

FIRST AMENDATORY SUPPLEMENTAL TRUST INDENTURE

Between

VIRGINIA RESOURCES AUTHORITY

And

U.S. BANK NATIONAL ASSOCIATION,

as Trustee

Dated as of May 1, 2012

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FIRST AMENDATORY SUPPLEMENTAL TRUST INDENTURE

This **FIRST AMENDATORY SUPPLEMENTAL TRUST INDENTURE** is made as of May 1, 2012, between the **VIRGINIA RESOURCES AUTHORITY**, a public body corporate and a political subdivision of the Commonwealth of Virginia ("VRA"), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association with a corporate trust office in Richmond, Virginia, and its successors, as trustee (the "Trustee").

RECITALS

A. VRA was duly created under the Virginia Resources Authority Act, Chapter 21, Title 62.1, Code of Virginia of 1950, as amended (the "VRA Act"), for the purposes of encouraging the investment of both public and private funds and making such funds available to local governments to finance, among other things, sewage and wastewater (including surface and ground water) collection, treatment and disposal facilities, drainage facilities and projects, and certain other related facilities and assets (each a "Sewer Project", and collectively, the "Sewer Projects").

B. The VRA Act authorizes and empowers VRA, among other things, to borrow money and issue its bonds to provide funds to carry out VRA's purposes and powers and to pay all costs and expenses incurred in connection with the issuance of such bonds.

C. Pursuant to Chapter 22, Title 62.1, Code of Virginia of 1950, as amended (the "VWFRF Act"), VRA may, among other things, at any time or from time to time transfer from the Virginia Water Facilities Revolving Fund established under the VWFRF Act to banks or trust companies designated by VRA any or all of the assets of the Virginia Water Facilities Revolving Fund to be held in trust as security for the payment of the principal of and premium, if any, and interest on any or all of the bonds of VRA.

D. VRA has executed and delivered to the Trustee an Amended and Restated Master Trust Indenture dated as of April 1, 2010, as previously supplemented and amended (the "Master Indenture"), under which VRA has provided for the issuance from time to time of Bonds of VRA for the purpose of purchasing and acquiring Local Bonds to finance and refinance the cost of Sewer Projects, and for such other purposes as may be authorized under and pursuant to the VRA Act and the VWFRF Act.

E. The Local Bonds purchased and acquired by VRA with the proceeds of Bonds provide that they may not be prepaid or refunded by the issuing Local Governments without the written consent of VRA.

F. Due to the current and expected volume of requests from Local Governments to prepay or refund their Local Bonds, VRA desires to amend certain provisions of the Master Indenture to, among other things, clarify that the proceeds from any prepayment of a Local Bond will be subject to the lien and pledge of the Master Indenture and to establish provisions under which the proceeds from prepayments can be used either to purchase and acquire additional Local Bonds or to provide for the payment of Bonds.

G. Section 16.1(c) of the Master Indenture permits VRA and the Trustee to enter into Supplemental Indentures to subject to the lien and pledge of this Master Indenture additional revenues, properties or collateral.

H. Section 16.1(k) of the Master Indenture permits VRA and the Trustee to enter into Supplemental Indentures to make changes to the Master Indenture if VRA determines that such changes do not in any material respect prejudice the Owners of the Bonds then Outstanding.

NOW, THEREFORE, VRA hereby covenants and agrees with the Trustee and with the holders, from time to time, of the Bonds, as follows:

ARTICLE I FIRST AMENDATORY SUPPLEMENTAL INDENTURE

1.1 First Amendatory Supplemental Indenture. This First Amendatory Supplemental Indenture is authorized and executed by VRA and delivered to the Trustee pursuant to and in accordance with Article XVI of the Master Indenture. All terms, covenants, conditions and agreements of the Master Indenture apply with full force and effect to the Bonds, except as otherwise provided in this First Amendatory Supplemental Indenture. VRA, after consultation with its bond counsel and financial advisor, hereby determines that the terms of this First Amendatory Supplemental Indenture do not prejudice the Owners of the Bonds Outstanding as of the date of this First Amendatory Supplemental Indenture in any material respect.

1.2 Definitions. All capitalized words and terms not otherwise defined in this First Amendatory Supplemental Indenture have the meanings set forth in the Master Indenture, and the following words and terms have the following meanings in this First Amendatory Supplemental Indenture unless the context clearly requires otherwise (to the extent that there is a conflict between the Master Indenture and this First Amendatory Supplemental Indenture, the terms of this First Amendatory Supplemental Indenture shall prevail):

"First Amendatory Supplemental Indenture" means this First Amendatory Supplemental Indenture and any amendments or supplements hereto.

