

**FIRST AMENDMENT TO TWENTY-FIRST  
SUPPLEMENTAL AGREEMENT OF TRUST**

**between**

**RIVANNA WATER AND SEWER AUTHORITY**

**and**

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

**Dated as of September 1, 2016**

**Providing for a Reduction in the Interest Rate of the Authority's  
Taxable Regional Water and Sewer System Revenue Bond, Series 2010A**

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**THIS FIRST AMENDMENT TO TWENTY-FIRST SUPPLEMENTAL AGREEMENT OF TRUST** dated as of September 1, 2016 (this “First Amendment”), by and between **RIVANNA WATER AND SEWER AUTHORITY**, a public body politic and corporate of the Commonwealth of Virginia (the “Authority”), and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association, as successor trustee to NationsBank, National Association (in such capacity, together with any successor in such capacity, herein called the “Trustee”);

WITNESSETH:

**WHEREAS**, the Authority and the Trustee have entered into an Agreement of Trust dated as of October 1, 1979 (the “Master Trust Agreement”), as supplemented and amended from time to time;

**WHEREAS**, pursuant to the provisions of the Master Trust Agreement as supplemented by a Twenty-First Supplemental Agreement of Trust dated as of June 1, 2010 (the “Twenty-First Supplemental Agreement”), between the Authority and the Trustee, the Authority issued and sold its Taxable Regional Water and Sewer System Revenue Bond, Series 2010A (the “Series 2010A Bond”), to the Virginia Resources Authority, in its capacity as the administrator of the Virginia Water Facilities Revolving Fund (“VRA”);

**WHEREAS**, VRA has offered to lower the interest rate on the Series 2010A Bond, which will result in debt service savings to the Authority;

**WHEREAS**, it appears to be in the best interests of the Authority to consent to such interest rate reduction;

**WHEREAS**, the Authority has determined that it is desirable to make certain amendments to the Twenty-First Supplemental Agreement to reflect the reduction in the interest rate on the Series 2010A Bond, which shall not, in the opinion of the Trustee, prejudice in any material respect the rights of the holders of any Bonds then Outstanding (as defined in the Master Trust Agreement); and

**NOW, THEREFORE, THIS FIRST AMENDMENT WITNESSETH** that the Authority does covenant and agree with the Trustee and with VRA, as the holder of the Series 2010A Bond, as follows:

**ARTICLE I**

**FIRST AMENDMENT TO TWENTY-FIRST SUPPLEMENTAL AGREEMENT OF TRUST**

**Section 101. Authorization of First Amendment.**

This First Amendment is authorized and executed by the Authority and delivered to the Trustee pursuant to and in accordance with Article XIII of the Master Trust Agreement.

**Section 102. Definitions.**

Except as otherwise defined in the Recitals or herein, terms defined in the Master Trust Agreement are used in this First Amendment with the meanings assigned to them in the Master Trust Agreement.

**Section 103. Reference to Articles and Sections.**

Unless otherwise indicated, all references herein to particular articles or sections are references to articles or sections of this First Amendment.

**ARTICLE II**

**AUTHORIZATION AND FORM OF 2010A ALLONGE**

**Section 201. Authorization of 2010A Allonge.**

The 2010A Allonge is hereby authorized to be issued in the form set forth in Exhibit A.

**Section 202. Delivery of 2010A Allonge.**

The Trustee shall authenticate and deliver the 2010A Allonge upon receipt of an Opinion of Counsel meeting the requirements of Section 1303 of the Master Trust Agreement.

**ARTICLE III**

**AMENDMENTS TO TWENTY-FIRST SUPPLEMENTAL AGREEMENT**

**Section 301. Effective Date of Amendments.**

Pursuant to Section 1302 of the Master Trust Agreement, the amendments provided in this article shall be effective upon the consent of the holder of the Series 2010A Bond.

**Section 302. Amendments to Section 21-102 of the Twenty-First Supplemental Agreement.**

(a) Section 21-102 of the Twenty-First Supplemental Agreement is hereby amended by adding the following definitions:

“**2010A Allonge**” shall mean that certain Allonge to the Series 2010A Bond made by the Authority under the First Amendment and dated September [\_\_\_], 2016.”

“**First Amendment**” shall mean the First Amendment to Twenty-First Supplemental Agreement of Trust dated as of September 1, 2016, between the Authority and the Trustee.

(b) Section 21-102 of the Twenty-First Supplemental Agreement is hereby amended by deleting the definitions of “2010 Financing Agreement” and “Series 2010A Bond” and replacing them with the following definitions:

“**2010 Financing Agreement**” shall mean the Financing Agreement dated as of June 1, 2010, as amended by an Amendment to Financing Agreement dated as of September 1, 2016, all between the Authority and VRA.”

