RESOLUTION NO. 2016-103

RESOLUTION PROVIDING FOR THE ISSUANCE, SALE AND AWARD OF SPOTSYLVANIA COUNTY, VIRGINIA, GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2016, IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF $36,000,000, AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF

WHEREAS, the issuance of $241,422,467 in general obligation public improvement bonds of the County was authorized by a resolution adopted by the Board on July 8, 2014, and was approved by the qualified voters of the County at an election held on November 4, 2014 (the "2014 Referendum"), of which $141,724,876 was authorized for the financing of school projects, $36,388,641 was authorized for public safety projects, and $63,308,950 was authorized for transportation projects;

WHEREAS, under the 2014 Referendum, (1) $139,506,960 in principal amount of bonds authorized for public school projects remains authorized and unissued on the date hereof, (2) $36,388,641 in principal amount of bonds authorized for public safety projects remains authorized and unissued on the date hereof, and (3) $63,308,950 in principal amount of bonds authorized for transportation projects remains authorized and unissued on the date hereof;

WHEREAS, County administration, in consultation with the County's Financial Advisor, has recommended to the Board a plan of finance under which the County would issue and sell general obligation public improvement bonds in the maximum aggregate principal amount of $36,000,000 pursuant to the above-described authority given in the 2014 Referendum, including (a) up to $25,351,876 in general obligation public improvement bonds to finance or reimburse the County for costs associated with public school projects in the County, (b) up to $9,488,412 in general obligation public improvement bonds to finance or reimburse the County for costs associated with public safety projects, and (c) up to $1,159,712 in general obligation public improvement bonds to finance or reimburse the County for costs associated with road transportation projects in the County (collectively, the "Plan of Finance"); and

WHEREAS, the Board has determined that it would benefit the County to issue and sell such bonds and that the County Administrator should be authorized to implement the Plan of Finance and to finalize and approve the final terms of the bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF SPOTSYLVANIA COUNTY, VIRGINIA:

1. **Issuance of Bonds.** There shall be issued and sold, pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991, general obligation public improvement bonds of the County in the maximum aggregate principal amount of $36,000,000 (the "Bonds") to provide funds to pay all or a portion of the costs of the Plan of Finance and the costs of issuing the Bonds.

2. Bond Details. The Bonds shall be designated as "General Obligation Public Improvement Bonds, Series 2016," with such series or subseries designations as may be determined to be advisable by the County Administration, shall be in registered form, shall be dated such date as may be determined by the County Administrator, shall be in denominations of $5,000 and integral multiples thereof, and shall be numbered R-1 upward. Subject to the provisions of Section 8, the issuance and sale of the Bonds are authorized on terms as shall be satisfactory to the County Administrator; provided, however, that the Bonds (a) shall have a "true" or "Canadian" interest cost not to exceed 5.00% per annum, taking into account any original issue discount or premium, (b) shall be sold at a price not less than 98% of the original aggregated principal amount thereof, excluding any original issue discount and (c) shall mature, or be subject to mandatory sinking fund redemption, in annual installments beginning no later than December 31, 2017 and ending no later than December 31, 2036.

Each Bond shall bear interest from its date at such rate as shall be determined at the time of sale, calculated on the basis of a 360-day year of twelve 30-day months, and payable semiannually on dates determined by the County Administrator. Principal and premium, if any, shall be payable to the registered owners upon surrender of Bonds as they become due at the office of the Registrar (as defined in Section 7 hereof). Interest shall be payable by check or draft mailed to the registered owners at their addresses as they appear on the registration books kept by the Registrar on the date 15 days prior to each interest payment date (the "Record Date") or as otherwise determined by the County Administrator. Principal, premium, if any, and interest shall be payable in lawful money of the United States of America.

Initially, one Bond certificate for each maturity of the Bonds shall be issued to and registered in the name of The Depository Trust Company, New York, New York ("DTC"), or its nominee. The County has heretofore entered into a Letter of Representations relating to a book-entry system to be maintained by DTC with respect to the Bonds. "Securities Depository" shall mean DTC or any other securities depository for the Bonds appointed pursuant to this Section. In the event that the Bonds are sold by direct private placement with one or more financial institutions, the Bonds shall be issued to and registered in the name of such institution(s) at the request of such institution(s).

