

**RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF  
A REVENUE BOND, SERIES 2016, OF THE JAMES RIVER  
WATER AUTHORITY AND PROVIDING FOR THE FORM,  
DETAILS AND PAYMENT THEREOF**

**WHEREAS**, the James River Water Authority (the “Authority”) is a public body politic and corporate and a political subdivision of the Commonwealth of Virginia (the “Commonwealth”) exercising public and essential governmental functions and created by resolutions duly adopted by the Board of Supervisors of the County of Fluvanna and the Board of Supervisors of the County of Louisa in accordance with the Virginia Water and Waste Authorities Act, as amended (Chapter 51, Title 15.2, Code of Virginia of 1950, as amended) (the “Act”), for the purpose of servicing the water needs of the County of Fluvanna, Virginia and the County of Louisa, Virginia (collectively, the “Member Jurisdictions”); and

**WHEREAS**, the Authority is authorized to contract debts and to issue, as evidence thereof, notes, bonds or other obligations payable from revenues from a revenue-producing undertaking of the Authority, and the Authority now desires to finance the design and construction of a raw water intake, a pump station and a raw water pipeline, as well as the acquisition of land and right-of-way necessary therefor (collectively, the “Project”) through the issuance of a revenue bond; and

**WHEREAS**, the Virginia Resources Authority (the “VRA”) has a program for the purpose of purchasing and acquiring obligations issued by water and waste authorities to finance projects such as the Project, and the Authority has applied to VRA for the purchase of the Authority’s Revenue Bond, Series 2016 (the “Local Bond”), the proceeds of which will be used to finance the costs of the Project and pay the costs of issuing the Local Bond and any other financing costs including the funding of one or more required reserves; and

**WHEREAS**, VRA has agreed to purchase such Local Bond from the proceeds of its Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 2016A (the “VRA Bonds”) in accordance with the terms of a Local Bond Sale and Financing Agreement, dated as of April 1, 2016 (the “Financing Agreement”), between VRA and the Authority; and

**WHEREAS**, the Authority has indicated that the amount of proceeds being requested from VRA for the Project and other costs is \$9,146,460 (the “Proceeds Requested”) plus amounts necessary to pay any capitalized interest and the costs of issuance and one or more required reserves if the Authority opts to debt fund such reserve, or such other amount requested by the Authority in writing and approved by VRA prior to the pricing of the VRA Bonds, provided such sum does not exceed the maximum principal amount of the Local Bond authorized pursuant to this Resolution; and

**WHEREAS**, VRA has advised the Authority that VRA’s objective is to pay the Authority as the purchase price for the Local Bond an amount which, in VRA’s judgment, reflects the market value of the Local Bond (the “VRA Purchase Price Objective”), taking into consideration such factors as the maximum authorized par amount of the Local Bond, the

Proceeds Requested, the purchase price to be received by VRA for the VRA Bonds, the issuance costs of the VRA Bonds (consisting of the underwriters' discount and other costs incurred by VRA (collectively, the "VRA Costs")) and other market conditions relating to the sale of the VRA Bonds; and

**WHEREAS**, such factors may result in the Authority receiving an amount other than the Proceeds Requested and consequently (i) the principal amount of the Local Bond may be greater than the Proceeds Requested in order to receive an amount of proceeds that is substantially equal to the Proceeds Requested, or (ii) if the maximum authorized aggregate amount of the Local Bond set forth in paragraph 3 of this Resolution does not exceed the Proceeds Requested by at least the amount of the VRA Costs and any original issue discount, the amount to be paid to the Authority, given the VRA Purchase Price Objective and market conditions, will be less than the Proceeds Requested; and

**WHEREAS**, the forms of the Financing Agreement and the Local Bond have been made available to the members of the Authority and filed in the Authority's records;

**BE IT RESOLVED BY THE JAMES RIVER WATER AUTHORITY:**

**1. Issuance of Local Bond and Use of Proceeds.** Pursuant to the Constitution and statutes of the Commonwealth, including the Act, the Authority hereby approves the issuance and sale of the Local Bond to provide funds to finance the Project and pay the costs of issuing the Local Bond and any other financing costs including the funding of one or more required reserves.

**2. Method of Sale.** After consideration of the methods of sale of the Local Bond, it is hereby determined that it is in the best interest of the Authority to accept, and the Authority does hereby accept, the offer from VRA to purchase the Local Bond. The Local Bond is hereby sold to VRA in accordance with the terms and provisions set forth in the Financing Agreement.

