the elimination of the Pre-Social Security supplement for the Employees' and Uniformed systems, and the elimination of a prior provision that increased the annual annuity calculation by 3 percent for the Employees, Uniformed, and Police Retirement plans.

Fairfax County - Other Post-Employment Benefits (OPEB)

Plan Description and Administration

The Fairfax County OPEB Plan (the Plan) is a single-employer defined benefit plan administered by Fairfax County. The Plan provides the opportunity to continue participation in medical/dental, vision, and life insurance benefits for eligible retirees and their spouses. The plan benefits correspond with benefits available to active employees. The benefit provisions are established and may be amended by the Board. Fiduciary oversight is provided by the members of the Deferred Compensation Board. The members of the Deferred Compensation Board are the CFO, Director of Finance, Director of Human Resources, Director of Management and Budget, and the Executive Director of the Retirement Agency. The Plan does not issue a stand-alone financial report.

Beginning in fiscal year 2006, the amount of monthly medical subsidy provided by the County is based on years of service and ranges from \$30 per month to \$220 per month. Employees who retired prior to July 1, 2003, are eligible for the greater of the amount based on the current subsidy structure or the amount calculated based on the subsidy structure in place prior to July 2003. In addition, the Board has established a program to subsidize the continuation of term life insurance at reduced coverage amounts for retirees. Retirees generally pay for 50 percent of their coverage amounts at age-banded premium rates, with the County incurring the balance of the cost. In order to receive these subsidies, retirees must be 55 or older and have a minimum of five years of service credit. If participation in any of the benefit areas is discontinued, eligibility is lost and a retiree may not re-enroll into the Plan. Consequently, all inactive employees are considered to be receiving benefits.

Participant data for fiscal years 2019 and 2020 is as follows:

Membership	FY 2019	FY 2020
Medical Members		
Number of Active Members	13,364	13,579
Average Age	44	44
Average Service	11	11
<u>Number of Inactive Members</u>		
Retirees and Spouses	5,381	5,437
Average Age	67	67
Life Insurance Members		
Number of Active Members	13,364	13,579
Average Age	44	44
Average Service	11	11
<u>Number of Inactive Members</u>		
Retirees and Spouses	5,761	5,927
Average Age	68	68

Source: Fairfax County Comprehensive Annual Financial Report FY 2020

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Statement of Changes in Net Position for the Fiscal Year ended June 30, 2020 – OPEB Trust Fund

ADDITIONS:	<u>2020</u>
Contributions:	
Employer	\$19,460,652
Other	<u>215,858</u>
Total Contributions	<u>\$19,676,510</u>
Investment Income from Investment Activities:	
Net (appreciation) in fair value of investments	\$9,770,808
Interest	<u>130,800</u>
Total Income from Investment Activities	<u>\$9,900,908</u>
Less Investment Activities Expenses:	
Management Fees	\$266,943
Other	<u>500</u>
Total Investment Activities Expenses	<u>\$267,443</u>
Net Income from Investment Activities	<u>\$9,633,465</u>
Net investment income	<u>\$9,633,465</u>
Total Additions	<u>\$29,309,975</u>
DEDUCTIONS:	
Benefits	\$23,254,464
Administrative Expenses	<u>130,788</u>
Total Deductions	<u>\$23,385,252</u>
Net Increase	<u>\$5,924,723</u>
Net Position - July 1, 2019	<u>324,839,634</u>
Net Position - June 30, 2020	<u>\$330,764,357</u>

Source: Fairfax County Comprehensive Annual Financial Report FY 2020

Net OPEB Liability for the Plan

The Plan's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The components of the net OPEB liability for the Plan are as follows:

Total OPEB Liability	\$348,205,749
Plan Fiduciary Net Position (Market Value of Assets)	<u>(330,764,357)</u>
Net OPEB Liability	<u>\$17,441,392</u>
Plan Fiduciary Net Position as % of Total OPEB Liability	94.99%

Source: Fairfax County Comprehensive Annual Financial Report FY 2020

Fairfax County Public Schools - Other Post-Employment Benefits (OPEB)

Plan Description and Administration

The Fairfax County Public Schools OPEB Trust Fund is a single-employer defined benefit plan administered by the Fairfax County Public Schools (Public Schools”). Public Schools’ plan provides health benefits to eligible retirees and their spouses. The plan benefits correspond with benefits available to active employees. Benefit provisions are established and may be amended by the School Board. Fiduciary oversight is provided by the members of the Local Finance Board for OPEB. The Plan does not issue a stand-alone financial report.

A retiree and/or spouse who is at least 55 of years of age and participates in a Public Schools administered health insurance plan will receive an explicit subsidy ranging from \$15 to \$175 per month, based on years of service and the retirement plan in which the retiree is covered. In addition, Public Schools provides an implicit subsidy by allowing retirees to participate in the health insurance plans at the group premium rates calculated on the entire universe of active and retired employees. This subsidy occurs because, on an actuarial basis, the current and future claims of the retiree participants are expected to result in higher per person costs to the insurance plans than will be the experience for active employees.

Participant data for fiscal years 2019 and 2020 is as follows:

Membership	FY 2019	FY 2020
Medical Members		
Number of Active Members	20,309	19,878
Average Age	46	46
Average Service	11	11
<u>Number of Inactive Members</u>		
Retirees and Spouses	10,037	10,135
Average Age	72	72
Life Insurance Members		
Number of Active Members	4,705	4,457
Average Age	52	53
Average Service	12	12
<u>Number of Inactive Members</u>		
Retirees and Spouses	2,546	2,844
Average Age	71	72

Source: Fairfax County Comprehensive Annual Financial Report FY 2020

Statement of Changes in Net Position for the Fiscal Year ended June 30, 2020 – OPEB Trust Fund

ADDITIONS:	<u>2020</u>
Contributions:	
Employer	<u>\$28,875,000</u>
Total Contributions	<u>\$28,875,000</u>
Investment Income from Investment Activities:	
Net increase in fair value of investments	\$4,561,466
Administrative Expense	<u>(101,363)</u>
Total Income from Investment Activities	<u>\$4,460,103</u>
Total Additions	<u>\$33,335,103</u>
DEDUCTIONS:	
Benefits payments / refunds	<u>\$23,875,000</u>
Total Deductions	<u>\$23,875,000</u>
Net Increase	<u>\$9,460,103</u>
Net Position - July 1, 2019	<u>146,508,965</u>
Net Position - June 30, 2020	<u>\$155,969,068</u>

Source: Fairfax County Comprehensive Annual Financial Report FY 2020

Net OPEB Liability for the Plan

The Public Schools' net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The components of the net OPEB liability for the Plan are as follows:

Total OPEB Liability	\$220,082,429
Plan Fiduciary Net Position (Market Value of Assets)	(155,969,068)
Net OPEB Liability	<u>\$64,113,361</u>
Plan Fiduciary Net Position as % of Total OPEB Liability	70.87%

Source: Fairfax County Comprehensive Annual Financial Report FY 2020

For further information regarding the County's retirement systems, see "Basic Financial Statements – Notes to Financial Statements – Notes G and H" in the County's financial statements for the Fiscal Year ended June 30, 2020.

CONTINGENT LIABILITIES AND CLAIMS

The County is contingently liable with respect to lawsuits and other claims that arise in the ordinary course of its operations. See Note L in the County's Financial Statements in the County's financial statements for the Fiscal Year ended June 30, 2020.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION

A brief summary of certain provisions of the General Bond Resolution is included in this Appendix C. Such summary does not purport to be comprehensive or definitive; all references herein to the General Bond Resolution, the 2021A Series Resolution, and the 2021B Series Resolution are qualified in their entirety by reference to each such resolution, copies of which are available for review at the Offices of the Bond Registrar.

This summary does not include the changes to the General Bond Resolution that would be effected by the Proposed General Bond Resolution Amendments. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE 2021 BONDS – Proposed General Bond Resolution Amendments” and APPENDIX D – “Proposed Amendments to General Bond Resolution” herein.

Definitions of Certain Terms

“*Accountant*” means the firm of independent certified public accountants at the time serving as such pursuant to the General Bond Resolution.

“*Accreted Amount*” means, with respect to Capital Appreciation Bonds of any series, the amount set forth in a Series Resolution as the amount representing the initial public offering price, plus the accumulated and compounded interest on such Bonds.

“*Acquisition*” means acquisition by purchase or eminent domain, construction, improvement and placing into operation.

“*Additional Bonds*” means additional Bonds authorized to be issued pursuant to the provisions of the General Bond Resolution described under the heading “Additional Indebtedness – *Additional Bonds*” within this Appendix C.

“*Annual Budget*” means the budget for the County for a Fiscal Year adopted by the County, as the same may be amended from time to time, in accordance with the provisions of the General Bond Resolution.

“*Balloon Indebtedness*” means Indebtedness, twenty-five percent (25%) or more of the principal of which matures on the same date, which portion of the principal is not required by the documents governing such Indebtedness to be amortized by redemption prior to such date. If any Indebtedness consists partially of Variable Rate Indebtedness and partially of Indebtedness bearing interest at a fixed rate, the portion constituting Variable Rate Indebtedness and the portion bearing interest at a fixed rate are to be treated as separate issues for purposes of determining whether any such Indebtedness constitutes Balloon Indebtedness.

“*Board*” or “*Board of Supervisors*” means the Board of Supervisors of the County or any successor entity assuming the functions thereof.

“*Bond Registrar*” means, for the Bonds of any series, the Bond Registrar at the time serving as such under the General Bond Resolution and performing the duties set forth therein and in the applicable Series Resolution, whether the original or a successor Bond Registrar.

“*Bond Year*” means the period commencing on the first day of July of any calendar year and ending on the 30th day of June of the following calendar year or such other annual period commencing and ending on the dates specified in a Series Resolution.

“*Bonds*” means the bonds issued under the General Bond Resolution and includes the 2012 Bonds, the 2014 Bonds, the 2016 Bonds, the 2017 Bonds, the 2021A Bonds, the 2021B Bonds and any Additional Bonds and Refunding Bonds.

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

“*Capital Appreciation Bonds*” means Bonds the interest on which is compounded and accumulated at the rates and on the dates set forth in a Series Resolution and is payable upon redemption or on the maturity date of such Bonds.

“*Chief Financial Officer*” means the Deputy County Executive for Management and Budget or a deputy thereof.

“*Clerk*” means the Clerk or any Deputy Clerk of the Board or any person succeeding to the principal functions thereof.

“*Closing*” means the date on which Bonds are delivered against payment therefor.

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

“*Completion Date*” means the date of completion of the Acquisition of the Initial Projects or of any other Projects.

“*Construction Subfund*” means the Sewer Bond Construction Subfund created and so designated by the General Bond Resolution.

“*Contracted Services*” means services rendered or facilities provided to the County in respect of the System or for the performance for or on behalf of the County of functions similar to those performed by the System, from a specific project, projects or systems, pursuant to a contract, whether a financing lease, a service agreement or another arrangement.

“*Cost of Contracted Services*” means the payments to be made by the County for Contracted Services, which are to consist of three elements: (i) a “Debt Service Component” that consists of that part of the payment for Contracted Services for which the County is obligated to pay, and that the Chief Financial Officer of the County has determined in writing in an Officer’s Certificate at the time the County commits to receive such Contracted Services to be for the purpose of paying a fixed charge or the principal of and/or interest on the obligations, directly or indirectly associated with rendering the Contracted Services, of the person providing the Contracted Services, (ii) the “Operating Component” that consists of the portion of the payment for Contracted Services that meets the definition of Operating Expenses under the General Bond Resolution, and (iii) the “Remaining Component” that consists of the remaining portion of the payment for Contracted Services for which the County is obligated to pay and which is not embraced in the definition of Debt Service Component or Operating Component.

“*County Executive*” means the County Executive or any person succeeding to the principal functions thereof.

“*County Representative*” means each of the persons at the time designated to act on behalf of the County in a written certificate furnished to each Depositary, any Paying Agent and the Bond Registrar, which certificate is to contain the specimen signature(s) of such person(s) and be signed on behalf of the County by the Chairman.

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

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

“*Current Interest Bonds*” means Bonds the interest on which is payable on the Interest Payment Dates provided therefor in a Series Resolution.

“*Debt Service Requirements*” means, for any Bond Year, the aggregate of (a) the Principal and Interest Requirements on Bonds of all series then outstanding for such Bond Year and (b) the payments required to be made in respect of Parity Indebtedness for such Bond Year, employing in each case the methods of calculation set forth in clauses (A), (B) and (C) under the section entitled “Additional Indebtedness – *Additional Bonds*” in the cases of Balloon Indebtedness, Variable Rate Indebtedness and Optional Tender Indebtedness; provided, however, that interest expense is to be excluded from the determination of Debt Service Requirements to the extent that such interest is to be paid from the proceeds of Bonds or Parity Indebtedness or from investment (but not reinvestment) earnings thereon (other than proceeds and investment earnings on deposit in the Reserve Subfund) if such proceeds have been invested in Defeasance Obligations and to the extent such earnings may be determined precisely. The County may provide in a Series Resolution that interest expense on Credit Facilities drawn upon to purchase but not to retire Bonds, to the extent such interest exceeds the interest otherwise payable on such Bonds, be included in the determination of Debt Service Requirements.

“*Debt Service Subfund*” means the Sewer Bond Debt Service Subfund created and so designated by the General Bond Resolution.

“*Defeasance Obligations*” means, generally, Government Obligations and obligations described in clause (D) of the definition of “Investment Obligations.” Provided, however, that for purposes of defeasing the 2021 Bonds, “Defeasance Obligations” means (i) Government Obligations, (ii) obligations unconditionally guaranteed by the United States of America, or evidences of indirect ownership of such obligations, and (iii) the obligations described in clause (D) of the definition of “Investment Obligations.”

“*Deposit Day*” means the twenty-fifth (25th) day of each month (or for any series of Bonds any other day that may be designated in the Series Resolution as a “Deposit Day”), on which day a withdrawal from the Revenue Subfund is required to accomplish the payments and transfers required by the General Bond Resolution.

“*Depositary*” means one or more banks or trust companies authorized under the laws of the United States of America or the Commonwealth to engage in the banking business within the Commonwealth that meet the requirements of the General Bond Resolution and have been designated by the County by resolution as a depositary of money pursuant to the provisions of the General Bond Resolution.

“Engineer” means the Director of the Department of Public Works of the County or any person holding the highest ranked engineering position created by the County or an engineer or engineering firm if so designated by the Board.

“Excluded Revenues” means the sum of Nonrecurring Revenues and all income previously received and currently held by the County to the credit of the Revenue Subfund and all rights to receive the same, whether in the form of accounts receivable, contract rights or other rights, and the proceeds of such rights whether now owned or held or hereafter coming into existence derived by the County from the operation or ownership of the System.

“Extension and Improvement Subfund” means the Sewer Bond Extension and Improvement Subfund so created and designated by the General Bond Resolution.

“Fiscal Year” means the period commencing on the first day of July of any year and ending on the last day of June of the following year, unless the County notifies the Depositary and the Bond Registrar in writing of a change in such period, in which case the Fiscal Year will be the 12-month period set forth in such notice.

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

“Gross Revenues” means (a) all payments, proceeds, rates, fees, charges, rents and all other income derived by or for the County for the use of and for the services and facilities furnished by or from the operation or ownership of the System, (b) Nonrecurring Revenues derived by the County from the operation or ownership of the System, (c) all income previously received and currently held by the County to the credit of the Revenue Subfund and all rights to receive the same, whether in the form of accounts receivable, contract rights or other rights, and the proceeds of such rights whether now owned or held or hereafter coming into existence derived by the County from the operation or ownership of the System, (d) any proceeds of use and occupancy or business interruption insurance, and (e) the income from the investment under the provisions of the General Bond Resolution of the money held for the credit of the various funds and accounts created under the General Bond Resolution and required or permitted by the terms of the General Bond Resolution to be credited to the Revenue Subfund, but does not include the proceeds of any insurance, other than as mentioned above, or any capital gifts, grants, donations or contributions or borrowed funds. Payments by any Insurer or Credit Bank with respect to debt service on the Bonds or any Subordinate Obligations do not constitute Gross Revenues. Any lump sum payment or prepayment received by the County (excluding Nonrecurring Revenues) is to be reserved by the County in the Revenue Subfund and disbursed from the Revenue Subfund, and recognized as Gross Revenues, monthly over the appropriate accrual period.

“Holder” means a person in whose name a Bond (or one or more predecessor Bonds) is registered on the registration books provided for in the General Bond Resolution.

“Indebtedness” means (a) the Bonds, (b) the Debt Service Components of the Cost of Contracted Services, (c) all other indebtedness of the County relating to the System and payable from Gross Revenues, and (d) all installment sales and capital lease obligations relating to the System and payable from Gross Revenues and incurred or assumed by the County. Obligations to reimburse Credit Banks for amounts drawn under Credit Facilities to pay the Purchase Price of Optional Tender Indebtedness do not constitute Indebtedness, except to the extent such obligations exceed the Debt Service Requirements on the Bonds or any Parity Indebtedness registered or pledged to or for the account of a Credit Bank that has paid the Purchase Price of Optional Tender Indebtedness.

“Initial Projects” means (a) facilities and improvements for the expansion to a capacity above 36 mgd of the Lower Potomac Treatment Plant and (b) the County’s entitlement under a Service Contract with the District of Columbia with respect to improvements to and expansion to a capacity above 309 mgd of the Blue Plains Regional Wastewater Treatment Plant.

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

“Interest Payment Date” means, for the 2021 Bonds, each January 15 or July 15, commencing January 15, 2022.

“Interest Period” means each period from and including an Interest Payment Date to and including the day immediately preceding the next Interest Payment Date.

“Interest Requirement” for any Bond Year, as applied to Bonds of a series, means the total of the sums that would be deemed to accrue on such Bonds during such Bond Year if the interest on the Current Interest Bonds of such series were deemed to accrue daily during such year in equal amounts; provided, however, that interest expense will be excluded from the determination of Interest Requirement to the extent that such interest is to be paid from the proceeds of Bonds or from investment (but not reinvestment) of earnings thereon (other than proceeds and investment earnings on deposit in the Reserve Subfund) if such proceeds have been invested in Defeasance Obligations and to the extent such earnings may be determined precisely. The County may provide in a Series Resolution that interest expense on Credit Facilities drawn upon to purchase but not to retire Bonds, to the extent such interest exceeds the interest otherwise payable on such Bonds, be included in the determination of Interest Requirement. If interest is not payable at a single numerical rate for the entire term of such Bonds or if an interest liability swap agreement or interest guaranty or protection agreement is entered into pursuant to the General Bond Resolution, then “Interest Requirement” will have the appropriate meaning assigned thereto by the applicable Series Resolution or other supplemental resolution permitted by the General Bond Resolution.

“Investment Obligations” means

- (A) Government Obligations;
- (B) the obligations of (i) Export-Import Bank, (ii) Government National Mortgage Association, (iii) Federal Housing Administration, (iv) Farmers Home Administration and (v) any other agency or instrumentality of the United States of America now or hereafter created which obligations are backed by the full faith and credit of the United States of America;
- (C) the obligations of (i) Federal National Mortgage Association, (ii) Federal Intermediate Credit Banks, (iii) Federal Banks for Cooperatives, (iv) Federal Land Banks, (v) Federal Home Loan Banks, (vi) Federal Financing Bank, (vii) Federal Farm Credit System and (viii) Federal Home Loan Mortgage Corporation;
- (D) obligations of state or local government bond issuers, provision for the payment of the principal of and interest on which has been made by deposit with an escrow agent or trustee of Government Obligations the principal of and interest on which when due will be sufficient to pay the principal of and interest on such state or local government obligations when due;
- (E) any repurchase agreement that is with (i) a bank or trust company (including any Depositary, Bond Registrar, Paying Agent and their affiliates) that has a combined capital surplus

and undivided profits not less than \$10,000,000, or (ii) a subsidiary trust company under the Trust Subsidiary Act, Title 6.1, Chapter 2, Article 3.1, Code of Virginia, 1950, as amended, whose parent State bank or bank holding company has undertaken to be responsible for the acts of such subsidiary trust company pursuant to the provisions of Section 6.1-32.7(a) of the Trust Subsidiary Act, or any successor provision of law, and whose combined capital, surplus and undivided profits, together with that of its parent State bank or bank holding company, as the case may be, is not less than \$10,000,000, or (iii) a government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York for Government Obligations, which agreement is fully and continuously secured by Government Obligations or obligations described in (A) above and having on the date of the repurchase agreement a fair market value equal to at least 100% of the amount of the repurchase obligations of the bank or trust company; provided, however, that such obligations purchased must be transferred to the Depository or a third party agent by physical delivery or by an entry made on the records of the issuer of such obligations. Any investment in a repurchase agreement will be considered to mature on the date the bank or trust company or dealer providing the repurchase agreement is obligated to repurchase the Investment Obligations;

(F) investments pursuant to the Government Non-Arbitrage Act, Title 2.2, Chapter 47, Code of Virginia 1950, as amended;

(G) subject to the ratings requirements set forth below, shares in any money market mutual fund (including those of the Trustee or any of its affiliates) registered under the Investment Company Act of 1940, as amended, that have been rated AAAm-G or AAAm by Standard & Poor's Ratings Services or Aaa by Moody's Investors Service, Inc., so long as the portfolio of such money market mutual fund is limited to Government Obligations and agreements to repurchase Government Obligations; and

(H) any and all investments authorized by the Investment of Public Funds Act (Title 2.2, Chapter 45, Code of Virginia 1950, as amended) and successor statutes as the same are from time to time amended.

Any investment in obligations described in (A), (B) and (C) above may be made in the form of an entry made on the records of the issuer of the particular obligation.

"Net Revenues" means for any period the amount of Gross Revenues for such period, less the Operating Expenses during such period.

"1954 Resolution" means the resolution adopted by the Board on May 26, 1954, as supplemented and amended, authorizing the issuance of Fairfax County Sewer Revenue Bonds, Series A, B, C, D, E, F and G.

"Nonrecurring Revenues" means the fees collected by the County from all users prior to such users' first connection to the System, which fees represent such users' proportional share of the cost of facilities, including subtrunk sewers, trunk sewers, pumping stations and treatment facilities, beyond the collection system and other nonrecurring income such as connection fees, reconnection fees, charges for meter replacements and so on.

"Officer's Certificate" means a certificate signed by the Chairman, the County Executive, the Clerk or the Chief Financial Officer or by a member of the Board or by a member of the staff of the County, in either case, designated by such Chairman, County Executive, Clerk, or Chief Financial Officer.

“Operating Expenses” means, for any period, the County’s reasonable and necessary current expenses for the operation, repair and maintenance of the System, as determined in accordance with generally accepted accounting principles except as modified by this definition. For the purpose of this definition, such current expenses include, without limiting the generality of the foregoing, all ordinary and usual expenses of maintenance, repair and operation, which may include expenses not annually recurring, administrative expenses, any reasonable payments to pension or retirement funds properly chargeable to the System, premiums and reserves for insurance, fees or premiums for a Credit Facility, Reserve Subfund Insurance Policy or bond insurance policy (but not including any amounts payable as interest, whether or not characterized as a fee or premium on draws, advances or loans), all administrative and engineering expenses relating to maintenance, repair and operation, fees and expenses of the Depository, any Paying Agent, remarketing agent, indexing agent, the Bond Registrar and any Trustee, legal expenses, fees of consultants, any taxes that may be lawfully imposed on, or payments in lieu of taxes that may be lawfully paid by, the System or the income therefrom, operating lease payments, the Operating Component of the Cost of Contracted Services, and any other expenses required or permitted to be paid by the County under the provisions of the General Bond Resolution or by law payable on a parity with Operating Expenses under the General Bond Resolution, but does not include any reserves for extraordinary maintenance or repair or any allowance for depreciation, or any deposits to the credit of the Debt Service Subfund, the Reserve Subfund, the Subordinate Obligations Subfund or the Extension and Improvement Subfund (other than Operating Expenses described above in this definition).

The Proposed General Bond Resolution Amendments, if adopted, would amend the first sentence of the foregoing definition of “Operating Expenses” so the that entire definition would read as follows:

“Operating Expenses” means, for any period, the County’s reasonable and necessary current expenses paid for the operation, repair and maintenance of the System, without intending to limit or restrict any proper definition of such expenses under any applicable laws or generally accepted accounting principles. For the purpose of this definition, such current expenses shall include, without limiting the generality of the foregoing, all ordinary and usual expenses of maintenance, repair and operation, which may include expenses not annually recurring, administrative expenses, any reasonable payments to pension or retirement funds properly chargeable to the System, premiums and reserves for insurance, fees or premiums for a Credit Facility, Reserve Subfund Insurance Policy or bond insurance policy (but not including any amounts payable as interest, whether or not characterized as a fee or premium on draws, advances or loans), all administrative and engineering expenses relating to maintenance, repair and operation, fees and expenses of the Depository, any Paying Agent, remarketing agent, indexing agent, the Bond Registrar and any Trustee, legal expenses, fees of consultants, any taxes that may be lawfully imposed on, or payments in lieu of taxes that may be lawfully paid by, the System or the income therefrom, operating lease payments, the Operating Component of the Cost of Contracted Services, and any other expenses required or permitted to be paid by the County under the provisions of this Resolution or by law payable on a parity with Operating Expenses under this Resolution, but shall not include any reserves for extraordinary maintenance or repair or any allowance for depreciation, or any deposits to the credit of the Debt Service Subfund, the Reserve Subfund, the Subordinate Obligations Subfund or the Extension and Improvement Subfund (other than Operating Expenses hereinabove described in this definition).”

See “SECURITY FOR AND SOURCES OF PAYMENT OF THE 2021 BONDS – Proposed General Bond Resolution Amendments” and APPENDIX D – “PROPOSED AMENDMENTS TO THE GENERAL BOND RESOLUTION” herein.

“Optional Tender Indebtedness” means any portion of Indebtedness incurred under the General Bond Resolution a feature of which is an option on the part of the Holders of such Indebtedness to tender

to the County or to any Depositary, Paying Agent or other fiduciary for such Holders, or to an agent of any of the foregoing, all or a portion of such Indebtedness for payment or purchase.

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

- (i) Bonds paid or redeemed or delivered to or acquired by the Bond Registrar for cancellation;
- (ii) Bonds for which the Bond Registrar or any Depositary or Paying Agent holds sufficient money or Government Obligations the principal of and the interest on which, when due and payable, will provide sufficient money to pay the principal of, and the interest and redemption premium, if any, on such Bonds to their maturity date or dates or dates fixed for Sinking Fund Redemption or to the date or dates fixed for their optional redemption; provided, however, that for Variable Rate Indebtedness, the County may provide in a Series Resolution adopted prior to the issuance of such Variable Rate Indebtedness for a method of calculating the, or for a maximum assumed, rate of interest to be taken into account in determining the sufficiency of such money or Government Obligations; and
- (iii) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under the General Bond Resolution.

provided, however, that in determining whether the Holders of the requisite principal amount of outstanding Bonds have given any request, demand, authorization, direction, notice, consent or waiver under the General Bond Resolution, Bonds owned by the County or any other obligor upon the Bonds will be disregarded and deemed not to be outstanding, except that the term “obligor upon the Bonds” does not include any Insurer or any Credit Bank and except that, in determining whether the Bond Registrar will be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds that the Bond Registrar knows to be so owned will be so disregarded. Bonds so owned that have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the Bond Registrar the pledgee’s right so to act with respect to such Bonds and that the pledgee is not the County or any other obligor upon the Bonds except a Credit Bank or an Insurer.

“*Parity Debt Service Component*” means the Debt Service Components of the Cost of Contracted Services under other Service Contracts where the Chief Financial Officer of the County certifies in an Officer’s Certificate at the time the County commits to receive such Contracted Services that the County has elected to treat such Debt Service Components as payable on a parity as to money in the Debt Service Subfund with the Principal and Interest Requirements of Bonds issued under the General Bond Resolution and that meets the requirements of the General Bond Resolution.

“*Parity Indebtedness*” means (a) Parity Debt Service Components and (b) any other Indebtedness incurred in accordance with the provisions of the General Bond Resolution and payable on a parity with the Principal and Interest Requirements of Bonds issued under the provisions of the General Bond Resolution. Parity Indebtedness does not include Bonds.

“*Paying Agent*” means, for any series of Bonds, the paying agent or tender agent designated as such and performing the duties set forth in the Series Resolution providing for the issuance of such Bonds.

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

“*[P]rincipal*” means (i) with respect to the principal amount of any Capital Appreciation Bond, the Accreted Amount thereof (the difference between the stated amount to be paid at maturity and the Accreted Amount being deemed unearned interest) except as used in the General Bond Resolution in connection with the authorization and issuance of Bonds and with the order of priority of payments of Bonds after an Event of Default, in which cases “principal” means the initial public offering price of a Capital Appreciation Bond (the difference between the Accreted Amount and the initial public offering price being deemed interest) but when used in connection with determining whether the Holders of the requisite principal amount of Bonds then outstanding have given any request, demand, authorization, direction, notice, consent or waiver, “principal” means the Accreted Amount and (ii) with respect to the principal amount of any Current Interest Bond, the principal amount of such Bond payable at maturity.

