

**NINTH SUPPLEMENTAL AGREEMENT OF TRUST**

**between**

**COUNTY OF SPOTSYLVANIA, VIRGINIA**

**and**

**U.S. BANK NATIONAL ASSOCIATION  
(Successor to SunTrust Bank),  
as Trustee**

**Dated as of November 1, 2019**

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**THIS NINTH SUPPLEMENTAL AGREEMENT OF TRUST** dated as of the first day of November, 2019 (the “Ninth Supplemental Agreement”), by and between the Board of Supervisors of the County of Spotsylvania, Virginia (the “Board of Supervisors”), on behalf of the County of Spotsylvania, Virginia, a political subdivision of the Commonwealth of Virginia (the “County”), and U.S. Bank National Association (successor to SunTrust Bank), a banking association organized under the laws of the United States and having a corporate trust office in Richmond, Virginia, as trustee (in such capacity, together with any successor in such capacity, herein called the “Trustee”), provides:

**WHEREAS**, the County and the Trustee have entered into an Agreement of Trust dated as of July 1, 1997 (the “Master Agreement of Trust”), to provide from time to time for financing the acquisition, construction, operation, maintenance and extension of the System (as defined in the Master Agreement of Trust) by the issuance of bonds payable solely from Net Revenues (as defined in the Master Agreement of Trust);

**WHEREAS**, pursuant to the Master Agreement of Trust, the Sixth Supplemental Agreement of Trust dated as of August 1, 2010, the Seventh Supplemental Agreement of Trust dated as of August 1, 2013 and the Eighth Supplemental Agreement of Trust dated as of August 1, 2015 (collectively, the “Agreement of Trust”), the County issued its \$57,855,000 Water and Sewer System Revenue Bonds, consisting of \$28,405,000 Series 2010A (Tax-Exempt Revenue and Refunding Bonds), and \$29,450,000 Series 2010B (Taxable-Direct Payment Build America Bonds), its 21,330,000 Water and Sewer System Revenue Refunding Bonds, Series 2013, and its \$55,325,000 Water and Sewer System Revenue Refunding Bonds, Series 2015 (collectively, the “Outstanding Bonds”);

**WHEREAS**, the County is not in default under the Master Agreement of Trust or in payment of the principal of or interest on the Outstanding Bonds;

**WHEREAS**, within the limitations of and in compliance with the Master Agreement of Trust, the County has determined to issue, pursuant to this Ninth Supplemental Agreement, an additional series of bonds under the Master Agreement of Trust in the principal amount of \$[94,000,000], to be identified as Water and Sewer System Revenue and Refunding Bonds, Series 2019[A][B (Taxable)] (the “Series 2019 Bonds”), secured on a parity with the outstanding principal amount of the Outstanding Bonds; and

**WHEREAS**, the County has taken all necessary action to make the Series 2019 Bonds, when authenticated by the Trustee and issued by the County, valid and binding limited obligations of the County and to constitute this Ninth Supplemental Agreement a valid and binding agreement authorizing and providing for the details of the Series 2019 Bonds;

**NOW THEREFORE**, in consideration of the premises and the mutual covenants and agreements hereinafter contained, the parties hereto agree, as follows:

**ARTICLE I**  
**NINTH SUPPLEMENTAL AGREEMENT; AMENDMENTS**

**Section 9-101. Authorization of Ninth Supplemental Agreement.**

This Ninth Supplemental Agreement is authorized and executed by the County and delivered to the Trustee pursuant to and in accordance with Articles III and X of the Master Agreement of Trust. All terms, covenants, conditions and agreements of the Master Agreement of Trust shall apply with full force and effect to the Series 2019 Bonds and to the holders thereof, except as otherwise provided in this Ninth Supplemental Agreement.

**Section 9-102. Definitions.**

Except as otherwise defined in this Ninth Supplemental Agreement, terms defined in the Master Agreement of Trust are used in this Ninth Supplemental Agreement with the meanings assigned to them in the Master Agreement of Trust. In addition, the following words as used in this Ninth Supplemental Agreement shall have the following meanings unless a different meaning clearly appears from the context:

**“2019 Arbitrage Rebate Fund”** shall mean the Arbitrage Rebate Fund established in Section 9-701.

**“Ninth Supplemental Agreement”** shall mean this Ninth Supplemental Agreement of Trust between the County and the Trustee, which supplements the Master Agreement of Trust.

**“Letter of Representations”** shall mean the Blanket Letter of Representations dated January 15, 1997, from the County to the Securities Depository and any amendments thereto or successor agreements between the County and any successor Securities Depository, relating to a book-entry system to be maintained by the Securities Depository with respect to the Series 2019 Bonds. Notwithstanding any provision of the Master Agreement of Trust, including Article X regarding amendments, the Trustee may enter into any such amendment or successor agreement without the consent of Bondholders.