**3. Local Bond Details.** The Local Bond shall be issued as a single, registered bond without coupons, shall be designated "Revenue Bond, Series 2016", shall be numbered R-1, shall be dated the date required by VRA, shall be in a principal amount not to exceed \$10,000,000, shall bear interest at the rate or rates to be set forth therein and shall mature no later than October 1, 2046. The Authority authorizes the issuance and sale of the Local Bond at a "true" interest cost not to exceed 5.50% (exclusive of "supplemental interest" as provided in the Financing Agreement). Given the VRA Purchase Price Objective and market conditions, it may become necessary to issue the Local Bond in an aggregate amount greater than the Proceeds Requested. If the limitation on the maximum aggregate principal amount of the Local Bond set forth in this paragraph 3 restricts VRA's ability to generate the Proceeds Requested, taking into account the VRA Costs, the VRA Purchase Price Objective and market conditions, the purchase price of the Local Bond will result in an amount less than the Proceeds Requested. Subject to the foregoing limitations, the Authority authorizes VRA to establish the final principal amount of the Local Bond, the final interest rate or rates on the Local Bond, and the final maturity date and the final principal amortization schedule (including principal installment dates and amounts) for the Local Bond. No further action or approval of such financing terms shall be necessary on the part of the Authority. The principal of and premium, if any, and interest on the Local Bond shall be payable

on the dates and in the amounts set forth in the Local Bond and the Financing Agreement. The Authority may, at its option, redeem, prepay or refund the Local Bond upon the terms set forth in the Financing Agreement. Interest on the Local Bond shall be computed on the basis described in the Financing Agreement and the form of the Local Bond.

As set forth in the Financing Agreement, the Authority agrees to pay such “supplemental interest” and other charges as provided therein, including such amounts as may be necessary to maintain or replenish the VRA Reserve (as defined in the Financing Agreement) and, on the demand of VRA, a late payment penalty if any principal or interest payment on the Local Bond is not paid within ten days after its due date.

The principal of and premium, if any, and interest on the Local Bond shall be payable in lawful money of the United States of America.

**4. Approval of Bond Documents.** The Financing Agreement and the Local Bond (the “Bond Documents”) shall be in substantially the forms made available at this meeting, which are hereby approved, with such completions, omissions, insertions and changes (including changes of the dates thereof) as may be approved by the Chairman and the Vice Chairman of the Authority, either of whom may act, which approval shall be evidenced conclusively by the execution and delivery of such Bond Documents.

**5. Execution and Delivery of Local Bond.** The Chairman and the Vice Chairman of the Authority, either of whom may act, are each hereby authorized and directed to execute the Local Bond and the Secretary and the Assistant Secretary, either of whom may act, are each authorized and directed to fix the Authority’s seal thereon and to attest such seal.

**6. Execution and Delivery of Financing Agreement.** The Chairman and the Vice Chairman of the Authority, either of whom may act, are each hereby authorized and directed to execute the Financing Agreement and to deliver it to VRA.

**7. Authorization of Execution and Delivery of Other Documents.** The Chairman and the Vice Chairman of the Authority and other appropriate officials of the Authority are each hereby authorized to (i) execute and deliver all other certificates, instruments and documents in the name and on behalf of the Authority, including without limitation the Non-Arbitrage Certificate and Tax Compliance Agreement, dated the date of execution and delivery, between VRA and the Authority, and the Support Agreements, each dated as of May 1, 2016, among VRA, the Authority and each Member Jurisdiction and (ii) take all such further action (a) as they may consider necessary or desirable to carry out the intent and purpose of this Resolution, the issuance of the Local Bond, the financing of the Project and the execution, delivery and performance of the Financing Agreement or (b) as may be reasonably requested by VRA in connection with any of the foregoing.

**8. Preparation of Printed Local Bond.** The Authority shall initially issue the Local Bond in typewritten form. Upon request of the registered owner and upon presentation of the Local Bond at the office of the Registrar (as hereinafter defined), the Authority shall arrange to have prepared, executed and delivered in exchange as soon as practicable the Local Bond in printed form in an aggregate principal amount equal to the unpaid principal of the Local Bond in

typewritten form, of the same form and maturity and registered in such names as requested by the registered owners or their duly authorized attorneys or legal representatives. The printed Local Bond may be executed by the manual or facsimile signature of the Chairman or Vice Chairman and the Authority's seal affixed thereto and attested by the manual or facsimile signature of the Secretary or the Assistant Secretary of the Authority. The typewritten Local Bond surrendered in any such exchange shall be canceled.

