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GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT

Water Refunding Bonds, Series 2006 A

Date of Closing: June 29, 2006

BONDS TRANSCRIPT

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GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT
WATER REFUNDING REVENUE BONDS, SERIES 2006 A

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GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE REFUNDING OF THE WATER REVENUE BONDS, SERIES 1983 AND SERIES 1985 (GMAC), OF GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$300,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REFUNDING BONDS, SERIES 2006 A; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this ResolutionThis Resolution (together with any orders or resolutions supplemental hereto, the "Bond Legislation") is adopted pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law.

Section 1.02. Findings. It is hereby found, determined and declared that:

A. Green Spring Valley Public Service District (the "Issuer") is a public service district and public corporation of the State of West Virginia in Hampshire County of said State.

B. The Issuer now owns and operates a public waterworks system. The refunding of the GMAC Bonds, as hereinafter defined, hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

C. The Issuer has heretofore issued its Water Revenue Bonds, Series 1983, dated May 4, 1983, issued in the original aggregate principal amount of \$317,000 and Water Revenue Bonds, Series 1985, dated December 5, 1985, issued in the original aggregate

principal amount of \$27,000 (collectively, the "GMAC Bonds") and currently held by General Motors Acceptance Corporation.

D. It is in the best interest of the Issuer that the GMAC Bonds be currently refunded in order to allow the Issuer to take advantage of the interest savings.

E. It is deemed necessary for the Issuer to issue its Water Refunding Bonds, Series 2006 A (the "Series 2006 A Bonds") in the total aggregate principal amount of not more than \$300,000 to pay in full the principal of and interest accrued on the GMAC Bonds, and to pay costs of issuance thereof and related costs.

F. It is in the best interest of the Issuer that the Series 2006 A Bonds be sold to the Purchaser (as hereinafter defined) pursuant to the terms and provisions of the commitment letter of the Purchaser dated June 8, 2006.

G. The Issuer has complied with all requirements of West Virginia law relating to authorization of the refunding of the GMAC Bonds, and the issuance of the Series 2006 A Bonds, or will have so complied prior to issuance of the Series 2006 A Bonds, including, among other things, the obtaining of the approval of this financing and the refunding of the GMAC Bonds from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired.

H. Upon the refunding of the GMAC Bonds, there are outstanding obligations of the Issuer which will rank on a parity with the Series 2006 A Bonds as to liens, pledge and source of and security for payment, being the Issuer's Water System Note, Series 1970 (United States Department of Agriculture), dated October 23, 1970, issued in the original aggregate principal amount of \$93,000 (the "Series 1970 Bonds") and the Water System Note, Series 1989 A (United States Department of Agriculture), dated September 22, 1989, issued in the original aggregate principal amount of \$260,000 (the "Series 1989 A Bonds"), collectively referred to herein as the "Prior Bonds".

Prior to the issuance of the Series 2006 A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2006 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no Outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all covenants of the Prior Bonds and the Prior Resolutions.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2006 A Bonds by those who shall be the Registered Owner of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the benefit, protection and security

the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Series 2006 A Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds, and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

Section 1.04. Definitions. The following terms shall have the following meanings herein unless the context expressly requires otherwise:

"Act" means Chapter 16, Article 13A of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"Authorized Officer" means the Chairman of the Governing Body of the Issuer or any temporary Chairman duly appointed by the Governing Body.

"Bondholder," "Holder of the Bonds," "Holder," "Registered Owner" or any similar term whenever used herein with respect to any outstanding Bond or Bonds, means the person in whose name such Bond is registered.

"Bond Legislation," "Resolution" or "Bond Resolution" means this Bond Resolution and all orders and resolutions supplemental hereto or amendatory hereof.

"Bond Registrar" or "Registrar" means the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns.

"Bonds" means, collectively, the Series 2006 A Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder of by another resolution of the Issuer.

"Chairman" means the Chairman of the Governing Body of the Issuer.

"Code" means the Internal Revenue Code of 1986, as amended, and the Regulations.

"Commission" means the West Virginia Municipal Bond Commission or any other agency of the State of West Virginia that succeeds to the functions of the Commission.

"Depository Bank" means the bank designated as such in the Supplemental Resolution, and its successors and assigns.

"FDIC" means the Federal Deposit Insurance Corporation or any successor to the functions of the FDIC.

"Fiscal Year" means each 12-month period beginning on July 1 and ending on the succeeding June 30.

"GMAC Bonds" means, collectively, the Water Revenue Bonds, Series 1983, dated May 4, 1983, issued in the original aggregate principle amount of \$317,000 and Water Revenue Bonds, Series 1985, dated December 5, 1985, issued in the original aggregate principal amount of \$27,000.

"GMAC Resolution" means, collectively the Bond Resolutions authorizing the GMAC Bonds.

"Governing Body" means the Public Service Board of the Issuer.

"Government Obligations" means direct obligations of, or obligations the timely payment of the principal of and interest on which is guaranteed by, the United States of America.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets or any Tap Fees, as hereinafter defined.

"Herein," "hereto" and similar words shall refer to this entire Bond Legislation.

"Independent Certified Public Accountants" shall mean any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the System or for any other purpose except keeping the accounts of the System in the normal operation of its business and affairs.

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

"Issuer" means Green Spring Valley Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia in Hampshire County, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Net Proceeds" means the face amount of the Series 2006 A Bonds, plus accrued interest and premium, if any, and less original issue discount, if any. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2006 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means the balance of the Gross Revenues, remaining after deduction of Operating Expenses, as hereinafter defined.

"Nonpurpose Investment" means any Investment Property as defined in Section 148(b) of the Code, that is not a purpose investment.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, maintenance and operation of the System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, fees and expenses of fiscal agents, the Depository Bank, the Registrar and the Paying Agent (all as hereinafter defined), payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Series 2006 A Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Outstanding" when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered, except (i) any Bond cancelled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which monies, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article IX hereof; and (iv) for purposes of consents or other action by a specified percentage of Bondholders, and Bonds registered to the Issuer.

"Parity Bonds" means additional Parity Bonds issued under the provisions and within the limitations prescribed by Section 5.04 hereof.

"Paying Agent" means the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit

and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

"Purchaser" means the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns.

"Prior Bonds" means, collectively, the Series 1970 Bonds, and the Series 1989 A Bonds.

"Prior Resolutions" means, collectively, the resolutions authorizing the Series 1970 and the Series 1989 A Bonds.

"Qualified Investments" means and includes any of the following:

(a) Government Obligations;

(b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;

(c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

(d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be

secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

(f) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (a) through (e) above;

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

(h) The West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6(c) of the West Virginia Code of 1931, as amended; and

(i) Obligations of States or political subdivisions or agencies thereof, the interest on which is excluded from gross income for federal income tax purposes, and which are rated at least "A" by Moody's Investors Service or Standard & Poor's Corporation.

"Regulations" means temporary and permanent regulations promulgated under the Code.

"Secretary" means the Secretary of the Governing Body of the Issuer.

"Series 2006 A Bonds" means the Water Refunding Bonds, Series 2006 A (Branch Banking and Trust Company), authorized hereby to be issued pursuant to this Resolution.

"Series 2006 A Bonds Reserve Account" means the Series 2006 A Bonds Reserve Account created by Section 4.02 hereof.

"Series 2006 A Bonds Reserve Requirement" means, as of any date of calculation, the lesser of (i) 10% of the original stated principal amount of the Series 2006 A Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2006 A Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2006 A Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the Supplemental Resolution authorizing the sale of the Series 2006 A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2006 A Bonds and not so included may be included in another Supplemental Resolution.

"System" means the complete public waterworks system of the Issuer, presently existing in its entirety or any integral part thereof, and any further additions, extensions and improvements thereto hereafter constructed or acquired for the System from any sources whatsoever.

"Tap Fees" means the fees, if any, paid by prospective customers of the System in order to connect thereto.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF REFUNDING

Section 2.01. Authorization of Refunding All GMAC Bonds Outstanding as of the date of issuance of the Series 2006 A Bonds and all unpaid interest accrued thereon, if any, are hereby ordered to be refunded and paid in full and the pledge of Net Revenues in favor of the Holders of the GMAC Bonds imposed by the GMAC Resolution, the monies in the funds and accounts created by the GMAC Resolution pledged to payment of the GMAC Bonds, and any other funds pledged by the GMAC Resolution to payment of the GMAC Bonds are hereby ordered terminated, discharged and released upon such payment to the Holders of the GMAC Bonds. Contemporaneously with the payment in full of the GMAC Bonds, the amounts on deposit in the sinking fund, and all other funds and accounts created and maintained on behalf of the GMAC Bonds, shall be released from the lien created by the GMAC Resolution. The portion of the proceeds of the Series 2006 A Bonds hereby authorized to be applied towards the refunding of the GMAC Bonds shall be applied as provided in Article III hereof.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS

Section 3.01. Authorization of Bonds. For the purpose of refunding the GMAC Bonds, and paying certain costs of issuance and related costs not otherwise provided for, or any all of such purposes, there is hereby authorized to be issued the Water Refunding Bonds, Series 2006 A, of the Issuer, in the aggregate principal amount of not more than \$300,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution.