"Local Bond Prepayment" means any and all payments made by a Local Government to prepay and redeem its Local Bond pursuant to prior written consent granted by VRA.

"Local Bond Prepayment Account" means an account established pursuant to Section 3.1 of this First Amendatory Supplemental Indenture and a Local Bond Prepayment Certificate.

"Local Bond Prepayment Coverage Certificate" means an Officer's Certificate setting forth, as of any particular date:

(a) A schedule projecting the Net Revenues to be derived from the following sources of Revenues to be available after receipt of the Local Bond Prepayment in the then-current and each future Bond Year in which Local Bond Payments would have been made on the Local Bond to be prepaid:

(i) The payments of the principal of, premium, if any, and interest on, and any other payments made with respect to the Local Bonds;

(ii) Absent a Recycling Notice for any such amounts, the amounts scheduled to be released from all Local Bond Prepayment Accounts pursuant to the schedule required in (b) below;

(iii) The payments of the principal of, premium, if any, and interest on, and any other payments made with respect to the Direct Loans;

(iv) Income receivable from the investment of amounts from time to time held in the Reserve Fund;

(v) Amounts scheduled to be released from the Reserve Fund (A) as a result of the payment of Bonds at maturity or (B) pursuant to the Amortization Requirements of the Bonds; and

(vi) Amounts held from time to time in the State Match Revenue Fund and the Revenue Fund.

(b) A schedule, for the Local Bond Prepayment to be received, that sets forth the amounts and dates upon which the Trustee shall release specified amounts of the Local Bond Prepayments from the Local Bond Prepayment Account into the Revenue Fund for inclusion in the calculation of (ii) above.

(c) A schedule of the Principal and Interest Requirements scheduled to become due and payable on each Bond Year in the then-current and each future Bond Year in which the Local Bond currently being prepaid would have been outstanding.

(d) The percentage obtained by dividing the sum of estimated Net Revenues set forth in clause (a) for each of the then-current and future Bond Years by the scheduled Principal and Interest Requirements set forth in clause (c) for the same Bond Year.

In projecting the foregoing, VRA may assume that Revenues set forth in clause (a) that are scheduled to be retained in the Revenue Fund pursuant to paragraph "FIFTH" in Section 9.1(a) of the Master Indenture shall be reflected as Revenues only with respect to the Payment Dates on which the Trustee is to be directed to apply such retained amounts.

"Local Bond Prepayment Fund" means the fund established pursuant to Section 3.1 of this First Amendatory Supplemental Indenture.

"Local Bond Prepayment Notice" means a notice delivered by VRA pursuant to Section 4.2 of this First Amendatory Supplemental Indenture.

"New Local Bond" means any Local Bond acquired by VRA with funds previously held in the Local Bond Prepayment Fund.

"Recycling Coverage Certificate" means an Officer's Certificate setting forth, as of any particular date:

(a) A schedule projecting the Net Revenues to be derived from the following sources of Revenues to be available upon purchase of the New Local Bond in the then-current and each future Bond Year in which Local Bond Payments are expected to be made on such New Local Bond:

(i) The payments of the principal of, premium, if any, and interest on, and any other payments made with respect to the Local Bonds, including the New Local Bond(s) to be acquired;

(ii) The payments of the principal of, premium, if any, and interest on, and any other payments made with respect to the Direct Loans;

(iii) Income receivable from the investment of amounts from time to time held in the Reserve Fund;

(iv) Amounts scheduled to be released from the Reserve Fund (A) as a result of the payment of Bonds at maturity or (B) pursuant to the Amortization Requirements of the Bonds;

(v) Amounts held from time to time in the State Match Revenue Fund and the Revenue Fund; and

(vi) Amounts scheduled to be released from Local Bond Prepayment Accounts into the Revenue Fund (excluding any amounts scheduled to be released from funds that will be used to acquire the New Local Bond(s) being acquired).

(b) A schedule of the Principal and Interest Requirements scheduled to become due and payable on each Bond Year in the then-current and each future Bond Year with respect to all Bonds to be Outstanding in each such Bond Year.

(c) The percentage obtained by dividing the sum of estimated Net Revenues set forth in clause (a) for each of the then-current and future Bond Years by the scheduled Principal and Interest Requirements set forth in clause (b) for the same Bond Year.

In projecting the foregoing, VRA may assume that Revenues set forth in clause (a) that are scheduled to be retained in the Revenue Fund pursuant to paragraph "FIFTH" in Section 9.1(a) of the Master Indenture shall be reflected as Revenues only with respect to the Payment Dates on which the Trustee is to be directed to apply such retained amounts.