**9. Registration and Transfer of the Local Bond.** The Authority appoints the Director of Finance of the Authority's fiscal agent as paying agent and registrar (the "Registrar") for the Local Bond. If deemed to be in its best interest, the Authority may at any time appoint a qualified bank or trust company or any other person or entity as successor Registrar. Upon surrender of a Local Bond at the office of the Registrar, 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 Registrar, the Authority shall execute, and the Registrar shall authenticate and deliver in exchange, a new Local Bond or Local Bonds having an equal aggregate principal amount, of the same form and maturity, bearing interest at the same rate or rates and registered in such name as requested by the then registered owner or its duly authorized attorney or legal representative. Any such exchange shall be at the expense of the Authority, except that the Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Registrar shall treat the registered owner as the person or entity exclusively entitled to payment of principal, premium, if any, and interest, and the exercise of all other rights and powers of the owner.

**10. Mutilated, Lost or Destroyed Local Bond.** If a Local Bond has been mutilated, lost or destroyed, the Authority shall execute and deliver a new Local Bond of like form, date and tenor in exchange and substitution for, and upon cancellation of, such mutilated Local Bond or in lieu of and in substitution for such lost or destroyed Local Bond; provided, however, that the Authority shall so execute and deliver a new Local Bond only if the registered owner has paid the reasonable expenses and charges of the Authority in connection therewith and, in the case of a lost or destroyed Local Bond, (a) has filed with the Authority evidence satisfactory to the Authority that such Local Bond was lost or destroyed and (b) has furnished to the Authority satisfactory indemnity.

**11. Pledge of Revenues and Limited Obligation.** In accordance with the provisions of the Financing Agreement, the Authority pledges the Net Revenues Available for Debt Service (as defined in the Financing Agreement) to the payment of principal of, premium, if any, and interest on, the Local Bond. The Authority has no taxing power. The Local Bond shall not be deemed to constitute a pledge of the faith and credit of the Commonwealth or any political subdivision thereof, including the Authority and the Member Jurisdictions. Neither the Commonwealth nor any political subdivision thereof, including the Authority and the Member Jurisdictions, shall be obligated to pay the principal of, premium, if any, or interest on, the Local Bond or other costs incident thereto except from the Net Revenues Available for Debt Service and other moneys specifically pledged therefor under the Financing Agreement, and neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof,

including the Authority and the Member Jurisdictions, is pledged to the payment of the principal of, premium, if any, or interest on, the Local Bond or other costs incident thereto.

**12. Official Statement.** The Authority authorizes and consents to the inclusion of information with respect to the Authority and, if necessary, the Member Jurisdictions in VRA's Preliminary Official Statement and VRA's Official Statement in final form, both prepared in connection with the sale of the VRA Bonds. The Chairman and the Vice Chairman of the Authority are each authorized and directed to take whatever actions are necessary and/or appropriate to aid VRA in ensuring compliance with Securities and Exchange Commission Rule 15c2-12.

**13. SNAP Investment Authorization.** The Authority has heretofore received and reviewed the Information Statement (the "Information Statement") describing the State Non-Arbitrage Program of the Commonwealth ("SNAP") and the Contract Creating the State Non-Arbitrage Program Pool I (the "Contract"), and the Authority hereby authorizes the use of SNAP in connection with the investment of the proceeds of the Local Bond, if the Chairman or Vice Chairman determines that the utilization of SNAP is in the best interest of the Authority. The Authority acknowledges that the Treasury Board of the Commonwealth is not, and shall not be, in any way liable to the Authority in connection with SNAP, except as otherwise provided in the Contract.

**14. Other Actions.** All actions of Authority officials taken heretofore or hereafter in conformity with the purposes and intent of this Resolution are ratified, approved and confirmed.

**15. Limitation of Liability of Officials of the Authority.** No covenant, condition, agreement or obligation contained herein shall be deemed to be a covenant, condition, agreement or obligation of any officer, employee or agent of the Authority in his or her individual capacity. No officer of the Authority executing the Local Bond shall be liable personally on the Local Bond or be subject to any personal liability or accountability by reason of the issuance thereof. No officer, employee or agent of the Authority shall incur any personal liability with respect to any other action taken by him or her pursuant to this Resolution, provided he or she acts in good faith.

