

**FIRST AMENDMENT TO TWENTY-THIRD
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 2011D**

and

**Taxable Regional Water and Sewer
System Revenue Bond, Series 2011E**

TABLE OF CONTENTS

Page

ARTICLE I

FIRST AMENDMENT TO TWENTY-THIRD
SUPPLEMENTAL AGREEMENT OF TRUST

Section 101.	Authorization of First Amendment.....	1
Section 102.	Definitions.....	2
Section 103.	Reference to Articles and Sections.....	2

ARTICLE II

AUTHORIZATION AND FORMS OF ALLONGES TO BONDS

Section 201.	Authorization of Allonges.....	2
Section 202.	Delivery of Allonges.....	2

ARTICLE III

AMENDMENTS TO TWENTY-THIRD SUPPLEMENTAL AGREEMENT

Section 301.	Effective Date of Amendments.....	2
Section 302.	Amendments to Section 23-102 of the Twenty-Third Supplemental Agreement.....	2
Section 303.	Amendment to Section 23-203 of the Twenty-Third Supplemental Agreement.....	3

ARTICLE IV

MISCELLANEOUS

Section 401.	Limitation of Rights.....	4
Section 402.	Successors and Assigns.....	4
Section 403.	Severability.....	4
Section 404.	Applicable Law.....	5
Section 405.	Counterparts.....	5
Exhibit A	Form of 2011D Allonge	
Exhibit B	Form of 2011E Allonge	

THIS FIRST AMENDMENT TO TWENTY-THIRD 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-Third Supplemental Agreement of Trust dated as of September 1, 2011 (the “Twenty-Third Supplemental Agreement”), between the Authority and the Trustee, the Authority issued and sold its Taxable Regional Water and Sewer System Revenue Bond, Series 2011D (the “Series 2011D Bond”), and Taxable Regional Water and Sewer System Revenue Bond, Series 2011E (the “Series 2011E Bond” and, together with the Series 2011D Bond, the “Bonds”), 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 rates on the Bonds, 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 reductions;

WHEREAS, the Authority has determined that it is desirable to make certain amendments to the Twenty-Third Supplemental Agreement to reflect the reductions in the interest rates on the Bonds, 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 Bonds, as follows:

ARTICLE I

FIRST AMENDMENT TO TWENTY-THIRD 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 FORMS OF ALLONGES TO BONDS

Section 201. Authorization of Allonges.

The 2011D Allonge and the 2011E Allonge are hereby authorized to be issued in the forms set forth in Exhibits A and B, respectively.

Section 202. Delivery of Allonges.

The Trustee shall authenticate and deliver the 2011D Allonge and the 2011E Allonge upon receipt of an Opinion of Counsel meeting the requirements of Section 1303 of the Master Trust Agreement.

ARTICLE III

AMENDMENTS TO TWENTY-THIRD 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 Bonds.

Section 302. Amendments to Section 23-102 of the Twenty-Third Supplemental Agreement.

(a) Section 23-102 of the Twenty-Third Supplemental Agreement is hereby amended by adding the following definitions:

“**2011D Allonge**” shall mean that certain Allonge to the Series 2011D Bond made by the Authority under the First Amendment and dated September [__], 2016.”

“**2011E Allonge**” shall mean that certain Allonge to the Series 2011E Bond made by the Authority under the First Amendment and dated September [__], 2016.”

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

(b) Section 23-102 of the Twenty-Third Supplemental Agreement is hereby amended by deleting the definitions of “2011 Financing Agreement”, “Series 2011D Bond” and “Series 2011E Bond” and replacing them with the following definitions:

“**2011 Financing Agreement**” shall mean the Financing Agreement dated as of September 1, 2011, as amended by an Amendment to Financing Agreement dated as of September 1, 2016, all between the Authority and VRA.”

“**Series 2011D Bond**” shall mean, collectively, the Taxable Regional Water and Sewer System Revenue Bond, Series 2011D, in the maximum aggregate principal amount of \$4,241,488 authorized to be issued by Article II, as amended by the 2011D Allonge, attached to the Series 2011D Bond and made a part thereof.”

“**Series 2011E Bond**” shall mean, collectively, the Taxable Regional Water and Sewer System Revenue Bond, Series 2011E, in the maximum aggregate principal amount of \$443,937 authorized to be issued by Article II, as amended by the 2011E Allonge, attached to the Series 2011E Bond and made a part thereof.”

Section 303. Amendment to Section 23-203 of the Twenty-Third Supplemental Agreement.

Sections 23-203(a) and (b) of the Twenty-Third Supplemental Agreement are hereby amended and restated to read as follows:

Section 23-203. Payment Provisions of Series 2011 Bonds.

(a) The Cost of Funds of the Series 2011D 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 April 1, 2032, 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 October 1, 2012. Thereafter equal installments of combined principal and Cost of Funds of \$143,541.15 shall be due and payable on each April 1 and October 1, beginning April 1, 2013, through October 1, 2016. Commencing April 1, 2017, equal installments of combined principal and Cost of Funds of \$134,474.89 shall be payable on each April 1 and October 1, with a final installment of \$134,475.04 due and payable on April 1, 2032, 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 \$4,241,488 are not made, the principal amount due on the Series 2011D Bond shall not include such undisbursed amount. However, unless the Authority and VRA agree otherwise in writing, until all amounts due under the Series 2011D Bond and the 2011 Financing Agreement shall have been paid in full, less than full disbursement of \$4,241,488 shall not postpone the due date of any semi-annual installment due on the Series 2011D 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 2011D Bond shall be due and payable on April 1, 2032.

(b) The Cost of Funds of the Series 2011E 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 April 1, 2032, 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 October 1, 2012. Thereafter equal installments of combined principal and Cost of Funds of \$15,023.79 shall be due and payable on each April 1 and October 1, beginning April 1, 2013, through October 1, 2016. Commencing April 1, 2017, equal installments of combined principal and Cost of Funds of \$13,997.32 shall be payable on each April 1 and October 1, with a final installment of \$13,997.48 due and payable on April 1, 2032, 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 \$443,937 are not made, the principal amount due on the Series 2011E Bond shall not include such undisbursed amount. However, unless the Authority and VRA agree otherwise in writing, until all amounts due under the Series 2011E Bond and the 2011 Financing Agreement shall have been paid in full, less than full disbursement of \$443,937 shall not postpone the due date of any semi-annual installment due on the Series 2011E 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 2011E Bond shall be due and payable on April 1, 2032.

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 Bonds 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 Bonds 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-Third 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 2011D Bond and the Series 2011E Bond**

By _____
Stephanie L. Hamlett
Executive Director

EXHIBIT A

FORM OF 2011D ALLONGE

[To be inserted]

FORM OF 2011E ALLONGE

[To be inserted]