Section 3.02. Terms of Bonds. The Series 2006 A Bonds shall be issued in single form, numbered AR-1, and only as a fully registered Bond. The Series 2006 A Bonds shall be dated such date; shall be in such principal amount, not to exceed \$300,000; shall bear interest at such rate or rates, not exceeding the then legally permissible limit on such dates; shall mature on such dates and in such amounts; and shall be subject to such repayment or redemption, all as the Issuer shall prescribe in a Supplemental Resolution. The Series 2006 A Bonds shall be payable as to principal and interest at the office of the Paying Agent in any coin or currency which, on the dates of payment is legal tender for the payment of public or private debts under the laws of the United States of America. The Series 2006 A Bonds shall be subject to prepayment of the principal balance in whole on a scheduled payment date with a 1% prepayment premium.

Section 3.03. Execution of Bonds. The Series 2006 A Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 2006 A Bonds shall cease to be such officer of the Issuer before the Series 2006 A Bonds so signed and sealed have been actually sold and delivered, the Series 2006 A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. The Series 2006 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2006 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.09 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and

Registration on any Series 2006 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2006 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of the Series 2006 A Bonds, shall be conclusively deemed to have agreed that such Bond shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bond shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2006 A Bonds remain outstanding, the Issuer, through the Bond Registrar, shall keep and maintain books for the registration and transfer of the Series 2006 A Bonds.

The registered Series 2006 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging the Series 2006 A Bonds or transferring the registered Bonds are exercised, the Bonds shall be delivered in accordance with the provisions of this Bond Legislation. Any Series 2006 A Bond surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of the Series 2006 Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each such new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the person requesting such exchange or transfer, as a condition precedent to the exercise of the privilege of making such transfer. The Bond Registrar shall not be obliged to make any such exchange or transfer of the Series 2006 A Bonds during the 15 days preceding a scheduled payment date on such Bonds or after notice of any prepayment of such Bonds has been given.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 2006 A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Series 2006 A Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Series 2006 A Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and

complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. The Series 2006 A Bond so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Series 2006 A Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds Not to Be Indebtedness of the Issuer. The Series 2006 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No Holder or Holders of the Series 2006 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2006 A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of the Series 2006 A Bonds shall be secured forthwith by a lien on the Net Revenues derived from the System, in addition to the statutory mortgage lien on the System hereinafter provided, on a parity with the Prior Bonds. The Net Revenues derived from the System in an amount sufficient to pay the principal of and interest on the Series 2006 A Bonds, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2006 A Bonds as the same become due.

Section 3.09. Form of Bond. The text of the Series 2006 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[FORM OF BOND]

GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT
WATER REFUNDING BONDS, SERIES 2006 A

No. R-1

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That on this the ____ day of _____, 2006, GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Hampshire County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the order of

- BRANCH BANKING AND TRUST COMPANY -

or registered assigns (the "Payee"), the principal sum of _____ and (\$ _____), plus interest as follows:

A. Interest on this Bond shall be payable at a rate of ____% per annum (hereinafter sometimes called the "Tax-Exempt Rate"). Interest shall be computed on the basis of a year of 360 days, and the actual number of days in a month (actual number of days divided by 360) payable for the actual number of days elapsed during any portion of a month.

B. Notwithstanding any other provision herein, in the event the interest on this Bond is declared to be includible in gross income for federal income tax purposes by the Internal Revenue Service ("Determination of Taxability"), interest on this Bond shall be payable at a rate of ____% per annum (hereinafter sometimes called the "Taxable Rate"). Interest at the Taxable Rate shall commence to accrue on the date of Determination of Taxability and such interest rate shall be charged retroactively and prospectively for all periods in which interest paid on this Bond is asserted, declared or determined to be includible in gross income for federal income tax purposes, and shall continue until the entire principal of and interest on this Bond are paid, notwithstanding that the entire principal amount of this Bond may have been paid in full prior to the Determination of Taxability. Any interest being past due on this Bond by reason of such increase shall become immediately due and payable.

C. This Bond shall be payable in ____ installments commencing on the ____ day of ____ and on the ____ day of each month thereafter, to and including _____, _____. The monthly installments shall consist of principal and interest of \$ _____ per month.

D. All payments received by the Paying Agent on account of the Bond shall be applied first to payment of interest accrued on the Bond and next to payment of principal of the Bond. If not sooner paid, the entire principal amount of this Bond unpaid on _____, _____, together with all accrued interest and any other sums due and owing upon this Bond shall be due and payable on such date.

The principal of and interest on this Bond is payable in any coin or currency which on the date of payment thereof is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of Branch Banking and Trust Company, Charleston, West Virginia, as Bond Registrar and Paying Agent.

This Bond is subject to prepayment of the principal balance in whole on a scheduled payment date with a 1% prepayment premium.

This Bond is issued to (i) refund the Issuer's Water Revenue Bonds, Series 1983 and Series 1985 (GMAC), and (ii) to pay costs of issuance and related costs. The existing public waterworks facilities of the Issuer, and any further additions, improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a Resolution duly adopted by the Issuer on June __, 2005, and a Supplemental Resolution, duly adopted by the Issuer on June __, 2006 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof.

The principal of and interest on this Bond is payable only from and secured by a pledge of the Net Revenues to be derived from the operation of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's Water System Note, Series 1970 (United States Department of Agriculture), dated October 23, 1970, issued in the original aggregate principal amount of \$93,000 (the "Series 1970 Bonds") and the Water System Note, Series 1989 A (United States Department of Agriculture), dated September 22, 1989, issued in the original aggregate principal amount of \$260,000 (the "Series 1989 A Bonds"), collectively referred to herein as the "Prior Bonds").

This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from the source set forth above. Under the Bond Legislation, the Issuer has entered into certain covenants with the Payee, for the terms of which reference is made to said Bond Legislation. Remedies provided the Payee

are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Bond Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or its attorney duly authorized in writing.

Subject to such registration requirements, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

This Bond is hereby designated a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside by the Issuer for the prompt payment of the principal of and interest on this Bond.

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

IN WITNESS WHEREOF, GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed hereon and attested by its Secretary, and has caused this Bond to be dated the day and year first written above.

GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT

[SEAL]

By: _____
Its: Chairman

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: _____

BRANCH BANKING AND TRUST COMPANY,
as Registrar

By: _____
Its: Authorized Officer

[Form of Assignment]

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within-mentioned Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books of the Registrar on behalf of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

In the presence of:

Section 3.10. Sale of Bonds. The Series 2006 A Bonds shall be sold to the Purchaser contemporaneously with, or as soon as practicable and authorized and permitted by applicable law after, the adoption of the Supplemental Resolution; provided, that the Purchaser and the Issuer shall have agreed to the purchase thereof.

Section 3.11. Disposition of Bond Proceeds. From the monies received from the sale of the Series 2006 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2006 A Bonds, the Issuer shall forthwith wire \$_____ of the proceeds of the Series 2006 A Bonds which is equal to the amount necessary to pay in full the entire principal of and interest accrued on the GMAC Bonds directly to GMAC, the Holder thereof.

B. Next, the Purchaser shall pay the costs of issuance of the Series 2006 A Bonds.

Section 3.12. Designation of Bonds "Qualified Tax-Exempt Obligations." The Issuer hereby designates the Series 2006 A Bonds as "qualified tax-exempt obligations" for the purpose of Section 265(b)(3)(B) of the Code and covenants that the Bond does not constitute private activity bonds as defined in Section 141 of the Code, and that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation and private activity bonds, as defined in Section 141 of the Code), including the Series 2006 A Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during calendar year 2006.

ARTICLE IV

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are hereby created with (or continued if previously established by the Prior Resolutions) and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

- (1) Revenue Fund (established by Prior Resolutions);
- (2) Reserve Fund (established by Prior Resolutions); and
- (3) Renewal and Replacement Fund.

Section 4.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with (or continued if previously established by the Prior Resolutions) and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

- (1) Series 2006 A Bonds Reserve Account.

Section 4.03. Covenants of the Issuer as to System Revenues and Funds. So long as the Series 2006 A Bonds shall be outstanding and unpaid, or until there shall have been set apart, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2006 A Bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the holder of the Series 2006 A Bonds as follows:

A. **REVENUE FUND.** The entire Gross Revenues derived from the operation of the System, and all parts thereof, and all Tap Fees received, shall be deposited as collected by the Issuer in the Revenue Fund established with the Depository Bank. The Revenue Fund shall constitute a trust fund for the purposes provided herein and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided herein.

B. **DISPOSITION OF REVENUES.** All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

- (1) The Issuer shall first, each month, pay from the monies in the Revenue Fund all current Operating Expenses.
- (2) The Issuer shall next, each month, on or before the due date of payment of each installment on the Prior Bonds and the Series 2006 A Bonds transfer from the Revenue Fund and remit

(i) to the National Finance Office designated in the Prior Bonds (or such other place as may be provided pursuant to the Prior Bonds) the amounts required to pay the principal and interest, if any, on the Prior Bonds; and (ii) to the Paying Agent the amount required to pay the interest on the Series 2006 A Bonds and to amortize the principal of the Series 2006 A Bonds over the life of the Series 2006 A Bonds. All payments with respect to principal of and interest on the Prior Bonds and the Series 2006 A Bonds shall be made on an equal pro rata basis in accordance with the respective aggregate principal amounts thereof outstanding and on a parity with each other.

(3) The Issuer shall next, (i) on the date specified in the Prior Resolutions, transfer from the Revenue Fund and remit to the Depository Bank the amounts required for deposit into the Reserve Fund for the Prior Bonds; provided, that as long as the Prior Bonds are outstanding, the Issuer must accumulate and maintain in the Reserve Fund the aggregate sum of \$20,824; and (ii) remit to the Commission, commencing the month following the closing date for deposit in the Series 2006 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2006 A Bonds Reserve Requirement, until the amount in the Series 2006 A Bonds Reserve Account equals the Series 2006 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2006 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2006 A Bonds Reserve Requirement.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, the amounts required by the Prior Resolutions and a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded

such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(5) After all the foregoing provisions for use of monies in the Revenue Fund have been fully complied with, any monies remaining therein and not permitted to be retained therein may be used to prepay installments of the Prior Bonds and the Series 2006 A Bonds, pro rata, or for any lawful purpose.

