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## RESOLUTION

2024-10.01

### Allonge to 2022 Resolution for Funding

At a regular meeting of the Bedford Regional Water Authority ("Authority") Board of Directors, held in the Board Meeting Room at the Authority's Administrative Annex Building on the 15<sup>th</sup> day of October 2024, beginning at 7:00pm:

**LOCAL RESOLUTION AUTHORIZING AN ALLONGE TO A PREVIOUSLY AWARDED WATER AND SEWER SYSTEM REVENUE BOND, SERIES 2022, OF THE BEDFORD REGIONAL WATER AUTHORITY INCREASING THE PRINCIPAL AMOUNT OF SAID BOND FROM \$13,338,457 TO \$14,051,975 AND AMENDING THE TERMS OF THE FINANCING AGREEMENT GOVERNING SAID BOND AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF**

**WHEREAS**, the Bedford Regional Water Authority (the "Borrower,"), a public service authority formed and existing in accordance with the provisions of Chapter 51 of Title 15.2 of the Code of Virginia, 1950, as amended, the Virginia Water and Waste Authorities Act §§ 15.2-5100-15.2-5159 (the "Act"), at its meeting duly called and held on October 15, 2024, considered an allonge to the previously awarded Water and Sewer System Revenue Bond, Series 2022 (the "Original Local Bond"), increasing the principal amount thereunder from \$13,338,457 to \$14,051,975, in order to finance increased costs related to the required removal, realignment, and re-installation of approximately 800 linear feet of a sewer line owned by the City of Lynchburg, Virginia, together with financing costs and other related expenses (the "Project"), which will be improvements to the Borrower's sewer system (the "Sewer System"); and,

**WHEREAS**, heretofore, Borrower entered into a Financing Agreement (the "Financing Agreement"), dated as of December 1, 2022 with the Virginia Resources Authority, as Administrator of the Virginia Water Facilities Revolving Fund (the "Authority"), by which the Authority loaned to the Borrower \$13,338,457 (the "Loan") from the Virginia Water Facilities Revolving Fund (the "Fund") for the financing of the Project, together with related expenses; and,

**WHEREAS**, the Borrower wishes to borrow from the Fund and the Fund wishes to lend to the Borrower an additional \$713,518, to be evidenced by the Borrower's Allonge to the Original Local Bond (the "Allonge"), to increase the amount of the Loan by an amount not to exceed \$713,518; and

**WHEREAS**, the Borrower desires to approve and authorize the execution of the Allonge and the execution of an amendment to the Financing Agreement to reflect an increase the amount of the Loan and to otherwise modify the terms of the Loan contained in Sections 3.1, 6.1, and 8.1 of the Financing Agreement and Exhibits B and C thereto (the "Amendment").

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### NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BEDFORD REGIONAL WATER AUTHORITY:

**1. Issuance of Allonge and Use of Proceeds.** Pursuant to the Act, the Borrower hereby provides for the issuance of the Allonge in the additional amount up to \$713,518 and to provide funds to finance the Project and to pay financing costs and other costs incurred by virtue of such Allonge.

**2. Authorization of Amendment.** The form of the Amendment between the Borrower and the Authority attached hereto as **Exhibit A**, is being submitted to the Borrower and is hereby approved. The Borrower's Chairman, Vice Chairman or Executive Director, any ONE of whom may act, is authorized to execute the Amendment in substantially such form, with such completions, omissions, insertions and changes not inconsistent with this Local Resolution as may be approved by the Borrower Chairman, Vice Chairman or Executive Director, each of whom, with the Deputy Director, are appointed an Authorized Representative of the Borrower, whose approval shall be evidenced conclusively by the execution and delivery thereof. All capitalized terms used but not defined herein shall have the same meaning as set forth in the Amendment or the Financing Agreement.