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

“*Principal Payment Date*” means, for the 2021 Bonds, a July 15 upon which the principal of any 2021 Bond is stated to mature or upon which the principal of any 2021A Term Bond [or 2021B Term Bond] is subject to sinking fund redemption.

“*Principal Requirement*” means for any Bond Year, as applied to the Bonds of a series, if and to the extent for such series of Bonds, a Principal Payment Date or Dates occurs on July 2 or thereafter during such Bond Year or on or before June 30 of the next succeeding Bond Year (each, an “Applicable Principal Payment Date”), then beginning

- (x) on the preceding Principal Payment Date, if any, that occurs one year or less before each Applicable Principal Payment Date, or
- (y) one year prior to each Applicable Principal Payment Date if there is no prior Principal Payment Date or if the preceding Principal Payment Date is more than one year prior to the Applicable Principal Payment Date;

the total of the sums that would be deemed to accrue on such Bonds during such Bond Year if

- (i) the principal of the Current Interest Bonds of such series were deemed to accrue daily during such Bond Year in equal amounts, to but not including the Applicable Principal Payment Dates, and
- (ii) the Accreted Amount of the Capital Appreciation Bonds of such series, as of the Applicable Principal Payment Date, were deemed to accrue daily during such Bond Year in equal amounts to but not including the Applicable Principal Payment Date.

“*Project*” means future additions, enlargements, improvements, extensions, alterations, fixtures, equipment, land, appurtenances and other facilities to or for the System, or the undivided ownership interest of the County therein, or any entitlement to capacity or service, or any obligations of the County under any Service Contract.

“*Purchase Price*” means the purchase price established in any Series Resolution for Optional Tender Indebtedness as the purchase price to be paid for such Indebtedness upon an optional or mandatory tender of all or a portion of such Indebtedness.

“*Redemption Price*” means with respect to Bonds or a portion thereof, the principal amount of such Bonds or portion thereof plus the applicable premium, if any, payable upon redemption thereof in the manner contemplated in accordance with its terms and the General Bond Resolution.

“*Refunding Bonds*” means refunding Bonds authorized to be issued pursuant to the provisions of the General Bond Resolution described under the heading “Additional Indebtedness – *Refunding Bonds*” within this Appendix C.

“*Reserve Subfund*” means the Sewer Bond Debt Service Reserve Subfund created and so designated by the General Bond Resolution.

“*Reserve Subfund Insurance Policy*” means the insurance policy or surety bond or irrevocable letter of credit or guaranty deposited in the Reserve Subfund in lieu of or in partial substitution for cash on deposit or to be deposited therein. Such Reserve Subfund Insurance Policy is to be payable (upon the giving of notice as required thereunder) on any Interest or Principal Payment Date (for the series of Bonds in respect of which it was deposited) on which a deficiency exists in the Debt Service Subfund. The issuer providing such Reserve Subfund Insurance Policy is to be (A) an insurer that has been assigned either (i) one of the two highest policyholder ratings accorded insurers by A.M. Best & Co. or any comparable service or (ii) for bonds insured by the issuer of such Policy, a rating by either Moody’s Investors Service, Inc. or Standard & Poor’s Ratings Services in one of two highest rating categories (without regard to gradations, such as “plus” or “minus,” of such categories) or (B) a commercial bank, insurance company or other financial institution the bonds payable or guaranteed by which have been assigned a rating by either Moody’s Investors Service, Inc. or Standard & Poor’s Ratings Services in one of the two highest rating categories (without regard to gradations such as “plus” or “minus”).

“*Reserve Subfund Requirement*” as to all Bonds means, as of any date of calculation, an amount of money, securities or Reserve Subfund Insurance Policy equal to the lesser of (i) the maximum Principal and Interest Requirements of the Outstanding Bonds for any Bond Year and (ii) 125% of the average annual Principal and Interest Requirements of the Outstanding Bonds for any Bond Year.

In computing the Reserve Subfund Requirement in respect of any Bonds that constitute Variable Rate Indebtedness, the interest rate on such Bonds will be assumed to be the greatest of (i) the interest rate on any Bonds that do not constitute Variable Rate Indebtedness delivered simultaneously with the Bonds that constitute Variable Rate Indebtedness, (ii) one hundred twenty-five percent (125%) of the daily average interest rate on any outstanding Bonds constituting Variable Rate Indebtedness during the twelve (12) months ending with the month preceding the date of calculation, or such shorter period that such Bonds have been outstanding, (iii) the rate of interest on such Bonds constituting Variable Rate Indebtedness on the date of calculation, and (iv) the interest rate determined in a Series Resolution to be the interest rate such Bonds would have borne had such Bonds not constituted Variable Rate Indebtedness.

In the case of Bonds constituting Balloon Indebtedness, the Principal Requirement will be adjusted to include the greatest principal amount established for any Bond Year pursuant to Paragraph (A)(i) or (ii) under the section entitled “Additional Indebtedness – *Additional Bonds* – Balloon Indebtedness.”

In connection with the Bonds constituting Optional Tender Indebtedness, the date or dates on which the Holders thereof may at their option tender such Bonds for payment or purchase will be disregarded.

In the event the County determines to provide for deposits to a separate account within the Reserve Subfund in respect of any Parity Indebtedness, the term “Reserve Subfund Requirement” may be amended to include such additional deposits.

The Proposed General Bond Resolution Amendments would, among other things, permit the modification or elimination of the requirement for funding and maintaining the Reserve Subfund heretofore established under the General Bond Resolution. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE 2021 BONDS – Proposed General Bond Resolution Amendments” above and APPENDIX D – “PROPOSED AMENDMENTS TO THE GENERAL BOND RESOLUTION.”

“*Revenue Subfund*” means the Revenue Subfund created and so designated by the General Bond Resolution.

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

“*Series Resolution*” means a resolution of the Board, supplemental to the General Bond Resolution, and in conformity with the provisions of the General Bond Resolution, providing for the issuance of a series of Bonds or for the incurrence of Parity Indebtedness and setting forth the provisions and details thereof not inconsistent with the General Bond Resolution including any amendments and supplements thereto permitted thereby.

“*Service Contracts*” means, collectively, an Agreement, dated as of May 15, 1972, among the County, Upper Occoquan Sewage Authority, the Town of Manassas, the Town of Manassas Park, and Prince William County, as supplemented and amended from time to time; an Agreement, dated as of January 22, 1973, between the County and the City of Alexandria, Virginia Sanitation Authority, as supplemented and amended from time to time; and an Agreement, dated as of April 28, 1959, between the County and the District of Columbia, as supplemented and amended from time to time, and any other contracts or agreements for Contracted Services entered into by the County from time to time.

“*Sinking Fund Requirement*” means, with respect to Term Bonds of each maturity, the principal amount fixed or computed for the retirement of such Term Bonds by purchase or redemption, as contemplated by the General Bond Resolution.

“*Subordinate Obligations*” means any Debt Service Component of the Cost of Contracted Services (other than Parity Debt Service Components), the Remaining Component of the Cost of Contracted Services and any other obligations of the County with respect to the System incurred, issued and secured by or payable from the Subordinate Obligations Subfund under the General Bond Resolution or not otherwise paid or payable from the Revenue Subfund, the Debt Service Subfund, the Reserve Subfund or the Extension and Improvement Subfund.

“*Subordinate Obligations Subfund*” means the Sewer Bond Subordinate Obligations Subfund created and so designated by the General Bond Resolution.

“*System*” means the existing sewage collection, treatment and disposal systems of the County, and all additions, extensions and improvements thereto, including the Initial Projects described in clause (a) of that definition and any other Projects financed under the General Bond Resolution, and any renewals or replacements thereof, notwithstanding that sewage may at any time be treated and/or disposed of by a person other than the County except that the services, products and properties to which the County is entitled under Service Contracts will not be deemed to constitute part of the System.

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

“*Trustee*” means the trustee that may be appointed by the Holders in accordance with, and at the time acting as such under, the General Bond Resolution, whether the original or a successor trustee.

“*2021A Series Resolution*” means the Series Resolution adopted by the Board on May __, 2021, supplementing the General Bond Resolution and providing for the issuance of the 2021A Bonds.

“*2021B Series Resolution*” means the Series Resolution adopted by the Board on May __, 2021, supplementing the General Bond Resolution and providing for the issuance of the 2021B Bonds.

“*Variable Rate Indebtedness*” means any portion of Indebtedness the interest rate on which is not established at the time of incurrence of such Indebtedness at a single numerical rate for the entire term of such Indebtedness.

Additional Indebtedness

Additional Bonds. The General Bond Resolution authorized the issuance of \$179,000,000 aggregate principal amount of Bonds, all of which have been issued, without meeting the tests described below.

Prior to delivering any Additional Bonds, the Bond Registrar must receive, among other documents, the following:

- (I) except as described below under this heading, an Officer’s Certificate of the Chief Financial Officer of the County setting forth:
 - (i) For any twelve consecutive months in the 24-month period next preceding the date of such Officer’s Certificate and adjusted as described under this heading, the amount of Gross Revenues, the amount of Operating Expenses, the amount of Net Revenues, the amount of Gross Revenues described in clause (b) of the definition of Gross Revenues and the amount of Gross Revenues described in clause (c) of the definition of Gross Revenues;
 - (ii) the amount of the Debt Service Requirements relating to:
 - (A) all Bonds then outstanding under the General Bond Resolution on the date of the Officer’s Certificate (excluding the Additional Bonds then proposed to be delivered), and
 - (B) outstanding Parity Indebtedness;
 - (iii) the amount of the Debt Service Requirements relating to:
 - (A) all Bonds then outstanding under the General Bond Resolution and the Additional Bonds then proposed to be delivered, and
 - (B) all outstanding Parity Indebtedness and any additional Parity Indebtedness proposed to be created in accordance with the applicable provisions of the General Bond Resolution;

- (iv) the debt service requirements of:
 - (A) the outstanding Subordinate Obligations, and
 - (B) Subordinate Obligations proposed to be incurred;
- (II) except as described below under this heading, a report of the Engineer setting forth his estimates of:

(i) the amount of Gross Revenues, the amount of Operating Expenses, the amount of Net Revenues, the amount of Gross Revenues described in clause (b) of the definition of Gross Revenues and the amount of Gross Revenues described in clause (c) of the definition of Gross Revenues of the County for each of the first three (3) complete Bond Years immediately following the Bond Year in which the Initial Project or Projects or the one or more other Projects is to have been placed in use and is to have been in operation for a six-month period, as estimated in a statement provided by a County Representative pursuant to the terms of the General Bond Resolution, and

(ii) in the event that prior to the date the Initial Project or Projects or additional Project is to have been placed in service and is to have been in operation for 6 months (the "In-Service Date"), all or any portion of the interest on the Additional Bonds or on the additional Parity Indebtedness is not to be paid from the proceeds of such Bonds or Parity Indebtedness, the Net Revenues of the County for each of the complete Bond Years following the date of such report, beginning with the first such Year for which all such interest is not to be paid from such proceeds, to and including the Bond Year in which it is estimated the sixth month following the In-Service Date will have occurred;

provided, however, that for purposes of estimating for each Bond Year, described in this subparagraph (II), the component of Net Revenues described under clause (c) of the definition of Gross Revenues, such amounts will be estimated as of the last day of each such Bond Year for which an estimate of Net Revenues is being made.

The amounts referred to in paragraph (I)(i) above may be adjusted as follows: (1) to reflect for each such month any changes made in the rates, fees, rentals or other charges for the operation of or connection to or availability of the System placed in effect prior to the date of the Officer's Certificate provided for in paragraph (I) above, as though such charges had been in effect for the full 24 months in such period; and (2) to reflect any change in such Net Revenues caused by the Initial Project or Projects, any one or more other Projects or any other facilities, including the acquisition of any existing facilities, comprising a part of the System having been placed into use and operation subsequent to the date of commencement of such preceding 24-month period and prior to the date of such Certificate provided for in paragraph (I) above, as though such Project or facilities had been in use and operation during the entire 24-month period.

In estimating amounts for each of the Bond Years described in paragraph (II)(i) above, the Engineer may take into account (1) changes in the rates, fees, rentals and other charges for the operation of or connection to or availability of the System to be in effect in each of said Bond Years, provided that the Board has approved such changes prior to the date of the Engineer's report, and (2) any change in Net Revenues expected to be caused by the Initial Projects or any other Project or any other facilities, including the acquisition of any existing facilities, comprising part of the System, expected to be placed into use and operation during any such Bond Year.

The Bond Registrar is not to deliver any such Additional Bonds (except Additional Bonds secured by a Credit Facility if all Bonds then outstanding are secured by a Credit Facility), unless the County provides an Officer's Certificate to the effect that:

(1) for the period referred to in the statement mentioned in clause (I)(i) of this Section, (A) the amount of Net Revenues set forth therein less any Excluded Revenues is not less than 125% of the Debt Service Requirements for the preceding Bond Year, as set forth in the certificate mentioned in parts (A) and (B) of clause (I)(ii) and (B) the amount of Net Revenues set forth therein is not less than 100% of the Debt Service Requirements for the preceding Bond Year, as set forth in parts (A) and (B) of clause (I)(ii) plus the amount set forth in part (A) of clause I(iv); and

(2) (x) the amount of Net Revenues for each of the three Bond Years shown in the report mentioned in clause (i) of paragraph (II) of this Section, (A) less any Excluded Revenues for each of the three Bond Years referred to therein is not less than one hundred twenty-five percent (125%) of the Debt Service Requirements for any future Bond Year, as set forth in the certificate mentioned in parts (A) and (B) of clause (I)(iii) and (B) is not less than one hundred percent (100%) of the Debt Service Requirements for any future Bond Year, as set forth in parts (A) and (B) of clause (I)(iii) plus the amounts set forth in parts (A) and (B) of clause (I)(iv), and (y) amounts shown in the report mentioned in clause (ii) of paragraph (II) for each of the Bond Years referred to therein is not less than the amounts to be provided under the provisions of the General Bond Resolution.

Notwithstanding the foregoing provisions, in the case of the following described Indebtedness or Additional Bonds the foregoing requirements and provisions respecting the issuance thereof are to be modified as described below:

(A) *Balloon Indebtedness.* If any of the Outstanding Bonds or Parity Indebtedness or of the Additional Bonds of the series to be issued or Parity Indebtedness to be created constitute Balloon Indebtedness or Balloon Indebtedness and Variable Rate Indebtedness, then for purposes of the amounts to be shown in clauses (ii) and (iii) of paragraph (I) above, the County is to adjust such amounts as if the principal amount of such Bonds or Parity Indebtedness were to be amortized in substantially equal annual installments of principal and interest over a term equal to the lesser of (i) twenty-five (25) years and (ii) the weighted average estimated useful life of the facilities comprising the portion of the Initial Project or the one or more other Projects to be financed from the proceeds of such Bonds or Parity Indebtedness, as determined by the Engineer, the interest rate used for such computation being the rate at which it is assumed that the County could reasonably expect to borrow by issuing such Bonds or creating such Parity Indebtedness with such term and level Debt Service Requirements for each Bond Year, such reasonable expectations being established by an Officer's Certificate and a letter of a banking or investment banking or financial advisory institution knowledgeable in financial matters relating to the County, confirming the interest rate assumption as reasonable.

(B) *Optional Tender Indebtedness.* If any of the Outstanding Bonds or Parity Indebtedness or of the Additional Bonds of the series to be issued or Parity Indebtedness to be created constitute Optional Tender Indebtedness, then (1) for purposes of the amounts to be shown in clauses (ii) and (iii) of paragraph (I) above, the options of the Holders of such Bonds to tender the same for payment prior to their stated maturity or maturities will be ignored, and (2) if such Bonds or Parity Indebtedness also constitute Variable Rate Indebtedness or Variable Rate Indebtedness and Balloon Indebtedness, the County is to adjust such amounts shown in clauses (ii) and (iii) of paragraph (I) above as provided in paragraph (C) below. No Bonds or Parity Indebtedness is to be issued as or converted to Optional Tender Indebtedness unless (x) such Indebtedness has been rated in one of

the three highest rating categories (without reference to gradations of such categories such as “plus” or “minus”) by either Moody’s Investors Service, Inc. or Standard & Poor’s Ratings Services, and (y) any obligation the County may have, other than its obligation on such Indebtedness (which need not be uniform as to all Holders thereof), to reimburse any person for its having extended a Credit Facility or a bond insurance policy, or similar arrangement is to be subordinated to the obligation of the County on the Bonds and be payable in accordance with the provisions of the General Bond Resolution or from funds not constituting Gross Revenues of the County.

(C) *Variable Rate Indebtedness.* If any of the Outstanding Bonds or Parity Indebtedness or of Additional Bonds of the series to be issued or Parity Indebtedness to be created constitute Variable Rate Indebtedness, then for purposes of the amounts shown in clauses (ii) and (iii) of paragraph (I) above, the interest rate used in such computation is to be the least of (1) the average interest rate on such Variable Rate Indebtedness during the prior Bond Year or such shorter period as such Indebtedness may have been outstanding, (2) the fixed interest rate established as provided in the case of paragraph (A) above for Balloon Indebtedness and (3) if and so long as an interest-rate guaranty agreement or an interest-rate protection agreement is in effect with an institution that is rated by Moody’s Investors Service, Inc. or Standard & Poor’s Ratings Services in a category that is equal to or higher than the category in which the Bonds of such series are rated, the maximum interest rate to be paid by the County on such Variable Rate Indebtedness in accordance with such agreement. The conversion of Bonds or other Indebtedness constituting Variable Rate Indebtedness to bear interest at fixed rate, in accordance with their terms, will not constitute a new issuance of Bonds under the General Bond Resolution.

Refunding Bonds. Series of refunding Bonds of the County (“Refunding Bonds”) may be also issued from time to time under and secured by the General Bond Resolution, subject to the conditions hereinafter described, for the purpose of providing funds, with any other available funds, for refunding all or any part of any Indebtedness then outstanding (including, without limitation, Bonds, Parity Indebtedness and Subordinated Obligations that may have been issued or incurred under the provisions of the Act and whether or not under the provisions of the General Bond Resolution), including the payment of any redemption premium thereon and interest that will accrue on such Indebtedness to the redemption date or stated maturity date or dates and any expenses in connection with such refunding.

The County is not to deliver such Bonds unless, among other things, either (a) during the years in which any of the Bonds and Parity Indebtedness not so refunded are outstanding, the maximum Debt Service Requirements on account of all Bonds and Parity Indebtedness outstanding (after the issuance of such Refunding Bonds and after the redemption or provision for payment of the Indebtedness to be refunded) for any Bond Year following the Bond Year in which provision for the payment of the Indebtedness to be refunded is effected will not exceed the maximum Debt Service Requirements on account of all the Bonds and Parity Indebtedness outstanding (including the Indebtedness to be refunded) immediately prior to the issuance of such Refunding Bonds for any Bond Year following the Bond Year in which provision for payment of the Bonds to be refunded is effected or (b) the County demonstrates satisfaction of the tests set forth above in connection with the issuance of Additional Bonds as applied *mutatis mutandis* to the Refunding Bonds to be issued and the Project financed from the proceeds of the Indebtedness to be paid or redeemed.

In applying the foregoing tests, (i) if any of the Bonds or Parity Indebtedness outstanding immediately prior to or after the issuance of the Refunding Bonds or the Refunding Bonds to be issued constitute Balloon Indebtedness, Optional Tender Indebtedness or Variable Rate Indebtedness, the conventions described under “– *Additional Bonds*” in paragraphs (A), (B) and (C), respectively, on the date of issuance of the outstanding Bonds or Parity Indebtedness are to be applied in determining the Debt

Service Requirements of such Bonds or such Parity Indebtedness and in determining the Principal and Interest Requirements of the Refunding Bonds to be issued.

Additional Service Contracts. The County may enter into additional Service Contracts for the benefit of the System provided that such Service Contracts specify the items payable as the Debt Service Component of the Cost of Contracted Services and provided further that, except in the case of Service Contracts that by their terms do not permit payments from Gross Revenues, the County is not to enter into such additional Service Contracts that would create additional Parity Debt Service Components unless the Chief Financial Officer of the County determines in writing that the requirements of subparagraphs (1) and (2) under “– *Additional Bonds*” are met.

The County covenants in the General Bond Resolution that it will faithfully fulfill all lawful requirements of all Service Contracts and that it will require all other parties thereto to fulfill their lawful obligations thereunder.

Anything to the contrary in the General Bond Resolution notwithstanding, the County’s covenants applicable to the Initial Projects and to other Projects set forth in the General Bond Resolution will be applicable to the facilities, products and services to which the County is entitled under Service Contracts only to the extent that the County may reasonably and practicably fulfill such covenants as a matter of contract right or that the County can legally enforce the covenants of other parties thereto.

The County is not to enter into any new Service Contract that provides under any circumstances for the acceleration of the amounts payable by the County thereunder otherwise than at the option of the County unless all of the Bonds have first been declared to have become due and payable as provided in the General Bond Resolution and described in the section entitled “Events of Defaults and Remedies” and unless such Service Contract provides for an automatic rescission if such acceleration has been rescinded.

The Chief Financial Officer of the County is to determine in writing on or before the effective date of any new Service Contract the amounts and due dates of any Debt Service Components of the Cost of Contracted Services and any Parity Debt Service Components payable by the County under such Service Contract and the interest and principal portions of such Components.

Other Parity Indebtedness. The County may incur and refund Parity Indebtedness other than Parity Debt Service Components, provided that the documents providing for such Parity Indebtedness specify the amounts and due dates of the Debt Service Requirements of such Parity Indebtedness and the principal and interest components of such Debt Service Requirements and that the Bond Registrar determines that all the requirements described under “– *Additional Bonds*” or under “– *Refunding Bonds*,” as appropriate, have been met the same as if such Parity Indebtedness to be incurred were an additional Series of Bonds.

The County covenants that it will faithfully fulfill all lawful requirements of all contracts or agreements creating such Parity Indebtedness and that it will require all other parties thereto to fulfill their lawful obligations thereunder.

Construction Subfund

The Sewer Bond Construction Subfund (the “Construction Subfund”) is established under the General Bond Resolution, to the credit of which certain proceeds of Bonds other than Refunding Bonds are to be deposited. Within the Construction Subfund a separate account for each Project and in respect of Service Contracts may also be established. In addition, accounts may be established for Projects and in respect of Service Contracts for the purpose of depositing and disbursing Revenues transferred from the Extension and Improvement Subfund established under the 1954 Resolution and from the Revenue

Subfund, after all deposits described under “Collection and Disposition of Revenues – *Flow of Funds*” have been made. The provisions described in the first paragraph under “Completion” below will not apply to such separate accounts, and, unless otherwise directed by the County Executive, amounts deposited to the Construction Subfund from Bond proceeds are to be expended before amounts derived from revenues.

The money in the Construction Subfund is to be held by the County in trust and, subject to the conditions described below, applied to the payment of the cost of the Initial Projects or of one or more other Projects and, pending such application, will be subject to a lien and charge in favor of the Holders and for the further security of such Holders until paid out or transferred.

Such payments are to be made by an appropriate officer of the County upon receipt of a requisition complying with the usual and customary procedures established by the County for payment of costs of capital projects.

Completion. When either of the Initial Projects or any other Projects have been completed, which fact is evidenced to the County Executive by a certificate of the Engineer, setting forth the date of such completion (the “Completion Date”) and also stating that requisitions have been made for the payment of all obligations that are payable from the Construction Subfund, delivered to the County Executive of the County, the balance in the Construction Subfund not reserved by the County for the payment of any remaining part of the cost of the Initial Projects completed or of such other Project, will be transferred, as directed by the County Executive, (i) to the appropriate account in the Construction Subfund established for a Project that has not been completed, (ii) to the Extension and Improvement Subfund, or (iii) to the Debt Service Subfund for the payment, purchase or redemption of Bonds in accordance with the provisions of the General Bond Resolution. Such direction of the County Executive is to be accompanied by an opinion of bond counsel to the effect that such proposed application will not adversely affect any exemption from federal income tax of interest on any of the Bonds.

If at any time the available amount credited to the Construction Subfund and allocated to either of the Initial Projects or to an additional Project, together with estimated investment income thereon and other available funds, exceeds 105% of the estimated remaining Cost of such Initial Project or additional Project (which fact is evidenced to the County Executive by a certificate of the Engineer), the amount in excess of 105% of such remaining Cost is to be transferred at the direction of the County Executive to any other account within the Construction Subfund and applied to the payment of the Cost of the other Initial Project or of any other Project.

Collection and Disposition of Revenues

Rate Covenant. The County covenants that it will at all times fix, charge and collect reasonable rates and charges for the use of, and for the services and facilities furnished by, the System and that from time to time, and as often as it appears necessary, it will adjust such rates and charges so that the Net Revenues, excluding for purposes of paragraph (A) Excluded Revenues, will be sufficient to provide in each Bond Year an amount at least equal to

- (A) one hundred twenty-five percent (125%) of the sum of:
 - (I) the Principal and Interest Requirements in such Bond Year on account of all the Bonds then outstanding under the General Bond Resolution in such Bond Year, and
 - (II) the Debt Service Requirements relating to Parity Indebtedness in such Bond Year; and

- (B) one hundred percent (100%) of the sum of:
- (I) the debt service requirements of Subordinate Obligations in such applicable Bond Year,
 - (II) the Debt Service Requirements relating to Parity Indebtedness in such Bond Year, and
 - (III) the sum of Principal and Interest Requirements in such Bond Year on account of all the Bonds then outstanding under the General Bond Resolution in such Bond Year.

The County further covenants in the General Bond Resolution that if the money available for the payment of the sum of the amounts set forth in the preceding paragraph does not equal or exceed the amount described above for any Bond Year, it will revise the rates and charges for the services and facilities furnished by the System and, if necessary, it will revise its plan of operation in relation to the collection of bills for such services and facilities, so that such deficiency will be made up before the end of the Bond Year following the Bond Year in which the deficiency occurred. Should any deficiency not be made up in such next ensuing Bond Year, the requirement therefor will be cumulative, and the County is to continue to revise such rates until such deficiency has been completely made up.

Annual Budget. The County covenants in the General Bond Resolution that it will adopt for each Fiscal Year budgets of Gross Revenues and Operating Expenses and capital expenditures, which budgets may be amended from time to time. The County further covenants that the amount expended for Operating Expenses in any Fiscal Year will not exceed the reasonable and necessary amount thereof, and that it will not expend any amount for maintenance, repair and operation of the System in excess of the total amount provided for Operating Expenses in the Annual Budget. Nothing described in this paragraph limits the amount the County may expend for Operating Expenses in any Fiscal Year provided any amounts expended therefor in excess of the total amount provided in the Annual Budget are to be received by the County from some source other than the Gross Revenues of the System, and the County is not to make any reimbursement therefor from such Gross Revenues.

Flow of Funds. All Gross Revenues received by the County are to be deposited in the Revenue Subfund. The money to the credit of the Revenue Subfund is to be held by the County and, pending the withdrawal of money from such Subfund and the payment of Operating Expenses and the application of such money as hereinafter described, such money is to be subject to a lien and charge in favor of the Holders. The money to the credit of the Revenue Subfund following the withdrawal of money from such Subfund and the payment of Operating Expenses and the application of such money as described above may be used by the County for any lawful purposes of the System.

Monthly, on or before the twenty-fifth (25th) day of each month or on such other Deposit Day as may be required by a Service Contract or for Bonds of any one or more series or for Parity Indebtedness pursuant to a Series Resolution, the County is to withdraw from the Revenue Subfund any legally available money then held to the credit of such Subfund and set aside or transfer or pay to the Depositary or otherwise dispose of such money for the following purposes in the following order in amounts sufficient in the aggregate to satisfy the following requirements, subject to credits as provided below:

- (i) pay or set aside for payment the Operating Expenses (except expenses for extraordinary repairs or maintenance) due and payable in such month;
- (ii) pay to the Depositary for deposit into, or, in the case of Parity Indebtedness, set aside to the credit of a special account in, the Debt Service Subfund (after first taking into account any

accrued interest deposited from the proceeds of any Bonds and any transfers from the Construction Subfund by deducting such amounts from the amount of interest otherwise payable), the sum of:

- (1) so much of the Interest Requirement as would accrue during such month,
 - (2) so much of the Principal Requirement as would accrue during such month,
 - (3) such amount of the Debt Service Requirements for Parity Indebtedness as the Chief Financial Officer determines is necessary to accrue in equal monthly installments to ensure the sufficiency of deposits to make timely payment of the Parity Indebtedness;
- (iii) pay to the Depositary for deposit into the Reserve Subfund, (a) beginning on the Deposit Day of the month next succeeding the month in which an amount is transferred from the Reserve Subfund to the Debt Service Subfund to cure a deficiency therein pursuant to the General Bond Resolution an amount that, together with investment income credited to such subfund during such month, is equal to one thirty-fifth (1/35th) of the amount or amounts so transferred until the amount then on deposit in the Reserve Subfund is equal to the current Reserve Subfund Requirement and (b) beginning on the Deposit Day of the month next succeeding a valuation made in accordance with the General Bond Resolution in which valuation a loss resulting from a decline in value of investments held to the credit of the Reserve Subfund is computed, an amount that, taking into account any gain or loss in a subsequent valuation and any investment income credited to such Subfund during such month is equal to one thirty-fifth (1/35th) of such loss until the amount of such loss is reimbursed;
- (iv) deposit into one or more special accounts in the Subordinate Obligations Subfund, beginning on the Deposit Day of the month next succeeding the month in which the Closing occurs, an amount that together with funds then held to the credit of the Subordinate Obligations Subfund will make the total amount then to the credit of the Subordinate Obligations Subfund equal to the entire aggregate amount of Subordinate Obligations due and payable prior to the Deposit Day of the next succeeding month; and
- (v) deposit into the Extension and Improvement Subfund, beginning on the Deposit Day of the month next succeeding the month in which each Closing occurs, an amount that, together with funds then held to the credit of the Extension and Improvement Subfund, will make the total amount then to the credit of the Extension and Improvement Subfund equal to the amount, if any, budgeted for expenditure therefrom by the County in its Annual Budget.