The Depository Bank and the Commission, as applicable, are hereby designated as the Fiscal Agents for the administration of the Renewal and Replacement Fund and the Series 2006 A Bonds Reserve Account, and all amounts required for the Renewal and Replacement Fund and Series 2006 A Bonds Reserve Account will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, as applicable, together with written advice stating the amount remitted for deposit into each such fund.

All the funds provided for in this Section shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 2006 A Bonds and the interest thereon.

Any withdrawals from the Series 2006 A Bonds Reserve Account which result in a reduction in the balance of the Series 2006 A Bonds Reserve Account to below the Series 2006 A Bonds Reserve Requirement shall be subsequently restored, on a pro rata basis, from the first Net Revenues available after all required payments have been made with respect to the principal of and interest on the Prior Bonds and the Series 2006 A Bonds. Monies in the Series 2006 A Bonds Reserve Account shall be used only for, and are hereby pledged for, the purpose of paying principal of and interest on the Series 2006 A Bonds as the same shall come due, when other monies of the Issuer are insufficient therefor, and for no other purpose.

If on any payment date the Revenues are insufficient to make the payments and transfers as hereinabove provided, the deficiency shall be made up in the subsequent payments and transfers in addition to those which would otherwise be required to be made on the subsequent payment dates.

Subject to the Prior Resolutions, the Depository Bank and the Commission, as applicable, at the direction of the Issuer, shall keep the monies in the Renewal and Replacement Fund and the Series 2006 A Bonds Reserve Account, as applicable, invested and reinvested to the fullest extent possible in

accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Bond Legislation shall, unless otherwise provided herein or required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia Board of Treasury Investments. Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Earnings from monies in the Renewal and Replacement Fund and the Series 2006 A Bonds Reserve Account, so long as the respective reserve requirement is on deposit and maintained therein, shall be paid annually into the Revenue Fund by the Depository Bank and the Commission, as applicable.

C. **CHANGE OF DEPOSITORY BANK.** The Issuer may designate another bank or trust company insured by FDIC as Depository Bank if the Depository Bank should cease for any reason to serve or if the Governing Body determines by resolution that the Depository Bank or its successor should no longer serve as Depository Bank. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchaser.

D. **CHARGES AND FEES.** The Issuer shall remit from the Revenue Fund to the Depository Bank and the Commission such additional sums as shall be necessary to pay the charges and fees of the Depository Bank or the Commission then due.

E. **INVESTMENT OF EXCESS BALANCES.** The monies in excess of the sum insured by FDIC in any of such funds or accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State of West Virginia.

F. **REMITTANCES.** All remittances made by the Issuer to the Depository Bank and the Commission shall clearly identify the fund or account into which each amount is to be deposited.

G. **GROSS REVENUES.** The Gross Revenues of the System shall only be used for purposes of the System.

ARTICLE V

GENERAL COVENANTS

Section 5.01. General Statement. So long as the Series 2006 A Bonds shall be outstanding and unpaid, or until there shall have been set apart a sum sufficient to prepay the entire principal of the Series 2006 A Bonds remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Bondholder.

Section 5.02. Rates. So long as the Prior Bonds are outstanding, the Issuer will maintain rates as required in the Prior Resolutions. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the annual debt service on the Series 2006 A Bonds and the Prior Bonds and sufficient to make the payments required herein into all funds and accounts and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes.

Section 5.03. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System or any part thereof, except as provided in the Prior Resolutions. The System will not be sold without the prior written consent of the Purchaser so long as the Series 2006 A Bonds are outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 5.04. Issuance of Additional Parity Bonds. So long as the Prior Bonds are outstanding, no additional Parity Bonds or obligations payable out of any of the Revenues of the System shall be issued, except as set forth in the Prior Resolution.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2006 A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, improvements or betterments to the System or refunding the Prior Bonds or the Bonds issued pursuant hereto or subsequent Parity Bonds, or any combination of such purposes.

No Parity Bonds shall be issued at any time, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments

hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

- (1) The Bonds Outstanding;
- (2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding; and
- (3) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates adopted by the Issuer, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in the certificate of the Independent Certified Public Accountants.

The Net Revenues actually derived from the System during the 12-consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holder of the Series 2006 A Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the Revenues of the System is subject to the prior and superior liens of the Bonds on such Revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which

rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Bond.

No Parity Bonds shall be issued any time, however, unless all the payments provided for in this Bond Legislation with respect to the Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of delivery of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

Section 5.05. Insurance and Bonds. A. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Series 2006 A Bonds remain outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(i) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured upon any portion of the System now in use, on all above-ground structures of the System and mechanical and electrical equipment in place or stored on the site in an amount equal to the full insurable value thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion.

(ii) Public Liability Insurance, with limits of not less than \$500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than \$200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Series 2006 A Bonds.

(iii) Vehicular Public Liability Insurance in the event the Issuer owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the Issuer is operated at any time or times for the benefit of the Issuer, with limits of not less than \$500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than \$200,000 to protect the Issuer from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be

procured prior to acquisition or commencement of operation of any such vehicle for the Issuer.

(iv) Workers' Compensation Coverage for All Employees of the District Eligible Therefor and Performance and Payment Bonds, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds have been or will be filed with the Clerk of the County Commission of said County prior to commencement of construction in compliance with West Virginia Code Section 38-2-39. Workers' compensation coverage shall be maintained as required by the laws of the State of West Virginia.

(v) Flood Insurance to be procured, to the extent available at reasonable cost to the Issuer.

(vi) Fidelity Bonds will be provided as to every member of the Governing Body and as to every officer and employee thereof having custody of the Revenue Fund or of any revenues or other funds of the Issuer in such amount as may be requested by the Purchaser from time to time.

(vii) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, so long as the Series 2006 A Bonds are outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer with insurance carriers or bonding companies acceptable to Purchaser.

B. All insurance proceeds awarded to the Issuer that are not applied to the repair or replacement of the subject property damaged or destroyed, shall be applied by the Issuer to prepayment of the Bond, unless otherwise consented to in writing by the Bondholder.

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holder of the Bond, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Series 2006 A Bonds, on a parity with the Prior Bonds.

Section 5.07. Fiscal Year; Budget. While the Series 2006 A Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the

operation and maintenance of the System. Not later than 30 days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

If for any reason the Issuer shall not have adopted the Annual Budget before the 1st day of any Fiscal Year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the next year preceding by more than 10%; and provided further, that adoption of a Budget of Current Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the Issuer. Each such Budget of Current Expenses shall be mailed immediately to the Purchaser.

Section 5.08. Compensation of Members of Governing Body The Issuer hereby covenants and agrees that no compensation for policy direction shall be paid to the members of the Governing Body in excess of the amount permitted by the Act. Payment of any compensation to any such member for policy direction shall not be made if such payment would cause the Net Revenues to fall below the amount required to meet all payments provided for herein, nor when there is default in the performance of or compliance with any covenant or provision hereof.

Section 5.09. Books and Records; Audits. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

The Issuer shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants and shall mail a copy of such audit report to the Purchaser. The Issuer shall further comply with the Act with respect to such books, records and accounts.

Section 5.10. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Series 2006 A Bonds are outstanding.

Section 5.11. No Competition. To the extent legally allowable, the Issuer will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body,

agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the Issuer or within the territory served by the System.

ARTICLE VI

RATES, ETC.

Section 6.01. Initial Schedule of Rates and Charges; Rules . A. The initial schedule of rates and charges for the services and facilities of the System, subject to change consonant with the provisions hereof, shall be as set forth in the Commission Order of the Public Service Commission of West Virginia, entered on June __, 2006, Case No. 05-0606-PWD-CN, which Final Order is incorporated herein by reference as a part hereof.

B. There shall not be any discrimination or differential in rates between customers in similar circumstances.

C. All delinquent fees, rates and charges for services or facilities of the System shall be liens on the premises served of equal degree, rank and priority with the lien on such premises of state, county, school and municipal taxes, as provided in the Act. The Issuer shall have all remedies and powers provided under the Act and other applicable provisions of law with regard to the collection and enforcement of such fees, rates and charges.

D. The Issuer will not render or cause to be rendered any free services of any nature by the System nor any of the facilities; and in the event that the Issuer or any department, agency, officer or employee thereof should avail itself or themselves of the services or facilities of the System, the same fees, rates and charges applicable to other customers receiving like services under similar circumstances shall be charged, such charges shall be paid as they accrue, and revenues so received shall be deposited and accounted for in the same manner as other revenues of the System.

E. The Issuer may require any applicant for any service by the System to deposit a reasonable and equitable amount to insure payment of all charges for the services rendered by the System, which deposit shall be handled and disposed of under the applicable rules and regulations of the Public Service Commission of West Virginia.

F. The Issuer, to the extent permitted by law, will not accept payment of any water bill from a customer served with water and sewer services by the Issuer without payment at the same time of a sewer bill owed by such customer for the same premises.