**3. Authorization of Allonge.** The form of the Allonge between the Borrower and the Authority attached hereto as **Exhibit B**, is being submitted to the Borrower and is hereby approved. The Borrower's Chairman, Vice Chairman or Executive Director, any ONE of whom may act, is authorized to execute the Allonge in substantially such form, with such completions, omissions, insertions and changes not inconsistent with this Local Resolution as may be approved by the Borrower's Chairman, Vice Chairman or Executive Director, whose approval shall be evidenced conclusively by the execution and delivery thereof. The Allonge shall be governed by the terms and conditions of the Amendment. The proceeds of the Allonge shall be applied in the manner set forth in the Amendment. The Borrower's Secretary is hereby authorized to attest to the Borrower's Chairman's, Vice Chairman's or Executive Director's signature, as the case may be, to the Allonge, and to affix the seal of the Borrower to the same.

**4. Allonge Details.** The Allonge will increase the principal amount of the Original Local Bond up to \$14,051,975, shall bear a Cost of Funds (as defined in the Financing Agreement) of not to exceed 0.50% per year, and shall mature no later than August 1, 2049.

As set forth in the Financing Agreement, the Borrower agrees to pay interest on "Additional Payments" and other charges as provided therein. The principal of and premium, if any, and Cost of Funds on the Allonge shall be payable in lawful money of the United States of America.

**5. Payment and Redemption Provisions.** The principal of and premium, if any, and Cost of Funds on the Allonge shall be payable as set forth in the Original Local Bond, as amended by the Allonge and the Financing Agreement, as amended by the Amendment. The Borrower may only redeem, prepay or refund the Original Local Bond as increased by the Allonge with the written consent of the Authority pursuant to the terms set forth in the Financing Agreement.

**6. Revenues Pledged; Disclaimer.** Subject to the right of the Borrower to apply its water and sewer revenues (the "Revenues" as defined in the Financing Agreement) to the payment of Operation and Maintenance Expenses (as defined in the Financing Agreement), the Borrower hereby irrevocably pledges the Revenues to the payment of principal of and premium, if any, and Cost of Funds on the Original Local Bond, as amended by the Allonge. Such pledge of Revenues

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shall be on a parity basis with the Borrower's Parity Bonds listed on Exhibit F to the Financing Agreement. Principal of, and premium, if any, and Cost of Funds on the Original Local Bond, as amended by the Allonge are payable solely from the Revenues and other sources pledged in the Financing Agreement and this Local Resolution. Neither the faith and credit of the Commonwealth of Virginia (the "Commonwealth") nor the faith and credit of any county, city, town or other subdivision of the Commonwealth, including the Borrower, the Town of Bedford and Bedford County, Virginia are pledged to the payment of the principal of or premium, if any, or Cost of Funds on the Original Local Bond, as amended by the Allonge or other costs incident to it.

Pursuant to Virginia Code § 15.2-5140 of the Act, all moneys received pursuant to the Act shall be deemed to be trust funds, to be held and applied solely as provided in the Act. Any officer to whom, or any bank, trust company or fiscal agent to which, such moneys are paid shall act as trustee of such moneys and shall hold and apply the same for purposes provided in the Act, subject to such regulations as set forth herein and in Virginia Code § 15.2-5140.

**7. Tax Covenants.** The Borrower agrees that it will not directly or indirectly use or permit the use of any of the proceeds of the Original Local Bond, as amended by the Allonge or any other of its funds, in such manner as would, or enter into, or allow any other person or entity to enter into, any arrangement, formal or informal, that would, or take or omit to take any other action that would cause interest on any the Authority Bonds to be includable in gross income for federal income tax purposes or to become a specific item of tax preference for purposes of the federal alternative minimum tax. The Borrower agrees to perform all duties imposed upon it by the Tax Compliance Agreement (as defined in the Financing Agreement). Insofar as the Tax Compliance Agreement imposes duties and responsibilities on the Borrower, including the payment of any arbitrage rebate in respect of the Original Local Bond as increased by the Original Local Bond, as amended by the Allonge, they are specifically incorporated by reference into this Local Resolution. The Borrower also consents to the calculation of any "rebate amount" to be paid with respect to the portion of the Authority Bonds related to the Original Local Bond as increased by the Allonge by a rebate calculation service selected by the Authority.