The payments and deposits described above are to be cumulative, and the amount of any deficiency in any month will be added to the amount otherwise required to be paid or deposited in each month thereafter until such time as such deficiency has been made up.

Notwithstanding the foregoing provisions of clauses (ii), (iii) and (iv), if there shall be to the credit of any of such Subfunds on a Deposit Day the amount required to be on deposit to the credit of such Subfund on the next Interest Payment Date or the next Principal Payment Date or the next Parity Indebtedness payment date or Subordinate Obligations payment date, no further deposit into such Subfund on account of the requirements of said clause (ii), (iii) or (iv) will then be required.

If on the Business Day next preceding an Interest Payment Date or a Principal Payment Date money to the credit of the Debt Service Subfund, or any special account created therein, is not sufficient to pay the principal and interest due and payable on the Bonds on such Interest or Principal Payment Date, before any transfer is made from the Reserve Subfund, the County is to transfer from the Revenue Subfund, if and to

the extent money in the Revenue Subfund is legally available for such purpose, an amount equal to the deficiency in the Debt Service Subfund or special account therein.

If the County determines to provide for deposits to a separate account within the Reserve Subfund on account of any Parity Indebtedness, the Board of Supervisors is to provide in a Series Resolution for such additional deposits.

Debt Service Subfund. Except as otherwise provided in the General Bond Resolution, money in the Debt Service Subfund is to be used solely for the payment of Parity Indebtedness and the principal of and premium, if any, and the interest on the Bonds. The Depositary on each Interest Payment Date is to withdraw from such money and transfer to the Bond Registrar or Paying Agent who is to remit to each registered owner the amounts required for paying interest on such Bonds, and on each Principal Payment Date the Depositary is to withdraw from such money and transfer to the Bond Registrar or Paying Agent which is to set aside the amounts required for paying the principal of the Bonds on such date. Payment of Parity Indebtedness is to be timely made from money set aside for such purpose, and such amounts are to be paid or are to be deposited in trust with the Bond Registrar or any Paying Agent for such purpose.

Reserve Subfund. Not later than each Interest Payment Date, the Depositary is to transfer from the Reserve Subfund to the Debt Service Subfund

- (i) if such Interest Payment Date is not a Principal Payment Date, the amount, if any, required to increase the amount then held to the credit of the Debt Service Subfund to an amount equal to the amount of interest scheduled to become due on such date; or
- (ii) if such Interest Payment Date is also a Principal Payment Date, the amount, if any, required to increase the amount then held for the credit of the Debt Service Subfund to an amount equal to the sum of (i) the amount of interest schedule to become due on such date, (ii) the aggregate principal amount of the Serial Bonds that will become due and payable on such date, and (iii) the amount of the Sinking Fund Requirement for the Term Bonds on such date.

If the amount transferred from the Reserve Subfund to the Debt Service Subfund as described in the foregoing provisions is less than the amount required to be transferred, any amount thereafter deposited to the credit of the Reserve Subfund is to be immediately transferred to the Debt Service Subfund as, and to the extent, required to make up any such deficiency.

In the event that two or more accounts have been established in the Reserve Subfund as contemplated by the General Bond Resolution or in the event that Bonds constituting Balloon Indebtedness or Optional Tender Indebtedness or Bonds secured by a Credit Facility are issued and outstanding and a deficiency in the amount of money to the credit of the Debt Service Subfund or a Subfund or account established under a Series Resolution shall exist with respect to a series of Bonds constituting Optional Tender Indebtedness or Balloon Indebtedness by virtue of the exercise by the Holders of Optional Tender Indebtedness of their rights to tender such Bonds for payment or purchase or by virtue of an insufficiency of money in the Debt Service Subfund to meet the balloon Principal Requirement, respectively, or, with respect to Bonds secured by a Credit Facility by virtue of a draw under such Credit Facility, the necessary withdrawals shall be made solely from and to the extent of money credited to the account corresponding to such series of Bonds; otherwise, such accounts are to be drawn upon pro rata in accordance with the amounts of principal and interest coming due on the Bonds of different series that, on the one hand do not, and, on the other hand, do constitute Balloon Indebtedness or Optional Tender Indebtedness or Bonds secured by a Credit Facility, to the extent necessary to remedy such deficiencies.

Except as provided in a Series Resolution, if on the first Business Day before any Interest Payment Date, the amount of money held for the credit of the Reserve Subfund exceeds the Reserve Subfund Requirement as then calculated, the County is to direct the Depository to transfer from the Reserve Subfund the amount of such excess to the following Subfunds in the following order: (i) prior to the Completion Date, the Construction Subfund and (ii) thereafter, the Debt Service Subfund; provided, however, that the County may direct the Depository to transfer to the Revenue Subfund the portion of such excess derived from Gross Revenues but not from proceeds of Bonds.

Whenever the amount on deposit in the Reserve Subfund is less than the Reserve Subfund Requirement, the Depository is to notify the County of the amount of the deficiency. Upon notification, the County immediately is to deliver and is to deliver on the Deposit Day in each month thereafter, to the Depository an amount not less than one thirty-sixth (1/36th) of the amount of such deficiency until such deficiency is made up, drawing upon funds available in the Revenue Subfund.

In the case of Bonds secured by a Credit Facility, amounts on deposit in a separate account in the Reserve Subfund may be applied as provided in the applicable Series Resolution to reimburse the Credit Bank for amounts drawn under such Credit Facility to pay the principal of and premium, if any, and interest on such Bonds and to pay the Purchase Price of Optional Tender Indebtedness.

Any provision of the General Bond Resolution to the contrary notwithstanding, no money to the credit of the Reserve Subfund may be withdrawn and applied to the payment of Parity Indebtedness unless the County has first provided for deposits to a separate account within the Reserve Subfund with respect to such Parity Indebtedness.

As described above, the Proposed General Bond Resolution Amendments would, among other things, eliminate the requirement for funding and maintaining the Reserve Subfund heretofore established under the General Bond Resolution. The Board of Supervisors would be authorized to adopt the Proposed General Bond Resolution Amendments following the County's timely receipt of consents thereto of not less than a majority in aggregate principal amount of the Bonds outstanding. Accordingly, prospective purchasers of the 2021 Bonds should not rely upon the continued existence and funding of the Reserve Subfund in making an investment decisions with respect to the 2021 Bonds. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE 2021 BONDS – Proposed General Bond Resolution Amendments" and APPENDIX D – "PROPOSED AMENDMENTS TO THE GENERAL BOND RESOLUTION." herein.

Subordinate Obligations Subfund. Money held for the credit of the Subordinate Obligations Subfund is to be paid out by the County as necessary to enable the County to meet its obligations constituting Subordinate Obligations. Money held for the credit of the Subordinate Obligations Subfund may be pledged to the payment of the principal of and the interest on any Subordinate Obligations issued by the County. Subordinate Obligations may be issued by the County for the purpose of paying all or any part of the cost of additional Projects, and the proceeds of the such Subordinate Obligations are to be deposited with the County to the credit of the Construction Subfund.

Extension and Improvement Subfund. Money held for the credit of the Extension and Improvement Subfund may be disbursed by the County (i) for paying, in connection with the System, expenses related to the System payable as Operating Expenses, and not previously paid, the cost of unusual or extraordinary maintenance or repairs, repairs or maintenance not recurring annually, renewals, replacements and repairs resulting from any emergency caused by some extraordinary occurrence, engineering and architectural expenses incurred in connection therewith, premiums on insurance carried under the provisions of the General Bond Resolution, the cost of fixtures, machinery, equipment, furniture, real property and additions

to, or improvements, extensions or enlargements of, the System and (ii) for deposit to the credit of the Debt Service Subfund or the Reserve Subfund.

If on the first Business Day before any Interest Payment Date, the amount on deposit in the Extension and Improvement Subfund exceeds the amount then required to be on deposit therein, the County is to transfer such excess to the Revenue Subfund.

Money Held in Trust. All money that the Depositary has withdrawn from the Debt Service Subfund or has received from any other source and set aside or transferred to the Bond Registrar or any Paying Agent for the purpose of paying any of the Bonds or Parity Indebtedness, either at the maturity thereof or by purchase or call for redemption, or for the purpose of paying interest on the Bonds or Parity Indebtedness, is to be held in trust for the respective Holders or owners. All money that the County has withdrawn from the Subordinate Obligations Subfund and set aside or transferred to the Bond Registrar or any Paying Agent for the purpose of paying any Subordinate Obligation or the premium, if any, or interest thereon is to be held in trust for the owners of such Subordinate Obligations. Except as otherwise provided in a Series Resolution, any money that is so set aside or transferred and that remains unclaimed by the Holders or by the owners of Subordinate Obligations for a period of three (3) years after the date on which such Bonds or Parity Indebtedness, or Subordinate Obligations have become payable are to be paid to the County, or to such successor as may then be entitled by law to receive the same, and thereafter the Holders or owners, as the case may be, shall look only to the County, or to such successor, as the case may be, for payment and then only to the extent of the amounts so received, without any interest thereon, and the Depositary, the Bond Registrar and any Paying Agent will have no responsibility with respect to such money.

Interest Liability Swaps. If and to the extent permitted by law, the County may enter into interest liability swaps under which the other party to the interest liability swap contract agrees to make payments to the County during a specified period (the “Swap Period”) equal to the interest payable by the County on specified Bonds (the “Swap Bonds”), and the County agrees to make payments to such party (“Deemed Interest Payments”) equal to the interest the County would be required to pay on such Swap Bonds during the Swap Period if such Swap Bonds had borne a different interest rate specified in said interest liability swap contract. If and so long as (A) the interest liability swap contract with respect to any Swap Bonds is with a party that is rated by Moody’s Investors Service, Inc. or Standard & Poor’s Ratings Services in a category that is equal to or higher than the category in which the Swap Bonds are rated or (B) the Swap Bonds are rated in the highest category by either Moody’s Investors Service, Inc. or Standard & Poor’s Ratings Services and the interest liability swap contract with respect to such Swap Bonds is with a party that is rated in one of the two highest categories (without regard to gradations, such as “plus” or “minus” of such categories) of either Moody’s Investors Service, Inc. or Standard & Poor’s Ratings Services, then the County’s liability to make such Deemed Interest Payments to such other party during such Swap Period will be included in the calculation of Interest Requirements during the Swap Period (and the liability of the County for interest on the Swap Bonds during the Swap Period will be ignored to eliminate any duplication of cash requirements), for purposes of the rate covenant (described in “– Rate Covenant” above) and for purposes of determining whether Additional Bonds or Refunding Bonds may be issued under the General Bond Resolution and for purposes of making monthly deposits to the Debt Service Subfund. During such time as the party with which the County enters into the interest liability swap contract is not rated by Moody’s Investors Service, Inc. or Standard & Poor’s Ratings Services in a category that is equal to or higher than the category in which the Swap Bonds are rated, then the liability of the County for interest on the Swap Bonds will be included in the calculation of Interest Requirements during the Swap Period (and the liability to make such Deemed Interest Payments to such other party will be ignored) for the purposes described in the preceding sentence. The County’s liability to make Deemed Interest Payments to such other party to such contract will be on a parity with the Principal and Interest Requirements of the Bonds and will be paid out of the Debt Service Subfund. Any amounts received by the County from such other party will not be deemed to be Gross Revenues, but all such receipts and the right to receive the same are

irrevocably pledged under the General Bond Resolution as security for all Bonds and, upon receipt, are to be deposited to the Debt Service Subfund. The County may use such interest liability swap contracts to convert (on an economic, but not a legal basis) a variable-rate liability on Swap Bonds to a fixed-rate liability or a fixed-rate liability to a variable-rate liability. The County may enter into such interest liability swap contracts whether or not the County could, on the date such contract is entered into, issue any Additional Bonds under the provisions described under the heading “Additional Indebtedness.” The County is not to enter into any interest liability swap contract unless it has first obtained the opinion of Bond Counsel to the effect that the County’s entering into such a contract is authorized under the General Bond Resolution and is permitted by law.

Investments

Money held for the credit of the Revenue Subfund, the Extension and Improvement Subfund and the Construction Subfund is, as nearly as may be practicable, to be invested and reinvested in Investment Obligations that mature, or that are subject to redemption at the option of the holder thereof, at the times required and not in any event in the case of the Construction Subfund later than the date, estimated by the County on each Closing Date, to be the Completion Date. For purposes of the foregoing sentence, Investment Obligations will include units or shares, including fractional units or shares, in a pool or pools of Investment Obligations owned and managed by the County. Money held for the credit of the Revenue Subfund in excess of the amount required on the next succeeding Deposit Day to make all the deposits required by the General Bond Resolution may be invested in any investments that are legal investments for public funds under the laws of the Commonwealth, and money held for the credit of the Extension and Improvement Subfund to the extent such money is in excess of the amount, if any, budgeted for expenditure from the Extension and Improvement Subfund by the County in its current Annual Budget may be invested in any investments that are legal investments for public funds under the laws of the Commonwealth. Pending final disposition thereof, any money held for the credit of the Construction Subfund at the Completion Date or thereafter is, as nearly as may be practicable, to be invested and reinvested in Government Obligations that mature, or that are subject to redemption at the option of the holder thereof, not later than one year after the date of such investment.

Money held for the credit of the Debt Service Subfund is, as nearly as may be practicable, to be invested and reinvested in obligations described in clauses (A), (B), (C), (E) and (G) of the definition of Investment Obligations that mature, or that will be subject to redemption at the option of the holder thereof, not later than the respective dates when the money held for the credit of said Subfund will be required for the purposes intended.

Money held for the credit of the Reserve Subfund is, as nearly as may be practicable, to be invested and reinvested, to the extent permitted by law, in obligations described in clauses (A) and (B) of the definition of Investment Obligations that mature, or are subject to redemption at the option of the holder thereof, not later than ten (10) years after the date of such investment; provided, however, that in the event of a transfer by the Depositary of money from the Reserve Subfund to the Debt Service Subfund pursuant to the first paragraph of “Collection and Disposition of Revenues – *Reserve Subfund*,” with the result that the balance in the Reserve Subfund is for any period less than the Reserve Subfund Requirement, such obligations are to mature, or be subject to redemption at the option of the holder thereof, not later than the next Interest Payment Date after the date of such reinvestment.

Subject to any more restrictive covenants of the County in instruments other than the General Bond Resolution, money held for the credit of the Subordinate Obligations Subfund is to be invested and reinvested in any investments that at the time of such investment are lawful investments for the County under the laws of the Commonwealth.

For the purpose of determining the amount on deposit to the credit of any such Subfund or account, if the obligations to the credit thereof have an average weighted maturity of, or are subject to redemption at the option of the holder thereof in, five years or less, all such obligations are to be valued at the amortized cost thereof, and if the obligations to the credit thereof have an average weighted maturity of, or subject to redemption at the option of the holder thereof in, more than five years, all such obligations are to be valued at the market value or the amortized cost thereof, whichever is lower.

The County and each Depositary are to value the Investment Obligations in the Subfunds and accounts held by them at least once in every Fiscal Year.

Covenants of the County

Insurance. The County covenants in the General Bond Resolution that it will maintain a practical insurance program, with reasonable terms, conditions provisions and costs, which the County determines (i) will afford adequate protection against loss caused by damage to or destruction of the System or any part thereof and (ii) will include reasonable liability insurance on all of the System for bodily injury and property damage resulting from the construction or operation of the System. All such insurance policies are to be carried in a responsible insurance company or companies authorized and qualified to assume the risks thereof; provided that the County may self-insure against such risks, in accordance with and as permitted by law.

Records and Audits. The County covenants that it will keep the Subfunds of the Integrated Sewer System Fund separate from all other funds and accounts, if any, of the County, and that it will keep accurate records and accounts of all items of cost and of all expenditures relating to the System and of the Gross Revenues collected and the application of such Gross Revenues. Such records and accounts are to be open at all reasonable times to the inspection of the Holders of the Bonds.

The County further covenants that within one hundred fifty (150) days after the close of each Fiscal Year it will cause an audit to be made of its books and accounts relating to the System for the preceding Fiscal Year by an Accountant. The opinion of the Accountant accompanying such audit is to state that the examinations were made in accordance with generally accepted auditing standards and that the financial statements have been presented in conformity with generally accepted accounting principles. In the event that for any reason beyond the control of the County, it is unable to obtain the foregoing opinion as to compliance with generally accepted auditing standards, or in the event that the County is unable to obtain such opinion as to conformity with generally accepted accounting principles, and is taking all reasonable and feasible actions to obtain such opinion as to subsequent Fiscal Years, the County will be deemed to be in compliance with such provisions of the General Bond Resolution if, in lieu of the opinion described above, such opinion states the reasons for such noncompliance or nonconformity.

Payment of Principal, Interest and Premium. The County is to cause to be paid, when due, the principal of (whether at maturity, by call for redemption or otherwise) and the premium, if any, and the interest on the Bonds at the places, on the dates and in the manner provided in the General Bond Resolution and in the Bonds according to the true intent and meaning thereof.

The Gross Revenues of the County, subject to the prior provision for the payment of Operating Expenses, are pledged to the payment of the principal of and redemption premium, if any, and interest on the Bonds, as provided in the General Bond Resolution. The Bonds are payable solely from Net Revenues derived by the County from the ownership and operation of the System as provided in the General Bond Resolution. The Bonds issued under the General Bond Resolution shall not be deemed to constitute a pledge of the faith and credit of the Commonwealth or of any political subdivision thereof, including the County. Neither the faith and credit of the Commonwealth nor the faith and credit of the County are pledged

to the payment of the principal of or premium, if any, or interest on the Bonds, and the issuance of the Bonds shall not directly or indirectly or contingently obligate the Commonwealth or the County to levy any taxes whatever therefor or to make any appropriation for their payment except from the revenues and receipts provided for their payment under the General Bond Resolution.

Covenant of the County to Perform. The County covenants in the General Bond Resolution to faithfully perform at all times all of its covenants, undertakings and agreements contained in the General Bond Resolution and in any Bond executed, authenticated and delivered thereunder.

Covenants With Credit Banks, Insurers, etc. The County may make such covenants as it may in its sole discretion determine to be appropriate with any Insurer, Credit Bank or other financial institution that agrees to insure or to provide for Bonds of any one or more series credit or liquidity support that enhances the security or the value of such Bonds and thereby reduces the Principal and Interest Requirements on such Bonds.

Covenant Relating to Construction of Projects. The County is to require 100% performance and payment bonds, or their legal equivalent, in connection with contracts for the construction of any Projects and will cause each contractor to carry such worker's compensation or employers' liability insurance as may be required by law and such public liability and property damage insurance, including provisions to indemnify and save the County harmless, and such builders' risk insurance, if any, as the County may deem appropriate.

Use and Operation of System. The County covenants that it will establish and enforce reasonable rules and regulations governing the use of the System and the operation thereof, that all conditions of employment and all compensation, salaries, fees and wages paid by it in connection with the maintenance, repair and operation of the System will be reasonable, that no more persons will be employed by it than are necessary, that all persons employed by it will be qualified for their respective positions, that it will maintain and operate the System in an efficient and economical manner, that, from Gross Revenues and from any other available money, it will at all times maintain the same in good repair and in sound operating condition and will make all necessary repairs, renewals and replacements, and that it will comply, subject to the right to contest, with all valid acts, rules, regulations, orders and directives of any legislative, executive, administrative or judicial body applicable to the System.

Payment of Lawful Charges. The County covenants that, except as provided in the General Bond Resolution, it will not create or suffer to be created any lien or charge upon the System or upon the Gross Revenues, and that, from such Gross Revenues or other available funds, it will pay all taxes and assessments, or payments in lieu thereof, or other municipal or governmental charges lawfully levied or assessed upon the County or the System or the Gross Revenues, and that it will pay or cause to be discharged, or will make adequate provision to satisfy and discharge, within sixty (60) days after the same accrue, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the System or the Gross Revenues; provided, however, that nothing in the General Bond Resolution contained will require the County to pay or cause to be discharged, or make provision for, any such tax assessment, lien or charge so long as the validity thereof is contested in good faith and by appropriate legal proceedings.

Budgets and Covenants as to Operating Expenses. The County covenants that it will prepare with respect to the System a preliminary budget of Gross Revenues and Operating Expenses and a preliminary budget of capital expenditures for the ensuing Fiscal Year and file copies of each such preliminary budget with the Bond Registrar.

Each such budget of Gross Revenues and Operating Expenses is to be a pro forma statement of Gross Revenues and Operating Expenses and prepared in such a manner that it will be possible to determine from such budget the Operating Expenses and the amounts to be deposited to the credit of the various Subfunds created by the General Bond Resolution. In preparing such budget, the County covenants that it will give due consideration to the provisions of the rate covenant described under “Collection and Disposition of Revenues – *Rate Covenant*” above.

Contracts, Leases and Other Agreements. Subject to the provisions of the General Bond Resolution described under “Additional Indebtedness – *Additional Service Contracts*” and “– *Other Parity Indebtedness*” above, the County may lease, as lessor, all or any part of the System, or contract or make an agreement for Contracted Services on or in connection with the System or any part thereof, for any lawful purpose; provided that:

- (a) each such lease, contract or agreement, or any amendment or rescission thereof, is not inconsistent with the provisions of the General Bond Resolution,
- (b) the County remains fully obligated and responsible under the General Bond Resolution to the same extent as if such lease, contract or agreement, or any amendment or rescission thereof, had not been executed, and
- (c) if the amount payable by or to the County in the then current or any subsequent Fiscal Year under any such lease, contract or agreement, or any amendment or rescission thereof, exceeds five percent (5%) of the Gross Revenues of the County for the preceding Fiscal Year, then, the County must expressly determine by resolution and obtain a statement from the Engineer affirming such determination, that such lease, contract or agreement, or amendment or rescission thereof, does not materially impair the ability of the county to meet its rate covenant as set forth in the General Bond Resolution.

Covenant Against Sale or Encumbrance and Exceptions Thereto. The County covenants that, except described in the preceding paragraph or as described under this subcaption, it will not sell, exchange or otherwise dispose of or encumber the System or any part thereof.

The County may from time to time sell, exchange or otherwise dispose of any equipment, motor vehicles, machinery, fixtures, apparatus, tools, instruments or other movable property if it determines that such articles are no longer needed or are no longer useful in connection with the System, and the proceeds thereof are to be applied to the replacement of the properties so sold, exchanged or disposed of or are to be transferred first to the Revenue Subfund to the extent of any deficiency in the balance required to pay Operating Expenses then due and payable, then to the Reserve Subfund to the extent of any deficiency therein, then to the Extension and Improvement Subfund to the extent of any deficiency therein, and then to the Debt Service Subfund for the purchase or redemption of Bonds in accordance with the provisions of the General Bond Resolution.

The County may from time to time sell, exchange or otherwise dispose of (but not lease, contract or agree for the use thereof except as permitted under the General Bond Resolution) any other property of the System upon proper determination of the Board by resolution as provided the General Bond Resolution.

Tax Covenant. The County in the 2021A Series Resolution covenants that it will comply with the provisions of the Internal Revenue Code of 1986, as amended, to the extent necessary so that interest on the 2021A Bonds will remain excludable from gross income from existing federal income tax to the same extent as it is excludable on the date of the issuance of such 2021A Bonds.

The County in the 2021B Series Resolution covenants that it will comply with the provisions of the Internal Revenue Code of 1986, as amended, to the extent necessary so that interest on the 2021B Bonds will remain excludable from gross income from existing federal income tax to the same extent as it is excludable on the date of the issuance of such 2021B Bonds.

Events of Default and Remedies

Each of the following events is defined as an Event of Default under the General Bond Resolution:

- (a) payment of any installment of interest on any Bonds or any Parity Indebtedness is not made when the same becomes due and payable; or
- (b) payment of the principal or of the redemption premium, if any, of any Bonds or any Parity Indebtedness is not made when the same becomes due and payable, whether at maturity or by proceedings for redemption or pursuant to a Sinking Fund Requirement or otherwise; or
- (c) default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the General Bond Resolution or any resolution supplemental thereto and such default continues for ninety (90) days after receipt by the County of a written notice from the Holders of a majority in aggregate principal amount of Bonds then outstanding specifying such default and requiring the same to be remedied; provided, however, that no Event of Default described under the provisions of this paragraph (c) will occur so long as the County is in good faith acting to remedy the default and such default is curable by such remedial action; or
- (d) the County: (i) becomes insolvent or the subject of insolvency proceedings; or (ii) is unable, or admits in writing its inability, to pay its debts as they mature; or (iii) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property; or (iv) files a petition or other pleading seeking reorganization, composition, readjustment or liquidation of assets, or requesting similar relief; or (v) applies to a court for the appointment of a receiver for any of its assets; or (vi) has a receiver or liquidator appointed for any of its assets (with or without the consent of the County) and such receiver is not discharged within 90 consecutive days after his appointment; or (vii) becomes the subject of an "order for relief" within the meaning of the United States Bankruptcy Code; or (viii) files an answer to a creditor's petition admitting the material allegations thereof for liquidation, reorganization, readjustment or composition or to effect a plan or other arrangement with creditors or fails to have such petition dismissed within 60 consecutive days after the same is filed against the County.

The provisions described in clause (c) above are subject to the following limitations: if by reason of *force majeure*, the County is unable in whole or in part to carry out any of its agreements contained in the General Bond Resolution, the failure of the County to carry out any such agreements, other than the obligations on the part of the County with respect to insurance and the rate covenant, will not be deemed an Event of Default during the continuance of such inability, including a reasonable time for the removal of the effect thereof.

The term "*force majeure*" means any cause, circumstance or event that is not reasonably foreseeable and that is not within the control of the County, including, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or of the Commonwealth or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; war; insurrections; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; storms; droughts;

floods; washouts; arrests; restraint of government and people; explosions, breakage, malfunction of or accident to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; or shortages of or inability to obtain labor, materials, supplies or transportation.

The County agrees, however, to use its best efforts to remedy with all reasonable dispatch any *force majeure* preventing it from carrying out its agreements; provided, that the settlement of strikes, lockouts and other industrial disturbances will be entirely within the discretion of the County, and the County shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the County unfavorable to the County.

Upon the occurrence of an Event of Default known to the Bond Registrar, the Bond Registrar is to give prompt written notice to the County specifying the nature of the Event of Default. The County is to give the Bond Registrar and any Trustee notice of all events of which it is aware that either constitute Events of Default under the General Bond Resolution or, upon notice by or to the County or the passage of time, would constitute Events of Default under the General Bond Resolution.

Acceleration. Upon the happening and continuance of any Event of Default described in clause (a) or (b) above, then and in every such case a Trustee appointed by the Holders of a majority in aggregate principal amount of Bonds then outstanding may (and upon the written request of the Holders of not less than a majority in aggregate principal amount of the Bonds then outstanding must), or if no Trustee has been appointed, the Holders of not less than a majority in aggregate principal amount of Bonds then outstanding may, by a notice in writing to the Board, declare the principal of all of the Bonds then outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same will become and be immediately due and payable, anything contained in the Bonds or the General Bond Resolution to the contrary notwithstanding; provided, however, that if at any time after the principal of the Bonds has been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the General Bond Resolution, money has accumulated in the Debt Service Subfund sufficient to pay the principal of all matured Bonds and all arrears of interest, if any, upon all the Bonds then outstanding (except the principal of any Bonds not then due and payable by their terms and the interest accrued on such Bonds since the last Interest Payment Date) and sufficient to satisfy the Sinking Fund Requirements of the then current Bond Year, and the charges, compensation, expenses, disbursements, advances and liabilities of the Bond Registrar and any Trustee and all other amounts then payable by the County under the General Bond Resolution have been paid or a sum sufficient to pay the same has been deposited with the Trustee or with a Depositary appointed by the Holders of a majority in aggregate principal amount of Bonds then outstanding, and every other default known to the Bond Registrar and any Trustee in the observance or performance of any covenant, condition, agreement or provision contained in the Bonds or the General Bond Resolution (other than a default in the payment of the principal of such Bonds then due and payable only because of such declaration) has been remedied to the satisfaction of the Trustee or if no Trustee has been appointed, the Holders of a majority in aggregate principal amount of Bonds then outstanding, then and in every such case the Trustee or if no Trustee has been appointed, the Holders of a majority in aggregate principal amount of Bonds then outstanding shall, by written notice to the Board, rescind and annul such declaration and its consequences, but no such rescission or annulment will extend to or affect any subsequent Event of Default or impair any right consequent thereon.