“**Series 2010A Bond**” shall mean, collectively, the Taxable Regional Water and Sewer System Revenue Bond, Series 2010A, in the maximum aggregate principal amount of \$15,179,718 authorized to be issued by Article II, as amended by the 2010A Allonge, attached to the Series 2010A Bond and made a part thereof.”

**Section 303. Amendment to Section 21-203 of the Twenty-First Supplemental Agreement.**

Section 21-203(a) of the Twenty-First Supplemental Agreement is hereby amended and restated to read as follows:

**Section 21-203. Payment Provisions of Series 2010A Bond.**

(a) The Cost of Funds of the Series 2010A Bond shall be computed on the disbursed principal balance thereof from the date of each disbursement at a rate not to exceed 2.93% per year (including the part thereof allocable to the Administrative Annual Fee), until October 1, 2016, and from that date to October 1, 2030, at a Cost of Funds rate of 2.05% per year (including the part thereof allocable to the Administrative Annual Fee), calculated on the basis of a 360-day year of twelve 30-day months. The Cost of Funds on all amounts advanced shall be due and payable on April 1, 2012. Thereafter equal installments of combined principal and Cost of Funds of \$513,714.59 shall be due and payable on each April 1 and October 1, beginning October 1, 2012, through October 1, 2016. Commencing April 1, 2017, equal installments of combined principal and Cost of Funds of \$481,260.82 shall be payable on each April 1 and October 1, with a final installment of \$481,260.82 due and payable on October 1, 2030, each installment to be applied first to payment of the Cost of Funds accrued to such payment date and then to principal. If principal disbursements up to \$15,179,718 are not made, the principal amount due on the Series 2010A Bond shall not include such undisbursed amount. However, unless the Authority and VRA agree otherwise in writing, until all amounts due under the Series 2010A Bond and the 2010 Financing Agreement shall have been paid in full, less than full disbursement of \$15,179,718 shall not postpone the due date of any semi-annual installment due on the Series 2010A Bond, or change the amount of such installment unless the principal amount due hereunder is less than the amount of such installment. If not sooner paid, all amounts due under the Series 2010A Bond shall be due and payable on October 1, 2030. The Series 2010A Bond shall be payable solely from Revenues (as defined in the 2010 Financing Agreement) and nothing in the 2010 Financing Agreement, the Series 2010A Bond or this Twenty-First Supplemental Agreement shall be deemed to create or constitute an indebtedness or pledge of the faith and credit of the Commonwealth of Virginia or of any county, city, town or other political subdivision of the Commonwealth, including the Authority. In addition, the Authority shall pay a late payment charge as provided in the 2010 Financing Agreement if any payment is not received within 10 days of its due date, but only from legally available funds. All payments due on the Series 2010A Bond shall be payable as provided in the 2010 Financing Agreement in lawful money of the United States of America. Payments shall be made by check or draft mailed to the registered owner at its address as it appears on the registration books kept for that purpose

by the Trustee, on the 15<sup>th</sup> day of the month preceding the payment date, except that the final payment is payable upon presentation and surrender of the Series 2010A Bond at the office of the Trustee. The Authority intends that amounts constituting interest on the Series 2010A Bond will be included in the gross income of the holder thereof for Federal income tax purposes.

## **ARTICLE IV**

### **MISCELLANEOUS**

#### **Section 401. Limitation of Rights.**

With the exception of the rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this First Amendment is intended or shall be construed to give any person other than the parties hereto and the holders of the Series 2010A Bond any legal or equitable right, remedy or claim under or in respect to this First Amendment or any covenant, condition and agreement herein contained; this First Amendment and all of the covenants, conditions and agreements hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the holders of the Series 2010A Bond as herein provided.

#### **Section 402. Successors and Assigns.**

This First Amendment shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns.

#### **Section 403. Severability.**

If any provision of this First Amendment shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

#### **Section 404. Applicable Law.**

This First Amendment shall be governed by the applicable laws of the Commonwealth of Virginia.

#### **Section 405. Counterparts.**

This First Amendment may be executed in several counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

**IN WITNESS WHEREOF**, the Authority and the Trustee have caused this First Amendment to Twenty-First Supplemental Agreement of Trust to be executed in their respective corporate names by their duly authorized officers, all as of the date first above written.

**RIVANNA WATER AND SEWER AUTHORITY**

By \_\_\_\_\_  
Chair

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

By \_\_\_\_\_  
Title \_\_\_\_\_

As to the amendment contained in Article II,  
seen and consented to:

**VIRGINIA RESOURCES AUTHORITY,  
as administrator of the VIRGINIA WATER  
FACILITIES REVOLVING FUND, as Sole  
Holder of the Series 2010A Bond**

By \_\_\_\_\_  
Stephanie L. Hamlett  
Executive Director

**FORM OF 2010A ALLONGE**

[To be inserted]