**8. Limitation on Private Use.** The Borrower covenants that it shall not permit the proceeds of the Original Local Bond as increased by the Allonge or the facilities financed with the proceeds of the Original Local Bond as increased by the Allonge to be used in any manner that would result in (a) 5% or more of such proceeds or the facilities financed with such proceeds being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Code, (b) 5% or more of such proceeds or the facilities financed with such proceeds being used with respect to any output facility (other than a facility for the furnishing of water or the transportation and treatment of waste water), within the meaning of Section 141(b)(4) of the Code, or (c) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Section 141(c) of the Code; provided, however, that if the Borrower receives an opinion of nationally recognized bond counsel that any such covenants need not be complied with to prevent the interest on the Authority Bonds from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law, the Borrower need not comply with such covenants.

**9. Reimbursement.** The Borrower intends to utilize the proceeds of the Original Local Bond as increased by the Allonge to pay some or all of the costs of the Project and that proceeds of the Original Local Bond as increased by the Allonge be used to reimburse it for expenditures related to the Project ("Expenditures") with respect to the Project made on or after the date that is no more than 60 days prior to the date of this Local Resolution. The Borrower reasonably expects

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on the date hereof that it will reimburse the Expenditures with the proceeds of the Original Local Bond as increased by the Allonge.

Each Expenditure was or will be, unless otherwise approved by bond counsel, either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Original Local Bond as increased by the Allonge, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of the Borrower so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the Borrower.

The Borrower intends to make a reimbursement allocation, which is a written allocation by the Borrower that evidences the Borrower's use of proceeds of the Original Local Bond as increased by the Allonge to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the applicable portion of the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. Periodic requisitions of funds will constitute the Borrower's written allocation. The Borrower recognizes that exceptions are available for certain "preliminary expenditures," costs of issuance, certain de minimis amounts, expenditures by "small issuers" (based on the year of issuance and not the year of expenditure) and expenditures for construction of at least five years.

The Borrower intends that the adoption of this Local Resolution confirms the "official intent" within the meaning of Treasury Regulations Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended.

**10. Other Actions.** All prior and future actions of Borrower officials and Authorized Representatives in conformity with the purposes and intent of this Local Resolution and in furtherance of the purposes of the Allonge and the Amendment are ratified, approved and confirmed. The Borrower officials and Authorized Representatives are authorized and directed to execute and deliver all certificates and other instruments considered necessary or desirable in connection with the Amendment and the Allonge pursuant to this Local Resolution, the Financing Agreement, and the Amendment.

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**11. Effective Date.** This Local Resolution shall take effect immediately.

Member Gray made a motion to approve this Resolution.

Member Mele made a Second to approve.

Board Member Votes:   6   Aye   0   Nay   0   Abstain. The motion carried.

**CERTIFICATION**

The undersigned secretary of the Bedford Regional Water Authority does hereby certify that the foregoing is a true, complete, and correct Resolution adopted by a vote of a majority of the Directors of the Bedford Regional Water Authority, present at a regular meeting of the Board of Directors of the Bedford Regional Water Authority duly called and held **October 15, 2024** at which a quorum was present and acting throughout, and that the same has not been amended or rescinded and is in full force and effect as of the date of the above mentioned meeting.