Enforcement of Remedies. Upon the occurrence and continuing of any Event of Default, then and in every such case the Trustee or if no Trustee has been appointed, the Holders of a majority in aggregate principal amount of Bonds then outstanding may proceed and upon the written request of the Holders of not less than a majority in aggregate principal amount of Bonds then outstanding is to proceed to protect and enforce its rights and the rights of the Holders under the laws of the Commonwealth or under the

General Bond Resolution by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained therein or in aid or execution of any power therein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee or if no Trustee has been appointed, the Holders of a majority in aggregate principal amount of Bonds then outstanding, being advised by counsel chosen by the Trustee or by such Holders, deems most effectual to protect and enforce such rights.

In the enforcement of any remedy under the General Bond Resolution, the Trustee or if no Trustee has been appointed, the Holders of a majority in aggregate principal amount of Bonds will be entitled to sue for, enforce payment of and receive any and all amounts then or during any Event of Default becoming and remaining due from the County for principal, interest or otherwise under any of the provisions of the General Bond Resolution or of the Bonds, together with interest on overdue payments of principal at the rate or rates of interest payable on any Bonds outstanding and all costs and expenses of collection and of all proceedings under the General Bond Resolution, without prejudice to any other right or remedy of the Trustee or of the Holders and to recover and enforce any judgment or decree against the County, but solely as provided in the General Bond Resolution, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect (but solely from money available for such purposes), in any manner provided by law, the money adjudged or decreed to be payable.

Pro Rata Application of Funds. Anything in the General Bond Resolution to the contrary notwithstanding, if at any time the money in the Debt Service Subfund is not sufficient to pay the interest on or the principal of the Bonds as the same becomes due and payable, such money, together with any money then available or thereafter becoming available for such purpose, whether through the exercise of the remedies described in this section “Events of Default and Remedies” or otherwise, will be applied as provided below.

(a) If the principal of all the Bonds has not become or has not been declared due and payable, all such money is to be applied first: to the payment to the persons entitled thereto of all installments of interest on the Bonds then due and payable in the order in which such installments became due and payable and, if the amount available is not sufficient to pay in full any particular installment, then to the payment, ratably, according to the amounts due on such installment to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds; second: to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds that have become due and payable (other than Bonds called for redemption for the payment of which money is held pursuant to the provisions of the General Bond Resolution), in the order of their due dates, with interest on the principal amount of such Bonds at the respective dates upon which such Bonds became due and payable, and, if the amount available is not sufficient to pay in full the principal of the Bonds due and payable on any particular date, together with such interest, then to the payment first of such interest ratably, according to the amount of interest due on such date, and then to the payment of such principal, ratably, according to the amount of such principal due on such date, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds; and third: to the payment of the interest on and the principal of the Bonds, to the purchase or retirement of Bonds and to the redemption of Bonds, all in accordance with the provisions of the General Bond Resolution.

(b) If the principal of all the Bonds has become or has been declared due and payable, all such money is to be applied first: to the payment to the persons entitled thereto of all installments of interest on the Bonds due and payable on or prior to maturity, if any, in the order in which such installments became due and payable and, if the amount available is not sufficient to pay in full any particular installment, then to the payment, ratably, according to the amounts due on such

installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds, and then to the payment of any interest due and payable after maturity on the Bonds, ratably, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds and second: to the payment of the principal of the Bonds, ratably, to the persons entitled thereto, without preference or priority of any Bond over any other Bond.

(c) If the principal of all the Bonds has been declared due and payable and if such declaration thereafter is rescinded and annulled under the provisions of the General Bond Resolution then, subject to the provisions described in paragraph (b) above in the event that the principal of all the Bonds later becomes due and payable or is declared due and payable, the money remaining in and thereafter accruing to the Debt Service Subfund is to be applied in accordance with the provisions described in paragraph (a) above.

Whenever money is to be applied by the Trustee or by the County as described above, such money is to be applied by the Trustee or by the County at such times, and from time to time, as the Trustee or the Chief Financial Officer of the County in its sole discretion determines, having due regard to the amount of such money available for such application and the likelihood of additional money becoming available for such application in the future, the deposit of such money with any paying agents, or otherwise setting aside such money, in trust for the proper purpose will constitute proper application by the Trustee or by the County; and the Trustee or the County will incur no liability whatsoever to the County, to any Holder of Bonds or to any other person for any delay in applying any such money, so long as the Trustee or the County acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of the General Bond Resolution as may be applicable at the time of application by the Trustee or by the County.

For the purposes of the provisions of the General Bond Resolution summarized under this sub-caption, the principal portion of Parity Debt Service Components are to be paid pro rata with the principal of the Bonds, and the interest portion of such components are to be payable pro rata with the interest on the Bonds.

Supplemental Resolutions

Supplemental Resolutions Without Consent of Holders. The County, from time to time and at any time, may enter into such supplemental resolutions as are consistent with the terms and provisions of the General Bond Resolution:

- (a) to cure any ambiguity or formal defect or omission, or to correct or supplement any provision of the General Bond Resolution that may be inconsistent with any other provision of the General Bond Resolution, or
- (b) to grant to or confer upon the Holders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Holders or to appoint a Trustee for the benefit of the Holders, or
- (c) to add to the conditions, limitations and restrictions thereafter to be observed by the County under the provisions of the General Bond Resolution, or
- (d) to add to the covenants and agreements of the County in the General Bond Resolution other covenants and agreements thereafter to be observed by the County or to surrender any right or power therein reserved to or conferred upon the County, or

- (e) in the case of Series Resolutions, to provide for the issuance of Additional and Refunding Bonds and to provide for such other related matters as may be required or contemplated by or appropriate under the General Bond Resolution, or
- (f) to make any change necessary to comply with the requirements of Moody's Investors Service, Inc. or Standard & Poor's Ratings Services or Fitch, Inc., or
- (g) to make any other change that, in the opinion of the County, would not materially adversely affect the security for the Bonds.

Modification of Resolutions With Consent of Holders. The Holders of not less than a majority in aggregate principal amount of Bonds then outstanding that will be affected by a proposed supplemental resolution will have the right, from time to time, anything contained in the General Bond Resolution to the contrary notwithstanding, to consent to and approve the adoption by the County of such resolution or resolutions supplemental thereto as is deemed necessary or desirable by the County for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the General Bond Resolution; provided, however, that nothing contained in the General Bond Resolution will permit, or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Bonds issued under the General Bond Resolution, or (b) a reduction in the principal amount of any Bonds or the redemption premium or the rate of interest thereon, or (c) the creation of a pledge or lien on the money credited to the Debt Service Subfund, Reserve Subfund, Extension and Improvement Subfund or Construction Subfund other than the pledge and lien created by the General Bond Resolution, or (d) a preference or priority of any Bonds over any other Bonds, or (e) a reduction in the aggregate principal amount of Bonds required for consent to such supplemental resolution. Nothing described in this paragraph, however, is to be construed as making necessary the approval by the Holders of the adoption and acceptance of any supplemental resolution described under the preceding caption “—*Supplemental Resolutions Without Consent of Holders.*”

Defeasance

When (a) the Bonds secured under the General Bond Resolution have become due and payable in accordance with their terms or otherwise as provided in the General Bond Resolution, and (b) the whole amount of the principal and the interest and premium, if any, so due and payable upon all Bonds is paid or if the Bond Registrar or any Depositary or Paying Agent holds sufficient money or Defeasance Obligations the principal of and the interest on which, when due and payable, will provide sufficient moneys to pay the principal of, and the interest and redemption premium, if any, on all Bonds then outstanding to the maturity date or dates of such Bonds or dates fixed for Sinking Fund Redemption or to the date or dates specified for the optional redemption thereof, and (c) if Bonds are to be called for redemption, irrevocable instructions to call the Bonds for redemption have been given by the County, and (d) sufficient funds also have been provided or provision made for paying all other obligations payable under the General Bond Resolution by the County, then and in that case the right, title and interest of the Holders in the Subfunds mentioned in the General Bond Resolution will thereupon cease, determine and become void and, on demand of the County and upon being furnished with an opinion, in form and substance satisfactory to the Bond Registrar, of counsel approved by the Bond Registrar, to the effect that all conditions precedent to the release of the General Bond Resolution have been satisfied, the Bond Registrar is to release the General Bond Resolution and execute such documents to evidence such release as may be reasonably required by the County and turn over to the County any surplus in any and all balances remaining in all Subfunds, other than money held for the redemption or payment of Bonds. Otherwise, the General Bond Resolution shall be, continue and remain in full force and effect; provided, that, in the event Defeasance Obligations are deposited with and held by the Bond Registrar or any Depositary or Paying Agent as hereinabove provided, (i) in addition to the requirements concerning the redemption of Bonds set forth in the General Bond Resolution, the

County, within thirty (30) days after such money or Defeasance Obligations have been deposited with it, is to cause a notice signed by the Bond Registrar to be mailed to all Holders setting forth (a) the date or dates, if any, designated for the redemption of the Bonds, (b) the deposit of such money or Defeasance Obligations so held by it, and (c) that the General Bond Resolution has been released in accordance with the provisions described in this paragraph, and (ii) the Bond Registrar is to retain such rights, powers and privileges under the General Bond Resolution as may be necessary and convenient for the registration, registration of transfer and exchange of Bonds.

All money and Defeasance Obligations held by the Paying Agent (or the Bond Registrar) as described in the preceding paragraph are to be held in trust and applied to the payment, when due, of the obligations payable therewith.

The provisions of the General Bond Resolution described under this caption may be modified by the applicable Series Resolution with respect to Bonds of any series that constitute Variable Rate Indebtedness or Optional Tender Indebtedness, with respect to any Parity Indebtedness and with respect to Subordinate Obligations.

Miscellaneous Provisions

Effect of Dissolution of County. In the event the County for any reason is merged or annexed or its legal existence is otherwise terminated, all of the covenants, stipulations, obligations and agreements contained in the General Bond Resolution by or on behalf of or for the benefit of the County will bind or inure to the benefit of the successor or successors of the County from time to time.

Successorship of Depositary; Paying Agent and Bond Registrar. Any bank or trust company with or into which any Depositary, Paying Agent or the Bond Registrar may be merged or consolidated, or to which the assets and business of such Depositary, Paying Agent or the Bond Registrar may be sold, will be deemed the successor of such Depositary, Paying Agent and Bond Registrar for the purposes of the General Bond Resolution. The Bond Registrar is to give notice of each appointment of such successor by mailing written notice of such event by first class mail, postage prepaid, to all registered owners of the Bonds at their addresses as they appear on the registration books.

Parties, Bond Registrar and Holders Alone Have Rights Under the General Bond Resolution. Except as otherwise expressly provided, nothing in the General Bond Resolution, express or implied, is intended or is to be construed to confer upon any person, firm or corporation, other than the Bond Registrar, the County and the Holders, any right, remedy or claim, legal or equitable, under or by reason of the General Bond Resolution or any provision thereof, the General Bond Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the Bond Registrar, the County and the Holders.

Effect of Partial Invalidity. In case any one or more of the provisions of the General Bond Resolution or of the Bonds for any reason is held to be illegal or invalid, such illegality or invalidity is not to affect any other provisions of the General Bond Resolution or the Bonds, but the General Bond Resolution and the Bonds are to be construed and enforced as if such illegal or invalid provisions had not been contained therein.

Taxable Bonds. The County may, if it so elects, issue one or more series of Bonds the interest on which is (or may be) payable to the Holder as a whole or in part, subject directly or indirectly to federal income taxes so long as each Bond of such series states in the body thereof that interest payable thereon is (or may be) subject to federal income taxation and provided that the issuance thereof will not cause the

interest on any other Bonds theretofore issued under the General Bond Resolution to be or to become subject to federal income taxation.

No Recourse Against Officers, Etc. No recourse under, or upon, any statement, obligation, covenant, or agreement contained in the General Bond Resolution or in any Bond; or in any Series Resolution, or in any document or certification whatsoever, or under any judgment obtained against the County or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any member, officer or employee or agent of the Board or any officer, agent or employee of the County, as such, of the County either directly or through the Board or otherwise, for the payment for, or to, the County or any receiver of either of them, or for, or to, any Holder or otherwise, of any sum that may be due and unpaid upon any such Bond.

Payments Due on Sundays and Holidays. Except as otherwise provided in a Series Resolution, in any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds is a Sunday or a legal holiday or not a Business Day, then payment of interest or principal and premium, if any, need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or the interest payment date and no interest on such payment will accrue for the period after such date.

APPENDIX D

PROPOSED AMENDMENTS TO THE GENERAL BOND RESOLUTION

(Proposed amendments are included as part of Action Item #3 on May 4, 2021 and will be inserted into this appendix pending approval by the Board)

APPENDIX E**FORM OF BOND COUNSEL OPINION**

_____, 2021

Board of Supervisors
of Fairfax County, Virginia
Fairfax, Virginia

As bond counsel to Fairfax County, Virginia (the “County”), we have examined Article 3, Chapter 21, Title 15.2 of the Code of Virginia, 1950, as amended, and the Public Finance Act of 1991, Chapter 26, Title 15.2, Code of Virginia, 1950, as amended, and other applicable law (collectively, the “Act”), and certified copies of the proceedings of the Board of Supervisors (the “Board”) of the County showing the adoption of the General Bond Resolution on July 29, 1985 (said resolution, as supplemented, amended and restated, herein called the “General Bond Resolution”), and Series Resolutions adopted on May ___, 2021 (each, a “Series Resolution”), pursuant to which the County has authorized, and other proofs submitted relative to, the issuance and sale of

\$ _____
FAIRFAX COUNTY, VIRGINIA
SEWER REVENUE BONDS
SERIES 2021A
(the “2021A Bonds”)

and

\$ _____
SEWER REVENUE REFUNDING BONDS
SERIES 2021B

(the “2021B Bonds” and collectively with the 2021A Bonds, the “2021 Bonds”)

The 2021 Bonds are dated the date of their delivery, maturing in annual installments in each of the years ____ to ___, inclusive, _____, bearing interest, payable on the 15th days of January and July in each year, commencing January 15, 2022, and subject to redemption prior to their respective maturities in the manner and upon the terms and conditions in the related Series Resolution.

The proceeds of the 2021A Bonds are to be used to provide funds, with other available funds, to (i) pay the costs of certain additions, extensions and improvements to the County’s sewage collection, treatment and disposal systems (the “System”), paying capital improvement costs allocable to the County at certain wastewater treatment facilities that provide service to the County and, if necessary, purchasing additional capacity at certain wastewater treatment facilities for the benefit of the County, (ii) make a deposit to the Reserve Subfund, and (iii) pay the costs of issuing the 2021A Bonds. The proceeds of the 2021B Bonds are to be used to provide funds, with other available funds, to (i) refund certain of the outstanding sewer revenue bonds issued by the County and (ii) pay the costs of issuing the 2021B Bonds.

Under the General Bond Resolution, the County may issue additional series of bonds and otherwise incur indebtedness on a parity with the 2021 Bonds, as to their lien on the Net Revenues of the System, only on the terms and conditions set forth in the General Bond Resolution. The 2021 Bonds, the bonds outstanding under the General Bond Resolution and any such additional series of parity bonds are hereinafter referred to collectively as “Bonds.”

Pursuant to the General Bond Resolution, the County has pledged to the payment of the principal of and redemption premium, if any, and interest on the Bonds issued under the General Bond Resolution, including the 2021 Bonds, all of the Gross Revenues (as defined in the General Bond Resolution) of the System, subject to the prior payment of Operating Expenses (as defined in the General Bond Resolution) of the System (such Gross Revenues, less such Operating Expenses, being herein referred to as “Net Revenues”).

Based on such examination, we are of the opinion that the General Bond Resolution and the Series Resolutions have been duly adopted by the Board and are legal, valid and binding agreements of the County and that the 2021 Bonds have been duly authorized and issued by the County and constitute legal, valid and binding limited obligations of the County. The 2021 Bonds do not constitute a pledge of the faith and credit of the Commonwealth of Virginia or the faith and credit of the County, and neither the faith and credit of the Commonwealth of Virginia nor the faith and credit of the County are pledged to the payment of the principal of or the interest or premium, if any, on the 2021 Bonds. In addition, the outstanding Bonds, including the 2021 Bonds, will be secured by the General Bond Resolution and will be payable from the Net Revenues of the System, which have been pledged to the payment of the Bonds and other parity indebtedness to the extent and in the manner provided in the General Bond Resolution.

We are further of the opinion that, assuming continuing compliance by the County with its covenants to comply with the requirements of the Internal Revenue Code of 1986, as amended (the “Code”), and, except as provided in the following sentence, interest on the 2021 Bonds is not includable in the gross income of the owners thereof for federal income tax purposes under current law. Interest on the 2021 Bonds will be includable in the gross income of the owners thereof retroactive to the date of issue of the 2021 Bonds in the event of a failure by the County to comply with applicable requirements of the Code, and its covenants regarding the use, expenditure, and investment of the proceeds of the 2021 Bonds and the timely payment 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 2021 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 2021 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 the 2021 Bonds or the inclusion in certain computations (including without limitation those related to the corporate alternative minimum tax) of interest that is excluded from gross income.

Respectfully submitted,

APPENDIX F**FORM OF CONTINUING DISCLOSURE AGREEMENT**

This Continuing Disclosure Agreement (this “Disclosure Agreement”) is executed and delivered by Fairfax County, Virginia (the “County”), in connection with the issuance by the County of \$_____ aggregate principal amount of its Sewer Revenue Bonds, Series 2021A, and \$_____ aggregate principal amount of its Sewer Revenue Refunding Bonds, Series 2021B (collectively, the “2021 Bonds”) pursuant to the provisions of the General Bond Resolution adopted by the Board of Supervisors of Fairfax County (the “Board of Supervisors”) on July 29, 1985, amended and restated on July 21, 1986, further amended on January 9, 1989, further amended and restated on June 26, 1989, and further amended and restated on May 18, 2009, effective July 1, 2009 (the “General Bond Resolution”), as supplemented by the separate Series Resolutions adopted by the Board of Supervisors on May __, 2021, providing for the issuance of the 2021 Bonds (the “Series Resolutions”). The 2021A Bonds are being issued to provide funds for (i) paying the costs of certain additions, extensions and improvements to the County’s sewage collection, treatment and disposal systems, paying capital improvement costs allocable to the County at certain wastewater treatment facilities that provide service to the County and, if necessary, purchasing additional capacity at certain wastewater treatment facilities for the benefit of the County, (ii) making a deposit to the Reserve Subfund, and (iii) paying the costs of issuing the 2021A Bonds. The 2021B Bonds are being issued to provide funds for (i) paying the costs of issuing the 2021B Bonds, and (ii) refunding certain sewer revenue bonds of the County. The County hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the County for the benefit of the holders of the 2021 Bonds and to assist the Participating Underwriters (defined below) in complying with the Rule (defined below). The County acknowledges that it is undertaking primary responsibility for any reports, notices or disclosures that may be required under this Disclosure Agreement.

SECTION 2. Definitions. In addition to the definitions set forth in the General Bond Resolution and the Series Resolutions, 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 County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

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

“Filing Date” shall have the meaning given to such term in Section 3(A) hereof.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” shall mean the twelve-month period at the end of which financial position and results of operations are determined. Currently, the County’s Fiscal Year begins July 1 and continues through June 30 of the next calendar year.

“Holder” or “holder” shall mean, for purposes of this Disclosure Agreement, any person who is a record owner or beneficial owner of a 2021 Bond.

“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 2021 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 2021 Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the County;
- (13) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating any such actions, other than pursuant to its terms, if material;
- (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 County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the County, any of which reflect financial difficulties.

“MSRB” means the Municipal Securities Rulemaking Board.

“Participating Underwriter” shall mean any of the original underwriters of the County’s 2021 Bonds required to comply with the Rule in connection with the offering of such 2021 Bonds.

“Repository” shall mean the Electronic Municipal Market Access (“EMMA”) system administered by the Municipal Securities Rulemaking Board. 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 County in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the County in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County, and (b) the County intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section 2 to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

SECTION 3. Provision of Annual Reports.

A. The Dissemination Agent shall 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 the immediately preceding Fiscal Year (commencing with its Fiscal Year ending June 30, 2021). At least ten (10) days before the Filing Date, the County shall provide the Annual Report to the Dissemination Agent (if applicable). 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 County’s audited financial statements for the County’s Integrated Sewer System (the “System”) 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 for the System must be submitted, when publicly available, and may be submitted together with or separately from the Annual Report.

B. The annual financial statements for the System shall be prepared on the basis of generally accepted accounting principles and will be audited. Copies of the audited 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 County fails to provide an Annual Report to the Repository by the date required in subsection (A) above or fails to file its audited annual financial statements for the System with the Repository when they become publicly available, the County 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. Except as otherwise agreed, any Annual Report required to be filed hereunder shall contain or incorporate by reference, at a minimum, annual financial information relating to the System, including operating data, updating such information relating to the

System 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 County 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 Repository. The County shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Listed Events. The County will provide within 10 business days of the occurrence of any of the Listed Events notice to the Repository of such occurrence.

SECTION 6. Termination of Reporting Obligation. The County’s obligations under this Disclosure Agreement shall terminate upon the earlier to occur of the legal defeasance or final retirement of all the 2021 Bonds.

SECTION 7. Dissemination Agent. The County 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 Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the County shall be the Dissemination Agent.

SECTION 8. Amendment. Notwithstanding any other provision of this Disclosure Agreement, the County 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; Identifying Information. Nothing in this Disclosure Agreement shall be deemed to prevent the County 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 County 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 County shall have no obligation under this Disclosure Agreement to update such additional information or include it in any future Annual Report or notice of occurrence of a Listed Event. In accordance with Section (b)(5)(iv) of the Rule, all documents provided to the MSRB pursuant to this Disclosure Agreement shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 10. Default. Any person referred to in Section 11 (other than the County) may take such action as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County 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 the 2021 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 County hereunder. A default under this Disclosure Agreement shall not be deemed an event of default under the General Bond Resolution, the Series Resolutions or the 2021 Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the County 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 County, the Participating Underwriters, and holders from time to time of the 2021 Bonds, and shall create no rights in any other person or entity.

Date: ____ __, 2021

FAIRFAX COUNTY, VIRGINIA

By: _____
Joseph M. Mondoro
Chief Financial Officer

Exhibit A

CONTENT OF ANNUAL REPORT

For the most recent complete fiscal year:

- (a) Number of connections (or accounts).
- (b) Rate schedule.
- (c) Total amounts for:
 - (i) Service charge revenues,
 - (ii) Availability/connection fee revenues,
 - (iii) Interest income revenues,
 - (iv) Total System Gross Revenues,
 - (v) System Operating Expenses,
 - (vi) Expense payments,
 - (vii) Debt service payments on Bonds and Parity Indebtedness, and
 - (viii) Debt service payments on Subordinate Obligations.
- (d) Identity of any customer of the System paying over 5% of the total service charge revenues of the System and the specific percentage for such customer.
- (e) System capacity (flows in mgd) and System wastewater flows.

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, in the judgment of the County, an accompanying narrative is required to make data presented not misleading, such narrative will be provided.

Exhibit B

**NOTICE OF FAILURE TO FILE ANNUAL REPORT
[AUDITED ANNUAL FINANCIAL STATEMENTS]**

**Re: FAIRFAX COUNTY, VIRGINIA
SEWER REVENUE BONDS,
SERIES 2021A
and
SEWER REVENUE REFUNDING BONDS,
SERIES 2021B**

CUSIP NOS.:

Dated: _____,

NOTICE IS HEREBY GIVEN that Fairfax County, Virginia, has not provided an Annual Report [Audited Annual Financial Statements] as required by Section 3 of the Continuing Disclosure Agreement, which was entered into in connection with the above-named bonds issued pursuant to separate Series Resolutions adopted on May __, 2021, by the Board of Supervisors of the County. [The County anticipates that the Annual Report [Audited Annual Financial Statements] will be filed by _____.]

Dated: _____

FAIRFAX COUNTY, VIRGINIA

By _____

APPENDIX G

FORM OF CONSENT TO PROPOSED GENERAL BOND RESOLUTION AMENDMENTS

Re: General Bond Resolution adopted by the Board of Supervisors of Fairfax County, Virginia (the “Board of Supervisors”), on July 29, 1985, amended and restated on July 21, 1986, further amended on January 9, 1989, further amended and restated on June 26, 1989, and further amended and restated on May 18, 2009, effective July 1, 2009 (the “General Bond Resolution”)

[to come]

BOND PURCHASE AGREEMENT

FAIRFAX COUNTY, VIRGINIA
\$ _____
SEWER REVENUE BONDS, SERIES 2021A
(THE “2021A BONDS”)

AND
\$ _____
SEWER REVENUE REFUNDING BONDS, SERIES 2021B
(THE “2021B BONDS”)

_____, 2021

Fairfax County, Virginia
12000 Government Center Parkway, Suite 561
Fairfax, Virginia 22035

The undersigned, _____ (the “Representative”), on its own behalf and on behalf of _____ and _____ (collectively, the “Underwriters”), hereby agrees to purchase the above-captioned 2021A Bonds and 2021B Bonds (collectively, the “Bonds”) from Fairfax County, Virginia (the “County”), pursuant to the terms and conditions of this Bond Purchase Agreement (this “Agreement”).

The Bonds will be issued pursuant to, and secured under, the General Bond Resolution adopted by the Board of Supervisors of Fairfax County (the “Board of Supervisors”) on July 29, 1985, as amended and restated on July 21, 1986, as further amended on January 9, 1989, as further amended and restated on June 26, 1989, and as further amended and restated on May 18, 2009, effective July 1, 2009 (as so amended and restated, the “General Bond Resolution”). The General Bond Resolution, as supplemented by a separate Series Resolution for each series of the Bonds, each adopted by the Board of Supervisors on May __, 2021 (together with the General Bond Resolution, the “Resolution”), provides for the issuance of the Bonds. The General Bond Resolution was adopted pursuant to Article 3, Chapter 21, Title 15.2, Code of Virginia, 1950, as amended, and Chapter 26, Title 15.2, Code of Virginia, 1950, as amended (collectively, the “Act”).

This offer is made subject to the acceptance hereof by the County evidenced by the County’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 Underwriters to the County at any time prior to acceptance. The 2021A Bonds are being issued to provide funds for (i) paying the costs of certain additions, extensions and improvements to the County’s sewage collection, treatment and disposal systems, and paying capital improvement costs allocable to the County at certain wastewater treatment facilities for the benefit of the County, (ii) making a deposit to the Reserve Subfund established pursuant to the Resolution, and (iii) paying costs of issuing the Bonds. The 2021B Bonds are being issued to provide funds for (i) paying costs of issuing the Bonds and (ii) refunding certain outstanding sewer revenue bonds of the County.

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; Good Faith Deposit

(a) On the basis of the representations, warranties, covenants and agreements contained in this Agreement, and in the other agreements referred to herein, and subject to the terms and conditions described in this Agreement, the Underwriters, jointly and severally, agree to purchase the Bonds for the purchase price of \$_____, representing the principal amount of the Bonds of \$_____, 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 on the dates and in the amounts and at the rates as shown on Exhibit A.

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

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

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

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

(iv) any actions in connection with the offering and sale of the Bonds in violation of applicable requirements of federal and state securities laws and any applicable requirements of the MSRB or the Financial Industry Regulatory Authority.

The Underwriters agree that in their offering of the Bonds they will comply with the applicable rules of the MSRB.

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

Section 2. Establishment of Issue Price of Bonds

(a) The Representative, on behalf of the Underwriters, agrees to assist the County in establishing the issue price of the Bonds and shall execute and deliver to the County on the Closing Date 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 County 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 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 County 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 Bonds, which will allow the County to treat the initial offering price to the public of each maturity of the 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 Bonds, the Underwriters will neither offer nor sell any 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 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 County when the Underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial 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 Agreement, at the earlier of (1) all tickets having been entered by the Representative, and (2) 5:00 p.m.. Eastern Time, on _____, 2021.

The County acknowledges that, in making the representation set forth in this subsection, the County will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or 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 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the third-party distribution agreement and the related pricing wires. The County further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing the issue price of the 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 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 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 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 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 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to comply with the hold-the-offering-price rule if and for so long as directed by the Representative or the Underwriter or dealer and as set forth in the related pricing wires.

(e) The Underwriters acknowledge that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the 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 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 County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public), and

(iv) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (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).

Section 3. Official Statement

(a) Prior to the date hereof, the County has provided to the Underwriters a Preliminary Official Statement, dated ____ __, 2021 (the “Preliminary Official Statement”), that the County deemed

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

(b) The County will prepare the Official Statement (the “Official Statement”) in final form, including the completion of all information required pursuant to the SEC Rule. The execution of the Official Statement in final form by the Chairman of the County’s Board of Supervisors shall be conclusive evidence that the County has deemed it final as of its date. As soon as practicable after the date hereof and, in any event within seven business days of the date hereof (and no later than two business days before the Closing Date, as defined herein), the County shall, so as to enable the Underwriters to comply with the provisions of the SEC Rule, deliver to the Underwriters a sufficient number of copies of the Official Statement incorporating the pricing terms of the Bonds, dated the date hereof, together with all supplements and amendments thereto, substantially in the form of the Preliminary Official Statement, with such changes therein as shall have been accepted by the Underwriters, executed on behalf of the County by the Chairman of the Board of Supervisors.