**“Rebate Amount Certificate”** shall have the meaning set forth in Section 9-703.

**“Securities Depository”** shall mean The Depository Trust Company, a corporation organized and existing under the laws of the State of New York, and any other securities depository for the Series 2019 Bonds appointed pursuant to Section 9-204, and their successors.

**“Series 2019 Bonds”** shall mean the County’s \$[94,000,000] Water and Sewer System Revenue and Refunding Bonds, Series 2019[A][B (Taxable)], authorized to be issued pursuant to this Ninth Supplemental Agreement.

**“Series 2019 Project”** shall mean [improvements to the System, including without limitation telemetry and SCADA improvements; water metering upgrades; Thornburg

distribution and wastewater treatment, various pump station improvements, relocations and decommissionings; and expansion and improvements to the Massaponax wastewater treatment plant], which will be financed with a portion of the proceeds of the Series 2019 Bonds.

**“Series 2019 Project Account”** shall mean the Series 2019 Project Account established in Section 6-501(a).

**“Series 2019 Cost of Issuance Account”** shall mean the Series 2019 Cost of Issuance Account established in Section 9-502(a).

**“Series 2019 Debt Service Reserve Requirement”** for the Series 2019 Bonds shall initially be \$0.00.

### **Section 9-103. References to Articles and Sections.**

Unless otherwise indicated, all references herein to particular articles or sections are references to articles or sections of this Ninth Supplemental Agreement.

## **ARTICLE II**

### **AUTHORIZATION, DETAILS AND FORM OF SERIES 2019 BONDS**

#### **Section 9-201. Authorization of Series 2019 Bonds.**

There are hereby authorized to be issued the Series 2019 Bonds in the aggregate principal amount of \$[94,000,000] to pay (a) the costs of the Series 2019 Project; (b) refund in advance of [its/their] stated maturity date[s] the County’s \$[28,405,000 Water and Sewer System Revenue Bonds, Series 2010A (Tax-Exempt Revenue and Refunding Bonds), its \$29,450,000 Water and Sewer System Revenue Bonds, Series 2010B (Taxable-Direct Payment Build America Bonds)(collectively, the “Series 2010 Bonds”), its \$21,330,000 Water and Sewer System Revenue Refunding Bonds, Series 2013 (the “Series 2013 Bond”), and its \$55,325,000 Water and Sewer System Revenue Refunding Bonds, Series 2015 (the “Series 2015 Bonds”), and (c) pay the costs issuing the Series 2019 Bonds. The Series 2019 Bonds shall be issued pursuant to the Master Agreement of Trust and this Ninth Supplemental Agreement.

#### **Section 9-202. Details of Series 2019 Bonds.**

(a) The Series 2019 Bonds shall be designated “Water and Sewer System Revenue and Refunding Bonds, Series 2019[A][B (Taxable)]” shall be dated the date of their issuance, shall be issuable only as fully registered bonds in the aggregate principal amount not to exceed \$94,000,000, shall be numbered R-1 upward and shall bear interest at the rate of \_\_\_\_% (subject to adjustment as provided therein), payable semiannually on June 1 and December 1, beginning December 1, 20\_\_, until final payment or maturity. Principal of the Series 2019 Bonds shall be payable in accordance with the following schedule:

#### **Principal Payment Date**

#### **Principal Payment Amounts**

[December 1, 20\_\_]

\$

Each Series 2019 Bond shall bear interest (a) from its date, if such Series 2019 Bond is 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 such Series 2019 Bond is authenticated; provided, however, that if at the time of authentication of any Series 2019 Bond payment of interest is in default, such Series 2019 Bond shall bear interest from the date to which interest has been paid.

Principal of the Series 2019 Bonds shall be payable to the registered owners upon the surrender of Series 2019 Bonds at the designated corporate trust office of the Trustee. Interest on the Series 2019 Bonds shall be payable by check or draft mailed to the registered owners at their addresses as they appear on the fifteenth day of the month preceding the interest payment date on the registration books kept by the Trustee; provided, however, if the Series 2019 Bonds are registered in the name of a Securities Depository or its nominee as registered owner or at the option of a registered owner of at least \$1,000,000 of Series 2019 Bonds, payment shall be made by wire transfer pursuant to the wire instructions received by the Trustee from such registered owner. Principal and interest shall be payable in lawful money of the United States of America.

#### **Section 9-203. Form of Series 2019 Bonds.**

The Series 2019 Bonds shall be in substantially the forms set forth in Exhibit A, with such appropriate variations, omissions and insertions as are permitted or required by the Master Agreement of Trust and this Ninth Supplemental Agreement.

#### **Section 9-204. Securities Depository Provisions.**

Initially, one Series 2019 Bond certificate for each maturity of the Series 2019 Bonds will be issued and registered and delivered to the Bondholder. In the event that the Series 2019 Bonds shall be registered in book-entry only form at some future time, the following provisions shall become operative:

The County has entered into a Letter of Representations relating to a book-entry system to be maintained by the Securities Depository with respect to the Series 2019 Bonds.