(SEAL)

\_\_\_\_\_  
Brian M. Key, Secretary,  
Bedford Regional Water Authority

**EXHIBIT A**

To Local Resolution

**FORM OF AMENDMENT**

**AMENDMENT TO**

**FINANCING AGREEMENT**

dated as of December 1, 2022

**BETWEEN**

**VIRGINIA RESOURCES AUTHORITY,**

**as Administrator of the  
Virginia Water Facilities Revolving Fund**

**AND**

**BEDFORD REGIONAL WATER AUTHORITY**

Virginia Resources Authority  
Virginia Water Facilities Revolving Fund

Loan No. C-515718

**THIS AMENDMENT TO FINANCING AGREEMENT** (“Amendment”) is dated as of \_\_\_\_\_ 1, 2024, between the **VIRGINIA RESOURCES AUTHORITY**, a public body corporate and a political subdivision of the Commonwealth of Virginia (the “Authority”), as Administrator of the **VIRGINIA WATER FACILITIES REVOLVING FUND**, and the **BEDFORD REGIONAL WATER AUTHORITY**, a public body politic and corporate of the Commonwealth of Virginia (the “Borrower”).

**WHEREAS**, the Authority and the Borrower entered into a Financing Agreement (the “Financing Agreement”), dated as of December 1, 2022, by which the Authority loaned to the Borrower \$13,338,457 (the “Loan”); and

**WHEREAS**, the Borrower issued its Water and Sewer System Revenue Bond, Series 2022, dated December 14, 2022 (the “Original Local Bond”), in an amount not to exceed \$13,338,457 to evidence the Loan; and

[**WHEREAS**, certain unforeseen events related to the construction of the Project led to the required removal and re-installation of approximately 800 linear feet of a sewer line owned by the City of Lynchburg, Virginia, thereby resulting in a necessary increase in Project Costs; and]

**WHEREAS**, the Borrower wishes to borrow from the Fund and the Fund wishes to lend to the Borrower an additional \$\_\_\_\_\_, to be evidenced by the Borrower’s Allonge to the Original Local Bond dated \_\_\_\_\_, 2024 (the “Allonge”), substantially in the form attached hereto as **Exhibit A**, to increase the amount of the Loan by an amount not to exceed \$\_\_\_\_\_; and

**WHEREAS**, the Borrower and the Fund accordingly desire to increase the amount of the Loan and to otherwise modify the terms of the Loan contained in Sections 3.1, 6.1, and 8.1 of the Financing Agreement and Exhibits B and C thereto; and

**WHEREAS**, Section 12.2 of the Financing Agreement provides that the Financing Agreement may be amended as provided therein, with the written consent of the Department.

**NOW, THEREFORE**, for and in consideration of the promises and other good and valid consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower and the Authority agree as follows:

#### **DEFINITIONS**

**Definitions.** The capitalized terms contained in this Amendment shall have the meanings set forth in the Financing Agreement except as defined in the recitals above or unless the context otherwise requires.

## ARTICLE II

### AMENDMENTS TO FINANCING AGREEMENT

#### Amendments to Section 1.1 of the Financing Agreement.

(a) Section 1.1 of the Financing Agreement is amended by inserting the following before the definition of “Annual Administrative Fee”:

““Allonge” means that certain Allonge to the Local Bond authorized by a resolution duly adopted by the Borrower on October 15, 2024.”

[(b) Section 1.1 of the Financing Agreement is amended by inserting the following before the definition of “Closing Date”:

““City Sewer Line” means the approximately 800 linear feet of sewer line owned by the City of Lynchburg, Virginia removed and re-installed as a result of Project construction.”]

(c) Section 1.1 of the Financing Agreement is amended by deleting the definition of “Local Bond” and inserting the following therefor:

““Local Bond” means, collectively, the Water and Sewer System Revenue Bond, Series 2022, in the original maximum principal amount of \$13,338,457, as amended by the Allonge, attached to the Local Bond and made a part thereof.”

#### Amendments to Section 3.1 of the Financing Agreement.

Section 3.1 of the Financing Agreement is hereby amended to read as follows:

“**Section 3.1. Loan to Borrower and Purchase of the Local Bond.** The Borrower agrees to borrow from the Authority, on behalf of the Fund, and the Authority agrees to lend to the Borrower, from the Fund, the principal amount equal to the sum of the principal disbursements made pursuant to Section 4.1, but not to exceed \$\_\_\_\_\_, for the purposes herein set forth. The Borrower’s obligation shall be evidenced by the Local Bond, which shall be in substantially the form of Exhibit A attached hereto and made a part hereof and delivered to the Authority on the Closing Date. The Local Bond shall be in the original principal amount of the loan, bear a Cost of Funds, and shall mature and be payable as hereinafter provided.”