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

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

Section 3. Representation of the Underwriters to the County

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

Section 4. Underwriters not Acting as Agents or Fiduciaries

The County acknowledges and agrees that: (i) the Underwriters are not acting as municipal advisors within the meaning of Section 15B of the 1934 Act; (ii) the primary role of the Underwriters, as underwriters, is to purchase securities, for resale to investors, in an arm’s length commercial transaction between the County and the Underwriters and the Underwriters have financial and other interests that differ from those of the County; (iii) the Underwriters are acting solely as principals and are not acting as municipal advisors, financial advisors or fiduciaries to the County and have not assumed any advisory or fiduciary responsibility to the County with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether any Underwriter has provided other services or is currently providing other services to the County on other matters); (iv) the only obligations the Underwriters have to the County with respect to the transaction contemplated hereby expressly are set forth in this Agreement; and (v) the County has consulted its own financial and municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate.

Section 5. County’s Representations, Warranties, Covenants and Agreements

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

(a) The County is, and will be at the Closing Time (as defined herein), (i) duly organized in the urban county executive form of government as political subdivision of the Commonwealth of Virginia (the “Commonwealth”) possessing all power and authority granted to counties so organized under the Constitution and laws of the Commonwealth, (ii) authorized to enter into and adopt and perform its obligations under the Resolution, this Agreement, a Continuing Disclosure Agreement delivered by the County, dated the Closing Date (the “Continuing Disclosure Agreement”), and an escrow deposit agreement between the County and U.S. Bank National Association (the “Escrow Agreement”) (collectively, the “County Documents”), and (iii) authorized to issue and sell the Bonds.

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

(c) At the time of the County’s delivery of this Agreement and (unless an event occurs of the nature described in Section 5(i) below) at all subsequent times up to and including the Closing Time, the information contained in the Preliminary Official Statement and the Official Statement, excluding the information under the headings “DESCRIPTION OF THE 2021 BONDS – Book-Entry-Only System,” “FINANCIAL ADVISOR” and “UNDERWRITING,” and in any amendment or supplement to the Official Statement that the County may authorize for use with respect to the Bonds is and will be true and correct and does not contain and will not contain any untrue statement of a material fact and does not omit and will not omit to state a material fact necessary to make the statements in such document, in the light of the circumstances under which they were made, not misleading. If the Official Statement is supplemented or amended pursuant to Section 5(i) below, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to Section 5(i) below) at all times subsequent thereto up to and including the Closing Time, the County shall take all steps necessary to ensure that the Official Statement as so supplemented or amended does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

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

(e) Except as and to the extent described in the Preliminary Official Statement and the Official Statement, to the County’s knowledge, there is no action, proceeding or investigation before or by any court or other public body pending or, threatened against or affecting the County or any County officer or employee in an official capacity (or, to the County’s knowledge, any basis therefor), with respect to the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated or described herein or in the Official Statement, or the validity of the County Documents or of any other agreement or instrument to which the County is or is expected to be a party and which is used or contemplated for use in the consummation of the transactions contemplated or described herein or in or by the Official Statement, or the ability of the County to perform its obligations under any of the County Documents, including the issuance and sale of the Bonds and the operation of the Sewer System (as defined below).

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

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

(h) The audited financial statements of the County's Integrated Sewer System (the "Sewer System") for the fiscal year ended June 30, 2020, set forth as Appendix A to the Official Statement, present fairly the Sewer System's financial position as of June 30, 2020, and such statements have been prepared in conformity with generally accepted accounting principles applied on a consistent basis. The Official Statement presents fairly the financial information purported to be shown as of the indicated dates. There has been no material adverse change in the financial condition of the Sewer System as a whole since June 30, 2020.

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

The "end of the underwriting period" is the time that is the later of (i) the Closing Time and (ii) the first 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 County in writing prior to the Closing Date, the County may assume that the end of the underwriting period is the Closing Time.

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

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

(l) In the past five years, the County has not been in default in the payment of principal or interest on any general obligation indebtedness or any indebtedness issued under the General Bond

Resolution, has not exercised any rights of nonappropriation or similar rights, and has not borrowed for general fund cash-flow purposes. No proceedings have ever been taken, are being taken, or are contemplated by the County under the United States Bankruptcy Code or under any similar law or statute of the United States or the Commonwealth.

(m) The County is not in violation of any existing law, rule or regulation applicable to it and is not in default in any material respect under any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the County is a party or by which it is bound or to which any of its assets are subject, which default would affect materially and adversely the execution and delivery by the County of the County Documents or the transactions contemplated thereby, and the execution and delivery by the County of the Bonds and the County Documents, and compliance with the terms and conditions thereof will not in any material respect conflict with or result in such a breach or constitute such a default under any of the foregoing.

(n) In order to permit compliance by the Underwriters with Rule 15c2-12, the County agrees to execute the Continuing Disclosure Agreement, which shall be in substantially the form of the Continuing Disclosure Agreement attached as Appendix F to the Official Statement, and to perform all of its obligations set forth therein, including the provision of certain annual financial information and the timely notice of certain events through the Electronic Municipal Market Access System established by the MSRB, as required under Rule 15c2-12. The County represents that, except as otherwise described in the Preliminary Official Statement and the final Official Statement, for the five years preceding the date of this Agreement, it has complied in all material respects with each of its prior continuing disclosure obligations under Rule 15c2-12.

Section 6. Delivery of Bonds

The Bonds shall be delivered through The Depository Trust Company in New York, New York, by 12:00 noon, Eastern Time, on _____, 2021, or such other place, time or date as shall be mutually agreed on in writing by the County and the Underwriters. Simultaneously, the Underwriters shall make the payment required pursuant to Section 1 above, in immediately available funds, to the County or at its direction. In this Agreement, the date of such delivery and payment is called the “Closing Date,” and the hour 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, bearing CUSIP numbers (provided neither the inclusion of a wrong CUSIP number on any Bond nor the failure to include a CUSIP number thereon shall constitute cause to refuse delivery of any Bond).

Section 7. Conditions to Underwriters’ Obligations

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

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

(b) The performance by the County 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 County are true and correct today and as of the Closing Time as if made at the Closing Time.

(d) There has been no material change in the condition of the County or the Sewer System (financial or otherwise) between the most recent dates as to which information is given in the Official Statement and the Closing Time or any development involving a material adverse change in the condition

of the County or Sewer System (financial or otherwise), 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 County subsequent to 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 and the operation of the Sewer System.

(f) At the Closing Time, the Underwriters shall have received:

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

(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 Resolution was duly adopted by the Board of Supervisors of the County and is in full force and effect, (C) the County has all necessary power and authority (1) to adopt or execute and deliver, as applicable, the County Documents and (2) to consummate all of the actions contemplated by the County Documents, (D) the County Documents have been duly authorized and, if applicable, executed and delivered by the County and constitute valid and legally binding obligations of the County, enforceable (subject to customary exceptions) against the County in accordance with their terms, (E) no further approval, consent or withholding of objection on the part of any regulatory body, federal, Commonwealth or local, is required for the County to execute and deliver and perform its obligations under the County Documents, (F) the adoption by the Board of Supervisors of the Resolution and the execution and delivery by the County of the other County Documents and the consummation by the County of the transactions contemplated by them are not prohibited by, and do not violate any provision of and will not result in the breach of any law, rule, regulation, judgment, decree, order or other requirement applicable to the County, any ordinance or resolution of the County, or any material contract, indenture or agreement to which the County is a party or by which the County is bound, and have not resulted, and will not result, in the creation or imposition of any lien, encumbrance, mortgage or other similar conflicting ownership or security interest in favor of any third person in or to the County's revenues, assets, properties or funds except as contemplated in the County Documents, and (G) to her knowledge, there is no legal action or other proceeding, or any investigation or inquiry (before any court, agency, arbitrator or otherwise), pending or threatened against the County or any of its officials, in their respective capacities, (1) to restrain or enjoin the issuance, sale or delivery of the Bonds or the application of proceeds of the Bonds as provided in the Official Statement or (2) that may reasonably be expected to have a material and adverse effect upon the due performance by the County of the transactions contemplated by the County Documents and the Official Statement or the validity or enforceability of the Bonds or the County Documents.

(iii) A supplemental opinion of Bond Counsel, dated the Closing Date and in form and substance acceptable to the Underwriters, that authorizes the Underwriters to rely on the approving opinion of Bond Counsel and, additionally, is to the effect that

(A) (i) the information contained in those portions of the Official Statement entitled **"INTRODUCTION," "DESCRIPTION OF THE 2021 BONDS (excluding Book-Entry-Only System)," "SECURITY FOR AND SOURCES OF PAYMENT OF THE 2021 BONDS," "APPROVAL OF LEGAL PROCEEDINGS," "TAX**

MATTERS,” “CONTINUING DISCLOSURE,” and Appendices C, D, E, and F), insofar as such information summarizes provisions of the Documents or the County 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 Resolution thereunder; and

(D) this Agreement has been duly authorized, executed and delivered and constitutes a valid and binding obligation of the County.

(iv) Evidence satisfactory to the Underwriters that the Bonds have received ratings of “Aaa” from Moody’s Investors Service, Inc., “AAA” from Fitch Ratings, and “AAA” from S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC, and that such ratings are in effect at the Closing Time.

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

(vi) Certified copies of the County Documents.

(vii) Signed copies of a certificate or certificates, dated the Closing Date, signed by the County Executive to the effect that (A) the representations and warranties of the County contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date; (B) to the knowledge of such officer, the Official Statement does not contain any untrue statement of material fact or omit any statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (C) 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 materially and adversely affecting the ability of the County to pay principal and interest on the Bonds, or in any way materially and adversely contesting or affecting the validity or enforceability of the Bonds, the Resolution, the Escrow Agreement, 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 County Documents, including the issuance and sale of the Bonds and the operation of the Sewer System; (D) 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 that, in the reasonable opinion of the County, is required to be set forth in an amendment or supplement to the Official Statement (whether or not the Official Statement shall have been amended or supplemented to set forth such event); (E) the County has the full legal right, power and authority to carry out and consummate the transactions contemplated to be carried out by the County by the Official Statement; and (F) the County has complied with all the

requirements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date.

(viii) Receipt by the Underwriters and Bond Counsel of a tax certificate of the County.

(ix) A letter in form and substance satisfactory to the Representative of Robert Thomas, CPA, LLC, the Verification Agent, dated no later than the Closing Date and addressed to the County and the Underwriters (the "Verification Report") (A) verifying the accuracy of the mathematical computations of the adequacy of the maturing principal of, premium, if any, and interest earned on the obligations to be held pursuant to the Escrow Agreement together with cash deposited thereunder, if any, to provide for the payment of the principal of and interest on the bonds to be refunded when due, and (B) consenting to the reference to them and to their Verification Report under the caption of the Official Statement entitled "VERIFICATION OF MATHEMATICAL COMPUTATIONS."

(x) An opinion of Bond Counsel, in form and substance satisfactory to the Representative, with respect to the defeasance of the Refunded Bonds, as defined in the Official Statement.

(xi) An opinion of _____, counsel to the Underwriters, in form and substance acceptable to the Representative.

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

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

The County 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 8. Underwriters' Right to Cancel

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

(a) legislation shall have been enacted or introduced by the Congress of the United States or the legislature of the Commonwealth or legislation shall have been reported out of committee of either body or be pending in committee of either body, or a decision shall have been rendered by a court of the United States or the Commonwealth or the Tax Court of the United States, or a ruling, resolution, regulation, or temporary regulation, release, or announcement shall have been made or 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 County from its operations,

or upon interest received on obligations of the general character of the Bonds that, in the Underwriters' reasonable judgment, materially adversely affects the market price or the marketability of the Bonds;

(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;

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

(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 that Exchange or by an order of the Securities and Exchange Commission (the "SEC") or any other governmental authority having jurisdiction that, in the Underwriters' reasonable judgment, materially adversely affects the market price or the marketability of the Bonds;

(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 the marketability of the Bonds;

(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 County, or any obligations of the general character of the Bonds are not exempt from the registration, qualification or other requirements of the Securities Act, or otherwise, or would be in violation of any provision of the federal securities laws;

(g) there shall be established any new restriction on transactions in securities materially affecting (i) the free market for securities (including the imposition of any limitation on interest rates) or (ii) 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;

(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 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;

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

(j) there shall have occurred, after the signing hereof, either a financial crisis or a default with respect to the debt obligations of the County or proceedings under the bankruptcy laws of the United

States or insolvency laws of the Commonwealth shall have been instituted by the County in either case the effect of which, in the reasonable judgment of the Underwriters, is such as to materially and adversely affect the market price or the marketability of the Bonds.

Section 9. Representations, Warranties, Covenants and Agreements to Survive Delivery

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

Section 10. Expenses

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

The Underwriters shall pay their out-of-pocket expenses, including the fees and expenses of Underwriters' counsel (including the cost of performing any blue sky and legal investment surveys), including advertising expenses in connection with a public offering of the Bonds, fees of the CUSIP Bureau and any fees of the MSRB or the Securities Industry and Financial Markets Association.

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

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:

If to the County: Fairfax County, Virginia
12000 Government Center Parkway, Suite 561
Fairfax, Virginia 22035
Attention: Chief Financial Officer

(b) The parties intend that this Agreement shall be governed by the laws of the Commonwealth of Virginia, without regard to choice of law principles.

(c) 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.

(d) This Agreement will inure to the benefit of and be binding on the County and the Underwriters and their respective successors and assigns, but will not confer any rights on any other person, partnership, association or corporation other than persons, if any, controlling the County and the Underwriters within the meaning of the Securities Act or the Securities Exchange Act of 1934, as

amended. The terms “successors” and “assigns” shall not include any purchaser of any Bond from the Underwriters merely because of such purchase.

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

(f) 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.

(g) Any authority, discretion or other power conferred upon or reserved to the Underwriters under any provision of this Agreement may be exercised by the Representative on behalf of the Underwriters. The payment for and acceptance, delivery and execution of any receipt for the Bonds and any other instruments upon or in connection with the closing hereunder solely by the Representative, on behalf of the Underwriters, shall be valid and sufficient for all purposes and binding upon each of the Underwriters, provided that any such action by the Representative shall not impose any obligation or liability upon the Representative other than as may arise from the express terms of this Agreement.

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

(i) This Agreement is the entire agreement of the parties with respect to the subject matter hereof, superseding all prior agreements, and may not be modified except in writing signed by the parties hereto.

(j) On or before the Closing Date, the Underwriters shall provide the County with evidence of written consent, effective on or after the Closing Time, from the Underwriters or the beneficial owners of the Bonds, in form and substance satisfactory to the County, to the proposed amendments to the General Bond Resolution described in Appendix D to the Official Statement.

(k) This Agreement shall be effective on its acceptance by the County.

[Representative],

On behalf of the Underwriters, including itself

By _____
Executive Director

[Signature Page to Bond Purchase Agreement Relating to Fairfax County Sewer Revenue Bonds, Series 2021A, and Sewer Revenue Refunding Bonds, Series 2021B Continued on Following Page]

[Counterpart Signature Page to Bond Purchase Agreement relating to Fairfax County Sewer Revenue Bonds, Series 2021A, and Sewer Revenue Refunding Bonds, Series 2021B]

Accepted and agreed to:

FAIRFAX COUNTY, VIRGINIA

By: _____

Joseph M. Mondoro
Chief Financial Officer

EXHIBIT A

\$ _____
FAIRFAX COUNTY, VIRGINIA
SEWER REVENUE BONDS, SERIES 2021A

<u>Maturity</u> <u>(July 15)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>(July 15)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>
2022			2032		
2023			2033		
2024			2034		
2025			2035		
2026			2036		
2027			2037		
2028			2038		
2029			2039		
2029			2040		
2030			2041		
2031			2042		

\$ _____ % TERM BONDS DUE JULY 15, ____
 \$ _____ % TERM BONDS DUE JULY 15, ____
 \$ _____

FAIRFAX COUNTY, VIRGINIA
SEWER REVENUE REFUNDING BONDS, SERIES 2021B

<u>Maturity</u> <u>(July 15)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>(July 15)</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>
2022			2032		
2023			2033		
2024			2034		
2025			2035		
2026			2036		
2027			2037		
2028			2038		
2030			2039		
2031			2040		

REDEMPTION PROVISIONS

The Bonds that mature on or before July 15, [2031], are not subject to redemption before maturity. The Bonds that mature after July 15, [2031], may be redeemed, at the option of the County, before their respective maturities on any date not earlier than July 15, [2031], as a whole or in part (in integral multiples of \$5,000), upon payment of the redemption price equal to the principal amount thereof plus accrued interest to the redemption date.

[insert sinking fund or other redemption provisions, if applicable]

EXHIBIT B

FAIRFAX COUNTY, VIRGINIA
 \$ _____
SEWER REVENUE BONDS, SERIES 2021A
AND
 \$ _____
SEWER REVENUE REFUNDING BONDS, SERIES 2021B

ISSUE PRICE CERTIFICATE
(Hold-the-Offering-Price Rule)

[NTD-subject to potential further revisions relating to separate Series of 2021 Bonds.]
 The undersigned, on behalf of _____ (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 Fairfax County, Virginia (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 _____, 2021, 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 _____, 2021.

(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.

[REPRESENTATIVE]

By: _____
Name: _____
Title: _____

Dated: _____, 2021

SCHEDULE A
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

(Information to be included following the bond sale)

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION

(Information to be included following the bond sale)

Board Agenda Item
May 4, 2021

4:00 p.m.

Public Hearing to Sublease Ellmore Farmhouse at 2739 West Ox Road in Connection with the Resident Curator Program (Hunter Mill District)

ISSUE:

Public hearing to sublease property owned by the Fairfax County Park Authority (FCPA) at 2739 West Ox Road (Ellmore Farmhouse) in connection with the Resident Curator Program.

RECOMMENDATION:

The County Executive recommends that the Board authorize staff to sublease FCPA-owned property at 2739 West Ox Road in connection with the Resident Curator Program.

TIMING:

On February 23, 2021, Board authorized the advertisement of a public hearing to sublease FCPA-owned property at 2739 West Ox Road.

BACKGROUND:

In accordance with enabling legislation enacted by the Commonwealth, the Board approved the creation of the Resident Curator Program (Program) to address underutilized, publicly-owned historic properties by entering into long-term leases with qualified tenants who pledge to rehabilitate the property in accordance with federal standards established for the treatment of historic properties. The tenant under the lease (Resident Curator) agrees to complete the rehabilitation and provide ongoing maintenance and upkeep of the property for the duration of the lease in exchange for rent-free accommodation. The program is managed by the FCPA.

The state legislation requires that the Board serve as the landlord under the lease. Consequently, the FCPA will lease the property selected through the screening process established in the Program to the Board (Lease), and the Board will concurrently sublease the property to the Resident Curator (Sublease). The Sublease will contain the detailed provisions on the rehabilitative workplan for the property; however, the responsibility for monitoring the Resident Curator's progress with the workplan and the Program will remain with the FCPA per the terms of the Lease.

Board Agenda Item
May 4, 2021

The fourth property selected by the FCPA for inclusion in the Program is the two-story, 3,300 square-foot Ellmore Farmhouse, located at 2739 West Ox Road (Tax Map No. 0251 01 0030) on four and one-half acres of land within Frying Pan Park. The Farmhouse was built in 1891 and served as the base of operations for a 50-acre dairy farm until the 1950's. The house is listed as a contributing structure to the Floris Historic District's listing in the National Register of Historic Places.

The Resident Curator selected during the screening process for the Program is ServiceSource, a nonprofit organization whose mission is to engage disabled individuals with the local community. The Resident Curator intends to use Ellmore Farmhouse as a Community Integration Center that will provide employment opportunities for up to fifteen adults through the operation of an onsite café and handicrafts specialty store. During the twenty-nine-year term of the Sublease, the Resident Curator will rehabilitate the Ellmore Farmhouse by making ADA-compliant improvements and incorporating green-building designs in a manner that respects the heritage, historic features and appearance of the property. The implementation of these renovations will be governed by a building condition report and FCPA-approved workplan that will be incorporated into the terms of the Sublease.

In accordance with Board Policy and Section 15.2-1800 of the Code of Virginia, a public hearing is required prior to the leasing of any property owned or leased by the Board.

FISCAL IMPACT:

None. Any expenses associated with the Program or acting as landlord under the Sublease shall be borne by the FCPA.

ENCLOSED DOCUMENTS:

Attachment 1 – Location Map
Attachment 2 – Images of Ellmore Farmhouse
Attachment 3 – Draft Sublease Agreement

STAFF:

Joseph M. Mondoro, Chief Financial Officer
Rachel Flynn, Deputy County Executive
Sara Baldwin, Acting Executive Director, Fairfax County Park Authority
Jose A. Comayagua, Jr., Director, Facilities Management Department
Mike Lambert, Assistant Director, Facilities Management Department

ASSIGNED COUNSEL:

Richard Dzubín, Assistant County Attorney



ELLMORE FARMHOUSE



RESIDENT CURATOR DEED OF LEASE

EFFECTIVE DATE

_____, 2021

between

BOARD OF SUPERVISORS OF FAIRFAX COUNTY as LESSOR (“LESSOR”)
and

SERVICESOURCE, INC. as LESSEE (“RESIDENT CURATOR”)

on Property owned by the

FAIRFAX COUNTY PARK AUTHORITY (“PROPERTY OWNER”)

at the

**Ellmore Farmhouse
2739 West Ox Road
Herndon, Virginia 20171**

in

FRYING PAN FARM PARK

Tax Map # 25-1 ((1)) 30

RESIDENT CURATOR LEASE

THIS DEED OF LEASE (“Lease”) made this ____ day of _____, 2021 (the “Lease Effective Date”) by and between the **BOARD OF SUPERVISORS OF FAIRFAX COUNTY (“BOS”)**, 12000 Government Center Parkway, Suite 424, Fairfax, Virginia 22035, as Lessor (“Lessor”), and **SERVICESOURCE, INC.**, as Lessee (“Resident Curator”), on property owned by the **FAIRFAX COUNTY PARK AUTHORITY (“FCPA”)**, a body corporate and politic, as **Property Owner (“Property Owner”)**.

RECITALS

R-1 Property Owner is the owner of certain real estate that is identified in the Fairfax County Tax Administration records as Tax Map #25-1 ((1)) 30 (“Parcel”), which is approximately 4.5994 acres in size and considered part of FRYING PAN FARM PARK (“Park”) in the Hunter Mill Magisterial District. Lessor desires to lease to the Resident Curator, and Resident Curator desires to lease from Lessor approximately 8,760 square feet of the Parcel that includes the ELLMORE FARMHOUSE (“Ellmore Farmhouse ”), 2739 West Ox Road, Herndon 20171, in addition to five (5) parking spaces which together measure approximately 760 square feet, house area and parking area are herein collectively referred to as the **(“Leased Property”)**, as shown on **Exhibit A**. Resident Curator’s use of the Leased Property will be in accordance with Property Owner’s Frying Pan Farm Park Master Plan **(“Master Plan”)** that was approved in 2002, other approvals by the BOS for the Leased Property, and the terms of this Lease. Property Owner leased the Leased Property to Lessor pursuant to a Lease dated _____, 2021 **(“FCPA-BOS Lease”)**, a copy of which is attached hereto as **Exhibit A-1**.

R-2 The Resident Curator Program Ordinance, Chapter 125, of *The Code of the County of Fairfax Virginia*, established a Resident Curator Program **(“Resident Curator Program”)** to preserve and maintain historic properties owned or leased by Fairfax County by leasing historic properties to individuals or businesses for the purposes of maintaining and improving leased properties in accordance with the Secretary of the Interior’s Standards for Historic Rehabilitation as shown on **Exhibit B**.

R-3 The Resident Curator responded to an Invitation to Submit Application (“ISA”) for participation in the Resident Curator Program at Ellmore Farmhouse, and the Lessor and the Property Owner accepted the Resident Curator’s Response to the ISA (“**Resident Curator’s Response to ISA**”) attached as **Exhibit C** and incorporated by reference into this Lease, and appointed the Resident Curator as the Resident Curator of the Leased Property under this Lease.

R-4 Lessor desires to enter into this Lease with the Resident Curator to fulfill the requirements of the Resident Curator Program, to include rehabilitating the Ellmore Farmhouse to serve as a non-profit Long-Term and Community Integration Center (“Center”) that provides day services and programming to people with significant disabilities. Resident Curator’s performance of the requirements of the Resident Curator Program and this Lease will be subject to monitoring and review by Property Owner’s staff.

R-5 Resident Curator will perform all of the required Resident Curator duties and maintain the Leased Property in accordance with the Resident Curator’s Response to the ISA, the Resident Curator Maintenance Guidelines and Checklist (“**Maintenance Guidelines**”) attached hereto as **Exhibit D** and incorporated into this Lease, the Ellmore Farmhouse Treatment Plan (“**Treatment Plan**”) attached hereto as **Exhibit E** and incorporated into this Lease, the Approved Work Plan (“**Approved Work Plan**”) attached hereto as **Exhibit F** and incorporated into this Lease. The Resident Curator’s Response to the ISA, Maintenance Guidelines, Treatment Plan, and Approved Work Plan are collectively referred to as the Ellmore Farmhouse Curator Program (“**Curator Program**”).

R-6 This Lease shall incorporate, as applicable, Additional Non-Discretionary Improvements (“**Additional Non-Discretionary Improvements**”) pursuant to Section 8, and Additional Discretionary Improvements (“**Additional Discretionary Improvements**”) pursuant to Section 9. All documents, plans, responsibilities, and improvements for the Curator Program, Additional Non-Discretionary Improvements, and Additional Discretionary Improvements are collectively referred to as **Curator Program Duties (“Curator Program Duties”)** and must comply with the Master Plan, and applicable local, state and federal law and all zoning and regulatory approvals.

R-7 The Lessor delegated certain responsibilities to the Property Owner to effectuate efficient administration of the Resident Curator Program per a March 29, 2016 memorandum and Property Owner will monitor Resident Curator's compliance with this Lease pursuant to the Master Lease.

R-8 Lessor, the Resident Curator, and the Property Owner will collectively be referred to as the Parties ("**Parties**").

R-9 The Parties will comply with prevailing federal, state, and local guidelines for COVID-19.

NOW, THEREFORE, the parties hereto mutually agreed as follows:

1. GRANT OF LEASED PROPERTY. Lessor does hereby lease unto Resident Curator and Resident Curator does hereby lease from Lessor the Leased Property, including nonexclusive access to the Leased Property via West Ox Road as shown on **Exhibit A**. It is agreed that by occupying the Leased Property, Resident Curator acknowledges that it has had full opportunity to examine the Leased Property and is fully informed, independent of any statements by Lessor and Property Owner, as to the character, construction and structure of the Leased Property, including as set forth in Section 2 below. Subject to Section 2 below, all amenities and appliances, if any, are in "AS IS" condition and Lessor and Property Owner have absolutely no obligation whatsoever to repair such items or to replace any such amenities at the end of their useful life. By occupying the Leased Property, Resident Curator agrees that there are no requirements imposed upon Lessor or Property Owner to perform improvements or repairs to the Leased Property. Resident Curator and Lessor acknowledge that this Lease, including the agreement that Lessor and Property Owner have no requirement to perform repairs or otherwise maintain the Leased Property, is entered into in good faith and that Resident Curator's agreement to perform the maintenance and repairs required under this Lease support the purpose of the Resident Curator Program permitted under Va. Code § 15.2-2306.

2. OCCUPANCY and ACCEPTANCE OF POSSESSION. The Ellmore Farmhouse is ready for occupancy. The Property Owner obtained an assessment of the Ellmore Farmhouse electrical, mechanical, and plumbing systems ("**House Systems Assessment**"). The House Systems Assessment was completed in 2017 and a copy of the findings was provided to the

Resident Curator in the Fall of 2018. There have been no material changes to the condition of the Ellmore Farmhouse following the date of the House Systems Assessment. Acceptance of possession of the Leased Property is pursuant to Section 2.1.

2.1 SPECIAL EXCEPTION OCCUPANCY, ACCEPTANCE OF POSSESSION.

The Resident Curator's exclusive right to occupy the Leased Property will not commence until after a Special Exception, and any other approvals necessary for Resident Curator's Permitted Uses under this Lease, is approved by the BOS. The Resident Curator will apply to the Department of Planning and Development for a Special Exception within six months of the Lease Effective Date. If Resident Curator fails to apply for such Special Exception within twelve months of the Lease Effective Date, it will be considered an Event of Default under the Lease. As described in Section 5.1, the Resident Curator will have the right to exercise Early Termination of this Lease in the event that its Special Exception application is, or in Resident Curator's sole opinion will be, denied, is approved by the BOS with conditions that are not acceptable to Resident Curator, or alternatively, is not approved within one (1) year of the Lease Effective Date. Such Early Termination as permitted in Section 5.1 will not be considered an Event of Default. If the Special Exception is approved, the Resident Curator and Lessor will execute the Form of Certification of Lease Commencement Date attached as **Exhibit K** and incorporated into this Lease, within three (3) business days following the Special Exception Approval Date. From the Lease Certification Date pursuant to Exhibit K, Lessor shall deliver possession of the Leased Property to Resident Curator under this Lease on the next business day at 12:00 noon ("**Commencement Date**") and Resident Curator shall accept possession of the Leased Property in its "AS IS" condition on the Commencement Date.