"Recycling Notice" mean a notice delivered by VRA pursuant to Section 4.3 of this First Amendatory Supplemental Indenture.

1.3 Representations of VRA. VRA represents that (i) it is duly authorized under the Constitution and laws of the Commonwealth, including particularly and without limitation the Act, to execute this First Amendatory Supplemental Indenture, and to pledge, assign and grant a

security interest in the Local Bond Prepayments as security for the Bonds in the manner and to the extent set forth in the Master Indenture and this First Amendatory Supplemental Indenture and (ii) all action on its part necessary for the execution and delivery of this First Amendatory Supplemental Indenture has been taken.

ARTICLE II PLEDGE OF ADDITIONAL SECURITY

2.1 Reconfirmation and Amplification of Pledge. VRA hereby affirms the pledges, assignments and grants of security interests set forth in Article II of the Master Indenture. Subject to the terms of this First Amendatory Supplemental Indenture, in order to provide for the payment of the principal of and the premium, if any, and interest on the Bonds issued under the Master Indenture on a parity basis, VRA pledges, assigns, and grants to the Trustee a security interest in all Local Bond Prepayments received by VRA from any Local Governments (less any Clean Water Administrative Expenses and Rebate Amounts).

2.2 Amendment to Definition of Revenue. Notwithstanding anything to the contrary contained in the Master Indenture, the definition of the term "Revenue" set forth in the Master Indenture is hereby amended to expressly include moneys released from the Local Bond Prepayment Funds on a given Payment Date pursuant to a Local Bond Prepayment Coverage Certificate.

ARTICLE III ESTABLISHMENT OF THE LOCAL BOND PREPAYMENT FUND AND DEPOSIT INTO AND RECYCLING FROM A LOCAL BOND PREPAYMENT ACCOUNT

3.1 Establishment of Local Bond Prepayment Account. In accordance with Section 11.1 of the Master Indenture, there is hereby established a separate fund under the Master Indenture (the "Local Bond Prepayment Fund") into which all Local Bond Prepayments shall be made. Further, within the Local Bond Prepayment Fund the Trustee shall establish an Account within the Local Bond Prepayment Fund (each a "Local Bond Prepayment Account") for each Local Bond Prepayment Notice that VRA provides to the Trustee. Each Local Bond Prepayment Account shall have deposited in it the Local Bond Prepayments made by a Local Government to prepay or redeem some or all of its Local Bonds as set forth in a Local Bond Prepayment Notice.

3.2 Direct Deposit of Local Bond Prepayments. VRA shall direct each Local Government to make all Local Bond Prepayments directly to the Trustee and the Trustee shall promptly deposit any such payments into the appropriate Local Bond Prepayment Account within the Local Bond Prepayment Fund as set forth in the Local Bond Prepayment Notice.

3.3 Holding of Funds in Local Bond Prepayment Account. (a) The funds on deposit in the Local Bond Prepayment Fund shall not be transferred to any other Fund or Account established under the Master Indenture on any Payment Date or any other date, except as set forth in the Local Bond Prepayment Coverage Certificate; provided however, that the Trustee may use such funds (on a first-in-first-out basis) to pay VRA or DEQ, as applicable, the

amount of any Clean Water Administrative Expenses due and payable, to the extent that there are insufficient funds available in the Revenue Fund to make such payments.

(b) Funds on deposit in the Local Bond Prepayment Fund shall be invested or reinvested by the Trustee at the request of and as directed by a VRA Representative or by VRA, as the case may be in accordance with Article XII of the Master Indenture.

3.4 Recycling from a Local Bond Prepayment Account. The Trustee shall hold funds in a Local Bond Prepayment Account until the Trustee releases them pursuant to (i) the schedule for release of such funds set forth in the Local Bond Prepayment Coverage Certificate provided with the establishment of such Local Bond Prepayment Account, (ii) a Recycling Notice but only if the conditions precedent to the release of such funds set forth in Section 4.4 of this First Amending Supplemental Indenture are satisfied, or (iii) to pay the costs specified in Section 3.3(a) of this First Amending Supplemental Indenture.

ARTICLE IV SPECIAL COVENANTS AND REQUIREMENTS RELATED TO LOCAL BOND PREPAYMENTS AND THE RECYCLING THEREOF

4.1 Covenant Not to Sell or Otherwise Dispose of Local Bond Prepayments. VRA hereby covenants not to sell, pledge, assign, grant a security interest in, or otherwise convey or dispose of any of the Local Bond Prepayments, except as set forth in Section 2.1 of this First Amending Supplemental Indenture or in accordance with the recycling procedures established in this First Amending Supplemental Indenture.