In the event that (a) the Securities Depository determines not to continue to act as a securities depository for the Series 2019 Bonds by giving notice to the Trustee and the County discharging its responsibilities hereunder or (b) the County in its sole discretion determines (1) that beneficial owners of Bonds shall be able to obtain certificated Series 2019 Bonds or (2) to select a new Securities Depository, then the Trustee shall, at the direction of the County, attempt to locate another qualified securities depository to serve as Securities Depository or authenticate and deliver certificated Series 2019 Bonds to the beneficial owners or to the Securities Depository participants on behalf of beneficial owners substantially in the applicable form provided for in Exhibit A; provided, however, that such form shall provide for interest on the Bonds to be payable (i) from November \_\_, 2019, if it is authenticated prior to December 1, 2019, or (ii) otherwise from the June 1 or December 1 that is, or immediately precedes, the date on which it is 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 Series 2019 Bonds, the Trustee shall be entitled to rely conclusively 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 Series 2019 Bonds will be registrable, transferable and exchangeable as set forth in Section 204 of the Master Agreement of Trust.

So long as there is a Securities Depository for the Series 2019 Bonds (A) it or its nominee shall be the registered owner of the Series 2019 Bonds, (B) notwithstanding anything to the contrary in this Agreement, determinations of persons entitled to payment of principal 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, (C) the County and the Trustee 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, (D) references in this Ninth Supplemental Agreement to registered owners of the Series 2019 Bonds shall mean such Securities Depository or its nominee and shall not mean the beneficial owners of the Series 2019 Bonds and (E) in the event of any inconsistency between the provisions of this Ninth Supplemental Agreement, other than those set forth in this paragraph and the preceding paragraph, and the provisions of the Letter of Representations such provisions of the Letter of Representations shall control.

#### **Section 9-205. Delivery of Series 2019 Bonds.**

The Trustee shall authenticate and deliver the Series 2019 Bonds when there have been filed with or delivered to it all items required by Section 303 of the Master Agreement of Trust.

### **ARTICLE III**

#### **PREPAYMENT OF SERIES 2019 BONDS**

#### **Section 9-301. Redemption of Series 2019 Bonds.**

The Series 2019 Bonds may not be called for redemption by the County except as provided below:

(a) Optional Redemption. Except as described under “Extraordinary Optional Redemption,” below, Series 2019 Bonds maturing on or before [December 1, 2029], are not subject to redemption prior to maturity. Series 2019 Bonds maturing on or after [December 1, 2030], are subject to redemption prior to maturity at the option of the County on or after [December 1, 2029], in whole or in part (in any multiple of \$5,000) at any time, upon payment of 100% of the principal amount of the Series 2019 Bonds to be redeemed plus interest accrued to the date fixed for redemption.

(b) Mandatory Redemption.

(1) The Series 2019 Bonds maturing on December 1, 20\_\_\_\_, are required to be redeemed prior to maturity in part upon payment of 100% of the principal amount thereof plus interest accrued to the redemption date on December 1 in years and amounts, as follows:



<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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(2) The Series 2019 Bonds maturing on December 1, 20\_\_\_\_, are required to be redeemed prior to maturity in part upon payment of 100% of the principal amount thereof plus interest accrued to the redemption date on December 1 in years and amounts, as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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The amount of Series 2019 Bonds to be redeemed pursuant to this Section may be reduced in accordance with the provisions of Section 605 of the Master Agreement of Trust.

### **Section 9-302. Selection of Series 2019 Bonds for Redemption.**

(a) If less than all of the Series 2019 Bonds are called for redemption, the Series 2019 Bonds to be redeemed shall be selected by the County's chief financial officer in such a manner as is determined to be in the best interests of the County.

(b) If less than all of the Series 2019 Bonds of a particular maturity are called for redemption, the Series 2019 Bonds 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, by the Trustee by lot in such manner as the Trustee 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 multiple thereof and (b) in selecting Series 2019 Bonds for redemption, each Bond shall be considered as representing that number of Series 2019 Bonds which is obtained by dividing the principal amount of such bond by \$5,000.

### **Section 9-303. Notice of Redemption.**

(a) The Trustee will give written notice of the call for redemption, identifying the Series 2019 Bonds or portions thereof to be redeemed, to be sent by facsimile or electronic transmission, registered or certified mail or overnight delivery not less than 30 nor more than 60 days prior to the redemption date, to the registered owner thereof. The County shall not be responsible for mailing notice of redemption to anyone other than DTC or another qualified securities depository or its nominee unless no qualified securities depository is the registered owner of the Series 2019 Bonds. If no qualified securities depository is the registered owner of the Series 2019 Bonds, notice of redemption shall be mailed to the registered owners of the Series 2019 Bonds.

(b) At the direction of the County, the Trustee 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 Series 2019 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 Series 2019 Bonds called for redemption at the place or places of payment, such Series 2019 Bonds shall be paid and redeemed.