**16. Selection of Bond Counsel.** The Authority hereby appoints the law firm of Troutman Sanders LLP, Richmond, Virginia, as bond counsel to supervise the proceedings and approve the issuance of the Local Bond.

**17. Amendment to Reimbursement Resolution.** The Authority previously adopted on August 5, 2014 a reimbursement resolution in connection with the Project. The Authority hereby amends the maximum principal amount of the indebtedness related to the Project as set forth in such resolution from \$7,000,000 to \$10,000,000. The provisions of such resolution relating to the reimbursement of "Expenditures", except as modified by the preceding sentence, remain in full force and effect and are ratified and confirmed hereby.

**18. Repeal of Conflicting Actions.** All resolutions, ordinances or parts thereof in conflict herewith are repealed.

**19. Effective Date.** This Resolution and the provisions contained herein shall become effective immediately upon enactment.

**CERTIFICATION**

The undersigned Secretary of the James River Water Authority hereby certifies (1) that the foregoing constitutes a true, correct and complete copy of a Resolution adopted by the James River Water Authority at a meeting duly called and held on March \_\_, 2016, with the members present and absent and voting on the Resolution as set forth below; (2) that such meeting was duly convened and held in all respects in accordance with law; and (3) that the foregoing Resolution has not been repealed, revoked, rescinded or amended.

	<u>VOTE</u>			
<u>NAME</u>	<u>PRESENT</u>	<u>ABSENT</u>	<u>AYE</u>	<u>NAY</u>

**APPROVED BY JRWA ON MARCH 30, 2016**

WITNESS, my hand and the seal of the James River Water Authority this \_\_\_\_\_ day of March, 2016.

**JAMES RIVER WATER AUTHORITY**

By \_\_\_\_\_  
Secretary

(SEAL)

**UNITED STATES OF AMERICA**  
**COMMONWEALTH OF VIRGINIA**  
**JAMES RIVER WATER AUTHORITY**  
**REVENUE BOND**  
**SERIES 2016**

The **JAMES RIVER WATER AUTHORITY**, a public body politic and corporate and a political subdivision of the Commonwealth of Virginia (the “Authority”), for value received, hereby promises to pay, solely from the sources described below, to the Virginia Resources Authority (“VRA”), as the registered owner hereof, or registered assigns or legal representatives, a principal sum equal to \$\_\_\_\_\_, subject to prior redemption as hereinafter provided.

Principal of this Bond is payable in installments (the “Installments”) on each October 1, beginning October 1, 2017. Each Installment shall be in the applicable amount specified in Schedule 1 attached hereto. If not sooner paid, the entire remaining principal balance hereof shall be due and payable on October 1, 2046.

Interest on the unpaid principal hereof shall be payable on each April 1 and October 1, beginning October 1, 2016. The per annum rate of interest payable with respect to the portion of the principal amount hereof which is payable as a particular Installment shall be the applicable rate specified in Schedule 1 attached hereto. Interest hereon shall accrue from the date hereof and shall be calculated on the basis of a year of 360 days consisting of twelve 30-day months.

All payments of principal of, premium (if any) and interest on this Bond shall be paid directly to U.S. Bank National Association, as trustee for VRA (the “VRA Trustee”), for as long as VRA is the registered owner hereof. If any payment of principal or premium (if any) or interest on this Bond is scheduled to be made on a date which is not a business day, such payment shall be made on the next succeeding business day. If such payment is made on such next succeeding business day, no additional interest shall accrue for the period after the date on which such payment is scheduled to be made.

Principal of and premium (if any) and interest on this Bond are payable in lawful money of the United States of America.

If any installment of principal of, premium (if any) or interest on this Bond is not paid within ten days after its due date, the Authority shall pay to the registered owner hereof a late payment charge in an amount equal to 5.0% of the amount of the overdue installment.