ARTICLE VII

TAX COVENANTS

Section 7.01. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. **PRIVATE BUSINESS USE LIMITATION.** The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2006 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2006 A Bonds during the term thereof is, under the terms of the Series 2006 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2006 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2006 A Bonds during the term thereof is, under the terms of the Series 2006 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2006 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the project, or if the Series 2006 A Bonds is for the purpose of financing more than one project, a portion of the project, and shall not exceed the proceeds used for the governmental use of that portion of the project to which such Private Business Use is related. All of the foregoing shall be determined in accordance with the Code.

B. **PRIVATE LOAN LIMITATION.** The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2006 A Bonds or \$5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. **FEDERAL GUARANTEE PROHIBITION.** The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2006 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. **INFORMATION RETURN.** The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2006 A Bonds

and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the Series 2006 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions which would adversely affect such exclusion.

Section 7.02. Arbitrage and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2006 A Bonds which would cause the Series 2006 A Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to the Series 2006 A Bonds) so that the interest on the Series 2006 A Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 7.03. Tax Certificate and Rebate . The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2006 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2006 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. The Issuer shall pay, or cause to be paid, to the United States, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be in time to time in effect with such reports and statements as may be prescribed by such Regulations. The Issuer and the Depository Bank (at the expense of the Issuer) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Depository Bank may deem appropriate in order to assure compliance with this Section 7.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 7.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations.

ARTICLE VIII

DEFAULT AND REMEDIES

Section 8.01. Events of Default. A. Each of the following events shall constitute an "Event of Default" with respect to the Series 2006 A Bonds:

1. If default occurs in the due and punctual payment of the principal of or interest on the Series 2006 A Bonds; or

(A) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2006 A Bonds set forth in this Bond Legislation, any supplemental resolution, or in the Series 2006 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Paying Agent, Depository Bank, any other bank or banking association holding any fund or account hereunder or a Holder of a Series 2006 A Bonds;

(B) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or

(C) If default occurs with respect to the Prior Bonds or the Prior Resolutions.

Section 8.02. Remedies. Upon the happening and continuance of any Event of Default, the Registered Owner of the Series 2006 A Bonds may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owner including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2006 A Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owner of the Series 2006 A Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2006 A Bonds, or the rights of such Registered Owner.

No remedy by the terms of this Resolution conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute. All rights and remedies of the Holders of the Series 2006 A Bonds shall be on a parity with those of the Holders of the Prior Bonds.

ARTICLE IX

DEFEASANCE

Section 9.01. Defeasance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holder of the Series 2006 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then this Bond Legislation and the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2006 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 2006 A Bonds from gross income for federal income tax purposes.

The payment of the Series 2006 A Bonds with either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the principal installments of and interest on the Series 2006 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. The Series 2006 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Paying Agent, either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with other monies, if any, deposited with the Paying Agent at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on the Series 2006 A Bonds on and prior to the maturity dates thereof. Neither securities nor monies deposited with the Paying Agent pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on the Series 2006 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Paying Agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on the Series 2006 A Bonds on and prior to the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Paying Agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment or Modification of Bond Legislation . This Bond Legislation may not be amended or modified after final passage without the prior written consent of the Registered Owner; provided, however, that this Bond Legislation may be amended without the consent of the Registered Owner as may be necessary to assure the exclusion of interest on the Series 2006 A Bonds from gross income of the Registered Owner for federal income tax purposes.

Section 10.02. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution, or the Series 2006 A Bonds.

Section 10.03. Table of Contents and Headings. The table of contents and headings of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 10.04. Conflicting Provisions Repealed. All orders, indentures, or resolutions and or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed; provided that, in the event of any conflict between this Resolution and the Prior Resolutions, the Prior Resolutions shall control, unless less restrictive, so long as the Prior Bonds are Outstanding.

Section 10.05. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 10.06. Effective Date . This Resolution shall take effect immediately upon adoption.

Adopted this 28th of June, 2006.

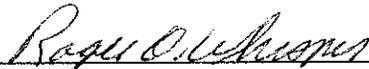

Chairman

CERTIFICATION

Certified a true copy of a Bond Resolution duly adopted by the Public Service Board of Green Spring Valley Public Service District on the 28th day of June, 2006.

Date: June 29, 2006.

[SEAL]



Secretary

06.13.06
354410.00002

GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT

Water Refunding Bonds, Series 2006 A
(Branch Banking and Trust Company)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO DATE, MATURITY, INTEREST RATE AND OTHER TERMS OF THE WATER REFUNDING BONDS, SERIES 2006 A, OF GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO BRANCH BANKING AND TRUST COMPANY; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the public service board (the "Governing Body") of Green Spring Valley Public Service District (the "Issuer") has duly and officially adopted a resolution on June 28, 2006 (the "Bond Resolution"), entitled:

RESOLUTION AUTHORIZING THE REFUNDING OF THE WATER REVENUE BONDS, SERIES 1983 AND SERIES 1985 (GMAC), OF GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT AND THE ACQUISITION OF CERTAIN EQUIPMENT TO BE USED IN CONNECTION WITH THE OPERATION OF THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE DISTRICT THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$300,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REFUNDING BONDS, SERIES 2006 A; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Bond Resolution provides for the issuance of Water Refunding Bonds, Series 2006 A, of the Issuer (the "Bonds" or the "Series 2006 A Bonds"), in an aggregate principal amount of not more than \$300,000, all in accordance with Chapter 16,

Article 13A of the West Virginia Code of 1931, as amended (the "Act"); and in the Bond Resolution, it is provided that the date, the maturity date, interest rate and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

WHEREAS, the Bonds are proposed to be purchased by Branch Banking and Trust Company, Charleston, West Virginia (the "Purchaser"), pursuant to the terms of the commitment letter dated June 8, 2006, a copy of which is attached hereto and made a part hereof (the "Commitment Letter"); and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted and that the date, the maturity date, the interest rate and other terms of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Bond Resolution and the Act, this Supplemental Resolution is adopted and there is hereby authorized and ordered to be issued the Water Refunding Bonds, Series 2006 A, of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$238,197. The Series 2006 A Bonds shall be dated June 29, 2006, shall mature on June 29, 2017 and shall bear interest as follows:

A. Interest on the Bonds shall be payable at a rate of 4.76% per annum (hereinafter sometimes called the "Tax-Exempt Rate"). Interest shall be computed on the basis of a year of 360 days, and the actual number of days in a month (actual number of days divided by 360) payable for the actual number of days elapsed during any portion of a month.

B. Notwithstanding any other provision herein, in the event the interest on the Bonds is declared to be includible in gross income for federal income tax purposes by the Internal Revenue Service ("Determination of Taxability"), interest on the Bonds shall be payable at a rate of 7.63% per annum (hereinafter sometimes called the "Taxable Rate"). Interest at the Taxable Rate shall commence to accrue on the date of Determination of Taxability and such interest rate shall be charged retroactively and prospectively for all periods in which interest paid on the Bonds is asserted, declared or determined to be includible in gross income for federal income tax purposes, and shall continue until the entire principal of and interest on the Bonds are paid, notwithstanding that the entire principal amount of the Bonds

may have been paid in full prior to the Determination of Taxability. Any interest being past due on the Bonds by reason of such increase shall become immediately due and payable.

C. The Bond shall be payable in 132 monthly installments, commencing July 29, 2006, and continuing on the 29th day of each month thereafter to and including June 29, 2017. The monthly installments shall consist of principal and interest shall be as listed on the debt service schedule attached hereto as Exhibit A.

D. All payments received by the Paying Agent on account of this Bond shall be applied first to payment of interest accrued on the Bond and next to payment of principal of this Bond. If not sooner paid, the entire principal amount of this Bond unpaid on June 29, 2017, together with all accrued interest and any other sums due and owing upon this Bond shall be due and payable on such date.

Section 2. All other provisions relating to the Bonds and the text of the Bonds shall be in substantially the form provided in the Bond Resolution.

Section 3. The Issuer does hereby approve the terms of the Commitment Letter, including specifically the 1/2% fee charged by the Purchaser to issue the Bonds and the 1% prepayment premium should the Bonds be prepaid prior to maturity.

Section 4. The Bonds shall be sold to Branch Banking and Trust Company, Charleston, West Virginia, and shall be registered in the name of such bank. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon.

Section 5. The Issuer does hereby appoint and designate Branch Banking and Trust Company, Charleston, West Virginia, the Registrar and the Paying Agent for the Bonds.

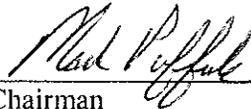
Section 6. The Issuer hereby designates the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

Section 7. The Chairman and Secretary are hereby authorized and directed to execute and deliver the Bonds and such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Resolution approved and provided for, to the end that the Bonds may be delivered to the Purchaser on or about June 29, 2006.

Section 8. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 28th day of June, 2006.

GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT

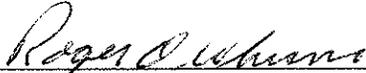
By: 
Its: Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Green Spring Valley Public Service District on the 28th day of June, 2006.

Date: June 29, 2006.