(c) In preparing and delivering such notice, the Trustee shall take into account, to the extent applicable, the prevailing tax-exempt securities industry standards and any regulatory statement of any Federal or state administrative body having jurisdiction over the County or the tax-exempt securities industry, including Release No. 34-23856 of the Securities and Exchange Commission or any subsequent amending or superseding release. Failure to give any notice specified in (a)(1) above, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Series 2019 Bond with respect to which no such failure or defect has occurred. Failure to give any notice specified in (a)(2) or (a)(3) above, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Series 2019 Bonds with respect to which the notice specified in (a)(1) above is correctly given.

(d) Any notice mailed or provided herein shall conclusively be presumed to have been given whether or not actually received by any Series 2019 Bondholder.

(e) 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, with an escrow agent 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 prior to the redemption date, and the Trustee shall give prompt notice of such rescission to the affected Series 2019 Bondholders. Any Series 2019 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 Trustee shall give immediate notice to all organizations registered with the Securities and Exchange Commission as securities depositories or the affected Series 2019 Bondholders that the redemption did not occur and that the Series 2019 Bonds called for redemption and not so paid remain outstanding.

## **ARTICLE IV**

### **APPLICATION OF PROCEEDS OF SERIES 2019 BONDS**

#### **Section 9-401. Application of Proceeds of Series 2019 Bonds.**

The net proceeds of the Series 2019 Bonds (\$\_\_\_\_\_, representing the par amount of the Series 2019 Bonds less the underwriting fee for the Series 2019 Bonds of \$\_\_\_\_\_) shall be paid to the Trustee and applied as follows:

(a) \$\_\_\_\_\_ in proceeds of the Series 2019 Bonds shall be deposited in the Series 2019 Project Account, and such amount shall be used as described in Section 9-501.

(b) \$\_\_\_\_\_ in proceeds of the Series 2019 Bonds shall be deposited in the Series 2019 Cost of Issuance Account, and such amount shall be used as described in Section 9-502.

(c) \$\_\_\_\_\_ in proceeds of the Series 2019 Bonds shall be deposited with [SunTrust Bank] [U.S. Bank National Association, as Escrow Agent] to pay the costs of refunding advance of their stated maturity dates the [Series 2010 Bonds ‘ the Series 2013 Bond / the Series 2015 Bonds].

(d) Intentionally Omitted.

**Section 9-402. Intentionally Omitted.**

**Section 9-403. Intentionally Omitted.**

**Section 9-404. Intentionally Omitted.**

**Section 9-405. Intentionally Omitted.**

## **ARTICLE V**

### **FUNDS AND ACCOUNTS**

#### **Section 9-501. Series 2019 Project Account.**

Pursuant to Section 612 of the Master Agreement of Trust, there is hereby created and established within the Construction Fund the following Account:

(a) The “Series 2019 Project Account.”

Money in the above-described Project Account shall be applied to the payment of Costs of the Series 2019 Project, upon receipt by the Trustee of one or more requisitions substantially in the form attached hereto as Exhibit B, and pursuant to the requisition process set forth in Section 503 of the Master Agreement of Trust.

#### **Section 9-502. Series 2019 Cost of Issuance Account.**

Pursuant to Section 612 of the Master Agreement of Trust, there is hereby created and established an account within the Construction Fund the following Account:

(a) The “Series 2019 Cost of Issuance Account.”

Money in the above-described Cost of Issuance Account shall be applied to the payment of expenses incident to issuing the Series 2019 Bonds, upon receipt by the Trustee of one or more requisitions substantially in the form attached hereto as Exhibit B, and pursuant to the requisition process set forth in Section 503 of the Master Agreement of Trust. Moneys requisitioned from the Series 2019 Cost of Issuance Account shall not, in the aggregate, exceed 2% of the par amount of the Series 2019 Bonds.

**Section 9-503. Intentionally Omitted.**

**Section 9-504. Intentionally Omitted.**

**Section 9-505. Intentionally Omitted.**

## **ARTICLE VI**

### **SECURITY FOR SERIES 2019 BONDS**

#### **Section 9-601. Security for Series 2019 Bonds.**

The Series 2019 Bonds shall be equally and ratably secured under the Agreement of Trust with the outstanding principal amount of the Outstanding Bonds or any other series issued pursuant to Article III of the Master Agreement of Trust, without preference, priority or distinction of any Bonds over any other Bonds, as provided in the Master Agreement of Trust.

## **ARTICLE VII**

### **ARBITRAGE REBATE FUND**

#### **Section 9-701. Arbitrage Rebate Fund.**

There is hereby established the County of Spotsylvania Water and Sewer System Series 2019 Arbitrage Rebate Fund to be held by the County. The County shall deposit in the 2019 Arbitrage Rebate Fund from legally available moneys from time to time for payment of the rebate obligations under the Code (the "Rebate Amount"). The County may establish separate accounts in the 2019 Arbitrage Rebate Fund for such payments.