If any failure of the Authority to pay all or any portion of any required payment of the principal of, premium (if any) or interest on this Bond results in a withdrawal from or a drawing on any VRA Reserve (as defined in the hereinafter defined Financing Agreement), the interest rates applicable to this Bond shall be increased to interest rates sufficient to reimburse the VRA



Reserve for any forgone investment earnings on the funds withdrawn therefrom and/or pay any interest, fees or penalties assessed as a result of the withdrawal from or drawing on the VRA Reserve. The increment of interest payable pursuant to the increase in rates shall be referred to as "Supplemental Interest." The Authority's obligation to pay Supplemental Interest shall commence on the date of the withdrawal or drawing of funds from the VRA Reserve occasioned by the Authority's failure to pay a required payment or portion thereof as described above (the "Supplemental Interest Commencement Date"). The Authority's obligation to pay Supplemental Interest shall terminate on the date on which the Authority makes all payments required but outstanding since the date of the initial failure to pay (the "Supplemental Interest Termination Date"). From the Supplemental Interest Commencement Date to the Supplemental Interest Termination Date, Supplemental Interest shall be due and payable on the regularly scheduled interest payment dates provided for in this Bond. As soon as reasonably possible after the Supplemental Interest Commencement Date, VRA shall deliver to the Authority a certificate as to the increase in interest rates and the amount of Supplemental Interest. The certificate shall set forth in reasonable detail the basis for the increase in interest rates and the manner of calculation of the increase and the amount of Supplemental Interest. Such certificate shall be conclusive (absent manifest error) as to the interest rate increase and amount of Supplemental Interest set forth therein. In determining the interest rate increase and the amount of Supplemental Interest, VRA may use any reasonable averaging and attribution methods. Supplemental Interest shall accrue only while VRA or the VRA Trustee is the registered owner of this Bond, and any installment of Supplemental Interest shall be payable only to the extent that VRA shall have furnished the aforesaid certificate setting forth the amount of such installment.

The Authority's obligations to pay the amounts described in this Bond shall not be discharged in whole or in part by any amount withdrawn from or drawn on a VRA Reserve.

Subject to the Authority's right to apply Revenues (as defined in the Financing Agreement) to the payment of Operating Expenses (as defined in the Financing Agreement) and the Authority's obligation to apply Revenues to the payment of prior bonds, if any, secured by Revenues, the Revenues are irrevocably pledged to secure the payment of the principal of, premium (if any) and interest on this Bond as the same shall become due. The Authority has covenanted in the Financing Agreement that it will fix and collect rates, fees and other charges for the use of, and for services furnished by, the Project (as hereinafter defined) in accordance with the provisions of the Financing Agreement. This Bond is a limited obligation of the Authority payable solely as described in the first sentence of this paragraph. The principal of, premium, if any, and interest on this Bond will not be deemed to constitute a general obligation debt or a pledge of the faith and credit of the Commonwealth of Virginia or any of its political subdivisions, including the Authority and the Member Jurisdictions (as hereinafter defined). NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY AND THE MEMBER JURISDICTIONS, IS DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT THERETO OR TO LEVY ANY TAXES THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT EXCEPT FROM THE FUNDS OF THE AUTHORITY PLEDGED FOR SUCH PURPOSE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY AND THE MEMBER

JURISDICTIONS, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT HERETO. THIS BOND SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE AUTHORITY HAS NO TAXING POWER.

This Bond is authorized and issued pursuant to (i) the Virginia Water and Waste Authorities Act, as amended (Chapter 51, Title 15.2, Code of Virginia of 1950, as amended), and (ii) a resolution adopted by the Authority on March \_\_, 2016, for the purpose of financing the design and construction of a raw water intake, a pump station and a raw water pipeline, as well as the acquisition of land and right-of-way necessary therefor (collectively, the "Project") owned and operated by the Authority to service the water needs of the County of Fluvanna, Virginia and the County of Louisa, Virginia (collectively, the "Member Jurisdictions"). It is also issued pursuant to the terms of a Local Bond Sale and Financing Agreement, dated as of April 1, 2016 (the "Financing Agreement"), between the Authority and VRA to evidence a loan by the VRA to the Authority to finance the costs of the Project and pay the costs of issuing the Local Bond and any other financing costs including the funding of any required reserves. The obligations of the Authority under this Bond shall terminate when all amounts due and to become due pursuant to this Bond and the Financing Agreement have been paid in full.

This Bond is subject to defeasance, redemption, repayment and refunding to the extent and on the terms set forth in the Financing Agreement.

If an Event of Default (as defined in the Financing Agreement) occurs, the principal of this Bond may be declared immediately due and payable by the registered owner by written notice to the Authority.