#### Amendments to Section 6.1 of the Financing Agreement.

Section 6.1 of the Financing Agreement is hereby amended to read as follows:



**“Section 6.1. Payment of Local Bond.** (a) The Local Bond shall be dated the date of its delivery to the Authority. The Cost of Funds on the Local Bond shall be computed on disbursed principal balance thereof from the date of each disbursement at the rate of fifty one-hundredths percent (0.50%) per annum, consisting of the following:

(i) interest of thirty one-hundredths percent (0.30%) per annum payable for the benefit of the Fund, and

(ii) twenty one-hundredths percent (0.20%) per annum payable as an Annual Administrative Fee.

(b) The Cost of Funds only on all amounts disbursed under the Local Bond shall be due and payable on [February 1, 2025]. Commencing [August 1, 2025], and continuing semi-annually thereafter on February 1 and August 1 in each year, principal and Cost of Funds due under the Local Bond shall be payable in equal installments of \$\_\_\_\_\_, with a final installment of \$\_\_\_\_\_ due and payable on [August 1, 2049], when, if not sooner paid, all amounts due hereunder and under the Local Bond shall be due and payable in full. Each installment shall be applied first to payment of the Cost of Funds accrued and unpaid to the payment date and then to principal. If principal disbursements up to the maximum authorized amount of the Local Bond are not made, the principal amount due on the Local Bond shall not include such undisbursed amount. However, unless the Borrower and the Authority agree otherwise in writing, until all amounts due hereunder and under the Local Bond shall have been paid in full, less than full disbursement of the maximum authorized amount of the Local Bond shall not postpone the due date of any semi-annual installment due on the Local Bond, or change the amount of such installment unless the principal amount due under the Local Bond is less than the amount of such installment. If any installment of principal of or Cost of Funds on the Local Bond is not paid within ten (10) days after its due date, the Borrower agrees to pay to the Authority on demand a late payment charge in an amount equal to five percent (5.0%) of the overdue installment.”

**[Amendments to Section 8.1 of the Financing Agreement.**

Section 8.1 of the Financing Agreement is hereby amended to read as follows:

**“Section 8.1. Ownership and Operation of Project and System.** Except as may be otherwise approved by the Authority or permitted by the terms hereof, the Project and the System at all times shall be owned by the Borrower and shall not be operated or controlled by any other entity or person, except that the City Sewer Line shall be owned and operated by the City of Lynchburg, Virginia.”]

**Amendments to Exhibit B of the Financing Agreement.**

Exhibit B to the Financing Agreement is hereby amended to read as follows:

**EXHIBIT B**

**PROJECT DESCRIPTION  
BEDFORD REGIONAL WATER AUTHORITY  
C-515718**

The Project includes \_\_\_\_\_, together with related expenses.

**Amendments to Exhibit C of the Financing Agreement.**

Exhibit C to the Financing Agreement is hereby amended to read as follows:

**EXHIBIT C**

**PROJECT BUDGET  
BEDFORD REGIONAL WATER AUTHORITY  
C-515718**

[To Be Provided]

**MISCELLANEOUS**

**Conditions Precedent to Amendment.** The Authority shall not be required to enter into this Amendment unless the Authority has received the following, all in form and substance satisfactory to the Authority:

- (a) The Local Bond.
- (b) A certified copy of a resolution of the Borrower approving the transactions contemplated by and authorizing the execution and delivery of this Amendment and the execution, issuance and delivery of the Allonge, which shall constitute part of the “Local Resolution” under the Financing Agreement.
- (c) A closing certificate from the Department certifying that the Project is in compliance with all federal and state laws and project requirements applicable to the Fund.
- (d) A certificate of the Consulting Engineer estimating the total Project Costs to

be financed with the Local Bond Proceeds, which estimate is in an amount and otherwise compatible with the financing plan described in the Project Budget.