#### **Section 9-702. Rebate Requirement.**

Except with respect to earnings on funds and accounts qualifying for exceptions to the rebate requirement of Section 148 of the Code, the County shall pay, but solely from amounts in the 2019 Arbitrage Rebate Fund or any legally available funds of the County, the Rebate Amount to the United States of America, as and when due, in accordance with Section 148(f) of the Code, as provided in this Article, and shall retain records of all such determinations until six years after payment of the Series 2019 Bonds. Notwithstanding anything in this Ninth Supplemental Agreement to the contrary, the 2019 Arbitrage Rebate Fund is not pledged to the payment of the Series 2019 Bonds and shall not be used to pay the Series 2019 Bonds.

#### **Section 9-703. Calculation and Payment of Series 2019 Rebate Obligation.**

(a) The County selects June 1 as the end of the bond year with respect to the Series 2019 Bonds pursuant to Treasury Regulations Section 1.148.1.

(b) Within 30 days after the initial installment computation date, which is the last day of the fifth bond year ([June 1, 20\_\_]) (unless such date is changed by the County prior to the date that any amount with respect to the Series 2019 Bonds is paid or required to be paid to the United States of America as required by Section 148 of the Code) and at least once every five

years thereafter, the County shall cause the “Rebate Amount” to be computed and shall deliver a copy to the Trustee. Prior to any payment of the Rebate Amount to the United States of America as required by Section 148 of the Code, such computation (the “Rebate Amount Certificate”) setting forth the Rebate Amount shall be prepared or approved by (1) a person with experience in matters of governmental accounting for federal income tax purposes or (2) a bona fide arbitrage rebate calculation reporting service.

(c) No later than 60 days after the initial installment computation date, the County shall pay solely from amounts in the Series 2019 Arbitrage Rebate Account to the United States of America at least 90% of the Rebate Amount as set forth in the Rebate Amount Certificate prepared with respect to such installment computation date. At least once on or before 60 days after the installment computation date that is the fifth anniversary of the initial installment computation date and on or before 60 days every fifth anniversary date thereafter until final payment of the Series 2019 Bonds, the County shall pay to the United States of America not less than the amount, if any, by which 90% of the Rebate Amount set forth in the most recent Rebate Amount Certificate exceeds the aggregate of all such payments theretofore made to the United States of America pursuant to this Section. On or before 60 days after final payment of the Series 2019 Bonds, the County shall pay to the United States of America the amount, if any, by which 100% of the Rebate Amount set forth in the Rebate Amount Certificate with respect to the date of final payment of the Series 2019 Bonds exceeds the aggregate of all payments theretofore made pursuant to this Section. All such payments shall be made solely from amounts in the Series 2019 Arbitrage Rebate Account or from any legally available moneys of the County.

(d) Notwithstanding any provision of this article to the contrary, no such calculation or payment shall be made if the County receives and delivers to the Trustee an opinion of Bond Counsel to the effect that (1) such payment is not required under the Code in order to prevent the Series 2019 Bonds from becoming “arbitrage bonds” within the meaning of Section 148 of the Code or (2) such payment should be calculated and paid on some alternative basis under the Code, and the County complies with such alternative basis.

#### **Section 9-704. Reports by Trustee.**

The Trustee shall provide the County within 10 days after each June 1 and within 10 days after the final payment of the Series 2019 Bonds with such reports and information with respect to earnings of amounts held under the Master Agreement of Trust and this Ninth Supplemental Agreement as may be requested by the County in order to comply with the provisions of this Article.

#### **Section 9-705. Disposition of Balance in 2019 Arbitrage Rebate Fund.**

After each payment required in Section 9-703 is made and any additional amount necessary to pay the full Rebate Amount is retained, the remaining amount in the 2019 Arbitrage Rebate Fund shall be transferred to the Bond Fund for the payment of principal or interest on the next payment date and credited against the next succeeding payment of principal or interest.

**ARTICLE VIII**  
**MISCELLANEOUS**

**Section 9-801. Limitations on Use of Proceeds.**

The County covenants with the holders of the Series 2019 Bonds as follows:

(a) The County shall not take or omit to take any action or approve the Trustee's taking any action or making any investment or use of the proceeds of any Series 2019 Bonds (including failure to spend the same with due diligence) the taking or omission of which would cause the Series 2019 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, including participating in any issue of obligations that would cause the Series 2019 Bonds to be part of an "issue" of obligations that are arbitrage bonds, within the meaning of Treasury Regulations Section 1.148-10 or successor regulation, or otherwise cause interest on the Series 2019 Bonds to be includable in the gross income of the registered owners under existing law. Without limiting the generality of the foregoing, the County shall comply with any provision of law that may require the County at any time to rebate to the United States of America any part of the earnings derived from the investment of gross proceeds of the Series 2019 Bonds;