In the event that (a) the Securities Depository determines not to continue to act as the securities depository for the Bonds by giving notice to the Registrar, and the County discharges its responsibilities hereunder, or (b) the County in its sole discretion determines (i) that beneficial owners of Bonds shall be able to obtain certificated Bonds or (ii) to select a new Securities Depository, then the Director of Finance of the County shall, at the direction of the County, attempt to locate another qualified securities depository to serve as Securities Depository and authenticate and deliver certificated Bonds to the new Securities Depository or its nominee, or authenticate and deliver certificated Bonds to the beneficial owners or to the Securities Depository participants on behalf of beneficial owners substantially in the form provided for in Section 5; provided, however, that such form shall provide for interest on the Bonds to be payable (A) from the date of the Bonds if they are authenticated prior to the first interest payment date, or (B) otherwise from the interest payment date that is or immediately precedes the date on which the Bonds are authenticated (unless payment of interest thereon is in default, in

which case interest on such Bonds shall be payable from the date to which interest has been paid). In delivering certificated Bonds, the Director of Finance shall be entitled to rely on the records of the Securities Depository as to the beneficial owners or the records of the Securities Depository participants acting on behalf of beneficial owners. Such certificated Bonds will then be registrable, transferable and exchangeable as set forth in Section 7.

So long as there is a Securities Depository for the Bonds (1) it or its nominee shall be the registered owner of the Bonds, (2) notwithstanding anything to the contrary in this Resolution, determinations of persons entitled to payment of principal, premium, if any, and interest transfers of ownership and exchanges and receipt of notices shall be the responsibility of the Securities Depository and shall be effected pursuant to rules and procedures established by such Securities Depository, (3) the Registrar and the County shall not be responsible or liable for maintaining, supervising or reviewing the records maintained by the Securities Depository, its participants or persons acting through such participants, (4) references in this Resolution to registered owners of the Bonds shall mean such Securities Depository or its nominee and shall not mean the beneficial owners of the Bonds, and (5) in the event of any inconsistency between the provisions of this Resolution and the provisions of the above-referenced Letter of Representations such provisions of the Letter of Representations, except to the extent set forth in this paragraph and the next preceding paragraph, shall control.

3. Redemption Provisions. The Bonds may be subject to redemption prior to maturity at the option of the County on or after the dates, if any, determined by the County Administrator, in whole or in part (in $5,000 integrals) at any time, at a redemption price equal to the principal amount of the Bonds, together with any interest accrued to the redemption date, plus a redemption premium not to exceed 2% of the principal amount of the Bonds, such redemption premium to be determined by the County Administrator.

Any Bonds designated and sold as term bonds may be subject to mandatory sinking fund redemption upon terms determined by the County Administrator.

If less than all of the Bonds are called for redemption, the maturities of the Bonds to be redeemed shall be selected by the Director of Finance of the County in such manner as she may determine to be in the best interests of the County. If less than all the Bonds of a particular maturity are called for redemption, the Bonds within such maturity to be redeemed shall be selected by the Securities Depository pursuant to its rules and procedures or, if the book-entry system is discontinued, shall be selected by the Registrar by lot in such manner as the Registrar in its discretion may determine. In either case, (a) the portion of any Bond to be redeemed shall be in the principal amount of $5,000 or some integral multiple thereof and (b) in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by $5,000. The County shall cause notice of the call for redemption identifying the Bonds or portions thereof to be redeemed to be sent by facsimile or electronic transmission, registered or certified mail or overnight express delivery, not less than 30 nor more than 60 days prior to the redemption date, to the registered owner of the Bonds. The County shall not be responsible for giving notice of redemption to anyone other than DTC or another qualified securities depository then serving or its nominee unless no qualified securities depository is the registered owner of the Bonds. If no qualified

securities depository is the registered owner of the Bonds, notice of redemption shall be mailed to the registered owners of the Bonds. If a portion of a Bond is called for redemption, a new Bond in principal amount equal to the unredeemed portion thereof will be issued to the registered owner upon the surrender thereof.

