



To: Friends of Virginia Hospital Center
From: John Zabrowski, Senior Vice President and Chief Financial Officer
Date: April 29, 2020
Re: Proposed Bond Sale for the benefit of Virginia Hospital Center – Series 2020 Bonds

\$263,790,000*
Industrial Development Authority of Arlington County, Virginia
Fixed Rate Hospital Revenue and Refunding Bonds
(Virginia Hospital Center)
Series 2020
(Fixed Rate Bonds)

As Virginia Hospital Center (“VHC”) continues to grow, improve, and serve residents within the state of Virginia (the “State”), I am delighted to share with you that approximately \$263,790 million* of tax-exempt, fixed rate bonds (the “Bonds” or “Series 2020 Bonds”) are scheduled to be sold publicly for the benefit of VHC. The Bonds will be issued by the Industrial Development Authority of Arlington County, Virginia (the “Authority”) and their proceeds will be used to fund a portion of the Master Facilities project, reimburse certain capital expenditures related to the project, refund the outstanding Series 2010 bonds, finance capitalized interest, and pay for certain cost of issuance all as described in the Preliminary Official Statement dated April 27, 2020 (the “Preliminary Official Statement”). Interest on the Bonds is excludable from gross income (i.e., tax-exempt)¹ for both federal and Virginia income tax purposes. The minimum bond order amount is \$5,000.

The Series 2020 Bonds and the premium, if any, and the interest thereon will not and will not be deemed to constitute a debt or a pledge of the faith and credit of the Commonwealth of Virginia or any of its political subdivisions, including the Authority and Arlington County, Virginia. Neither the Commonwealth of Virginia nor any of its political subdivisions, including the Authority and Arlington County, Virginia, are obligated to pay the principal of, premium, if any, or interest on the Series 2020 Bonds or any other costs incident to them. The Series 2020 Bonds are payable solely from the trust estate pledged therefor under the Indenture. Neither the faith and credit nor taxing power of the Commonwealth of Virginia or any of its political subdivisions, including the Authority and Arlington County, Virginia, is pledged to the payment of the principal of, premium, if any, on or interest on the Series 2020 Bonds or other costs incident to them.

The Bonds are scheduled for sale on May 6, 2020* and expected to be available for delivery on May 20, 2020*.

The Bonds are being offered to investors pursuant to the Preliminary Official Statement, which provides detailed disclosure concerning the structure of the offering, the expected use of sale proceeds of the Bonds and the security and sources of payment for the Bonds. The Preliminary Official Statement also identifies certain risk factors that should be considered when purchasing the Bonds, along with a discussion of federal and Virginia income tax matters applicable to holders of the Bonds. If you are interested in receiving information regarding the Bonds, you or your financial advisor may contact the underwriting firm identified below. Alternatively, electronic copies of the Preliminary Official Statement for the Bonds are available and can be accessed by pasting the following link into your web browser:

<https://www.munios.com/munios-notice.aspx?e=JOAS4>

*Preliminary, subject to change

¹Before purchasing the Bonds, you should consult with your tax advisor concerning your particular tax situation.



You are required to create a free account to access the link.

This Memorandum is neither an offer to sell nor a solicitation of an offer to buy the Bonds. Any offer or solicitation would be made only pursuant to the Preliminary Official Statement and a final Official Statement provided after sale setting forth final pricing information and Bond terms. This Memorandum does not constitute investment advice and you are encouraged to consult with your financial advisor and read the Preliminary Official Statement in its entirety before making an investment decision. The Preliminary Official Statement will contain information that is important to making an informed decision as to whether to purchase any Bonds.

No dealer, broker, salesperson or any other person has been authorized to give any information or to make any representation concerning VHC, the Bonds or their contemplated offering and issuance other than the information contained, and the representations made, in the Preliminary Official Statement and final Official Statement. If any other information is provided or representation is made, you should not rely upon it.

Please note that some of you may be “insiders” within the meaning of applicable securities laws and regulations and subject to certain restrictions (generally, any person who possesses material non-public information about VHC or the offering is subject to a duty not to disclose or act upon that information). An insider may purchase Bonds when they are first offered, but may be subject to legal restrictions as to when the insider may sell the Bonds, such as at times when the insider possesses material, non-public information.

Individuals who wish to purchase Bonds will need to have an existing investment account with J.P. Morgan Securities LLC (the underwriting firm) or its affiliates (together with J.P. Morgan Securities LLC, “J.P. Morgan”), JPMorgan Chase Bank, N.A., J.P. Morgan Securities LLC’s distribution partners, LPL Financial, and Charles Schwab & Co., or selling group members Fidelity Capital Markets and Goldman Sachs & Co. LLC, or will need to open a new investment account with one of these firms. Account opening procedures may require advance efforts to be completed prior to the pending sale date for the Bonds. The enclosed provides the contact information for the underwriting firm. You can contact J.P. Morgan or your financial advisor if you already have an account at J.P. Morgan, J.P. Morgan’s affiliates, or any firm that may have an approved retail distribution agreement with J.P. Morgan for information regarding the Bonds, including a copy of the Preliminary Official Statement.

The underwriting firm will communicate the date by which orders will need to be submitted. Please identify yourself as a “Friend of Virginia Hospital Center” should you contact individuals from J.P. Morgan. As you are a valued friend of VHC, the underwriting firm has been instructed to give priority to your order(s) after you have reviewed the Preliminary Official Statement and consulted your financial advisor.

Please note: In the event of excess demand, it is possible that not all Bond orders would be able to be accommodated, including orders submitted by Friends of VHC. See the Preliminary Official Statement for more information on the tax implications of purchasing the Bonds.

If you have any questions regarding this Memorandum or the Bonds, feel free to contact John Zabrowski, Senior Vice President, Chief Financial Officer of Virginia Hospital Center at jlzabrowski@virginiahospitalcenter.com or (703) 558-5511.

Thank you for your interest and your continued support of Virginia Hospital Center.

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Underwriter Contacts

J.P. Morgan
For new accounts, please contact:

1-855-231-8873

Individuals who maintain brokerage accounts with J.P. Morgan, its affiliates or retail distribution partners should submit orders through their personal broker

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