4.2 Delivery and Requirements of a Local Bond Prepayment Notice. VRA hereby covenants that if any Local Government desires to prepay or redeem all or any portion of a Local Bond prior to the maturity of such Local Bond and VRA provides its written consent thereto, prior to the prepayment, VRA shall:

(a) direct the Local Government to make its Local Bond Prepayment to the Trustee and not to VRA;

(b) deliver to the Trustee a written notice of the intended Local Bond Prepayment at least seven days prior to the intended prepayment (a "Local Bond Prepayment Notice"), which Local Bond Prepayment Notice shall:

(i) contain the amount of the Local Bond Prepayment to be received by the Trustee;

(ii) instruct the Trustee as to the proper Local Bond Prepayment Account into which the Local Bond Prepayment should be deposited (as well as whether the Trustee should create a new Local Bond Prepayment Account); and

(iii) state whether VRA reasonably expects to recycle such funds in accordance with the requirements of the Code.

(c) provide the Trustee with a Local Bond Prepayment Coverage Certificate that demonstrates that for each Bond Year required to be included in the certificate, VRA expects to maintain Revenue Coverage equal to at least the Required Revenue Coverage Percentage.

4.3 Delivery and Requirements of a Recycling Notice. VRA hereby covenants that in the event that VRA desires to recycle the funds on deposit in any Local Bond Prepayment Account in accordance with Treas. Reg. §1.150-1(d)(2)(iii)(B), then VRA shall deliver to the Trustee a written notice (a "Recycling Notice") of the intended recycling of such funds at least seven days prior to the intended recycling date, which Recycling Notice shall contain:

(a) a statement confirming from which Local Bond Prepayment Account(s) the Recycling Payment shall be made; and

(b) the amount of and intended recipient of such Recycling Payment.

4.4 Conditions Precedent to the Recycling of Funds from Local Bond Prepayment Fund. As conditions precedent prior to the recycling of funds from the Local Bond Prepayment Fund, VRA shall deliver or cause to be delivered to the Trustee:

(a) a Recycling Notice at least seven days prior to the intended recycling;

(b) a Recycling Coverage Certificate, dated the date of the acquisition of the New Local Bond and demonstrating that for each Bond Year required to be included, VRA expects to maintain Revenue Coverage equal to at least the Required Revenue Coverage Percentage; and

(c) an opinion of Bond Counsel addressed and acceptable to VRA and the Trustee to the effect that the recycling of the funds for the acquisition of the New Local Bond as set forth in the Recycling Notice and the Recycling Coverage Certificate will not negatively affect the excludability from gross income of interest on the Bonds under Section 103 of the Code.

ARTICLE V MISCELLANEOUS

5.1 Successors and Assigns. This First Amendatory Supplemental Indenture is binding upon, inures to the benefit of and is enforceable by its parties and their respective successors and assigns.

5.2 Severability. If any provision of this First Amendatory Supplemental Indenture is held invalid by any court of competent jurisdiction, such holding will not invalidate any other provision.

5.3 Governing Law. This First Amendatory Supplemental Indenture will be governed by and construed under the applicable laws of the Commonwealth of Virginia.

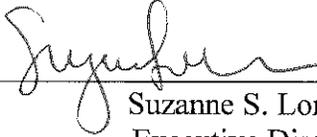
5.4 Counterparts. This First Amendatory Supplemental Indenture may be executed in several counterparts, each of which will be an original, and the counterparts will together constitute one and the same instrument.

5.5 Parties Interested. Nothing in this First Amendatory Supplemental Indenture expressed or implied is intended or will be construed to confer upon any Person, other than VRA, the Trustee and the Owners the Bonds, any right, remedy or claim under or by reason of this First Amendatory Supplemental Indenture, this First Amendatory Supplemental Indenture being intended for the sole and exclusive benefit of VRA, the Trustee and the Owners of the Bonds.

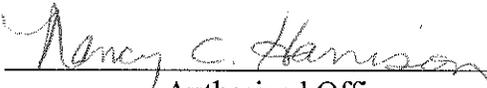
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IN WITNESS WHEREOF, VRA and the Trustee have caused this First Amendatory Supplemental Indenture to be executed in their respective corporate names by their duly authorized officers, all as of the date first above written.

VIRGINIA RESOURCES AUTHORITY

By:  _____
Suzanne S. Long
Executive Director

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By:  _____
Authorized Officer

[SIGNATURE PAGE OF FIRST AMENDATORY SUPPLEMENTAL TRUST INDENTURE]