(e) A certificate of the Consulting Engineer to the effect that in the opinion of the Consulting Engineer (i) the Project will be a part of the System, and (ii) the Local Bond Proceeds and funds available from the other sources specified in the Project Budget will be sufficient to pay the estimated Project Costs.

(f) A certificate, including supporting documentation, of a Qualified Independent Consultant that in the opinion of the Qualified Independent Consultant, during the first two complete Fiscal Years of the Borrower following completion of the Project, the projected Net Revenues Available for Debt Service will satisfy the rate covenant made by the Borrower in Section 5.1 of the Financing Agreement. In providing this certificate, the Qualified Independent Consultant may take into consideration future System rate increases, provided that such rate increases have been duly approved by the governing body of the Borrower and any other person or entity required to give approval for the rate increase to become effective. In addition, the Qualified Independent Consultant may take into consideration additional future revenues to be derived under existing contractual arrangements entered into by the Borrower and from reasonable estimates of growth in the consumer base of the Borrower.

(g) A certificate of the Consulting Engineer as to the date the Borrower is expected to complete the acquisition, construction and equipping of the Project.

(h) Evidence satisfactory to the Authority that all governmental permits, licenses, registrations, certificates, authorizations and approvals for the Project required to have been obtained as of the date of the delivery of this Agreement have been obtained and a statement of the Consulting Engineer that he knows of no reason why any future required governmental permits, licenses, registrations, certificates, authorizations and approvals cannot be obtained as needed.

(i) Evidence satisfactory to the Authority that the Borrower has obtained or has made arrangements satisfactory to the Authority to obtain any funds or other financing for the Project as contemplated in the Project Budget.

(j) Evidence satisfactory to the Authority that the Borrower has performed and satisfied all of the terms and conditions contained in this Agreement to be performed and satisfied by it as of such date.

(k) An Opinion of Counsel in form and substance reasonably satisfactory to the Authority.

(l) An opinion of counsel to the Borrower in form and substance reasonably satisfactory to the Authority.

(m) An original, executed copy of an amendment or supplement to the Tax

Compliance Agreement [, in addition to a tax certificate executed by the City of Lynchburg, Virginia with respect to the City Sewer Line,] in form and substance reasonably satisfactory to the Authority.

(n) Evidence satisfactory to the Authority that the Borrower has complied with the insurance provisions set forth in Sections 9.1 and 9.2 of the Financing Agreement.

(o) Evidence that the Borrower has satisfied all conditions precedent to the issuance of the Local Bond as a "Parity Bond" under the financing agreements for the Existing Parity Bonds.

(p) Evidence satisfactory to the Authority that the Service Agreements are in full force and effect and that they are binding and enforceable agreements as to each of the Borrower and the other parties to such agreements.

(q) Such other documentation, certificates and legal opinions as the Authority, the Board or the Department may reasonably require.

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

**Applicable Law.** This Amendment shall be governed by the laws of the Commonwealth of Virginia.

**Ratification of Financing Agreement.** All of the representations and warranties of the Borrower contained in the Financing Agreement are true and correct as of the date hereof. All terms of the Financing Agreement except as amended or modified by the terms of this Amendment are hereby reaffirmed, ratified and confirmed. This Amendment shall not be construed as and is not intended as a novation of the Local Bond.

**Severability.** If any clause, provision or section of this Amendment shall be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or section shall not affect the remainder of this Amendment which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Amendment. If any agreement or obligation contained in this Amendment is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Authority and the Borrower, as the case may be, only to the extent permitted by law.

**Headings.** The headings of the several articles and sections of this Amendment are inserted for convenience only and do not comprise a part of this Amendment.