3. TERM and SCHEDULED TERMINATION DATE. The term of this Lease (**the "Term"**) shall be for a period of twenty-nine (29) years, commencing on 12:00 noon on the Commencement Date and will expire on the last day of the three hundred forty eighth (348th) month following the Commencement Date ("**Scheduled Termination Date**"), which Scheduled Termination Date will be identified by the parties pursuant to **Exhibit K** unless otherwise agreed by the Parties and subject to early termination as described in this Lease. At the expiration of the tenancy hereby created, or upon any re-entry by Lessor into the Leased Property following an

Event of Default (as hereinafter defined), Resident Curator will surrender the Leased Property, all Resident Curator employees, affiliates, attendees, occupants will vacate the Ellmore Farmhouse. Resident Curator does not have any right to extend or renew this Lease except as provided for herein.

4. CURATOR SCHEDULE and MILESTONES. Resident Curator, at Resident Curator's sole expense, must timely perform and complete the Curator Program Duties in accordance with corresponding schedules and performance milestones herein referred to as ("**Curator Schedules and Milestones**"). The Curator Program Duties documents, as outlined in R-5, are set forth in detail sufficient to satisfy Lessor and Property Owner of the items, methodology and timeframes for the development, redevelopment, remediation, repair, replacement, refurbishment, renovation, rehabilitation, and maintenance of the Leased Property. This Resident Curator's agreement to perform the maintenance and repairs required under this Lease support the purpose of the Resident Curator Program permitted under Va. Code § 15.2-2306.

5. SPECIAL EXCEPTION, PERMITS and EARLY TERMINATION. Lessor and Resident Curator agree that Resident Curator has no right to terminate this Lease prior to the Scheduled Termination Date except as set forth in Section 5.1 of this Lease. Resident Curator must comply with all zoning and other ordinance requirements. In addition, it is understood and agreed by the parties that Resident Curator's ability to use the Leased Property is contingent upon its obtaining, after execution of this Lease, a Special Exception and all of the certificates, permits, licenses, and other approvals that may be required by federal, state or local authorities (collectively "**Approvals**") which will permit Resident Curator use of the Leased Property as set forth in such Approvals, which shall be obtained at Resident Curator's sole expense.

5.1 SPECIAL EXCEPTION EARLY TERMINATION. The Resident Curator shall have the right to exercise Early Termination of this Lease in the event that its Special Exception application is, or in Resident Curator's sole opinion will be, denied, is approved by the BOS with conditions that are not acceptable to Resident Curator, or, alternatively, is not approved within one (1) year of the Lease Effective Date, which right will be referred to as "**SE Early Termination**". If the Special Exception application is denied, the Resident Curator must provide written notification of its intent to exercise its SE Early Termination right (email will be accepted) ("**SE**

Early Termination Notification”) to Lessor within thirty (30) days of the date the BOS votes to deny the Special Exception application (**“Non-Approval Date”**). The SE Early Termination Notification must set forth the SE Early Termination Date. The SE Early Termination Date must be within one hundred eighty (180) days of the Non-Approval Date. A BOS vote to defer approval of the Special Exception application to a different date (**“Deferral Date”**) does not trigger the Resident Curator’s right to exercise Early Termination of this Lease if the Deferral Date is within one (1) year of the Lease Effective Date. If the Deferral Date is more than one (1) year after the Lease Effective Date, Resident Curator may exercise its SE Early Termination by providing its SE Early Termination Notification within thirty (30) days of the one-year anniversary of the Effective Date. If the BOS has not voted on the Special Exception application when the SE Early Termination is exercised, then Resident Curator must take all steps necessary to withdraw its application at its sole expense. Nothing contained in this Lease shall affect Lessor in its regulatory or legislative function and the execution of this Lease should not be construed as any indication of whether Lessor will approve any Special Exception application filed by Resident Curator.

6. **RENT, FAIR MARKET RENTAL VALUE.** Residents Curator’s consideration for the Lease is the performance of the Curator Program requirements as set forth in R-5, that the parties agree, have an estimated cost of **five hundred ninety-eight thousand, three hundred eighteen and 88/100 dollars (\$598,318.88)** and the parties agree that the adjusted **Fair Market Rental Value** for the Term is **four hundred seventy eight thousand, eight hundred thirty nine and 30/100 dollars (\$478,839.30)** as shown on **Exhibit G** which is incorporated into this Lease. **The estimated cost exceeds the Fair Market Rent Value for the full lease term.** The Fair Market Rental Value will be provided by the Resident Curator as consideration through the performance of the Curator Program requirements and not in the form of any regular rent payments to Lessor or to Property Owner. Any adjustments to the Fair Market Rental Value must be agreed to by the Parties in writing.

7. **WORK-IN-PROGRESS and APPROVED INSTALLED IMPROVEMENTS.** The Parties anticipate there will be the following three categories of improvements that the Resident Curator will make to the Leased Property pursuant to this Lease: (1) improvements required by the Curator Program (**“Curator Program Improvements”**), (2) Additional Non-Discretionary Improvements, and (3) Additional Discretionary Improvements. All plan submissions, plan

approvals, permitting, construction, inspections, and corrective action for the Curator Program Improvements, Additional Non-Discretionary Improvements, and Additional Discretionary Improvements shall be collectively referred to as (“**Work-In-Progress**”) until deemed an Approved Installed Improvement as defined in this Section.

7.1 Construction, rehabilitation or installation of improvements that result in plan closeout, permit closeout, bond release, occupancy, or similar final approval for the Curator Program Improvements, the Additional Non-Discretionary Improvements, or the Additional Discretionary Improvements shall be collectively referred to as “**Approved Installed Improvements**” and the date of final action that qualified Work-In-Progress as an Approved Installed Improvement shall be referred to as the “**Approved Improvement Date**”.

7.2 In the event of Early Termination or Event of Default, as defined in this Lease, Property Owner, in its sole discretion, may require that Work-In-Progress be cured or removed at Resident Curator’s cost especially if Work-In-Progress creates an unsafe condition.

8. ADDITIONAL NON-DISCRETIONARY IMPROVEMENTS. Resident Curator and Lessor acknowledge that there may be certain improvements that are necessary, that affect the structure of the Leased Property, that were unknown to the Parties at the execution of this Lease, that are not included in the Curator Schedules and Milestones and that are capital in nature; these improvements are defined as (“**Additional Non-Discretionary Improvements**”).

8.1 If Resident Curator determines that it is required to perform such Additional Non-Discretionary Improvements, then it must provide written notice to Lessor and Property Owner of all such Additional Non-Discretionary Improvements. If Lessor and Property Owner agree that the improvements listed on that written notice qualify as Additional Non-Discretionary Improvements, then within thirty (30) days following receipt of any such notice from Resident Curator they shall (a) notify Resident Curator in writing that they agree the improvements qualify as Additional Non-Discretionary Improvements, and (b)

advise Resident Curator whether they consent to Resident Curator performing the Additional Non-Discretionary Improvements.

8.2 The Parties may agree to add the cost of the Additional Non-Discretionary Improvements to the estimated cost of the Curator Program requirements if, before commencement of the Additional Non-Discretionary Improvements, (a) the Resident Curator gives written notice to Lessor and Property Owner of any intent to add the cost of the Additional Non-Discretionary Improvements, and (b) the Resident Curator provides a cost accounting of all labor and materials to Lessor and Property Owner. Additional Non-Discretionary Improvements covered in this Section shall be accounted for according to the template attached as **Exhibit H** and incorporated in this Lease, and if agreed to in writing by the Parties, the term of the Lease may be extended in accordance therewith.

9. ADDITIONAL DISCRETIONARY IMPROVEMENTS. (“Additional Discretionary Improvements”) are those improvements, capital or otherwise, that the Resident Curator decides to undertake for its own convenience or desire, and that are not considered a part of the Curator Program or considered Additional Non-Discretionary Improvements. Resident Curator may not perform any Additional Discretionary Improvements unless it has the written consent of Property Owner, which consent may be withheld in its absolute discretion. Resident Curator understands that it makes any such Additional Discretionary Improvements at its own risk and expense, and such Additional Discretionary Improvements become the property of Property Owner at Property Owner’s sole discretion. At the sole discretion of Property Owner and Lessor, Additional Discretionary Improvements may be required to be removed and costs for removal, including offsite disposal or any necessary restoration (per approval by the Property Owner) shall be the responsibility of the Resident Curator. Any such election by Property Owner and Lessor to require removal of Additional Discretionary Improvements shall be made by written notice delivered to Resident Curator at the time of their granting of consent to such Additional Discretionary Improvements,

10. CONDITIONS FOR WORK-IN-PROGRESS and APPROVED INSTALLED IMPROVEMENTS. The Resident Curator must fulfill the Curator Program Duties as defined in R-6 and obtain all required governmental approvals and permits for such work. As part of the

Curator Program Duties, Resident Curator must submit applicable documents to Lessor and Property Owner for review and written approval of Work-In-Progress. Preliminary testing, construction, and other related activity may not commence until Property Owner has determined that the Work-In-Progress will have “no adverse effect” on the historic integrity of the Leased Property and Property Owner has given final written approval.

10.1 APPROVAL, DISAPPROVAL. In order to obtain written approval for Work-In-Progress, Resident Curator must provide to Property Owner the following support information: (a) narrative summary of proposed improvements; (b) representative photos (digital or print) that clearly indicate the proposed project area; (c) a site map indicating the project area; and (d) any supporting material, material samples, plans, schematics and specifications that Property Owner determines is pertinent to review the project. Property Owner shall review the plans and specifications for conformity with the terms of this Lease, and Property Owner shall, within thirty (30) days after receipt thereof, either approve the submissions, or notify the Resident Curator in writing of disapproval including specifying the respects in which the submissions do not conform to the terms of this Lease. If Property Owner fails to respond within thirty (30) days, such plans and specifications for Curator Program Improvements, Additional Non-Discretionary Improvements and Additional Discretionary Improvements shall be deemed disapproved.

10.1.1 PRE-APPROVED WORK. Notwithstanding the foregoing terms of this Section 10.1, and notwithstanding Sections 7, 8 and 9 above and Sections 10.2 and 10.3 below, it is hereby agreed and acknowledged that Resident Curator has previously submitted the required support information and other related plans for certain Curator Program Improvements and Additional Discretionary Work, all as more particularly shown or described in **Exhibit L** attached hereto and made a part hereof (the “**Pre-Approved Work**”). Property Owner and Lessor have seen and agreed to the Pre-Approved Work and their approval is hereby deemed to have occurred in satisfaction of this Section 10.1 with respect thereto, and no resubmission is required under Section 10.2, and no review by the ARB (as hereinafter defined) is required in connection therewith.

10.2 RESUBMISSION. In the event of disapproval, the Resident Curator shall modify the plans and specifications to conform to the terms of this Lease in those respects specified by Property Owner as the grounds for disapproval provided the Resident Curator may elect not to pursue and therefore not to modify and resubmit the plans and specifications for Additional Non-Discretionary Improvements. If the plans and specifications were deemed disapproved due to Property Owner's failure to respond within 30 days pursuant to Section 10.1 above, Resident Curator must re-submit the plans and specifications to Property Owner. The re-submission shall be subject to review and approval by Property Owner in accordance with the procedure provided above for an original submission, until the plans and specifications have been approved by Property Owner.

10.3 ADDITIONAL REVIEW. If the Work-In-Progress requires review by the **Fairfax County Architectural Review Board ("ARB")**, or by another regulatory entity, then the Resident Curator will prepare required documents in accordance with the governing regulations and submit required documents to the ARB or other applicable regulatory entity for review with a copy to Property Owner. Resident Curator will inform Lessor and Property Owner of regulatory entity determination(s). In the event of a determination of adverse effect, Resident Curator must follow and fulfill any prescribed mitigation requirements if the Work-In-Progress proceeds as proposed. When such additional regulatory review is required, Work-In-Progress will be allowed to proceed if Property Owner consents in writing and the ARB or other regulatory entity determines that there will be no adverse effect on the Leased Property's historic or archaeological resources.

10.4 COMPLIANCE. Work-In-Progress undertaken by or for the Resident Curator at the Leased Property, and any future changes thereto, shall be in material conformity with all applicable Laws, including, without limitation, the Americans With Disabilities Act of 1990, 42 U.S.C. §§ 12101, et seq. and the Resident Curator's insurance policies.

10.5 DUE DILIGENCE, PERMITS. The Resident Curator's Work-In-Progress must comply with all applicable laws. The Resident Curator must obtain and pay for the preparation and approval of required engineering, architectural or other plans, permits,

and inspections for any renovation, replacement and/or construction work undertaken by or for the Resident Curator on the Leased Property. Any architect or engineer undertaking any of the Work-In-Progress must carry professional liability insurance naming the Resident Curator, Lessor, and Property Owner as additional insureds, and the Resident Curator must provide proof of such insurance to Lessor and Property Owner.

10.6 CONSTRUCTION. The term **Contractor (“Contractor”)** means any person or entity, including the Resident Curator, that provides labor, materials or both for the Curator Program Duties whether or not paid by the Resident Curator. Contractor must provide evidence of any required license (**“License”**), bond (**“Bond”**) and insurance (**“Contractor’s Insurance”**) for Work-In-Progress performed by Contractor in accordance with all applicable local, state and federal laws and regulations and this Lease. During Work-In-Progress, Resident Curator must maintain or require its Contractor(s) to maintain worker’s compensation insurance in the amounts required by applicable law and the requirements of Section 19 (or reasonably comparable insurance if such insurance is no longer available); builder’s risk insurance (or such reasonably comparable insurance) on an “all risk” basis (including collapse) insuring against casualty to such construction for full replacement value of the work performed and the equipment, supplies and materials furnished and stored, unless such insurance coverage is provided under policies carried by Resident Curator; automobile liability in the minimum amounts required by law; and public liability insurance within limits in an amount reasonably satisfactory to Lessor and Property Owner.

10.7 GENERAL PROVISIONS. Contractor may not commence Work-In-Progress until all required permits, certificates, or other approvals have been issued and are in effect. Once commenced, the Work-In-Progress must be prosecuted continuously and with diligence in accordance with the Curator Schedules and Milestones. Work-In-Progress must be of high quality and performed in a workmanlike manner, free from faults and defects. Resident Curator must dispose of all waste and debris that result from the demolition of existing structures or other Work-In-Progress performed on the Leased Property, and such disposal must be performed in accordance with applicable laws and regulations.

10.8 PAYMENT FOR WORK-IN-PROGRESS. Resident Curator must pay the entire cost of all Work-In-Progress in cash or its equivalent, promptly, within the time periods specified in its Contractor contract(s) or other business contract, unless the Parties agree in writing to a different payment arrangement.

10.9 CURATOR EXPENSE REPORTING. The Resident Curator must submit an Hours & Expense Tracking Form using the template found in **Exhibit I** or a similar agreed upon template incorporating the same information found in **Exhibit I (“Tracking Form”)**. Tracking Form must be submitted quarterly to record work hours and material, rental, and contractor expenses. This quarterly reporting is based on Resident Curator’s proposed timeline that was presented in the Public Hearing presentation on July 31, 2019.

10.9.1. MATERIALS. Material expenses which are credited towards the curator's total investment and must be recorded in the Tracking Form include durable materials which do not exceed a cost of twenty-five dollars and no/100 (\$25.00) and consumable materials. Durable (non-expendable) products are supplies and materials that are not consumed in one use, retaining their original identity during a period of use (unique tools and equipment). Consumable (expendable) products are materials and supplies which are consumed in one use (i.e. paint, nails, caulk, lumber). For each reported expense, a corresponding receipt or invoice must be submitted.

10.9.2. WORK TASK. Each work task in the Approved Work Plan has a unique Computerized Maintenance Management System ID (“ID”) that is shown on **Exhibit F**. To track the expense of each task, the Resident Curator will assign each reported expense (material, rental, contractor, work hours) to the appropriate ID in Tracking Form.

10.9.3. ADMINISTRATION. The hours spent on administrative bookkeeping or receipt paperwork do not count towards the cost of the rehabilitation investment and cannot be reported on the Tracking Form.

10.9.4. TRACKING FORM. The (“Tracking Form”) is due quarterly, on the 7th of the month following the third month, or the first business day after the 7th if the 7th is a weekend or holiday. Expenses claimed more than one hundred (100) days after the project in question is completed or without receipt (except labor) may not be honored. A new Tracking Form shall be used for each quarterly submittal. The completed Tracking Form with receipts shall be emailed to the Property Owner Contact.

10.10 INSPECTION OF WORK-IN-PROGRESS. Lessor and Property Owner will enter upon the Leased Property from time to time upon reasonable notice to Resident Curator and without material interruption to the Work-In-Progress or Resident Curator’s other operations or activities on the Leased Property, for the purpose of reviewing the Work-In-Progress being performed by or on behalf of Resident Curator, and such entry shall not be construed to be a violation of Resident Curator’s right to the Leased Property. Resident Curator shall have the right to accompany Lessor and Property Owner during any such access. Lessor and Property Owner shall cause their agents and contractors to comply with Resident Curator’s commercially reasonable safety and security requirements during the course of any such access (including, without limitation, social distancing, masking and other COVID-related protocols).

10.11 TIME FOR COMPLETION OF WORK-IN-PROGRESS. Notwithstanding any provision of this Lease, including any applicable cure period for a default or Force Majeure, the Work-In-Progress must be completed in accordance with the Curator Schedules and Milestones.

10.12 APPROVED INSTALLED IMPROVEMENTS. The Work-In-Progress will be considered an Approved Installed Improvement for the purposes of this Lease only when Resident Curator can demonstrate completion of plumbing, electrical, mechanical, structural, site, or other elements, proper offsite removal and disposal of construction debris, proof that all governmental inspections have been completed, and proof of issuance of required permits, approvals, and the like, necessary for the lawful use and occupancy of

such portion of the Leased Property impacted by the Work-In-Progress or any portion thereof, including any temporary or permanent certificates of occupancy, copies of which shall be delivered by Resident Curator to Property Owner. At Resident Curator's request, Property Owner and Lessor shall certify in writing as to their receipt of the evidence required by this Section, and their acceptance of any applicable Work-In-Progress as an Approved Installed Improvement, which certification shall be delivered within thirty (30) days following written request from Resident Curator and the receipt of the evidence and other documentation described above in this Section.

10.13 WARRANTY. All Contractors must provide a warranty ("**Warranty**") for labor for at least one (1) year after Approved Improvement Date. Warranties for materials shall be in accordance with the manufacturer's warranty. Resident Curator must place user manuals and warranty documents for materials, equipment, appliances, and the like in a three (3) ring binder and store the binder in a safe place with easy access should Lessor or Property Owner request a review of the documents, which request must be granted by Resident Curator. The Binder will become the property of Property Owner upon any Early Termination or Scheduled Termination of this Lease.

10.14 RECORD SET OF DRAWINGS. Resident Curator must furnish Lessor and Property Owner with a complete record set of any final plans and specifications for Approved Installed Improvements constructed by or for Resident Curator as part of the Curator Program Duties, together with copies of all final permits and approvals issued by plumbing, gas, electrical, building, health department, or other inspectors.

10.15 MECHANICS' LIENS. No mechanics, materialmen or similar lien shall attach against Lessor or Property Owner's interest in or to the Leased Property for any Work-In-Progress or Approved Installed Improvements performed by or for Resident Curator. If, as part of the Curator Program Duties, any lien relating to the Work-In-Progress or Approved Installed Improvements is filed against Lessor, Property Owner or Resident Curator's interest in the Leased Property, and such lien is not removed within sixty (60) days after the date for payment under the contract for such Curator Program Duties, then

Resident Curator must discharge the same by payment or by filing any necessary bond within fifteen (15) days after the expiration of such sixty (60) day period.

10.16 CONTROL OF WORK-IN-PROGRESS and OWNERSHIP OF APPROVED INSTALLED IMPROVEMENTS. Property Owner will continue to have title to the Leased Property and Resident Curator, subject to the terms of this Lease, will have control of the Work-In-Progress within the Leased Property. Upon the expiration or termination of this Lease, all Approved Installed Improvements will become the property of Property Owner with no compensation to Resident Curator for any Approved Installed Improvements which may have been paid for by or on behalf of Resident Curator.

11. UTILITIES and SERVICE. Resident Curator is responsible for securing accounts with local utility companies in order to activate service of all separately metered utilities serving the Leased Property as of the Commencement Date, and is responsible for payment of all utility usage at the Leased Property commencing on the Commencement Date. Utilities and services used at the Leased Property must be consistent with this Lease. Unless otherwise noted in this Lease, Resident Curator is responsible for costs associated with extending utilities or other services within the Leased Property for utilities or services that support the Curator Program Duties.

12. USE OF LEASED PROPERTY. This Section sets forth the only permitted uses of the Leased Property (“Permitted Uses”). The Leased Property may not be used for any use other than the Permitted Uses without the prior written permission of Property Owner.

12.1 RESIDENT CURATOR PROGRAM. Resident Curator will use the Leased Property to perform and fulfill the Curator Program Duties.

12.2 USE OF ELLMORE FARMHOUSE FOR BUSINESS PURPOSES. Resident Curator may use the Leased Property for its not for profit business as set forth in more detail in Sections 12.2.1, 12.2.2 and 12.2.3 below and in accordance with the terms of this Lease and subject to applicable Fairfax County zoning regulations and the terms of any Special Exception or other Approvals granted by the applicable authorities. Resident Curator shall carry applicable insurance pursuant to Section 19.

12.2.1 The Ellmore Farmhouse will serve as a location for ServiceSource's Long-Term and Community Integration Services program. The facility will be licensed by the Virginia Department of Behavior Health and Developmental Services and by any department or agency as required by local, state, or federal regulation or law.

12.2.2 Resident Curator, pursuant to Section 12 of this Lease, may operate a small cafe that sells pre-packaged beverages, light bite foods, and treats to Park patrons.

12.2.3. Resident Curator, pursuant to Section 12 of this Lease, may sell handcrafted items made by its clients through its Self-Employment Program.

13. SIGNS AND MARKETING. Lessor and Property Owner will have the right to install one or more signs or kiosks (“**Signs**”) on the Leased Property on the exterior and in the interior of the buildings provided that such Signs do not unreasonably interfere with Resident Curator’s use of the Leased Property. Resident Curator will have the right to install interior and exterior signs on the Leased Property that comply with applicable provisions of County Code and ordinances including the Zoning Ordinance, with the approval of Property Owner, such approval not to be unreasonably withheld, conditioned or delayed. Resident Curator shall further have the right to install signs for exclusive use of the five (5) parking spaces. Size and placement of signs must be reviewed and approved by FCPA staff and Park staff, which approval shall not be unreasonably withheld, conditioned or delayed.

13.1 Property Owner shall have the right to install a plaque or other designating signage on the Leased Property in order to indicate the name of Ellmore Farmhouse and its inclusion in the Resident Curator Program. No signage, whether exterior or interior, that is visible from the exterior shall include any commercial advertising beyond the identification of Resident Curator and the Leased Property. Resident Curator agrees that Lessor’s or Property Owner’s name and logo shall be included in major signage such as entrance signage.

13.2 The location and method of installation for any sign permitted in this Lease will be determined in consultation with Resident Curator. If Resident Curator proposes any

directional signs for the Leased Property located outside the Leased Property, Property Owner retains the right to review and approve any such signs in its reasonable discretion. Resident Curator must comply with all applicable laws that impact the location, size, and installation of signs.

14. PARK USE and CONTACTS. Resident Curator acknowledges that the Leased Property is located in a public park and, therefore, (a) is subject to inconveniences due to the public nature of the grounds surrounding the Leased Property, and (b) is subject to Fairfax County Park Authority Regulations (“**Park Authority Regulations**”) attached hereto as **Exhibit J** and incorporated into this Lease. Resident Curator shall provide a two (2) week advanced written notification (email notification is acceptable) to Property Owner Contact and the Park Contact for any activities that could potentially impact or interfere with Park operations or management. Resident Curator shall adjust Work-In-Progress or other activities that could potentially impact or interfere with Park operations or management if required by Property Owner.

14.1 RESIDENT CURATOR CONTACT:

ServiceSource, Inc.
10467 White Granite Drive
Oakton, Virginia 22124
703-461-1197

14.2 PROPERTY OWNER CONTACT:

David Buchta, Heritage Conservation Branch Manager, Resource Management Division
David.Buchta@fairfaxcounty.gov, (703) 324-8586

14.3 PARK CONTACTS:

Wayne Brissy, Area 6 Manager, Park Operations Division
Wayne.Brissy@fairfaxcounty.gov, (703) 765-4851

Nicole Mitchell, Frying Pan Park Manager, Frying Pan Farm Park
Nichole.mitchell@fairfaxcounty.gov, 703-223-3093

Teresa Reynolds, Historian, Frying Pan Farm Park
Teresa.reynolds@fairfaxcounty.gov, 703-437-9101

14.4 LESSOR CONTACT:

Mike Lambert, Assistant Director, Facilities Management
Michael.Lambert@fairfaxcounty.gov, (703) 324-2825

The contacts listed in this Section may be changed by any party through the Notice process set forth in in this lease.

15. PUBLIC ACCESS. Resident Curator shall allow public access to the Leased Property consistent with the historic property's nature and use as agreed upon by the Parties in writing (email confirmation is acceptable) pursuant to the Resident Curator Program, provided such access is consistent with Resident Curator's reasonable expectations of privacy and control of the Ellmore Farmhouse as a Center and does not impact or interfere with Resident Curator's Permitted Uses of the Leased Property, and further provided that such access shall be subject to Resident Curator's additional, commercially reasonable safety and security requirements (including, without limitation, social distancing, masking and other COVID-related protocols). Resident Curator will offer one open house opportunity annually or other public benefit in agreement with the Property Owner. **Holding a physical open house for the public will be subject to prevailing social distancing practices.** A failure to allow the public access required in this Section for two consecutive years will be considered an Event of Default.

16. MEETINGS. The Parties shall meet quarterly or more frequently at the request of any party, at a location determined by the Property Owner, starting on the Commencement Date of this Lease. The Property Owner's representative is David Buchta or his designee or successor. Meetings shall be set up with Contacts identified in Section 14 of this Lease.

17. ANNUAL REPORT. Within ninety (90) days after the end of the first year of the Term, and after the end of every year of the term thereafter, Resident Curator shall submit to Property Owner a written Annual Report ("**Annual Report**") that summarizes the progress and status of the Resident Curator Program at the Leased Property for the then-ended term year. The Annual Report shall demonstrate to Lessor's and Property Owner's reasonable satisfaction that Resident Curator is rehabilitating and maintaining the Leased Property in compliance with the Resident Curator Program and this Lease. The Annual Report shall also note the nature and dates for any public and community activities at the Leased Property, and the number of visitors participating in each event. Each Annual Report must contain a financial statement accounting for all Approved Installed Improvements completed to date as well as the value of any Work-In-Progress. Resident Curator will certify each Annual Report as being accurate, true, and complete, to the best of

Resident Curator's knowledge, belief, and ability to ascertain. Resident Curator's failure to file the Annual Report within the time limits prescribed hereunder, and failure to thereafter submit the same within any applicable notice or cure period described herein, shall be considered an Event of Default.

18. AUDIT. All reports, financial statements, analyses, and other documentation provided by Resident Curator shall be subject to verification and audit by Lessor, Property Owner, or their agents. Resident Curator must provide additional documents upon request if required as part of an audit. Any such audit requested by Lessor or Property Owner shall be conducted at their sole cost and expense. All audits shall take place during normal business hours at the offices of Resident Curator, and shall be conducted upon not less than thirty (30) days' notice to Resident Curator. All audits shall be limited to the Lease Year in which the audit occurs, and the two (2) Lease years immediately prior thereto.

19. LEASE AND CONTRACT INSURANCE PROVISIONS.

19.1 The Resident Curator shall be responsible for the Curator Program Duties and its work and every part thereof, and for all materials, tools, equipment, appliances, and property of any and all description used in connection therewith. The Resident Curator assumes all risk of direct and indirect damage or injury to the property or persons used or employed on or in connection with the work to be performed under this Lease, and of all damage or injury to any person or property wherever located, resulting from any action, omission, commission or operation under the Lease.

19.2 The Resident Curator shall, during the continuance of all work under the Lease, provide the following:

- a. Maintain statutory Workers' Compensation and Employer's Liability insurance in limits of not less than \$1,000,000 to protect the Resident Curator from any liability or damages for any injuries (including death and disability) to any and all of its employees, including any and all liability or damage which may arise by virtue of any statute or law in force within the Commonwealth of Virginia.

If the Resident Curator is exempt from this requirement based on Virginia Law they should send confirmation of this waiver.

- b. Commercial General Liability insurance in the amount of \$1,000,000 per occurrence/aggregate, to protect the Resident Curator, and the interest of the Lessor and Property Owner their officers and employees against any and all injuries to third parties, including bodily injury and personal injury, wherever located, resulting from any action or operation under the Lease or in connection with the work to be performed under the Lease or as a result of the condition of the Leased Premises.
- c. Owned, non-owned, and hired Automobile Liability insurance, in the amount of \$1,000,000 per occurrence/aggregate, including property damage, covering all owned, non-owned, borrowed, leased, or rented vehicles operated by the Resident Curator. In addition, all mobile equipment used by the Resident Curator in connection with the work to be performed under the Lease, will be insured under either a standard Automobile Liability policy, or a Commercial General Liability policy. The Garage Keeper's Liability coverage shall also be maintained where appropriate.
- d. If the Resident Curator is an organization, Directors & Officers Insurance in the amount of \$1,000,000 per occurrence/aggregate.