Notwithstanding anything in this Bond to the contrary, in addition to the payments of the principal and interest provided for by this Bond, the Authority shall also pay, but solely from the Revenues, such additional amounts, if any, which may be necessary to provide for payment in full of all amounts due under the Financing Agreement. The Financing Agreement may be amended as provided therein.

No covenant, condition, agreement or obligation contained herein shall be deemed to be a covenant, condition, agreement or obligation of any officer, employee or agent of the Authority in his or her individual capacity, and no officer of the Authority executing this Bond shall be liable personally on this Bond or be subject to any personal liability or accountability by reason of the issuance hereof.

The Director of Finance of the fiscal agent of the Authority shall act as Registrar (the "Registrar") until a different Registrar is selected and shall maintain registration books for the registration and the registration of transfer of this Bond. Payments of principal and interest shall be made by check or draft mailed or by wire to the registered owner, at its address as it appears on the registration books kept for that purpose at the principal office of the Registrar, except that payments hereunder shall be made directly to the VRA Trustee for as long as VRA is the registered owner hereof. The final payment of principal shall be payable upon presentation and surrender of this Bond to the Registrar. The transfer of this Bond may be registered only on the

books kept for the registration and registration of transfer of this Bond upon surrender thereof to the Registrar at his or her address together with an assignment duly executed by the registered owner in person or by his duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar. Upon any such transfer, the Authority shall execute and deliver, in exchange for this Bond, a new registered Bond registered in the name of the transferee. Prior to due presentment for registration of transfer, the Registrar shall treat the registered owner as the person exclusively entitled to payment of principal of, premium, if any, and interest on this Bond and to the exercise of all other rights and powers of the owner.

If this Bond has been mutilated, lost or destroyed, the Authority shall execute and deliver a new Bond of like date and tenor in exchange or substitution for, and upon cancellation of, such mutilated Bond or in lieu of and in substitution for such lost or destroyed Bond; *provided*, that the Authority shall execute and deliver such Bond only if the registered owner has paid the reasonable expenses and charges of the Authority and the Registrar in connection therewith and, in the case of a mutilated Bond, such mutilated Bond shall first be surrendered to the Registrar, and in the case of a lost or destroyed Bond, the registered owner has furnished to the Authority and the Registrar (if different from the Authority or its officials) (a) evidence satisfactory to them that such Bond was lost or destroyed and the registered owner was the owner thereof and (b) indemnity satisfactory to them.

Any failure or delay by the registered owner to exercise any right hereunder or under the Financing Agreement shall not be construed as a waiver of the right to exercise the same or any other rights at any time.

This Bond shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia. Whenever possible, each provision of this Bond shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Bond shall be prohibited by or invalid under such law, such provisions shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Bond. This Bond shall apply to and bind the Authority's successors and assigns to the extent provided herein and shall inure to the benefit of the registered owner, its successors and assigns.

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.

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**IN WITNESS WHEREOF**, the James River Water Authority has caused this Bond to be signed by the manual signature of its Chairman or Vice Chairman, its seal to be impressed hereon and attested by its Secretary or Assistant Secretary and this Bond to be dated the \_\_\_\_ day of \_\_\_\_\_, 2016.

**JAMES RIVER WATER AUTHORITY**

By \_\_\_\_\_  
Chairman

**APPROVED BY JRWA ON MARCH 30, 2016**

(SEAL)

ATTEST:

\_\_\_\_\_  
Secretary, James River Water Authority

**CERTIFICATE OF AUTHENTICATION**

This Bond is one of the bonds of the series designated herein and described in the within mentioned resolution.

**Director of Finance,  
County of Fluvanna, Virginia, as Bond  
Registrar**

By \_\_\_\_\_  
Authorized Signature

Date of authentication: \_\_\_\_\_, 2016

**ASSIGNMENT**

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

\_\_\_\_\_  
(please print or typewrite Name and Address including postal zip code of Transferee)

**PLEASE INSERT SOCIAL SECURITY OR OTHER  
IDENTIFYING NUMBER OF TRANSFEREE**

\_\_\_\_\_  
  
\_\_\_\_\_

the within Bond and all rights 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 a member firm of the New York Stock Exchange or a commercial bank or trust company or by an institution participating in the Securities Transfer Agent Medallion Program or similar program.

\_\_\_\_\_  
(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.