In the case of an optional redemption, the notice may state that (1) it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, no later than the redemption date or (2) the County retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described herein. Any Conditional Redemption may be rescinded at any time. The County shall give prompt notice of such rescission to the affected Bondholders. Any Bonds subject to Conditional Redemption where redemption has been rescinded shall remain outstanding, and the rescission shall not constitute an event of default. Further, in the case of a Conditional Redemption, the failure of the County to make funds available on or before the redemption date shall not constitute an event of default, and the County shall give immediate notice to all organizations registered with the Securities and Exchange Commission as securities depositories or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

4. Execution and Authentication. The Bonds shall be signed by the manual or facsimile signature of the Chairman or Vice Chairman of the Board, shall be countersigned by the manual or facsimile signature of the Clerk or Deputy Clerk of the Board and the Board's seal shall be affixed thereto or a facsimile thereof printed thereon; provided, however, that if both of such signatures are facsimiles, no Bond shall be valid until it has been authenticated by the manual signature of an authorized officer or employee of the Registrar and the date of authentication noted thereon.

5. Bond Form. The Bonds shall be in substantially the form attached hereto, and incorporated herein by this reference, as Exhibit A, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the officers signing the Bonds, whose approval shall be evidenced conclusively by the execution and delivery of the Bonds.

6. Pledge of Full Faith and Credit. The full faith and credit of the County are irrevocably pledged for the payment of principal of and premium, if any, and interest on the Bonds. Unless other funds are lawfully available and appropriated for timely payment of the Bonds, the Board shall levy and collect an annual ad valorem tax, over and above all other taxes authorized or limited by law and without limitation as to rate or amount, on all locally taxable property in the County sufficient to pay when due the principal of and premium, if any, and interest on the Bonds.

7. Registration, Transfer and Owners of Bonds. In the event that the Bonds are sold by competitive or negotiated public sale, U.S. Bank National Association, Richmond, Virginia, shall be and is hereby appointed as paying agent and registrar for the Bonds (the "Registrar"). The County may at any time replace the Registrar with another qualified bank or

trust company. The Registrar shall maintain registration books for the registration and registration of transfers of Bonds. Upon presentation and surrender of any Bonds at the corporate trust office of the Registrar, together with an assignment duly executed by the registered owner or his duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the County shall execute and the Registrar shall authenticate, if required by Section 4, and deliver in exchange, a new Bond or Bonds having an equal aggregate principal amount, in authorized denominations, of the same form, right of redemption and maturity, bearing interest at the same rate, and registered in names as requested by the then registered owner or his duly authorized attorney or legal representative. Any such exchange shall be at the expense of the County, except that the Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Registrar shall treat the registered owner as the person exclusively entitled to payment of principal, premium, if any, and interest and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person shown as owner on the registration books on the Record Date.

In the event that the Bonds are sold by direct, private placement with one or more financial institutions, the Treasurer of the County is hereby appointed to serve as paying agent and registrar for the Bonds.

8. Sale of Bonds. The Board authorizes the sale of the Bonds upon the following terms. The Bonds may be sold by competitive bid, by negotiated sale, or by direct private placement with one or more financial institutions, as the County Administrator, in collaboration with the Financial Advisor, determines to be in the best interests of the County. The County Administrator, in collaboration with the Financial Advisor, is authorized and directed to determine (a) the aggregate principal amount of the Bonds, subject to the limitations set forth in Section 1, (b) the maturity dates, interest rates and purchase prices of the Bonds, subject to the limitations set forth in Section 2, (c) the redemption provisions of the Bonds, subject to the limitations set forth in Section 3, and (d) the dated date, the principal and interest payment dates and the Record Date of the Bonds, all as the County Administrator determines to be in the best interests of the County.