19.3 After a period of five (5) years from Lease Effective Date, the Lessor may reasonably require higher limits of insurance or additional insurance coverage against other hazards for which insurance is reasonably obtainable and which, at the time, are commonly insured against in the case of similar properties conducting similar activities within the geographic area of the Leased Property, whether or not such additional insurance requirements are otherwise described or contemplated herein.

19.4 Any deductibles and/or self-insured retentions greater than \$10,000 must be disclosed to and approved by the Lessor's Risk Manager prior to the commencement of services. Use of large deductibles and/or self-insured retentions will require proof of financial ability as determined by the Lessor.

19.5 Liability insurance may be arranged by General Liability and Automobile Liability policies for the full limits required, or by a combination of underlying Liability policies for lesser limits with the remaining limits provided by an Excess or Umbrella Liability policy.

19.6 The Resident Curator agrees to provide insurance issued by companies admitted within the Commonwealth of Virginia, with the Best's Key Rating of at least A:VII.

19.7 European markets including those based in London, and the domestic surplus lines markets that operate on a non-admitted basis are exempt from this requirement provided that the Resident Curator's broker can provide financial data to establish that a market is equal to or exceeds the financial strengths associated with the A.M. Best's rating of A: VII or better.

19.8 Hold-harmless and Indemnification: The Resident Curator hereby agrees to indemnify and hold harmless, the Lessor, Property Owner, Fairfax County, Virginia, their officers, agents and all employees and volunteers, from any and all claims for bodily injury, and personal injury and/or property damage, including cost of investigation, all expenses of litigation, including reasonable attorney fees, and the cost of appeals arising out of any claims or suits which result from the condition of the Leased Property, errors, omissions, or negligent acts of the Resident Curator, its contractors and each of their agents and employees.

19.9 The Resident Curator will provide an original, signed Certificate of Insurance citing the contract number and such endorsements as prescribed herein.

19.10 The Resident Curator will secure and maintain all insurance certificates of its contractors and their subcontractors, which shall be made available to the Lessor on demand.

19.11 The Resident Curator will provide on demand certified copies of all insurance

policies related to the Lease within ten business days of demand by the Lessor. These certified copies will be sent to the Lessor from the Resident Curator's insurance agent or representative to dofcoi@fairfaxcounty.gov and to David.buchta@fairfaxcounty.gov.

19.12 No change, cancellation, or non-renewal shall be made in any insurance coverage without a thirty (30) day written notice to the Lessor. The Resident Curator shall furnish a new certificate prior to any change or cancellation date. The failure of the Resident Curator to deliver a new and valid certificate will be considered an Event of Default pursuant to Section 23.

19.13 Compliance by the Resident Curator and all of its contractors and subcontractors with the foregoing requirements as to carrying insurance shall not relieve the Resident Curator of its liabilities under the provisions of this Lease.

19.14 Contractual and other liability insurance provided under this Lease shall not contain a supervision, inspection or engineering services exclusion that would preclude the Lessor from supervising and/or inspecting the project as to the end result. The Resident Curator shall assume all on-the-job responsibilities as to the control of persons directly employed by them and of their contractors.

19.15 The Resident Curator shall be as fully responsible to the Lessor and Property Owner for the acts and omissions of its contractors and subcontractors and of persons employed by them as it is for acts and omissions of person directly employed by them.

19.16 Precaution shall be exercised at all times for the protection of persons (including employees) and property.

19.17 The Resident Curator and all of its contractors and subcontractors are to comply with the Occupational Safety and Health Act of 1970, Public Law 91-596, as it may apply to this Lease.

19.18 Lessor, Property Owner and each of their officers and employees shall be named as an "additional insured" in the Automobile and General Liability policies and it shall be stated on the Insurance Certificate that this coverage "is primary to all other coverage the Lessor may possess."

20. NO HAZARDOUS CONDITIONS. Resident Curator shall not permit any hazardous materials, explosives, combustible, corrosive or erosive materials, as defined by the Fire Marshal, on the Leased Property or perform any action, or fail to perform any action, which would increase the cost of fire or other hazard insurance on the Leased Property.

21. PARTICIPATION IN ILLEGAL ACTIVITIES. If the Lessor or Property Owner determines that the Resident Curator has participated in or in any manner permitted any criminal activities on the Leased Property, Lessor or Property Owner reserves the right immediately to declare an Event of Default and Lessor shall thereafter have the immediate right to terminate this Lease.

22. EXPIRATION OR TERMINATION OF LEASE. Upon the expiration or other termination of this Lease, Resident Curator shall quit and surrender to Property Owner the Leased Property with all Approved Installed Improvements, broom-cleaned and in such order and condition as Resident Curator is required to maintain the same hereunder, reasonable wear and tear and events of condemnation and casualty excluded, and must vacate the Leased Property. Resident Curator must remove all movable personal property therefrom to the extent that such personal property does not constitute a fixture to the Leased Property, failing which, such moveable personal property will be deemed to have been abandoned.

23. DEFAULT AND LESSOR'S RIGHT TO REPOSSESS.

23.1 EVENT OF DEFAULT. An Event of Default ("**Event of Default**") will exist if any of the following situations occur:

23.1.1 FAILURE TO COMPLETE WORK. If Resident Curator does not achieve benchmarks in accordance with the Curator Schedules and Milestones and has not commenced the required Work-In-Progress within thirty (30) days' notice

of a failure to achieve a benchmark and/or does not thereafter diligently pursue such Work-In-Progress to completion.

23.1.2 BANKRUPTCY. If the Resident Curator files any petition or answer seeking any reorganization, arrangement, liquidation, dissolution, or similar relief for Resident Curator under the United States Bankruptcy Code, as then in effect, or any other present or future federal, state, or other statute, law, or regulation, or if Resident Curator seeks, consent to or acquiesce in the appointment of any trustee, receiver, or liquidator of Resident Curator or of all or any substantial part of Resident Curator's properties, or makes any general assignment for the benefit of creditors.

23.1.3 CHANGE OF RESIDENT CURATOR STATUS. If the Resident Curator no longer maintains Ellmore Farmhouse as the Center.

23.1.4 FAILURE TO PERFORM LEASE REQUIREMENTS. In addition to the Events of Default defined above, and except as provided herein, if any party fails to perform or observe any covenants, terms or conditions in this Lease after thirty (30) days written notice thereof from the non-defaulting party, then such a failure to perform or observe shall also be considered an Event of Default; provided that if compliance requires more than thirty (30) days to perform, such additional time for performance shall be allowed as long as the defaulting party diligently pursues the performance to completion.

At the expiration or earlier termination (in accordance with Section 23.2 below) of the tenancy hereby created pursuant to an Event of Default, Resident Curator shall surrender the Leased Property and will vacate the Ellmore Farmhouse within thirty (30) days of such expiration of the tenancy.

23.2 REMEDY OF DEFAULT. In addition to its remedies under this Lease, a non-defaulting party shall have all available rights and remedies at law and in equity. The failure of one party to the action in case of a breach of the Lease, or the failure of a party to enforce its rights hereunder shall not be deemed a waiver of any breach of this Lease.

In the absence of written notice or consent, any such breach shall be a continuing one. This Section however shall not be construed as a waiver of any defenses that one party may assert against the other under the Lease. The non-defaulting party has the right to terminate this Lease in the Event of Default by providing written notice to the defaulting party that the Lease will be terminated (**“Notice of Termination”**). The Notice of Termination must set forth the date on which the Lease will terminate (**“Default Termination Date”**), which date must be at least thirty (30) calendar days after the date the Notice of Termination is served on the defaulting party. If Lessor serves Resident Curator with a Notice of Termination, then after the Default Termination Date and notwithstanding any former breach of covenant or waiver of the benefit hereof or consent in a former instance, Lessor lawfully may, in addition to any and all rights and remedies otherwise available to Lessor at law, enter into and upon the Leased Property and repossess the same and expel Resident Curator and those claiming through or under Resident Curator or otherwise in occupancy and remove their effects (forcibly if necessary) without being deemed guilty of any manner of trespass, and without prejudice to any rights or remedies to which Lessor might otherwise be entitled, for arrears of rent or preceding breach of covenant.

23.3 LESSOR’S RIGHTS. Resident Curator covenants and agrees that despite any entry or re-entry by Lessor whether by summary proceedings, termination or otherwise, that Resident Curator is, and will remain, liable for any obligations of Resident Curator under the Lease. Resident Curator has not achieved completion of Curator Program Duties at the date of re-entry by Lessor or termination of the Lease, then Lessor and Property Owner each have the right to finish the Work-In-Progress at Resident Curator’s expense. Lessor and Property Owner will have no obligation to mitigate damages upon the occurrence of an Event of Default. Resident Curator acknowledge that the Leased Property belongs to Property Owner.

24. NOTICES. Whenever it is provided herein that notice, demand, request or other communication shall or may be given to, or served upon, either of the parties by the other, and/or whenever either of the parties shall desire to give or serve upon the other any notice, demand, request or other communication with respect hereto or with respect to the Leased Property, each such notice, demand, request or other communication shall be in writing and, any law or statute to

the contrary notwithstanding, shall not be effective for any purpose unless the same shall be given or served as follows:

24.1 IF TO LESSOR:

Director, Facilities Management Department
12000 Government Center Parkway, Suite 424
Fairfax, Virginia 22035

24.2 IF TO PROPERTY OWNER:

Director, Fairfax County Park Authority
12055 Government Center Parkway, Suite 927
Fairfax, Virginia 22035

24.3 IF TO RESIDENT CURATOR:

ServiceSource, Inc. Resident Curator

Prior to Ellmore Farmhouse Occupancy
10467 White Granite Drive
Oakton, Virginia 22124

After Ellmore Farmhouse Occupancy
2739 West Ox Road
Herndon, Virginia 20171

24.4 Every such notice, demand, request or other communication hereunder shall be deemed to have been given or served for all purposes hereunder on the date on which it is received or referred by the party to whom it was sent.

25. DAMAGE BY CASUALTY. Resident Curator must give prompt notice to Lessor of any damage or loss by fire or other casualty to the Leased Property. If the Leased Property shall be partially or completely damaged by fire or other cause and the damage renders the Leased Property or the approaches thereto unfit for use and occupancy, or if repairs to fix the damage are not financially feasible, each of which as determined by Lessor or Resident Curator in its sole respective discretion, Lessor or Resident Curator shall have the right to terminate this Lease. Lessor and Property Owner are not responsible for Resident Curator's personal goods lost or damaged during any fire or fire suppression activity, and Lessor and Property Owner shall have

no obligation to replace such items or compensate Resident Curator in any way for such loss or damage. Resident Curator may obtain insurance for any real or personal property not owned by Lessor and Property Owner but is under no obligation to obtain such coverage.

26. WAIVERS. No waiver or oversight of any breach of covenant, condition, or agreement herein contained, or compromise of settlement relating to such a breach, shall operate as a waiver of the covenant, condition, or agreement itself, or of any subsequent breach thereof. Each property insurance policy obtained in connection with this Lease shall include a waiver by the insurer of all rights of subrogation against whichever party, if any, is not an insured under such policy. Resident Curator acknowledges that Lessor and Property Owner are not required to procure or maintain insurance of any kind on or with respect to the Leased Property under this Lease

27. ASSIGNMENT AND SUBLEASE. Except as provided in this section, Resident Curator may not assign, transfer, convey, encumber, sublease, or dispose of its right or interest in the whole or any part of the Leased Property, all and each of which shall be considered an impermissible transfer of Resident Curator's interest in the Leased Property.

28. INTERPRETATION. All nouns used herein shall be interpreted and construed to include the singular, plural, masculine, feminine, or neuter forms in any place or places in which the context may require to indicate such interpretation and construction.

29. ENTIRE AGREEMENT. This Lease constitutes the entire agreement between Lessor, Property Owner and Resident Curator with respect to the Leased Property. This Lease shall not be changed or modified in any manner except by an instrument in writing executed by the Parties hereto.

30. KEYS AND SECURITY; ACCESS. Property Owner shall furnish Resident Curator with two (2) sets of keys to the Ellmore Farmhouse and two (2) sets of keys to any gates or fences or other similar restrictions on entrance to the Park or the Parcel. Property Owner and Lessor shall further provide Resident Curator with a current schedule of Park hours (including hours of any gate or fence closures), and shall update the same from time to time upon request. It is understood and agreed that Resident Curator shall have access to the Leased Property at any and all times reasonably required in connection with its performance of its obligations and exercise of its rights

hereunder, and Property Owner and Lessor shall reasonably cooperate to grant such access upon request. Property Owner shall have the right to retain sets of keys as Property Owner deems appropriate for maintenance and emergency purposes as provided herein.

31. **ANIMALS.** Typical pets are not permitted under this Lease, with the exception of service animals as defined in the Americans with Disabilities Act, 42 U.S.C. § 12101, *et. seq.* Resident Curator must provide written notice (email is acceptable) to Property Owner regarding any service animals that it knows will be inside the Ellmore Farmhouse for an extended period of time.

32. **GROUND DISTURBANCE.** Except for the performance of any routine landscaping maintenance or other similar work, or as may otherwise be required for the performance of its express obligations hereunder, or in the event of an emergency, Resident Curator may not dig on the Leased Property unless it has the written consent of the Property Owner, which consent may be withheld in its reasonable discretion.

33. **SMOKING.** Smoking is prohibited inside the Ellmore Farmhouse and on the Leased Property.

34. **SAFETY, SECURITY.** Resident Curator is responsible for ensuring adequate law enforcement at the Leased Property when breach of the peace can be reasonably anticipated, or when required by the Park Authority Regulations. When applicable, Resident Curator shall develop and maintain safety and security plans for its own activities subject to Lessor's and Property Owner's prior written approval.

35. **NONDISCRIMINATION.** Resident Curator agrees that Resident Curator will not, because of race, color, national origin, ancestry, age, sex, religion, physical or mental handicap or sexual orientation, discriminate against any qualified employee, applicant for employment, contractor, subcontractor, or person or firm seeking to provide goods or services to Resident Curators, or deny any person access to the Leased Property or to any activities or programs carried out upon the Leased Property. Resident Curator must comply with all applicable laws prohibiting discrimination in employment or public accommodation.

36. REAL ESTATE TAXES. (“Real Estate Taxes”) means real estate taxes levied, assessed, or imposed against the Leased Property or the leasehold interest created pursuant to this Lease. Resident Curator acknowledges the leasehold created pursuant to this Lease will be assessed for Real Estate Taxes and that Resident Curator will pay timely all Real Estate Taxes imposed during the term of this Lease; provided, Resident Curator reserves the right (i) to apply for and participate in any County program that provides reductions in real estate taxes, and (ii) to appeal any real estate assessment of the leasehold interest as permitted by and in accordance with applicable law.

37. LIABILITY. No official, employee or consultant of Lessor or Property Owner will be personally liable to Resident Curator or to any successor in interest or person claiming through or under Resident Curator in the Event of Default or breach of this Lease by Resident Curator or for any amount which may become due or on any claim, cause or obligation whatsoever under the terms of this Lease.

38. ESTOPPEL. Lessor, Property Owner and Resident Curator agree, at any time and from time to time, upon not less than fifteen (15) days prior written request by the other, to execute, acknowledge and deliver to the other either a statement in writing certifying that this Lease is unmodified and in full force and effect or if there have been modifications, that the Lease is in full force and effect as modified, and stating the modifications, and that either under the Lease there is no default and no event has occurred which, with the passage of time or the giving of notice or both, would constitute a default, or that a default exists under this Lease and specifying the nature and status thereof, and the dates to which the rent and other charges have been paid in advance.

39. AMENDMENTS. This Lease may be modified or altered only by agreement in writing by Amendment (“Amendment”) between Lessor and Resident Curator after review and consent by Property Owner.

40. GOVERNING LAW. Lessor and Resident Curator agree to be bound by the Laws of the Commonwealth of Virginia in any proceeding, whether in law or in equity, with respect to any dispute arising under this Lease. The only proper jurisdiction and venue for any lawsuit arising out of or relating to this Lease shall be the Circuit Court of Fairfax County or the United States District Court for the Eastern District of Virginia.

41. FORCE MAJEURE. In any case where Resident Curator is required to do any act other than the payment of money, delays caused by or resulting from Acts of God, war, civil commotion, fire, flood or other casualty, strikes, unavailability of materials or equipment, unusually severe weather, epidemic, pandemic, government orders or actions (including, without limitation, lockdowns, quarantines, shelter-in-place orders, or other similar restrictions), or other causes beyond the reasonable control of Resident Curator, herein collectively referred to as Force Majeure ("**Force Majeure**"), such Force Majeure event shall not be counted in determining the time when the performance of such act must be completed. The period of time for completion shall be extended by the same number of days as lost due to the Force Majeure event. If Resident Curator claims any delay was caused by Force Majeure, it must provide written notification to Property Owner within seven (7) days of the first day of delay caused by Force Majeure. This written notification ("**Force Majeure Notification**") must set forth the basis for the claim of Force Majeure, the delay that was caused and the length of the delay.

42. LESSOR'S FINANCIAL OBLIGATIONS. To the extent there are any financial obligations of Lessor under this Lease, such financial obligations are subject to appropriations by the BOS to satisfy payment of such obligations.

42. AGREEMENT AND COVENANT. Every term, condition, agreement or provision contained in this Lease that imposes any obligation on Resident Curator or Lessor shall be deemed to be also a covenant by Resident Curator or Lessor.

43. NO PARTNERSHIP. Nothing contained in this Lease shall be deemed or construed to create a partnership or joint venture of or between Lessor and Resident Curator, or to create any other relationship between the parties hereto other than that of Lessor and Resident Curator.

44. RECITALS. Recitals R-1 through R-9, above, are incorporated into this Lease and are binding on Lessor, Property Owner and Resident Curator.

45. SIGNATURES. This Lease may be executed in any number of counterparts and by the Parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

46. JOINDER AND CONSENT OF PROPERTY OWNER; NON-DISTURBANCE.

46.1 Property Owner expressly acknowledges and agrees that it has consented to the terms of this Lease in satisfaction of the terms of the FCPA-BOS Lease, and that this Lease is permitted thereunder.

46.2 For so long as no Event of Default of Resident Curator has occurred and is continuing under this Lease beyond any applicable notice or cure period set forth herein, Property Owner shall not, in the exercise of any right, remedy or privilege granted by the FCPA-BOS Lease, or otherwise available to Property Owner at law or in equity, or on account of any termination of the FCPA-BOS Lease for any reason whatsoever, disturb Resident Curator's possession under this Lease, and this Lease will not be affected or cut off thereby; nor shall any transfer of title or sale of the Leased Property or any other portion of the Park by Property Owner disturb Resident Curator's possession under this Lease, and this Lease will not be affected or cut off thereby. Property Owner shall not be prevented by this Section from taking any action against Lessor relating to the FCPA-BOS Lease provided such action does not infringe upon Resident Curator's rights granted herein.

46.3 Property Owner joins in the execution and delivery of this Lease for the purpose of acknowledging the terms of this Lease and agreeing to the terms and conditions set forth in this Section 46, together with its other express covenants and obligations set forth herein (including, without limitation, in Sections 10.1, 10.12, 25, 30 and 38).

[SIGNATURES ON FOLLOWING PAGES]

Witness the following signatures and seals:

LESSOR:

**BOARD OF SUPERVISORS OF
FAIRFAX COUNTY**

By: _____
Joseph M. Mondoro
Chief Financial Officer
Fairfax County

Commonwealth of Virginia :

County of Fairfax :

The foregoing Lease was acknowledged before me this ____ day of _____, 2021
by Joseph M. Mondoro, in his capacity as the Chief Financial Officer of the Board of
Supervisors of Fairfax County, the Lessor hereunder.

Notary Public

My Commission expires: _____

Registration Number: _____

Witness the following signatures and seals:

PROPERTY OWNER:

FAIRFAX COUNTY PARK AUTHORITY

By: _____

Commonwealth of Virginia :

County of Fairfax :

The foregoing Lease was acknowledged before me this ____ day of _____, 2021
by _____, in his/her capacity as the _____ of the Fairfax County
Park Authority, the Property Owner hereunder.

Notary Public My Commission expires: _____

Registration Number: _____

Witness the following signatures and seals:

RESIDENT CURATOR:

Authorized Signatory for ServiceSource, Inc.

By: _____
Kenneth Crum
Executive Vice President,
Regional Operations

Commonwealth of Virginia :
County of Fairfax :

The foregoing Lease was acknowledged before me this _____ day of _____, 2021 by
Kenneth Crum, in his capacity Vice President, Regional Operations of ServiceSource, Inc.. the
Resident Curator hereunder.

Notary Public

My Commission expires: _____

Registration Number: _____

Board Agenda Item
May 4, 2021

4:00 p.m.

Public Hearing on a Proposal to Vacate and Abandon a Portion of Nicotine Trail (Mount Vernon District)

ISSUE:

Public hearing on a proposal to vacate and abandon a portion of Nicotine Trail.

RECOMMENDATION:

The County Executive recommends that the Board adopt the attached order of abandonment (Attachment III) and the ordinance for vacation (Attachment IV) of the subject right-of-way.

TIMING:

On March 23, 2021, the Board authorized the public hearing to consider the proposed vacation and abandonment for May 4, 2021, at 4:00 p.m.

BACKGROUND:

The applicant, Gerald A. Hish, on behalf of his clients, Levi and Brianna Bingman, is requesting that a portion of Nicotine Trail be vacated under §15.2-2272(2) of the Virginia Code and abandoned under Virginia Code §33.2-909. The applicant is seeking this request to construct a single family detached dwelling on their client's property. The vacation of the subject portion of Nicotine Trail would alleviate setback requirements on the Bingman's property, currently being induced by the unbuilt portions of Nicotine Trail and Gunston Road Way.

The subject portion of Nicotine Trail, east of the intersection of Gunston Road Way, is currently unbuilt and is part of the County's Chapter 2 Road inventory. Nicotine Trail was originally dedicated in 1929 as a public road as part of the Gunston Manor subdivision. This unconstructed portion of Nicotine Trail does not provide vehicular connection between Gunston Road Way and the constructed portion of Nicotine Trail. Following the vacation and abandonment of the subject right-of-way, private ownership of the land would be held by the adjacent landowners as follows; Murray (owner of lot 41 and new "Parcel A"), Bingman (owner of lots 1, 9, 10, 11, and new "Parcel C"), and Majdak (owner of lots 36 through 40, and new "Parcel B"), as shown on the vacation plat (Attachment VI). During the review of this vacation request it was determined that a permanent turnaround would be required by VDOT. The applicant has worked with

Board Agenda Item
May 4, 2021

VDOT, and the owners of the neighboring properties to design an acceptable turnaround that has minimal impacts to the surrounding properties while accommodating the requirements for VDOT as shown on the paved turnaround exhibit (Attachment VIII).

Traffic Circulation and Access

The vacation and abandonment will have no long-term impact on pedestrian, transit, or vehicle circulation and access.

Easements

The project manager has certified that all easement requirements for the project have been met.

The proposal to vacate and abandon this right-of-way was circulated to the following public agencies and utility companies for review: Office of the County Attorney, Department of Public Works and Environmental Services, Fairfax County Department of Transportation, Department of Planning and Development, Fairfax County Park Authority, Fairfax County Water Authority, Fairfax County School Board, Fire and Rescue, Virginia Department of Transportation, Dominion Virginia Power, Washington Gas, and Verizon. None of these indicate any opposition to the proposal.

FISCAL IMPACT:

None.

ENCLOSED DOCUMENTS:

Attachment I: Application Letter
Attachment II: Notice of Intent to Abandon & Vacate
Attachment III: Order of Abandonment
Attachment IV: Ordinance of Vacation
Attachment V: Metes and Bounds Description
Attachment VI: Vacation and Abandonment Plat
Attachment VII: Vicinity Map
Attachment VIII: Paved Turnaround Exhibits

STAFF:

Rachel Flynn, Deputy County Executive
Tom Biesiadny, Director, Fairfax County Department of Transportation (FCDOT)
Jeff Hermann, Chief, FCDOT-Site Analysis & Transportation Planning Division
Gregory Fuller, Chief, FCDOT-Site Analysis Section (SAS)

Board Agenda Item
May 4, 2021

Michelle Guthrie, FCDOT-SAS
Jeffrey Edmondson, FCDOT-SAS
Gavin Derleth, FCDOT-SAS

ASSIGNED COUNSEL:
Pamela K. Peltó, Assistant County Attorney

Hish and Company LLC
Civil Engineering Professionals

June 5, 2020

Fairfax County Department of Transportation
4050 Legato Road
Suite 400
Fairfax, Virginia 22033-2895
Attn: Mr. Jeffrey Edmondson

Re: Vacation and abandonment of a part of Nicotine Trail (Chapter 2 Road), Mount Vernon District,
Fairfax County, Virginia

Dear Mr. Edmondson:

On behalf of my Clients, Levi and Brianna Bingman, I am submitting this Letter of Request and Justification for the abandonment and vacation of a portion of Nicotine Trail adjacent to their residential property identified as Fairfax County Tax Map (TM) Nos. 119-4 ((2)) (18), Parcels 1, 3, 9, 11 & 23, as shown on the attached **Property Map (Exhibit 1)**. For information, I have also included the property identification for the adjacent parcels owned by Foxley (TM No. 119-4 ((2)) (21), Parcels 34 & 38) and Murray (TM No. 119-4 ((2)) (21), Parcel 41A).

As can readily be seen the Bingman's property actually consists of 11 "railroad" lots in the Gunston Manor area of the County. The parcels are located along two Chapter 2 roads identified as Nicotine Trail and Gunston Road Way. Neither of these roads is currently constructed in front of the property. The landowners wish to establish a single family detached dwelling on the site as their family residence. Both Mr. and Mrs. Bingman are employees of Fairfax County (fireman and school teacher) and this property will allow them to own a home in the County which employs them.

Under preliminary engineering efforts on the site, a septic system for a 4 bedroom home has received preliminary approval from Fairfax County, site surveys have been completed and layout planning for the residence has been prepared. Since the property is located at the intersection of the two Chapter 2 roads, it appears to constitute a corner lot and, accordingly, includes two front yards of 50' of depth. This setback requirement and the setbacks for the septic system components, completely eliminate the potential for the planned residence on the property. See **Exhibit 2, Available Building Envelope**.

In our efforts to resolve this dilemma, the owners and their engineer have met with representatives of both the Fairfax LDS (Messrs. BJ Sistani, Ken Williams and Walter Hamilton) and Fairfax DOT (Ms. Michelle Guthrie and yourself) to identify options which may be available and it has been determined that the vacation of one of the Chapter 2 road rights-of-way (R.O.W.) would allow a new residence to be constructed on the property. Studies have been performed to evaluate the impacts of the vacation of a portion of Nicotine Trail along the entire frontage of the Bingman tract from (absent the crossing by Gunston Road Way).

The proposed vacation and abandonment of Nicotine Trail provides the maximum building envelope for the construction of the proposed house and:

- Provides significant flexibility for the orientation and location of the residence;

1914 Association Drive Suite 202
Reston, Virginia 20191
Cell (703) 945-5452 ghishsr@msn.com

Bingman Property – Nicotine Trail
June 5, 2020

- Provides the greatest separation between the house and significant environmental features (e.g., wetlands, RPA and an active bald eagle's nest) in the area;
- Eliminates for both the landowners and the County the expense of future road construction which may never occur;
- Is desired by existing residents on this segment of Nicotine Trail to preserve their existing access features; and
- ~~Permits the construction of a private driveway to serve the Bingman site within the Gunston Road way R.O.W. directly out to Mallow Trail.~~

The landowners understand the requirement for an access easement and private maintenance for any new driveway within the R.O.W. Additional informal meetings and discussions with the County's Facilities Management and Zoning personnel have been supportive of the goals for the site.

As a result of the evaluation above, the current plan has been developed which involves the vacation of the segments of Nicotine Trail along the Bingman, Foxley and Murray tracts. In this way, the vacated right-of-way (conveyed in equal area to each side) is available for the house siting and the yard requirement against the vacated Nicotine Trail frontage becomes a side yard requirement of 20' and allows a proper house siting to be accomplished. ~~Further, the Bingman's can construct a private driveway within the Gunston Road Way R.O.W. to a connection with Mallow Trail as shown on the Exhibit 3, Aerial View with Proposed Solution provided.~~

With this proposal, however, we note that the adjacent parcels, particularly the property shown as the Foxley tract [TM # 119-4, ((2)) (21) Parcels 34 and 40], will be impacted in regard to its frontage along Nicotine Trail. As shown in **Exhibit 3**, this parcel currently accesses Nicotine Trail from a gravel surfaced cul-de-sac on lots 32 and 34 via a driveway within the R.O.W. With only three (3) lots utilizing this Chapter 2 road for access, the road is not eligible for inclusion in VDOT's secondary road system and does not comply with VDOT standards. In discussions with the three landowners which access Nicotine Trail (5801 Streufert, 5817 Scheid and 5860 Foxley), Mr. Bingman has been advised that all of them are opposed to the creation of a state-maintained road within Nicotine Trail due to the increased VDOT standards which would be constructed. Since all of the other parcels (excluding the three noted) along Nicotine Trail currently access the parallel Mallow Trail, it is unlikely, at best, that the road will ever become a VDOT maintenance responsibility. Since it appears that the existing Foxley parcels consist of seven (7) lots with 25' of frontage on Nicotine Trail each and lot 34 will not change (i.e., will retain 25' of frontage and in fact gain an additional 50') under the proposed vacation, we have received a Zoning Determination from the County, which finds that the proposed vacation is fully permissible under the Zoning Ordinance. Attached as **Exhibit 4**.