(b) Barring unforeseen circumstances, the County shall not approve the use of the proceeds from the sale of any Series 2019 Bonds otherwise than in accordance with the County's "non-arbitrage" certificates delivered immediately prior to the issuance of the Series 2019 Bonds;

(c) The County shall not permit the proceeds of the Series 2019 Bonds to be used in any manner that would result in either (1) 5% or more of such proceeds or facilities being financed or refinanced with such proceeds being considered as having been used in any trade or business carried on by any person other than a governmental unit as provided in Section 141(b) of the Code, (2) 5% or more of such proceeds or the facilities being 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 (3) 5% or more of such proceeds or the facilities being financed or refinanced with such proceeds being considered as having been used directly or indirectly to make or finance loans to any person other than a governmental unit, as provided in Section 141(c) of the Code; and

(d) The County shall not take any other action that would adversely affect, and shall take all action within its power necessary to maintain, the exclusion of interest on all Series 2019 Bonds from gross income for Federal income taxation purposes; provided, however, that if the County receives an opinion of Bond Counsel that compliance with any such covenant is not required to prevent the interest on the Series 2019 Bonds from being includable in the gross income of the registered owners thereof under existing law, the County need not comply with such restriction.

**Section 9-802. Limitation of Rights.**

With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Ninth Supplemental Agreement or the Bonds is intended or shall be

construed to give to any person other than the parties hereto and the holders of Bonds any legal or equitable right, remedy or claim under or in respect to this Ninth Supplemental Agreement or any covenants, conditions and agreements herein contained since this Ninth Supplemental Agreement and all of the covenants, conditions and agreements hereof are intended to be and are for the sole and exclusive benefit of the parties hereto and the holders of Bonds as herein provided.

**Section 9-803. Severability.**

If any provision of this Ninth Supplemental Agreement shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof and this Ninth Supplemental Agreement shall be construed and enforced as if such illegal provision had not been contained herein.

**Section 9-804. Successors and Assigns.**

This Ninth Supplemental Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

**Section 9-805 Applicable Law.**

This Ninth Supplemental Agreement shall be governed by the applicable laws of the Commonwealth of Virginia.

**Section 9-806. Counterparts.**

This Ninth Supplemental Agreement may be executed in several counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

**Section 9-807. U.S.A Patriot and Freedom Act Requirements of the Trustee.**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions obtain, verify and record information that identifies each person who opens an account. Accordingly, the Trustee will require documentation from each non-individual person such as a business entity, a charity, a trust, or other legal entity verifying its formation as a legal entity. The Trustee may also request licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

[Signature Page Follows]

**IN WITNESS WHEREOF**, the County and the Trustee have caused this Ninth Supplemental Agreement to be executed in their respective corporate names as of the date first above written.

**COUNTY OF SPOTSYLVANIA, VIRGINIA**

By \_\_\_\_\_  
Chairman, Board of Supervisors

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

By \_\_\_\_\_  
Vice President



**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**

**R-\_\_**

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

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

COUNTY OF SPOTSYLVANIA, VIRGINIA

Water and Sewer System Revenue and Refunding Bonds  
Series 2019[A][B (Taxable)]

<b>INTEREST RATE</b>	<b>MATURITY DATE</b>	<b>DATED DATE</b>	<b>CUSIP NO.</b>
_____%	December 1, ____	November __, 2019	849269 ____

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL AMOUNT:** \_\_\_\_\_  
**AND NO/100 DOLLARS**

The County of Spotsylvania, Virginia (the "County"), for value received, hereby promises to pay upon surrender hereof at the designated corporate trust office of U.S. Bank National Association (successor to SunTrust Bank), Richmond, Virginia, as trustee, or its successor in trust (the "Trustee"), under the Agreement of Trust, as hereinafter defined, solely from the source and as hereinafter provided, 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, solely from such source, interest hereon semiannually on each June 1 and December 1, beginning June 1, 2020, at the annual rate stated above, calculated on the basis of a 360-day year of twelve 30-day months. Interest is payable (a) from November \_\_, 2019, if this bond is authenticated prior to December 1, 2019, or (b) otherwise from the June 1 or December 1 that is, or immediately precedes, the date on which this bond is authenticated (unless payment of interest hereon is in default, in which case this bond shall bear interest from the date to which interest has been paid). Interest is payable by check or draft mailed to the registered owner hereof at its address as it appears on the fifteenth

day of the month preceding each interest payment date on registration books kept by the Trustee; provided, however, that if the Bonds, as hereinafter defined, are registered in the name of a securities depository or its nominee as registered owner or at the option of a registered owner of at least \$1,000,000 of Bonds, payment will be made by wire transfer pursuant to the most recent wire instructions received by the Trustee from such registered owner. Principal and interest are payable in lawful money of the United States of America.