[SEAL]



Secretary

06/23/006
354410.00002

EXHIBIT A

Debt Service Schedule

Green Spring Valley Public Service District
Refinance GMAC Series 1983 and 1985

Compound Period: Monthly

Nominal Annual Rate: 4.760 %

CASH FLOW DATA

	Event	Date	Amount	Number	Period	End Date
1	Loan	06/29/2006	238,197.00	1		
2	Payment	07/29/2006	1,690.00	48	Monthly	06/29/2010
3	Payment	07/29/2010	2,967.00	12	Monthly	06/29/2011
4	Payment	07/29/2011	2,753.64	72	Monthly	06/29/2017

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan	06/29/2006				238,197.00
1	07/29/2006	1,690.00	944.85	745.15	237,451.85
2	08/29/2006	1,690.00	941.89	748.11	236,703.74
3	09/29/2006	1,690.00	938.92	751.08	235,952.66
4	10/29/2006	1,690.00	935.95	754.05	235,198.61
5	11/29/2006	1,690.00	932.95	757.05	234,441.56
6	12/29/2006	1,690.00	929.95	760.05	233,681.51
2006 Totals		10,140.00	5,624.51	4,515.49	
7	01/29/2007	1,690.00	926.94	763.06	232,918.45
8	02/28/2007	1,690.00	923.91	766.09	232,152.36
9	03/29/2007	1,690.00	920.87	769.13	231,383.23
10	04/29/2007	1,690.00	917.82	772.18	230,611.05
11	05/29/2007	1,690.00	914.76	775.24	229,835.81
12	06/29/2007	1,690.00	911.68	778.32	229,057.49
13	07/29/2007	1,690.00	908.59	781.41	228,276.08
14	08/29/2007	1,690.00	905.50	784.50	227,491.58
15	09/29/2007	1,690.00	902.38	787.62	226,703.96
16	10/29/2007	1,690.00	899.26	790.74	225,913.22
17	11/29/2007	1,690.00	896.12	793.88	225,119.34
18	12/29/2007	1,690.00	892.97	797.03	224,322.31
2007 Totals		20,280.00	10,920.80	9,359.20	
19	01/29/2008	1,690.00	889.81	800.19	223,522.12
20	02/29/2008	1,690.00	886.64	803.36	222,718.76
21	03/29/2008	1,690.00	883.45	806.55	221,912.21
22	04/29/2008	1,690.00	880.25	809.75	221,102.46
23	05/29/2008	1,690.00	877.04	812.96	220,289.50
24	06/29/2008	1,690.00	873.82	816.18	219,473.32

25	07/29/2008	1,690.00	870.58	819.42	218,653.90
26	08/29/2008	1,690.00	867.33	822.67	217,831.23
27	09/29/2008	1,690.00	864.06	825.94	217,005.29
28	10/29/2008	1,690.00	860.79	829.21	216,176.08
29	11/29/2008	1,690.00	857.50	832.50	215,343.58
30	12/29/2008	1,690.00	854.20	835.80	214,507.78
2008 Totals		20,280.00	10,465.47	9,814.53	
31	01/29/2009	1,690.00	850.88	839.12	213,668.66
32	02/28/2009	1,690.00	847.55	842.45	212,826.21
33	03/29/2009	1,690.00	844.21	845.79	211,980.42
34	04/29/2009	1,690.00	840.86	849.14	211,131.28
35	05/29/2009	1,690.00	837.49	852.51	210,278.77
36	06/29/2009	1,690.00	834.11	855.89	209,422.88
37	07/29/2009	1,690.00	830.71	859.29	208,563.59
38	08/29/2009	1,690.00	827.30	862.70	207,700.89
39	09/29/2009	1,690.00	823.88	866.12	206,834.77
40	10/29/2009	1,690.00	820.44	869.56	205,965.21
41	11/29/2009	1,690.00	817.00	873.00	205,092.21
42	12/29/2009	1,690.00	813.53	876.47	204,215.74
2009 Totals		20,280.00	9,987.96	10,292.04	
43	01/29/2010	1,690.00	810.06	879.94	203,335.80
44	02/28/2010	1,690.00	806.57	883.43	202,452.37
45	03/29/2010	1,690.00	803.06	886.94	201,565.43
46	04/29/2010	1,690.00	799.54	890.46	200,674.97
47	05/29/2010	1,690.00	796.01	893.99	199,780.98
48	06/29/2010	1,690.00	792.46	897.54	198,883.44
49	07/29/2010	2,967.00	788.90	2,178.10	196,705.34
50	08/29/2010	2,967.00	780.26	2,186.74	194,518.60
51	09/29/2010	2,967.00	771.59	2,195.41	192,323.19
52	10/29/2010	2,967.00	762.88	2,204.12	190,119.07
53	11/29/2010	2,967.00	754.14	2,212.86	187,906.21
54	12/29/2010	2,967.00	745.36	2,221.64	185,684.57
2010 Totals		27,942.00	9,410.83	18,531.17	
55	01/29/2011	2,967.00	736.55	2,230.45	183,454.12
56	02/28/2011	2,967.00	727.70	2,239.30	181,214.82
57	03/29/2011	2,967.00	718.82	2,248.18	178,966.64
58	04/29/2011	2,967.00	709.90	2,257.10	176,709.54
59	05/29/2011	2,967.00	700.95	2,266.05	174,443.49
60	06/29/2011	2,967.00	691.96	2,275.04	172,168.45
61	07/29/2011	2,753.64	682.93	2,070.71	170,097.74
62	08/29/2011	2,753.64	674.72	2,078.92	168,018.82
63	09/29/2011	2,753.64	666.47	2,087.17	165,931.65
64	10/29/2011	2,753.64	658.20	2,095.44	163,836.21
65	11/29/2011	2,753.64	649.88	2,103.76	161,732.45
66	12/29/2011	2,753.64	641.54	2,112.10	159,620.35
2011 Totals		34,323.84	8,259.62	26,064.22	

67	01/29/2012	2,753.64	633.16	2,120.48	157,499.87
68	02/29/2012	2,753.64	624.75	2,128.89	155,370.98
69	03/29/2012	2,753.64	616.30	2,137.34	153,233.64
70	04/29/2012	2,753.64	607.83	2,145.81	151,087.83
71	05/29/2012	2,753.64	599.32	2,154.32	148,933.51
72	06/29/2012	2,753.64	590.77	2,162.87	146,770.64
73	07/29/2012	2,753.64	582.19	2,171.45	144,599.19
74	08/29/2012	2,753.64	573.58	2,180.06	142,419.13
75	09/29/2012	2,753.64	564.93	2,188.71	140,230.42
76	10/29/2012	2,753.64	556.25	2,197.39	138,033.03
77	11/29/2012	2,753.64	547.53	2,206.11	135,826.92
78	12/29/2012	2,753.64	538.78	2,214.86	133,612.06
2012 Totals		33,043.68	7,035.39	26,008.29	
79	01/29/2013	2,753.64	529.99	2,223.65	131,388.41
80	02/28/2013	2,753.64	521.17	2,232.47	129,155.94
81	03/29/2013	2,753.64	512.32	2,241.32	126,914.62
82	04/29/2013	2,753.64	503.43	2,250.21	124,664.41
83	05/29/2013	2,753.64	494.50	2,259.14	122,405.27
84	06/29/2013	2,753.64	485.54	2,268.10	120,137.17
85	07/29/2013	2,753.64	476.54	2,277.10	117,860.07
86	08/29/2013	2,753.64	467.51	2,286.13	115,573.94
87	09/29/2013	2,753.64	458.44	2,295.20	113,278.74
88	10/29/2013	2,753.64	449.34	2,304.30	110,974.44
89	11/29/2013	2,753.64	440.20	2,313.44	108,661.00
90	12/29/2013	2,753.64	431.02	2,322.62	106,338.38
2013 Totals		33,043.68	5,770.00	27,273.68	
91	01/29/2014	2,753.64	421.81	2,331.83	104,006.55
92	02/28/2014	2,753.64	412.56	2,341.08	101,665.47
93	03/29/2014	2,753.64	403.27	2,350.37	99,315.10
94	04/29/2014	2,753.64	393.95	2,359.69	96,955.41
95	05/29/2014	2,753.64	384.59	2,369.05	94,586.36
96	06/29/2014	2,753.64	375.19	2,378.45	92,207.91
97	07/29/2014	2,753.64	365.76	2,387.88	89,820.03
98	08/29/2014	2,753.64	356.29	2,397.35	87,422.68
99	09/29/2014	2,753.64	346.78	2,406.86	85,015.82
100	10/29/2014	2,753.64	337.23	2,416.41	82,599.41
101	11/29/2014	2,753.64	327.64	2,426.00	80,173.41
102	12/29/2014	2,753.64	318.02	2,435.62	77,737.79
2014 Totals		33,043.68	4,443.09	28,600.59	
103	01/29/2015	2,753.64	308.36	2,445.28	75,292.51
104	02/28/2015	2,753.64	298.66	2,454.98	72,837.53
105	03/29/2015	2,753.64	288.92	2,464.72	70,372.81
106	04/29/2015	2,753.64	279.15	2,474.49	67,898.32
107	05/29/2015	2,753.64	269.33	2,484.31	65,414.01
108	06/29/2015	2,753.64	259.48	2,494.16	62,919.85
109	07/29/2015	2,753.64	249.58	2,504.06	60,415.79
110	08/29/2015	2,753.64	239.65	2,513.99	57,901.80

111	09/29/2015	2,753.64	229.68	2,523.96	55,377.84
112	10/29/2015	2,753.64	219.67	2,533.97	52,843.87
113	11/29/2015	2,753.64	209.61	2,544.03	50,299.84
114	12/29/2015	2,753.64	199.52	2,554.12	47,745.72
2015 Totals		33,043.68	3,051.61	29,992.07	
115	01/29/2016	2,753.64	189.39	2,564.25	45,181.47
116	02/29/2016	2,753.64	179.22	2,574.42	42,607.05
117	03/29/2016	2,753.64	169.01	2,584.63	40,022.42
118	04/29/2016	2,753.64	158.76	2,594.88	37,427.54
119	05/29/2016	2,753.64	148.46	2,605.18	34,822.36
120	06/29/2016	2,753.64	138.13	2,615.51	32,206.85
121	07/29/2016	2,753.64	127.75	2,625.89	29,580.96
122	08/29/2016	2,753.64	117.34	2,636.30	26,944.66
123	09/29/2016	2,753.64	106.88	2,646.76	24,297.90
124	10/29/2016	2,753.64	96.38	2,657.26	21,640.64
125	11/29/2016	2,753.64	85.84	2,667.80	18,972.84
126	12/29/2016	2,753.64	75.26	2,678.38	16,294.46
2016 Totals		33,043.68	1,592.42	31,451.26	
127	01/29/2017	2,753.64	64.63	2,689.01	13,605.45
128	02/28/2017	2,753.64	53.97	2,699.67	10,905.78
129	03/29/2017	2,753.64	43.26	2,710.38	8,195.40
130	04/29/2017	2,753.64	32.51	2,721.13	5,474.27
131	05/29/2017	2,753.64	21.71	2,731.93	2,742.34
132	06/29/2017	2,753.64	11.30	2,742.34	0.00
2017 Totals		16,521.84	227.38	16,294.46	
Grand Totals		314,986.08	76,789.08	238,197.00	

Last interest amount increased by 0.42 due to rounding.