I trust that you find this letter adequate justification for the proposed vacation of this section of Nicotine Trail and that your office can support our request. Should you, however, identify any issues or concerns, I am prepared to speak or meet with you at your convenience.

Bingman Property – Nicotine Trail
June 5, 2020

Please do not hesitate to contact me with any request. With the current health safety constraints, I am prepared to send whatever additional data you may wish and arrange conference calls to avoid large groups. Let me know what you need.

Sincerely,



Gerald A. Hish, Sr., P.E.
President



Attachments: ~~Exhibit 1, Property Map~~
~~Exhibit 2, Allowable Building Envelope~~
~~Exhibit 3, Aerial View with Proposed Solution~~
~~Exhibit 4, Zoning Determination for Bingman Property dated April 13, 2020~~

COMBINED NOTICE OF INTENT TO ABANDON AND
ADOPT AN ORDINANCE VACATING
A PART OF A PLAT ON WHICH IS SHOWN

NICOTINE TRAIL

MOUNT VERNON DISTRICT,
Fairfax County, Virginia

Notice is hereby given that the Board of Supervisors of Fairfax County, Virginia, will hold an electronic public hearing (due to the State of Emergency caused by the COVID-19 pandemic), on May 4, 2021, at 4:00 PM during its regular meeting, pursuant to Virginia Code Ann. § 15.2-2204, vacating a part of the plat of NICOTINE TRAIL, Gunston Manor Subdivision, recorded in Deed Book N-1, at Page 501, on which is shown the 50 foot wide street dedication for Nicotine Trail from a point on the centerline at a distance of 7 feet east and 25 feet south of the southwestern corner of Block 21, Parcel 36, to the northwestern corner of Block 18, Parcel 1, a distance of 179.87 feet along said centerline; AND the proposed abandonment of the same, pursuant to Virginia Code § 33.2-909. The road is located on Tax Map 119-4 and is described and shown on the metes and bounds schedule and plat prepared by CRES Surveys, dated June 1, 2020, and revised December 21, 2020, both of which are on file in the Fairfax County Department of Transportation, 4050 Legato Road, Suite 400, Fairfax, Virginia 22033, Telephone Number (703) 877-5600.

All persons wishing to speak on this subject may call the Office of the Clerk to the Board, (703) 324-3151, to be placed on the Speaker's List, or may appear and be heard.

MOUNT VERNON DISTRICT.

§ 15.2-2272(2)

ORDER OF ABANDONMENT

NICOTINE TRAIL

MOUNT VERNON DISTRICT,
Fairfax County, Virginia

At a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held electronically (due to the State of Emergency caused by the COVID-19 pandemic), this 4th day of May, 2021, it was duly moved and seconded that:

WHEREAS, after conducting a public hearing pursuant to notice as required by Virginia Code §33.2-909, and after giving due consideration to the historic value, if any, of such road, the Board has determined that no public necessity exists for continuance of this road as a public road, and that the safety and welfare of the public will be served best by an abandonment,

WHEREFORE, BE IT ORDERED:

That Nicotine Trail from a point on the centerline at a distance of 7 feet east and 25 feet south of the southwestern corner of Block 21, Parcel 36 to the northwestern corner of Block 18, Parcel 1, a distance of 179.87 feet along said centerline, located on Tax Map 119-4, and described and shown on the metes and bounds schedule and plat prepared by CRES Surveys, dated June 1, 2020, and revised December 21, 2020, which is attached hereto and incorporated herein, be and the same is hereby abandoned as a public road pursuant to Virginia Code §33.2-909.

This abandonment is subject to any right, privilege, permit, license, or easement in favor of any public service company, utility, or other person or entity, including any political subdivision, whether located above, upon, or under the surface, either currently in use or of record, including the right to operate, maintain, replace, alter, extend, increase or decrease in size any facilities in the abandoned roadway, without any permission of the landowner(s).

A Copy Teste:

Jill G. Cooper
Clerk for the Board

§33.2-909

ADOPTION OF AN ORDINANCE VACATING
A PART OF A PLAT ON WHICH IS SHOWN

NICOTINE TRAIL

MOUNT VERNON DISTRICT,
Fairfax County, Virginia

At a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held electronically (due to the State of Emergency caused by the COVID-19 pandemic), on May 4, 2021, at which meeting a quorum was present and voting, the Board, after conducting a public hearing upon due notice given pursuant to Virginia Code Ann. §15.2-2204 and as otherwise required by law, adopted the following ordinance, to-wit:

BE IT ORDAINED by the Board of Supervisors of Fairfax County, Virginia: that Part of the Plat of NICOTINE TRAIL, Gunston Manor Subdivision recorded in Deed Book N-1, at Page 501, on which is shown the 50 foot wide street dedication for Nicotine Trail from a point on the centerline at a distance of 7 feet east and 25 feet south of the southwestern corner of Block 21, Parcel 36, to the northwestern corner of Block 18, Parcel 1, a distance of 179.87 feet along said centerline, located on Tax Map 119-4, and described and shown on the metes and bounds schedule and plat prepared by CRES Surveys, dated June 1, 2020, and revised December 21, 2020, and attached hereto and incorporated herein, be and the same is hereby vacated, pursuant to Virginia Code Ann. §15.2-2272(2).

This vacation is subject to any right, privilege, permit, license, easement, in favor of any public service company, utility, or other person or entity, including any political subdivision, whether located above, upon, or under the surface, either currently in use or of record, including the right to operate, maintain, replace, alter, extend, increase, or decrease in size any facilities in the vacated roadway, without any permission of the landowner.

A Copy Teste:

Jill G. Cooper
Clerk for the Board of Supervisors

§15.2-2272(2)



**Cres Surveys
(CRES II, LTD.)
174 Garber Lane
Suite 1
Winchester, VA 22602**

**June 1, 2020
Revised: December 21, 2020**

**Description
Parcel "A"
Being a Portion of
Nicotine Trail
Deed Book: N-10, Page: 501
Mount Vernon District
Fairfax County, Virginia**

Beginning an Iron Pipe Set on the east right-of-way line of Gunston Road Way, (un-improved), 50 feet wide, said Pipe being the south west property corner of Lot 41, Block 21, Section "A" Gunston Manor ; Thence, departing Gunston Manor Way and running with the south property line of said Lot 41, S 88° 58' 00" E a distance of 84.19 feet to an Iron Pipe Found at the south west property corner of Lot 40, Block 21, Section "A" Gunston Manor being the south east property corner of said Lot 41; Thence, departing said property corner of Lots 40, 41 and running through Nicotine Trail, (un-improved), 50 feet wide, S 01° 02' 00" W a distance of 25.00 feet to an Iron Pipe Set and N 88° 58' 00" W a distance of 72.87 feet to an Iron Pipe Set on the east right-of-way line of said Gunston Manor Way; Thence, running with the east right-of-way line of Gunston Manor Way , N 23° 19' 00" W a distance of 27.44 feet to the point of beginning and containing 1,963 square feet of land.



**Cres Surveys
(CRES II, LTD.)
174 Garber Lane
Suite 1
Winchester, VA 22602**

**June 1, 2020
Revised: December 21, 2020**

**Description
Parcel "B"
Being a Portion of
Nicotine Trail
Deed Book: N-10, Page: 501
Mount Vernon District
Fairfax County, Virginia**

Beginning an Iron Pipe Found at the common south property corner of Lots 40 and 41, Block 21, Section "A" Gunston Manor, said Pipe being 84.19 feet in an east direction from the east right-of-way line of Gunston Road Way; Thence, departing said common property corner of Lots 40, 41 and running with south property line of Lots 40, 39, 38, 37 and 36, Block 21, Section "A" Gunston Manor, S 88° 58' 00" E a distance of 107.00 feet to an Iron Pipe Set on the south property line of said Lot 36; Thence, departing Lot 36 and running through Nicotine Trail, (un-improved), 50 feet wide, S 01° 02' 00" W a distance of 25.00 feet to an Iron Pipe set on the centerline of Nicotine Trail; Thence, running with the centerline of Nicotine Trail, N 88° 58' 00" W a distance of 107.00 feet to an Iron Pipe Set on said centerline; Thence, departing the centerline of Nicotine Trail and running through the right-of-way of Nicotine Trail, N 01° 02' 00" E a distance of 25.00 feet to the point of beginning and containing 2,675 square feet of land.

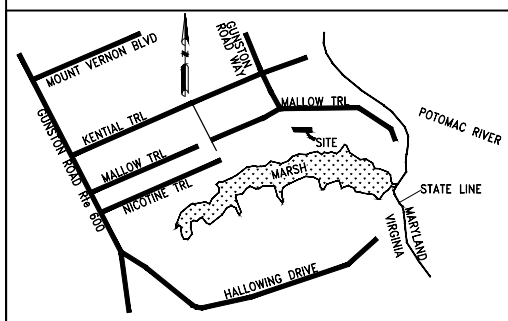
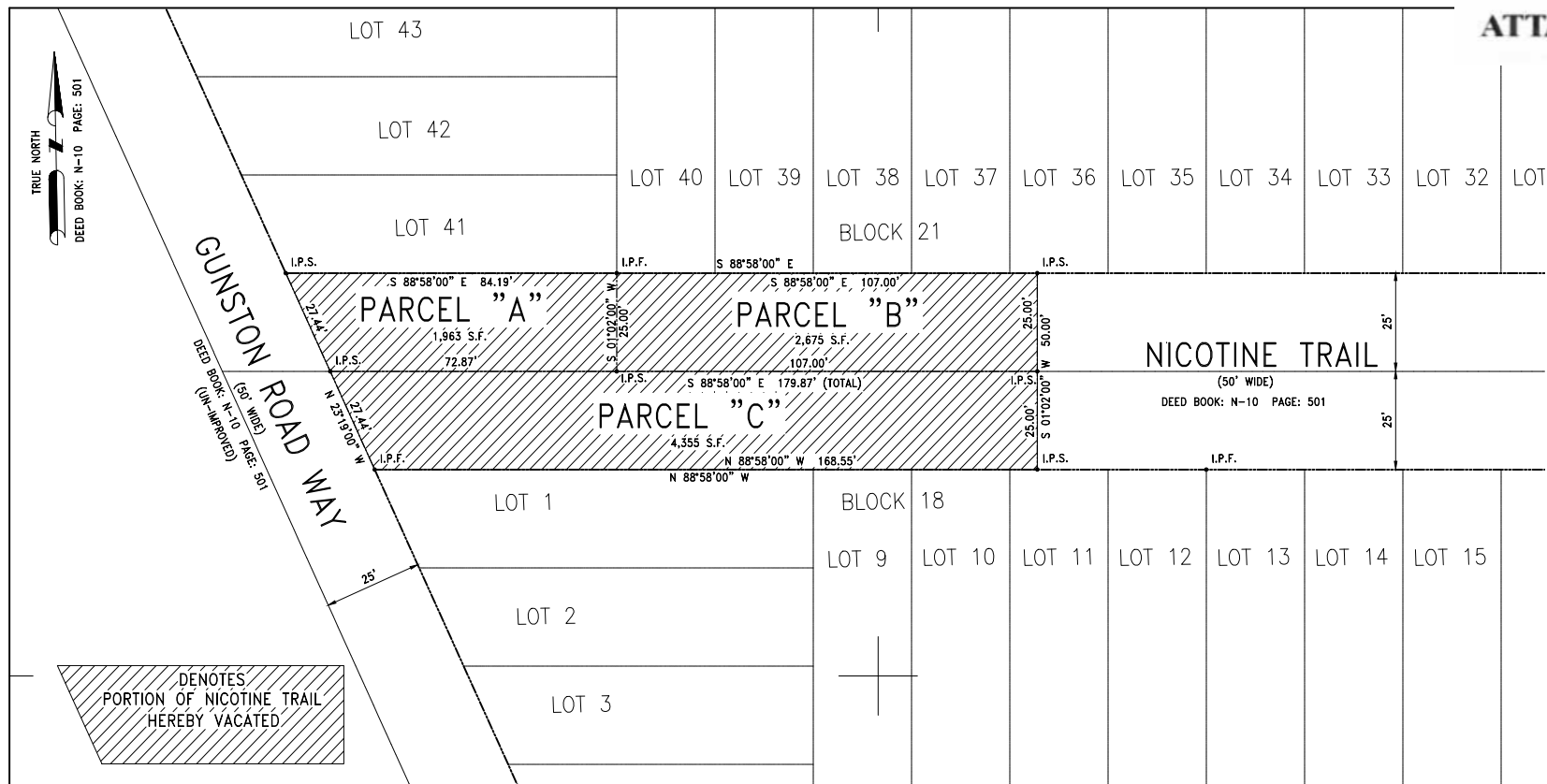


**Cres Surveys
(CRES II, LTD.)
174 Garber Lane
Suite 1
Winchester, VA 22602**

**June 1, 2020
Revised: December 21, 2020**

**Description
Parcel "C"
Being a Portion of
Nicotine Trail
Deed Book: N-10, Page: 501
Mount Vernon District
Fairfax County, Virginia**

Beginning an Iron Pipe Found on the east right-of-way line of Gunston Road Way, (un-improved), 50 feet wide, said Pipe being the north west property corner of Lot 1, Block 18, Section "A" Gunston Manor; Thence, departing said Lot 1 and running with the east right-of-way line of Gunston Road Way, N 23° 19' 00" W a distance of 27.44 feet to an Iron Pipe Set on the centerline of Nicotine Trail; Thence, departing Gunston Manor Way and running with the centerline of Nicotine Trail, (un-improved), 50 feet wide S 88° 58' 00" E a distance of 179.87 feet to an Iron Pipe Set on said centerline, Thence, departing the centerline of Nicotine Trail and running through the right-of-way of Nicotine Trail, S 01° 02' 00" E a distance of 25.00 feet to an Iron Pipe Set on the north property line of Lot 11, Block 21, Section "A" Gunston Manor; Thence, running with the north property line of Lots 11, 10, 9 and 1, Block 18, Section "A", Gunston Manor, N 88° 58' 00" W a distance of 168.55 feet to the point of beginning and containing 4,355 square feet of land.



VICINITY MAP
SCALE: 1"=1,000'

PARCEL CONVEYANCE

PARCEL "A" TO BE CONVEYED TO THE OWNERS OF LOT 41, BLOCK 21, SECTION A, GUNSTON MANOR.
PARCEL "B" TO BE CONVEYED TO THE OWNERS OF LOTS 36 THRU 40, BLOCK 21, SECTION A, GUNSTON MANOR.
PARCEL "C" TO BE CONVEYED TO THE OWNERS OF LOTS 1 THRU 3 AND LOTS 9 THRU 11, BLOCK 18, SECTION A, GUNSTON MANOR.

NOTES

1. THE PROPERTY DELINEATED HEREON IS LOCATED ON FAIRFAX COUNTY TAX ASSESSMENT MAP #119-4.
2. I.P.S.~ DENOTES: IRON PIPE SET.
3. I.P.F.~ DENOTES: IRON PIPE FOUND.

VACATION
PORTION OF NICOTINE TRAIL
BLOCK 18 AND BLOCK 21, SECTION "A"
GUNSTON MANOR
MOUNT VERNON DISTRICT
FAIRFAX COUNTY, VIRGINIA
SCALE: 1"=20'
JUNE 1, 2020
DECEMBER 21, 2020~REVISED



CRES II, LTD
174 GARBER LANE
SUITE 1
WINCHESTER VIRGINIA 22602
(703) 742-9105
(703) 742-9104 FAX

TITLE

SHEET 1 OF 1

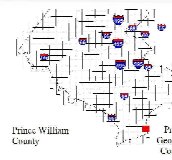


Vicinity Map

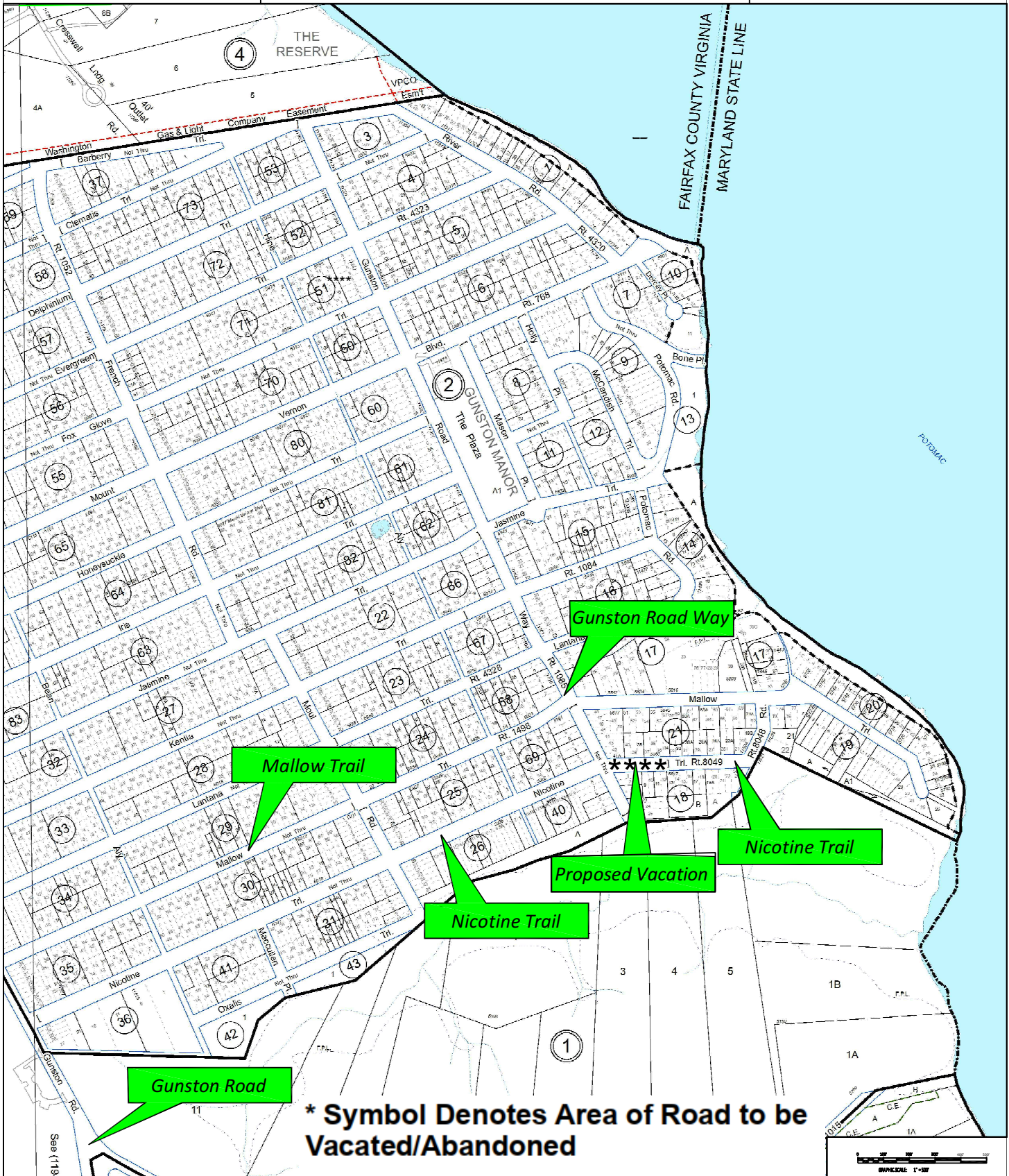
Proposed Vacation of Right-of-way (ROW)

Nicotine Trail, Mason Neck, Tax Map 119-4

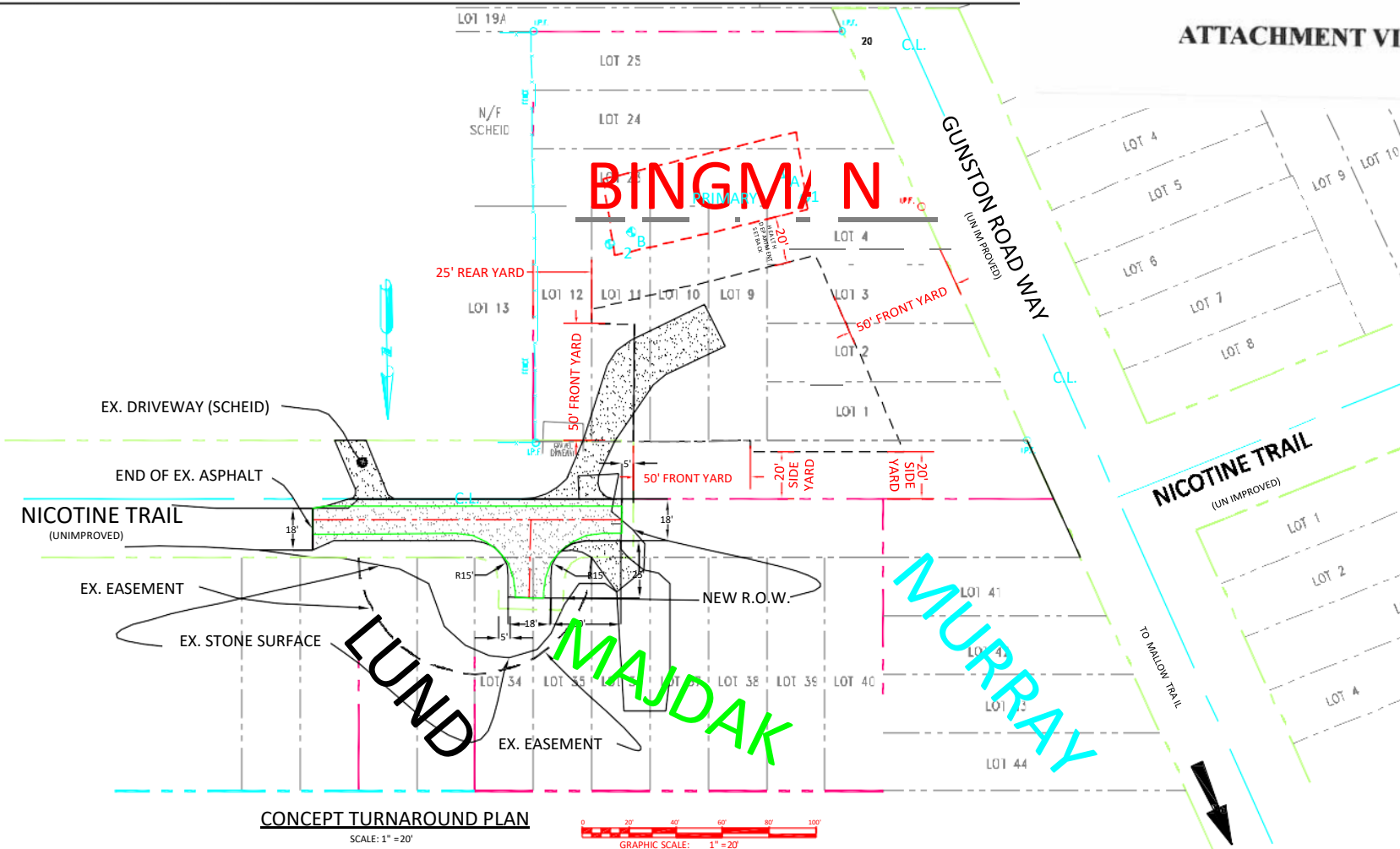
ATTACHMENT VII



119-1	119-2
119-3	119-4
122-1	122-2
SHEET INDEX	



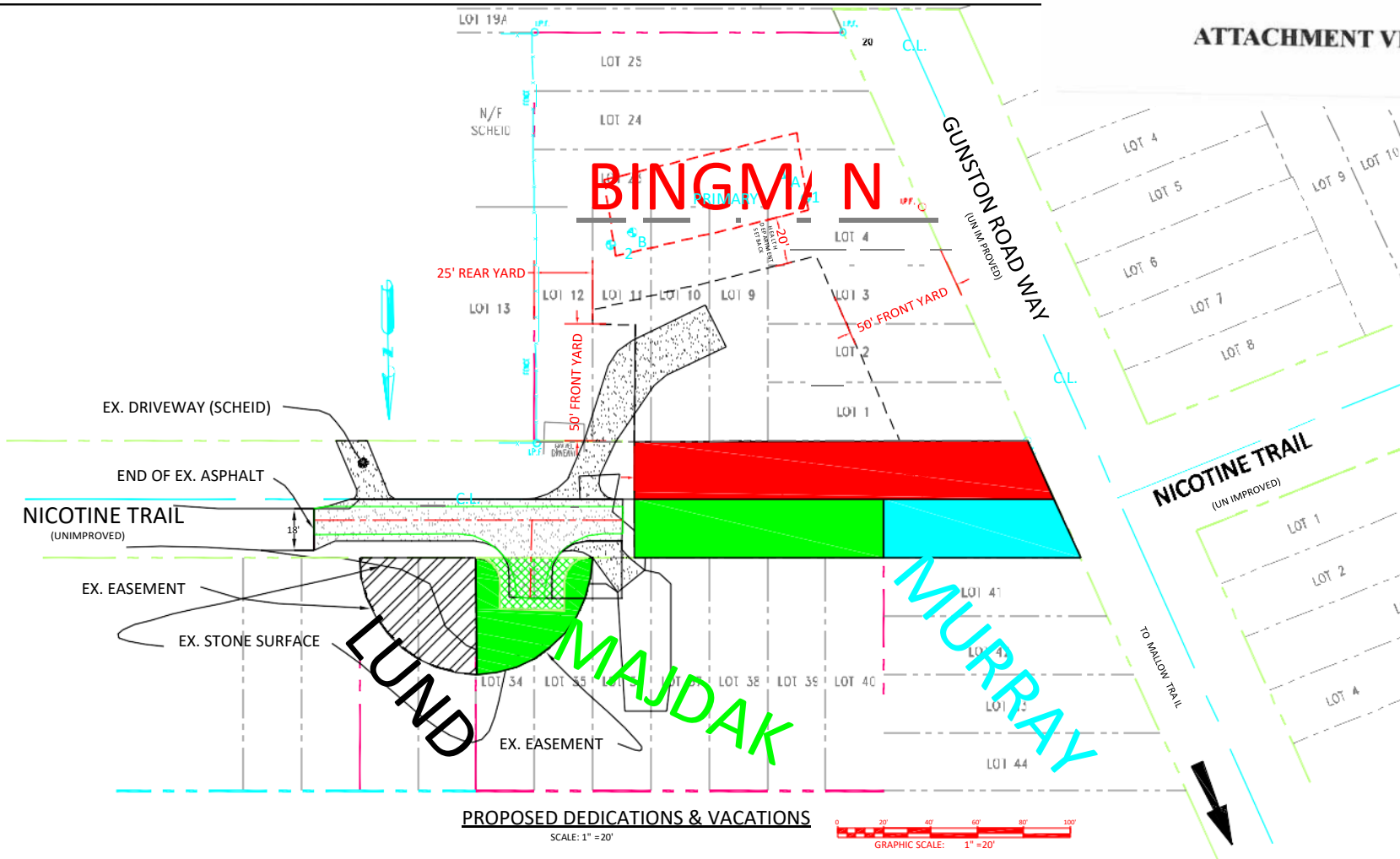
ATTACHMENT VIII



Digitally signed by Gerald A. Hish, Sr.
 Date: 2021.01.12 14:17:04 -05'00'

PLAN DATE	REVIEWER	DATE
Hish and Company, LLC Civil Engineering Professionals 1844 Association Drive Suite 202 Reston, Virginia 20191-1617 Call: (703) 445-5422 Email: gahish@hish.com		
PAVED TURNAROUND BINGMAN RESIDENCE TAX MAP NO. 115-4 (12) 118 (LOTS 1, 4, 9, 12 & 25) BINGMAN MAJDAK FAIRFAX COUNTY, VIRGINIA		
SCALE: GRAPHIC	DATE:	FILE NO.:

ATTACHMENT VIII



Gerald A. Hish, Sr.

Digitally signed by Gerald A. Hish, Sr.

Date: 2021.01.12 14:16:04 -05'00'

PLAN DATE	REVIEWER	DATE
Hish and Company, LLC Civil Engineering Professionals 1844 Association Drive Suite 202 Reston, Virginia 20191-1617 Call: (703) 445-6452 Email: gahish@hish.com		
COMMISSIONED BY THE VIRGINIA DEPARTMENT OF TRANSPORTATION L. H. # 9 988 PROFESSIONAL SEAL		
PAVED TURNAROUND BINGMAN RESIDENCE TAX MAP NO. 115-4 (12.7) (18) LOTS 1, 4, 9, 12 & 25 BINGMAN RESIDENCE FARMAN COUNTY, VIRGINIA		
SCALE: GRAPHIC	DATE:	FILE NO.