If the County Administrator determines to sell the Bonds by competitive bid, the County Administrator shall receive bids for the Bonds and award the Bonds to the bidder providing the lowest "True" or "Canadian" interest cost, subject to the limitations set forth in Section 2. Following a competitive sale of the Bonds, the County Administrator, as Clerk of the Board, shall file a certificate setting forth the final terms of the Bonds with the County's permanent records. The actions of the County Administrator in selling the Bonds by competitive sale shall be conclusive, and no further action with respect to the sale and issuance of the Bonds shall be necessary on the part of the Board.

If the County Administrator determines to sell the Bonds by negotiated sale, the County Administrator is authorized, in collaboration with the Financial Advisor, to choose any investment bank or firm to serve as underwriter for the Bonds and to execute and deliver to each such underwriter a bond purchase agreement (the "Bond Purchase Agreement") in a form

approved by the County Administrator to reflect the final terms of the Bonds, and as approved as to form and correctness by the Interim County Attorney. The execution thereof by the County Administrator shall constitute conclusive evidence of his approval of the final form of the Bond Purchase Agreement. Following a negotiated sale, the County Administrator, as Clerk of the Board, shall file a copy of the Bond Purchase Agreement with the County's permanent records. The actions of the County Administrator in selling the Bonds by negotiated sale to any underwriter shall be conclusive, and no further action with respect to the sale and issuance of the Bonds shall be necessary on the part of the Board.

If the County Administrator determines to sell the Bonds through a direct private placement with one or more financial institutions, the County Administrator shall file a certificate setting forth the final terms of the Bonds with the County's permanent records. The actions of the County Administrator in selling the Bonds by direct, private placement with one or more financial institutions shall be conclusive, and no further action with respect to the sale and issuance of the Bonds shall be necessary on the part of the Board.

9. Notice of Sale; RFP for Private Placement of Bonds. If the Bonds are sold by competitive sale, the County Administrator, in collaboration with the Financial Advisor, is authorized and directed to take all proper steps to advertise the Bonds for sale substantially in accordance with the form of Notice of Sale, a draft of which has been provided to the members of the Board, which is hereby approved; provided that the County Administrator, in collaboration with the Financial Advisor, may make such changes in the Notice of Sale not inconsistent with the provisions of this Resolution as he may consider to be in the best interests of the County. The distribution of the Notice of Sale shall constitute conclusive evidence of the approval of the County Administrator of any such changes.

If the Bonds are sold by direct private placement with one or more financial institutions, the County Administrator, in collaboration with the County's Financial Advisor, is authorized and directed to take all proper steps to solicit proposals from qualified financial institutions for the purchase of the Bonds through a request for proposals or other process to be instituted by the County's Financial Advisor on behalf of the County.

10. Official Statement. The form of Preliminary Official Statement describing the Bonds, a draft of which has been provided to the members of the Board, is approved as the form of the Preliminary Official Statement by which the Bonds will be offered for sale, with such completions, omissions, insertions and changes not inconsistent with this Resolution as the County Administrator, in collaboration with the Financial Advisor, may consider appropriate, including changes as necessary to reflect a competitive sale or a negotiated sale. After the Bonds have been sold, the County Administrator, in collaboration with the Financial Advisor, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this Resolution as are necessary or desirable to complete it as a final Official Statement, execution thereof by the County Administrator to constitute conclusive evidence of his approval of any such completions, omissions, insertions and changes. The County shall arrange for the delivery to the underwriters of the Bonds of a reasonable number of copies of the final Official Statement, within seven business days after the Bonds have been sold,

for delivery to each potential investor requesting a copy of the Official Statement and to each person to whom the underwriters initially sell Bonds.

11. Official Statement Deemed Final. The County Administrator is authorized, on behalf of the County, to deem the Preliminary Official Statement and the Official Statement in final form to be final as of their dates within the meaning of Rule 15c2-12, as amended (the "Rule"), of the Securities and Exchange Commission, except for the omission from the Preliminary Official Statement of certain pricing and other information permitted to be omitted pursuant to the Rule. The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed final as of its date by the County, except for the omission in the Preliminary Official Statement of such pricing and other information permitted to be omitted pursuant to the Rule.

12. Preparation and Delivery of Bonds. After the Bonds have been awarded, the Chairman or Vice Chairman and the Clerk or Deputy Clerk of the Board are authorized and directed to take all proper steps to have the Bonds prepared and executed in accordance with their terms and to deliver the Bonds to the purchasers thereof upon payment therefor.