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 29th day of June, 2006.

CASE NO. 05-0606-PWD-CN (Reopened)

GREEN SPRING VALLEY PUBLIC
SERVICE DISTRICT, a public utility,
Green Spring, Hampshire County.

Application for a CON to operate and construct a water distribution and treatment system and to make upgrades to the existing water treatment plant in Hampshire County.

COMMISSION ORDER

By Recommended Decision, which became a final order of the Commission on November 3, 2005, the Public Service Commission granted the Green Spring Valley Public Service District's (District's) May 2, 2005, application for a certificate of convenience and necessity to construct improvements to its water system to be in compliance with Bureau of Public Health regulations, and consolidate with the Springfield Water Association. The project includes installation of approximately 15,000 feet of six-inch water line, construction of a 157,000 gallon water storage tank, repainting of an existing 100,000 gallon water tank, and plant upgrades. The Commission's issuance of the certificate was contingent upon the receipt of all necessary federal, state and local permits. The Commission further approved financing for the project, consisting of a Small Cities Block Grant in the amount of \$1,364,000; a grant from the Rural Utilities Service in the amount of \$170,000; and a loan from Rural Utility Service in the amount of \$591,000, for 40 years at an interest rate of 4.75%.

On May 2, 2006, the District filed a petition to reopen this proceeding due to bid overruns. The District requested authority to: increase the amount of its Small cities Block Grant; increase the amount of its RUS grant; refinance two outstanding loans from General Motors Acceptance Corporation (GMAC); and further increase rates. The District stated that it received bids that were \$418,000 in excess of the approved funding.

The District proposed to meet the bid overrun through an increase in its Small Cities Block Grant by \$50,000, and increase its RUS grant by \$368,000. The District filed commitment letters from both of the granting entities.

The District further requested approval to refinance two outstanding GMAC loans, one from 1983, and the other from 1985, with outstanding balances of approximately \$260,000, both carrying an interest rate of 5%, and with repayment terms of 2023, and 2025, respectively. The District proposed to refinance into one loan from Branch Banking & Trust (BB&T) at 4.76%, with a maturity date in 2017. To meet the debt service obligations on the refinanced GMAC loans, the District requested a rate increase of 6.2% over and above the 24.5% rate increase approved in the November 3, 2005, final order.

On May 19, 2006, Commission Staff filed an Initial and Final Joint Staff Memorandum in this case. Staff recommended that the Commission reopen this case; approve the revised project cost of \$2,543,000; approve the increased Small Cities Block Grant funding of \$50,000; approve the increased RUS grant funding of \$368,000; permit the refinancing of two GMAC loans into one BB&T loan in the amount of \$260,000, at 4.76% for a 10 year repayment term; and approve an additional 6.2% rate increase for the District, to take effect upon substantial completion of the certificate project.

On June 7, 2006, and June 9, 2006, the District filed a faxed and an original affidavit of publication evidencing that notice of the petition to reopen describing the additional grant funding, as well as the proposed refinancing, and additional 6.2% rate increase, was published in the *Hampshire Review* on May 17, 2006. The protest period expired on June 16, 2006.

On June 14, 2006, the District filed a letter clarifying that refinancing of its GMAC loans is an "absolute requirement" to obtaining its Small City Block Grant financing for the project. The District also indicated that on June 14, 2006, it mailed to each of its customers notice of the petition to reopen in the form of Form No. 14 of the Commission's Rules of Practice and Procedure, including an approximate ten (10) day protest period ending June 26, 2006. The District also explained the urgency of its request for expedited treatment noting that interest rates on its USDA loans are likely to rise on July 1, 2006. The District asked that in the absence of substantial protest, the Commission issue an order granting this petition to reopen on June 29, 2006.

As of the date of this Order, no protests to the petition to reopen have been filed.

DISCUSSION

In view of the District's publication and notice of this petition to reopen, and the absence of protests thereto, and as Commission Staff has reviewed the grant funding for the project, and has deemed the refinancing of the GMAC loans to be prudent, the Commission finds it reasonable and appropriate to reopen this proceeding, approve the revised grant financing for the project, approve the refinancing of existing debt, and authorize increased rates and charges as set forth on the tariff attached hereto as Attachment A.

FINDINGS OF FACT

1. The District seeks to reopen this proceeding and requests authority to: increase the amount of its Small Cities Block Grant; increase the amount of its RUS grant; refinance two outstanding loans from General Motors Acceptance Corporation (GMAC); and further increase rates. The District stated that it received bids that were \$418,000 in excess of the approved funding.

2. The District proposes to meet the bid overrun through an increase in its Small Cities Block Grant by \$50,000, and increase its RUS grant by \$368,000. The District filed commitment letters from both of the granting entities.

3. The District further requested approval to refinance two outstanding GMAC loans into one loan from Branch Banking & Trust (BB&T) at 4.76%, with a maturity date in 2017.

4. To meet the debt service obligations on the refinanced GMAC loans, the District requested a rate increase of 6.2% over and above the 24.5% rate increase approved in the November 3, 2005, final order.

5. On May 19, 2006, Commission Staff filed an Initial and Final Joint Staff Memorandum in this case. Staff recommended that the Commission reopen this case; approve the revised project cost of \$2,543,000; approve the increased Small Cities Block Grant funding of \$50,000; approve the increased RUS grant funding of \$368,000; permit the refinancing of two GMAC loans into one BB&T loan in the amount of \$260,000, at 4.76% for a 10-year repayment term; and approve an additional 6.2% rate increase for the District, to take effect upon substantial completion of the certificate project.

6. On June 7, 2006, and June 9, 2006, the District filed a faxed and an original affidavit of publication evidencing that notice of the petition to reopen describing the

additional grant funding, as well as the proposed refinancing, and additional 6.2% rate increase, was published in the *Hampshire Review* on May 17, 2006. The protest period expired on June 16, 2006.

7. On June 14, 2006, the District filed a letter clarifying that refinancing of its GMAC loans is an "absolute requirement" to obtaining its Small City Block Grant financing for the project. The District also indicated that on June 14, 2006, it mailed to each of its customers notice of the petition to reopen in the form of Form No. 14 of the Commission's Rules of Practice and Procedure, including an approximate ten (10) day protest period ending June 26, 2006. The District also explained the urgency of its request for expedited treatment noting that interest rates on its USDA loans are likely to rise on July 1, 2006. The District asked that in the absence of substantial protest, the Commission issue an order granting this petition to reopen on June 29, 2006.

8. As of the date of this Order, no protests to the petition to reopen have been filed.

CONCLUSION OF LAW

In view of the District's publication and notice of this petition to reopen, and the absence of protests thereto, and as Commission Staff has reviewed the grant funding for the project, and has deemed the refinancing of the GMAC loans to be prudent, the Commission finds it reasonable and appropriate to reopen this proceeding, approve the revised grant financing for the project, approve the refinancing of existing debt, and authorize increased rates and charges as set forth on the tariff attached hereto as Attachment A.

ORDER

IT IS THEREFORE ORDERED that the Green Spring Valley Public Service District's petition to reopen this certificate proceeding is hereby granted.

IT IS FURTHER ORDERED that revised financing for the project is hereby approved as follows:

Small Cities Block Grants:	\$1,364,000 (original)
	50,000 (new)
Rural Utilities Service (RUS) grants:	170,000 (original)
	368,000 (new)
RUS loan, 40 yrs at 4.75%	<u>591,000</u>
Total project costs:	\$2,543,000

IT IS FURTHER ORDERED that the District is authorized to refinance two existing GMAC loans with an outstanding balance of approximately \$260,000, both carrying an interest rate of 5%, and with repayment terms ending in 2023, and 2025, respectively, into a single loan from BB&T bank, at an interest rate of 4.76%, with a maturity date in 2017.

IT IS FURTHER ORDERED that an additional project related rate increase of 6.2%, over and above the 24.5% rate increase approved in the November 3, 2005, final order, is approved to take effect upon substantial completion of the project. The approved rates are reflected on Attachment A hereto. The Utility shall file with the Commission a proper tariff and five (5) copies within thirty (30) days from the date of substantial completion.

IT IS FURTHER ORDERED that, except as modified herein, the November 3, 2005, Order remains in full force and effect.

IT IS FURTHER ORDERED that, upon entry hereof, this proceeding shall be removed from the Commission's docket of active cases.