**Term of Amendment.** This Amendment shall be effective upon its execution and delivery, provided that the Local Bond previously or simultaneously has been executed and delivered. Except as otherwise specified, the Borrower's obligations under the Local Bond and this Amendment shall expire upon payment in full of the Local Bond and all other amounts payable by the Borrower under the Financing Agreement.

**Counterparts.** This Amendment may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

**WITNESS** the following signatures, all duly authorized.

**VIRGINIA RESOURCES AUTHORITY, as  
Administrator of the Virginia Water Facilities  
Revolving Fund**

By: \_\_\_\_\_  
Shawn B. Crumlish  
Executive Director

**BEDFORD REGIONAL WATER AUTHORITY**

By: \_\_\_\_\_  
Brian M. Key, PE  
Executive Director

**EXHIBIT B**  
To Local Resolution

**FORM OF ALLONGE**

**ALLONGE DATED \_\_\_\_\_, 2024 ATTACHED TO THE  
BEDFORD REGIONAL WATER AUTHORITY  
WATER AND SEWER SYSTEM REVENUE BOND, SERIES 2022, DATED DECEMBER 14,  
2022, IN THE ORIGINAL PRINCIPAL AMOUNT OF \$13,338,457, PAYABLE TO VIRGINIA  
RESOURCES AUTHORITY, AS ADMINISTRATOR OF THE VIRGINIA WATER FACILITIES  
REVOLVING FUND**

The text of the Bond is hereby amended, and this Allonge shall be executed, authenticated and acknowledged, as follows:

(a) All references to the Financing Agreement (as defined in this Bond) shall be deemed to mean such Financing Agreement, as amended and supplemented by an Amendment to Financing Agreement, dated as of \_\_\_\_\_ 1, 2024, between the Authority, as Administrator of the Fund, and the Borrower.

(b) The principal amount of this Bond as of the date hereof is increased to \_\_\_\_\_ and 0/100 Dollars (\$\_\_\_\_\_).

(c) A portion of the first paragraph on Page 1 of this Bond, from the sentence beginning "Cost of Funds only on all . . ." through the sentence ending ". . . shall be due and payable in full," is hereby replaced with the following:

"Cost of Funds only on all amounts disbursed under this Bond shall be due and payable on [February 1, 2025]. Commencing on [August 1, 2025], and continuing semi-annually thereafter on February 1 and August 1 in each year, principal and Cost of Funds due under this Bond shall be payable in equal installments of \$\_\_\_\_\_, with a final installment of \$\_\_\_\_\_ due and payable on [August 1, 2049], when, if not sooner paid, all amounts due hereunder shall be due and payable in full."

(d) Schedule I attached to this Allonge shall further evidence payments due on the Bond.

The Borrower ratifies and confirms the Bond as modified hereby and, except as specifically modified hereby, the terms and provisions of the Bond remain in full force and effect. The Bond as modified hereby shall be interpreted and construed in accordance with Virginia law.

This Allonge shall be physically attached to the Bond, simultaneously with the entry into this Allonge by the parties hereto, to evidence the modification of the provisions of the Bond which are affected hereby.

**IN WITNESS WHEREOF**, the Borrower has caused this Allonge to be signed by the manual signature of its Chairman, its corporate seal to be imprinted or printed on it and attested by the manual signature of its Secretary, and this Allonge to be dated the date first set forth above.

**BEDFORD REGIONAL WATER AUTHORITY**

By: \_\_\_\_\_  
Robert Flynn  
Chairman

[SEAL]

ATTEST:

By: \_\_\_\_\_  
Brian M. Key, PE  
Secretary

Virginia Resources Authority, as Administrator of the Virginia Water Facilities Revolving Fund, hereby agrees to the aforementioned amendments set forth in this Allonge.

**APPROVED:**

VIRGINIA RESOURCES AUTHORITY,  
as Administrator of the Virginia Water  
Facilities Revolving Fund

By: \_\_\_\_\_  
Shawn B. Crumlish, Executive Director

[Signature page to Allonge  
(Water and Sewer System Revenue Bond, Series 2022)]