13. Deposit of Bond Proceeds. The County Treasurer is authorized and directed to provide for the deposit of the proceeds of the Bonds in one or more special accounts to be used to pay or reimburse the County for the costs of the public school projects, public safety projects, and road transportation projects to be financed with such proceeds of the Bonds, and to pay the costs of issuing the Bonds.

14. Arbitrage Covenants. The County covenants that it shall not take or omit to take any action the taking or omission of which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations issued pursuant thereto (the "Code"), or otherwise cause interest on the Bonds to be includable in the gross income of the registered owners thereof under existing law. Without limiting the generality of the foregoing, the County shall comply with any provision of law which may require the County at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the Bonds, unless the County receives an opinion of nationally recognized bond counsel that such compliance is not required to prevent interest on the Bonds from being includable in the gross income of the registered owners thereof under existing law. The County shall pay any such required rebate from its legally available funds.

15. Non-Arbitrage Certificate and Elections. Such officers of the County as may be requested are authorized and directed to execute an appropriate certificate setting forth the expected use and investment of the proceeds of the Bonds in order to show that such expected use and investment will not violate the provisions of Section 148 of the Code, and any elections such officers deem desirable regarding rebate of earnings to the United States for purposes of complying with Section 148 of the Code. Such certificate and elections shall be in such form as may be requested by bond counsel for the County.

16. Limitation on Private Use. The County covenants that it shall not permit the proceeds of the Bonds or the facilities financed or refinanced with the proceeds of the Bonds to be used in any manner that would result in (a) 5% or more of such proceeds or the facilities financed or refinanced with such proceeds being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Code, (b) 5% or more of such proceeds or the facilities financed or refinanced with such proceeds being used with respect to any output facility (other than a facility for the furnishing of water), within the meaning of Section 141(b)(4) of the Code, or (c) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Section 141(c) of the Code; provided, however, that if the County receives an opinion of nationally recognized bond counsel that any such covenants need not be complied with to prevent the interest on the Bonds from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law, the County need not comply with such covenants.

17. Continuing Disclosure Agreement. The Chairman or Vice Chairman of the Board and the County Administrator and such officer or officers of the County as either may designate are hereby authorized and directed to execute a continuing disclosure agreement (the "Continuing Disclosure Agreement") setting forth the reports and notices to be filed by the County and containing such covenants as may be necessary to assist the purchasers of the Bonds in complying with the provisions of the Rule. The Continuing Disclosure Agreement shall be substantially in the form attached as Appendix D to the draft Preliminary Official Statement circulated to the Board prior to this meeting, with such completions, omissions, insertions and changes that are not inconsistent with this Resolution.

18. SNAP Investment Authorization. The Board has previously received and reviewed an Information Statement describing the State Non-Arbitrage Program of the Commonwealth of Virginia ("SNAP") and the Contract Creating the State Non-Arbitrage Program Pool I (the "Contract"), and the Board has determined to authorize the County Treasurer to utilize SNAP in connection with the investment of the proceeds of the Bonds, if the County Administrator determines that the utilization of SNAP is in the best interests of the County. The Board acknowledges that the Treasury Board of the Commonwealth of Virginia is not, and shall not be, in any way liable to the County in connection with SNAP, except as otherwise provided in the Contract.

19. Official Intent. The County intends that the adoption of this resolution be considered as "official intent" within the meaning of the Treasury Regulations, Section 1.150-2, promulgated under the Code.

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

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

22. Filing of Resolution with Circuit Court. The County Administrator is hereby directed to file a certified copy of this Resolution with the Circuit Court of Spotsylvania County, Virginia, promptly following its adoption.