IT IS FURTHER ORDERED that the Commission's Executive Secretary shall serve a copy of this order **by facsimile** upon counsel for Green Spring Valley Public Service District and upon all parties of record by First Class United States Mail, and upon Commission Staff by hand delivery.

A True Copy, Teste:



**Sandra Squire
Executive Secretary**

JML/ljm
050606ca.wpd

GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT
CASE NUMBER 05-0606-PWD-CN

APPROVED TARIFF

APPLICABILITY

Applicable in the entire territory served.

AVAILABILITY

Available for general domestic, commercial, industrial service and for resale water service.

(I) RATE

First	3,000	gallons used per month	\$8.81 per 1,000 gallons
Next	3,000	gallons used per month	7.83 per 1,000 gallons
Next	4,000	gallons used per month	7.02 per 1,000 gallons
Next	10,000	gallons used per month	6.09 per 1,000 gallons
Over	20,000	gallons used per month	5.21 per 1,000 gallons

(I) MINIMUM CHARGE

No minimum bill will be rendered for less than \$26.43 per month which is the equivalent of 3,000 gallons of water.

5/8	inch meter	\$ 26.43 per month
3/4	inch meter	39.65 per month
1	inch meter	66.07 per month
1 -1/2	inch meter	132.15 per month
2	inch meter	211.44 per month
3	inch meter	396.45 per month
4	inch meter	660.75 per month
6	inch meter	1,321.50 per month

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE

The following charges are to be made whenever the utility installs a new tap to serve and applicant.

A tap fee of \$150.00 will be charged to all customers who apply for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of \$250.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

RECONNECTION \$20.00

To be charged whenever the supply of water is turned off for violations of rules, non-payment of bills, or fraudulent use of water.

LEAK ADJUSTMENT INCREMENT

\$0.73 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.

(I) Indicates Increase

GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT

Water Refunding Bonds, Series 2006 A
(Branch Banking and Trust Company)

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

The undersigned, authorized representative of Branch Banking and Trust Company, Charleston, West Virginia (the "Purchaser"), and the Chairman of the Public Service Board of Green Spring Valley Public Service District (the "Issuer"), hereby certify as follows:

1. On the 29th day of June, 2006, at Charleston, West Virginia, the Purchaser received the single, fully registered Green Spring Valley Public Service District Water Refunding Bonds, Series 2006 A, No. AR-1 (the "Bond"), in the principal amount of \$238,197, dated June 29, 2006. The Bond represents the entire above-captioned Bond issue.

2. At the time of such receipt, the Bond had been executed and sealed by the designated officials of the Public Service Board of the Issuer.

3. The Issuer has received and hereby acknowledges receipt from the Purchaser of the sum of \$238,197, being the entire principal amount of the Bond.

[Remainder of Page Intentionally Left Blank]

WITNESS our respective signatures on this 29th day of June, 2006.

BRANCH BANKING AND TRUST COMPANY

By: *Russell R. Aiken*
Its: Authorized officer

GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT

By: *Mark Ruff*
Its: Chairman

06.12.06
354410.00002



SPECIMEN

GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT WATER REFUNDING BONDS, SERIES 2006 A

No. R-1

\$238,197

KNOW ALL MEN BY THESE PRESENTS: That on this the 29th day of June, 2006, GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Hampshire County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the order of

- BRANCH BANKING AND TRUST COMPANY -

or registered assigns (the "Payee"), the principal sum of TWO HUNDRED THIRTY-EIGHT THOUSAND ONE HUNDRED NINETY-SEVEN DOLLARS (\$238,197), plus interest as follows:

A. Interest on this Bond shall be payable at a rate of 4.76% per annum (hereinafter sometimes called the "Tax-Exempt Rate"). Interest shall be computed on the basis of a year of 360 days, and the actual number of days in a month (actual number of days divided by 360) payable for the actual number of days elapsed during any portion of a month.

B. Notwithstanding any other provision herein, in the event the interest on this Bond is declared to be includible in gross income for federal income tax purposes by the Internal Revenue Service ("Determination of Taxability"), interest on this Bond shall be payable at a rate of 7.63% per annum (hereinafter sometimes called the "Taxable Rate"). Interest at the Taxable Rate shall commence to accrue on the date of Determination of Taxability and such interest rate shall be charged retroactively and prospectively for all periods in which interest paid on this Bond is asserted, declared or determined to be includible in gross income for federal income tax purposes, and shall continue until the entire principal of and interest on this Bond are paid, notwithstanding that the entire principal amount of this Bond may have been paid in full prior to the Determination of Taxability. Any interest being past due on this Bond by reason of such increase shall become immediately due and payable.

C. This Bond shall be payable in 132 installments commencing on the 29th day of July, 2006, and on the 29th day of each month thereafter, to and including June 29, 2017. The monthly installments shall consist of principal and interest as set forth on Exhibit A attached hereto and incorporated herein.

D. All payments received by the Paying Agent on account of the Bond shall be applied first to payment of interest accrued on the Bond and next to payment of principal of the Bond. If not sooner paid, the entire principal amount of this Bond unpaid on June 29, 2017, together with all accrued interest and any other sums due and owing upon this Bond shall be due and payable on such date.

The principal of and interest on this Bond is payable in any coin or currency which on the date of payment thereof is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of Branch Banking and Trust Company, Charleston, West Virginia, as Bond Registrar and Paying Agent.

This Bond is subject to prepayment of the principal balance in whole on a scheduled payment date with a 1% prepayment premium.

This Bond is issued to (i) refund the Issuer's Water Revenue Bonds, Series 1983 and Series 1985 (GMAC), and (ii) to pay costs of issuance and related costs. The existing public waterworks facilities of the Issuer, and any further additions, improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a Resolution duly adopted by the Issuer on June 28, 2005, and a Supplemental Resolution, duly adopted by the Issuer on June 28, 2006 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof.

The principal of and interest on this Bond is payable only from and secured by a pledge of the Net Revenues to be derived from the operation of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's Water System Note, Series 1970 (United States Department of Agriculture), dated October 23, 1970, issued in the original aggregate principal amount of \$93,000 (the "Series 1970 Bonds") and the Water System Note, Series 1989 A (United States Department of Agriculture), dated September 22, 1989, issued in the original aggregate principal amount of \$260,000 (the "Series 1989 A Bonds"), collectively referred to herein as the "Prior Bonds".

This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from the source set forth above. Under the Bond Legislation, the Issuer has entered into certain covenants with the Payee, for

the terms of which reference is made to said Bond Legislation. Remedies provided the Payee are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Bond Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or its attorney duly authorized in writing.

Subject to such registration requirements, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

This Bond is hereby designated a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside by the Issuer for the prompt payment of the principal of and interest on this Bond.

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

IN WITNESS WHEREOF, GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed hereon and attested by its Secretary, and has caused this Bond to be dated the day and year first written above.

GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT

[SEAL]

By: [Signature]
Its: Chairman

ATTEST:

[Signature]
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: June 29, 2006

BRANCH BANKING AND TRUST COMPANY,
as Registrar

By: 
Authorized Officer

SPECIMEN

EXHIBIT A

Compound Period: Monthly

Nominal Annual Rate: 4.760 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1	Loan	06/29/2006	238,197.00	1	
2	Payment	07/29/2006	1,690.00	48	Monthly
3	Payment	07/29/2010	2,967.00	12	Monthly
4	Payment	07/29/2011	2,753.64	72	Monthly
					06/29/2017

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan	06/29/2006				
1	07/29/2006	1,690.00	944.85	745.15	238,197.00
2	08/29/2006	1,690.00	941.89	748.11	237,451.85
3	09/29/2006	1,690.00	938.92	751.08	236,703.74
4	10/29/2006	1,690.00	935.95	754.05	235,952.66
5	11/29/2006	1,690.00	932.95	757.05	235,198.61
6	12/29/2006	1,690.00	929.95	760.05	234,441.56
2006 Totals		10,140.00	5,624.51	4,515.49	233,681.51
7	01/29/2007	1,690.00	926.94	763.06	232,918.45
8	02/28/2007	1,690.00	923.91	766.09	232,152.36
9	03/29/2007	1,690.00	920.87	769.13	231,383.23
10	04/29/2007	1,690.00	917.82	772.18	230,611.05
11	05/29/2007	1,690.00	914.76	775.24	229,835.81
12	06/29/2007	1,690.00	911.68	778.32	229,057.49
13	07/29/2007	1,690.00	908.59	781.41	228,276.08
14	08/29/2007	1,690.00	905.50	784.50	227,491.58
15	09/29/2007	1,690.00	902.38	787.62	226,703.96
16	10/29/2007	1,690.00	899.26	790.74	225,913.22
17	11/29/2007	1,690.00	896.12	793.88	225,119.34
18	12/29/2007	1,690.00	892.97	797.03	224,322.31
2007 Totals		20,280.00	10,920.80	9,359.20	
19	01/29/2008	1,690.00	889.81	800.19	223,522.12
20	02/29/2008	1,690.00	886.64	803.36	222,718.76
21	03/29/2008	1,690.00	883.45	806.55	221,912.21
22	04/29/2008	1,690.00	880.25	809.75	221,102.46
23	05/29/2008	1,690.00	877.04	812.96	220,289.50
24	06/29/2008	1,690.00	873.82	816.18	219,473.32