Notwithstanding any other provision hereof, this bond is subject to book-entry form maintained by DTC, and the payment of principal 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 \$\_\_\_\_\_ Water and Sewer System Revenue and Refunding Bonds, Series 2019[A][B (Taxable)] (the "Bonds"), of like date and tenor, except as to number, denomination, rate of interest, privilege of redemption and maturity. The Bonds are issued under an Agreement of Trust dated as of July 1, 1997, between the County and the Trustee, as previously supplemented and as further supplemented by an Ninth Supplemental Agreement of Trust dated as of November 1, 2015 (collectively, the "Agreement of Trust"), and are equally and ratably secured on a parity as to the pledge of Net Revenues (as defined in the Agreement of Trust) with the outstanding principal balance of the County's [\$28,405,000 Water and Sewer System Revenue Bonds, Series 2010A (Tax-Exempt Revenue and Refunding Bonds), its \$29,450,000 Water and Sewer System Revenue Bonds, Series 2010B (Taxable-Direct Payment Build America Bonds), its \$21,330,000 Water and Sewer System Revenue Refunding Bonds, Series 2013, and its \$55,325,000 Water and Sewer System Revenue Refunding Bonds, Series 2015] (collectively, the "Parity Bonds"). Reference is hereby made to the Agreement of Trust for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the County and the Trustee, the rights of the holders of the Bonds and the terms upon which the Bonds are issued and secured. Additional bonds secured by a pledge of Net Revenues on a parity with the Bonds and the Parity Bonds may be issued under the terms and conditions set forth in the Agreement of Trust.

The Bonds and the interest thereon are limited obligations of the County payable solely from Net Revenues, except to the extent payable from the proceeds of the Bonds, income from investments, certain reserves and proceeds of insurance, which Net Revenues and other moneys have been pledged as described in the Agreement of Trust to secure payment thereof. The Bonds and the interest thereon shall not be deemed to constitute a pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the County. Neither the Commonwealth of Virginia nor any political subdivision thereof, including the County, shall be obligated to pay the principal of or interest on the Bonds or other costs incident thereto except from Net Revenues and other moneys pledged therefor, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including the County, is pledged to the payment of the principal of or interest on the Bonds or other costs incident thereto.

The Bonds may not be called for redemption by the County except as provided herein and in the Agreement of Trust. Bonds maturing on or before December 1, 2029, are not subject to redemption prior to maturity. Bonds maturing on or after December 1, 2030, are subject to redemption prior to maturity at the option of the County on or after December 1, 2029,

in whole or in part (in any multiple of \$5,000) at any time, upon payment of 100% of the principal amount of the Bonds to be redeemed plus interest accrued to the date fixed for redemption.

If less than all the Bonds are called for redemption, they shall be redeemed from maturities in such order as determined by the County. If less than all of the Bonds of any maturity are called for redemption, the Bonds 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 Trustee by lot in such manner as the Trustee in its discretion may determine. The portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof. In selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

If any of the Bonds or portions thereof are called for redemption, the Trustee shall send notice of the call for redemption, identifying the Bonds or portions thereof to be redeemed, not less than 30 nor more than 60 days prior to the redemption date, by facsimile or electronic transmission, registered or certified mail or overnight express delivery, to the registered owner of the Bonds. Such 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, with the Trustee 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, and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded. Provided funds for their redemption are on deposit at the place of payment on the redemption date, all Bonds or portions thereof so called for redemption shall cease to bear interest on such date, shall no longer be secured by the Agreement of Trust and shall not be deemed to be Outstanding under the provisions of the Agreement of Trust. If a portion of this Bond shall be called for redemption, a new Bond in principal amount equal to the unredeemed portion hereof will be issued to DTC or its nominee upon surrender hereof, or if the book-entry system is discontinued, to the registered owners of the Bonds.

The registered owner of this Bond shall have no right to enforce the provisions of the Agreement of Trust or to institute action to enforce the covenants therein or to take any action with respect to any Event of Default under the Agreement of Trust or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Agreement of Trust. Modifications or alterations of the Agreement of Trust, or of any supplement thereto, may be made only to the extent and in the circumstances permitted by the Agreement of Trust.

The Bonds are issuable as registered bonds in the denomination of \$5,000 and integral multiples thereof. Upon surrender for transfer or exchange of this Bond at the designated corporate trust office of the Trustee, together with an assignment duly executed by the registered owner or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Trustee, the County shall execute, and the Trustee shall authenticate and deliver in exchange, a new Bond or Bonds in the manner and subject to the limitations and conditions provided in the Agreement of Trust, having an equal aggregate principal amount, in authorized denominations, of the same series, form and maturity, bearing interest at the same rate

and registered in the name or names as requested by the then registered owner hereof or its duly authorized attorney or legal representative. Any such exchange shall be at the expense of the County, except that the Trustee may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Trustee shall treat the registered owner as the person exclusively entitled to payment of principal 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 fifteenth day of the month preceding each interest payment date.

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

This Bond shall not become obligatory for any purpose or be entitled to any security or benefit under the Agreement of Trust or be valid until the Trustee shall have executed the Certificate of Authentication appearing hereon and inserted the date of authentication hereon.