23. Effective Date. This Resolution shall take effect immediately.

* * *

Approved as to form:

Karl R. Holsten, Esq.
Interim County Attorney

CERTIFICATE

The undersigned Clerk of the Board of Supervisors (the "Board") of the County of Spotsylvania, Virginia (the "County") hereby certifies that:

1. A meeting of the Board was duly called and held on July 12, 2016 (the "Meeting").

2 Attached hereto is a true, correct and complete copy of a resolution (the "Resolution") of the Board entitled "Resolution Providing for the Issuance, Sale and Award of Spotsylvania County, Virginia, General Obligation Public Improvement Bonds, Series 2016, in a Maximum Aggregate Principal Amount of $36,000,000, and Providing for the Form, Details and Payment Thereof," as recorded in full in the minutes of the Meeting and duly adopted by a majority of the members of the Board present and voting during the Meeting.

3. A summary of the members of the Board present or absent at the Meeting, and the recorded vote with respect to the Resolution, is set forth below:

			Voting		
Member Name	Present	Absent	Yes	No	Abstaining
Timothy J. McLaughlin, Chairperson	✓		✓		
Paul D. Trampe, Vice - Chairperson	✓		✓		
Greg Benton	✓		✓		
Greg Cebula	✓		✓		
David Ross	✓		✓		
Gary F. Skinner	✓		✓		
Chris Yakabouski	✓		✓		

4. The Resolution has not been repealed, revoked, rescinded or amended, and is in full force and effect on the date hereof.

WITNESS MY HAND and the seal of the Board of Supervisors of the County of Spotsylvania, Virginia, this 13th day of July, 2016.

Clerk, Board of Supervisors of
the County of Spotsylvania, Virginia

[SEAL]

EXHIBIT A

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange, or payment, and any certificate is registered in the name of Cede & Co., or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

REGISTERED **REGISTERED**

No. R-___ **$_____**

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

SPOTSYLVANIA COUNTY

General Obligation Public Improvement Bonds, Series 2016

INTEREST RATE	**MATURITY DATE**	**DATED DATE**	**CUSIP**
____%	_____,_____	_____, 2016	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ AND NO/100 DOLLARS

Spotsylvania County, Virginia (the "County"), for value received, promises to pay, upon surrender hereof to the registered owner hereof, or registered assigns or legal representative, the principal sum stated above on the maturity date stated above, subject to prior redemption as hereinafter provided, and to pay interest hereon from its date semiannually on each June 1 and _____, beginning _____, 2016, at the annual rate stated above, calculated on the basis of a 360-day year of twelve 30-day months. Principal, premium, if any, and interest are payable in lawful money of the United States of America by U.S. Bank National Association, Richmond, Virginia, which has been appointed paying agent and registrar for this bond (the "Registrar"). If any payment date with respect to this bond is not a Business Day (as hereinafter defined), such payment will be made on the next succeeding Business Day with the same effect as if made on the payment date and no additional interest shall accrue. "Business Day" shall mean a day on which banking business is transacted, but not including a Saturday, Sunday or legal holiday, or any other day on which banking institutions are authorized by law to close in the Commonwealth of Virginia.

Notwithstanding any other provision hereof, this bond is subject to a book-entry system maintained by The Depository Trust Company, New York, New York ("DTC"), and the payment of principal, premium, if any, and interest, the providing of notices and other matters shall be made as described in the County's Letter of Representations to DTC.

This bond is one of an issue of $36,000,000 General Obligation Public Improvement Bonds, Series 2016 (the "Series 2016 Bonds"), of like date and tenor, except as to number, denomination, rate of interest, privilege of redemption and maturity. The issuance of the Series 2016 Bonds is authorized by (a) a resolution adopted by the Board on July 8, 2014, and approved by the qualified voters of the County at an election held on November 4, 2014.

The Series 2016 Bonds are issued pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991, and a resolution adopted by the Board on July 12, 2016, to provide funds to finance or refinance various capital improvements for the County and to pay the costs of issuing the Series 2016 Bonds.

Optional Redemption. The Series 2016 Bonds may be redeemed at the option of the County prior to their respective maturities in whole or in part (in integral multiples of $5,000) at any time, following requisite notice, on or after _____, 20[__], upon payment of 100% of the principal amount of the Series 2016 Bonds to be redeemed, together with accrued interest to the redemption date.

[*Mandatory Redemption.* The Series 2016 Bonds maturing on _____, 20[__] are subject to mandatory sinking fund redemption, in part, on _____, 20[__] and on each June 1 thereafter, at a redemption price equal to the principal amount to be redeemed (less any principal amount retired by optional redemption or otherwise as provided in the Resolution) plus accrued interest thereon to the date fixed for redemption, in the years set forth below and in the following amounts:

Year	Amount

(final maturity)]

If less than all of the bonds are called for redemption, the maturities of the bonds to be redeemed shall be selected by the Director of Finance of the County in such manner as may be determined to be in the best interest of the County. If less than all of the bonds of a particular maturity are called for redemption, the bonds within such maturity to be redeemed shall be selected by DTC or any successor securities depository pursuant to its rules and procedures or, if the book entry system is discontinued, shall be selected by the Registrar by lot in such manner as the Registrar in its discretion may determine. In either case, (a) the portion of any bond to be redeemed shall be in the principal amount of $5,000 or some integral multiple thereof and (b) in

selecting bonds for redemption, each bond shall be considered as representing that number of bonds that is obtained by dividing the principal amount of such bond by $5,000. The County shall cause notice of the call for redemption identifying the bonds or portions thereof to be redeemed to be sent by facsimile or electronic transmission, registered or certified mail or overnight express delivery, not less than 30 nor more than 60 days prior to the redemption date, to DTC or its nominee as the registered owner of the bonds. If a portion of this bond is called for redemption, a new bond in the principal amount of the unredeemed portion hereof shall be issued to the registered owner upon surrender hereof.

The County may give a notice of redemption prior to a deposit of redemption moneys if such notice states that the redemption is to be funded with the proceeds of a refunding bond issue and is conditioned on the deposit of such proceeds. Provided that moneys are deposited on or before the redemption date, such notice shall be effective when given. If such proceeds are not available on the redemption date, such bonds will continue to bear interest until paid at the same rate they would have borne had they not been called for redemption. On presentation and surrender of the bonds called for redemption at the place or places of payment, such bonds shall be paid and redeemed.

The full faith and credit of the County are irrevocably pledged for the payment of principal of and premium, if any, and interest on this bond. Unless other funds are lawfully available appropriated for timely payment of this bond, the Board shall levy and collect an annual ad valorem tax, over and above all other taxes authorized or limited by law and without limitation as to rate or amount, on all locally taxable property in the County sufficient to pay when due the principal of and premium, if any, and interest on this bond.

The Registrar shall treat the registered owner of this bond as the person exclusively entitled to payment of principal of and premium, if any, and interest on the bond and the exercise of all rights and powers of the owner, except that interest payments shall be made to the person shown as the owner on the registration books on the date 15 days prior to each interest payment date.

All acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or be performed precedent to and in the issuance of this bond have happened, exist and have been performed, and the issue of bonds of which this bond is one, together with all other indebtedness of the County, is within every debt and other limit prescribed by the Constitution and statutes of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Spotsylvania, Virginia, has caused this bond to be issued in the name of the County of Spotsylvania, Virginia, to be signed by its Chairman, its seal to be affixed hereto and countersigned by the Clerk of the Board, and this bond to be dated the date first above written.

COUNTY OF SPOTSYLVANIA, VIRGINIA

_____

Chairman, Board of Supervisors of the
County of Spotsylvania, Virginia

(SEAL)

COUNTERSIGNED:

_____

Clerk, Board of Supervisors of the
County of Spotsylvania, Virginia

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sell(s), assign(s) and transfers unto

_____

(Please print or type name and address, including postal zip code, of Transferee)

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFEREE:

_____

_____

the within Bond and all rights hereunder, hereby irrevocably constituting and appointing _____,

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

Dated: _____

Signature Guaranteed:

_____

NOTICE: Signature(s) must be guaranteed by an Eligible Guarantor Institution such as a Commercial Bank, Trust Company, Securities Broker/Dealer, Credit Union or Savings Association who is a member of a medallion program approved by The Securities Transfer Association, Inc.

_____

_____

(Signature of Registered Owner)

NOTICE: The signature above must correspond with the name of the registered owner as it appears on the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.