**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**

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

(SEAL)

COUNTERSIGNED:

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

CERTIFICATE OF AUTHENTICATION

Date Authenticated: November \_\_, 2019

This Bond is one of the Bonds described in the within mentioned Agreement of Trust.

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

By \_\_\_\_\_  
Authorized Officer

ASSIGNMENT

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

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(please print or typewrite name and address, including zip code, of Transferee)

PLEASE INSERT SOCIAL SECURITY OR OTHER  
IDENTIFYING NUMBER OF TRANSFeree

--

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing

\_\_\_\_\_, Attorney, to transfer said  
Bond on the books kept for the registration thereof, 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.





**FORM OF REQUISITION – PROJECT ACCOUNT**

[Date]

U.S. Bank National Association  
Corporate Trust Services  
1021 East Cary Street  
Richmond, Virginia 23219

Ladies and Gentlemen:

On behalf of the County of Spotsylvania, Virginia (the “County”), the undersigned hereby requisitions from the Series 2019 Project Account in the Construction Fund created by an Agreement of Trust dated as of July 1, 1997, as previously supplemented and amended, and as further supplemented by the Ninth Supplemental Agreement of Trust dated as of \_\_\_\_\_ 1, 2019 (the “Agreement of Trust”), between the County and you, as Trustee, the sum of \$\_\_\_\_\_ to \_\_\_\_\_ in connection with expenses incurred for services rendered as \_\_\_\_\_.

The undersigned hereby certifies that:

(1) there has been received no written notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable under this requisition to any of the persons, firms or corporations named herein, or if any notice of any such lien, attachment or claim has been received, such lien, attachment or claim has been released or discharged or will be released or discharged upon payment of this requisition;

(2) this requisition contains no items representing payment on account of any percentage entitled to be retained as of the date hereof; and

(3) the obligation stated on this requisition has been incurred in or about the construction of the Series 2019 Project (as defined in the Ninth Supplemental Agreement) each item is a proper charge against the Construction Fund, and the obligation has not been the basis for a prior requisition which has been paid.

Attached hereto is an invoice or other appropriate documentation evidencing the obligation described in this requisition.

If this requisition includes an item for payment for labor or to contractors, builders or materialmen, there is attached to this requisition:

(1) a certificate, signed by the Consulting Engineer, stating such work was actually performed or such materials, supplies or equipment were actually furnished or installed in or about the construction of the Series 2019 Project; and

(2) a certificate, signed by an Authorized Representative of the County, stating that such materials, supplies or equipment are not subject to any lien or security interest or that such lien or security interest will be released or discharged upon payment of this requisition.

If this requisition includes an item for payment of the cost of acquisition of any lands, easements or rights or interests in or relating to lands, there is attached to this requisition:

(1) a certificate, signed by the Consulting Engineer, stating that such lands, easements, rights or interests are being acquired and are necessary or convenient for the construction of the Series 2019 Project; and

(2) an Opinion of Counsel (which may be based on a policy of title insurance) stating that upon payment therefor the County will have title in fee simple to, or easements, rights or interests sufficient of the purposes of, the Series 2019 Project over and through such lands.

All capitalized terms used but not defined herein have the same meaning as defined in the Agreement of Trust.

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Authorized Representative of the County,  
County of Spotsylvania, Virginia

**FORM OF REQUISITION – COST OF ISSUANCE ACCOUNT**

[Date]

U.S. Bank National Association  
Corporate Trust Services  
1021 East Cary Street  
Richmond, Virginia 23219

Ladies and Gentlemen:

On behalf of the County of Spotsylvania, Virginia (the “County”), the undersigned hereby requisitions from the Series 2019 Cost of Issuance Account, in the Construction Fund created by an Agreement of Trust dated as of July 1, 1997, as previously supplemented and amended, and as further supplemented by the Ninth Supplemental Agreement of Trust dated as of August 1, 2019 (the “Agreement of Trust”), between the County and you, as Trustee, the sum of \$ \_\_\_\_\_ to \_\_\_\_\_ in connection with expenses incurred for services rendered as \_\_\_\_\_.

The undersigned hereby certifies that:

(1) there has been received no written notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable under this requisition to any of the persons, firms or corporations named herein, or if any notice of any such lien, attachment or claim has been received, such lien, attachment or claim has been released or discharged or will be released or discharged upon payment of this requisition;

(2) this requisition contains no items representing payment on account of any percentage entitled to be retained as of the date hereof; and

(3) the obligation stated on this requisition has been incurred in or about the issuance of the Series 2019 Bonds (as defined in the Ninth Supplemental Agreement of Trust), each item is a proper charge against the applicable Cost of Issuance Account, and the obligation has not been the basis for a prior requisition which has been paid.

All capitalized terms used but not defined herein have the same meaning as defined in the Agreement of Trust.

\_\_\_\_\_  
Authorized Representative of the County,  
County of Spotsylvania, Virginia