25	07/29/2008	1,690.00	870.58	819.42	218,653.90
26	08/29/2008	1,690.00	867.33	822.67	217,831.23
27	09/29/2008	1,690.00	864.06	825.94	217,005.29
28	10/29/2008	1,690.00	860.79	829.21	216,176.08
29	11/29/2008	1,690.00	857.50	832.50	215,343.58
30	12/29/2008	1,690.00	854.20	835.80	214,507.78
2008 Totals		20,280.00	10,465.47	9,814.53	
31	01/29/2009	1,690.00	850.88	839.12	213,668.66
32	02/28/2009	1,690.00	847.55	842.45	212,826.21
33	03/29/2009	1,690.00	844.21	845.79	211,980.42
34	04/29/2009	1,690.00	840.86	849.14	211,131.28
35	05/29/2009	1,690.00	837.49	852.51	210,278.77
36	06/29/2009	1,690.00	834.11	855.89	209,422.88
37	07/29/2009	1,690.00	830.71	859.29	208,563.59
38	08/29/2009	1,690.00	827.30	862.70	207,700.89
39	09/29/2009	1,690.00	823.88	866.12	206,834.77
40	10/29/2009	1,690.00	820.44	869.56	205,965.21
41	11/29/2009	1,690.00	817.00	873.00	205,092.21
42	12/29/2009	1,690.00	813.53	876.47	204,215.74
2009 Totals		20,280.00	9,987.96	10,292.04	
43	01/29/2010	1,690.00	810.06	879.94	203,335.80
44	02/28/2010	1,690.00	806.57	883.43	202,452.37
45	03/29/2010	1,690.00	803.06	886.94	201,565.43
46	04/29/2010	1,690.00	799.54	890.46	200,674.97
47	05/29/2010	1,690.00	796.01	893.99	199,780.98
48	06/29/2010	1,690.00	792.46	897.54	198,883.44
49	07/29/2010	2,967.00	788.90	2,178.10	196,705.34
50	08/29/2010	2,967.00	780.26	2,186.74	194,518.60
51	09/29/2010	2,967.00	771.59	2,195.41	192,323.19
52	10/29/2010	2,967.00	762.88	2,204.12	190,119.07
53	11/29/2010	2,967.00	754.14	2,212.86	187,906.21
54	12/29/2010	2,967.00	745.36	2,221.64	185,684.57
2010 Totals		27,942.00	9,410.83	18,531.17	
55	01/29/2011	2,967.00	736.55	2,230.45	183,454.12
56	02/28/2011	2,967.00	727.70	2,239.30	181,214.82
57	03/29/2011	2,967.00	718.82	2,248.18	178,966.64
58	04/29/2011	2,967.00	709.90	2,257.10	176,709.54
59	05/29/2011	2,967.00	700.95	2,266.05	174,443.49
60	06/29/2011	2,967.00	691.96	2,275.04	172,168.45
61	07/29/2011	2,753.64	682.93	2,070.71	170,097.74
62	08/29/2011	2,753.64	674.72	2,078.92	168,018.82
63	09/29/2011	2,753.64	666.47	2,087.17	165,931.65
64	10/29/2011	2,753.64	658.20	2,095.44	163,836.21
65	11/29/2011	2,753.64	649.88	2,103.76	161,732.45
66	12/29/2011	2,753.64	641.54	2,112.10	159,620.35
2011 Totals		34,323.84	8,259.62	26,064.22	

67	01/29/2012	2,753.64	633.16	2,120.48	157,499.87
68	02/29/2012	2,753.64	624.75	2,128.89	155,370.98
69	03/29/2012	2,753.64	616.30	2,137.34	153,233.64
70	04/29/2012	2,753.64	607.83	2,145.81	151,087.83
71	05/29/2012	2,753.64	599.32	2,154.32	148,933.51
72	06/29/2012	2,753.64	590.77	2,162.87	146,770.64
73	07/29/2012	2,753.64	582.19	2,171.45	144,599.19
74	08/29/2012	2,753.64	573.58	2,180.06	142,419.13
75	09/29/2012	2,753.64	564.93	2,188.71	140,230.42
76	10/29/2012	2,753.64	556.25	2,197.39	138,033.03
77	11/29/2012	2,753.64	547.53	2,206.11	135,826.92
78	12/29/2012	2,753.64	538.78	2,214.86	133,612.06
2012 Totals		33,043.68	7,035.39	26,008.29	
79	01/29/2013	2,753.64	529.99	2,223.65	131,388.41
80	02/28/2013	2,753.64	521.17	2,232.47	129,155.94
81	03/29/2013	2,753.64	512.32	2,241.32	126,914.62
82	04/29/2013	2,753.64	503.43	2,250.21	124,664.41
83	05/29/2013	2,753.64	494.50	2,259.14	122,405.27
84	06/29/2013	2,753.64	485.54	2,268.10	120,137.17
85	07/29/2013	2,753.64	476.54	2,277.10	117,860.07
86	08/29/2013	2,753.64	467.51	2,286.13	115,573.94
87	09/29/2013	2,753.64	458.44	2,295.20	113,278.74
88	10/29/2013	2,753.64	449.34	2,304.30	110,974.44
89	11/29/2013	2,753.64	440.20	2,313.44	108,661.00
90	12/29/2013	2,753.64	431.02	2,322.62	106,338.38
2013 Totals		33,043.68	5,770.00	27,273.68	
91	01/29/2014	2,753.64	421.81	2,331.83	104,006.55
92	02/28/2014	2,753.64	412.56	2,341.08	101,665.47
93	03/29/2014	2,753.64	403.27	2,350.37	99,315.10
94	04/29/2014	2,753.64	393.95	2,359.69	96,955.41
95	05/29/2014	2,753.64	384.59	2,369.05	94,586.36
96	06/29/2014	2,753.64	375.19	2,378.45	92,207.91
97	07/29/2014	2,753.64	365.76	2,387.88	89,820.03
98	08/29/2014	2,753.64	356.29	2,397.35	87,422.68
99	09/29/2014	2,753.64	346.78	2,406.86	85,015.82
100	10/29/2014	2,753.64	337.23	2,416.41	82,599.41
101	11/29/2014	2,753.64	327.64	2,426.00	80,173.41
102	12/29/2014	2,753.64	318.02	2,435.62	77,737.79
2014 Totals		33,043.68	4,443.09	28,600.59	
103	01/29/2015	2,753.64	308.36	2,445.28	75,292.51
104	02/28/2015	2,753.64	298.66	2,454.98	72,837.53
105	03/29/2015	2,753.64	288.92	2,464.72	70,372.81
106	04/29/2015	2,753.64	279.15	2,474.49	67,898.32
107	05/29/2015	2,753.64	269.33	2,484.31	65,414.01
108	06/29/2015	2,753.64	259.48	2,494.16	62,919.85
109	07/29/2015	2,753.64	249.58	2,504.06	60,415.79
110	08/29/2015	2,753.64	239.65	2,513.99	57,901.80

111	09/29/2015	2,753.64	229.68	2,523.96	
112	10/29/2015	2,753.64	219.67	2,533.97	55,377.84
113	11/29/2015	2,753.64	209.61	2,544.03	52,843.87
114	12/29/2015	2,753.64	199.52	2,554.12	50,299.84
2015 Totals		33,043.68	3,051.61	29,992.07	47,745.72
115	01/29/2016	2,753.64	189.39	2,564.25	
116	02/29/2016	2,753.64	179.22	2,574.42	45,181.47
117	03/29/2016	2,753.64	169.01	2,584.63	42,607.05
118	04/29/2016	2,753.64	158.76	2,594.88	40,022.42
119	05/29/2016	2,753.64	148.46	2,605.18	37,427.54
120	06/29/2016	2,753.64	138.13	2,615.51	34,822.36
121	07/29/2016	2,753.64	127.75	2,625.89	32,206.85
122	08/29/2016	2,753.64	117.34	2,636.30	29,580.96
123	09/29/2016	2,753.64	106.88	2,646.76	26,944.66
124	10/29/2016	2,753.64	96.38	2,657.26	24,297.90
125	11/29/2016	2,753.64	85.84	2,667.80	21,640.64
126	12/29/2016	2,753.64	75.26	2,678.38	18,972.84
2016 Totals		33,043.68	1,592.42	31,451.26	16,294.46
127	01/29/2017	2,753.64	64.63	2,689.01	
128	02/28/2017	2,753.64	53.97	2,699.67	13,605.45
129	03/29/2017	2,753.64	43.26	2,710.38	10,905.78
130	04/29/2017	2,753.64	32.51	2,721.13	8,195.40
131	05/29/2017	2,753.64	21.71	2,731.93	5,474.27
132	06/29/2017	2,753.64	11.30	2,742.34	2,742.34
2017 Totals		16,521.84	227.38	16,294.46	0.00
Grand Totals		314,986.08	76,789.08	238,197.00	

Last interest amount increased by 0.42 due to rounding.

[Form of Assignment]

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within-mentioned Bond and does hereby irrevocably constitute and appoint _____ Attorney to transfer the said Bond on the books of the Registrar on behalf of the said Issuer with full power of substitution in the premises.

Dated: _____.

In the presence of:



June 29, 2006

Green Spring Valley Public Service District
Water Refunding Bonds, Series 2006 A

Green Spring Valley Public Service District
Post Office Box 95-A
Green Spring, West Virginia 26722

Branch Banking and Trust Company
501 Tennessee Avenue
Charleston, West Virginia 25302

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Green Spring Valley Public Service District in Hampshire County, West Virginia (the "Issuer"), of its \$238,197 Water Refunding Bonds, Series 2006 A, dated the date hereof (the "Bonds"), pursuant to Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Resolution of the Issuer duly adopted June 28, 2006, and a Supplemental Resolution of the Issuer duly adopted June 28, 2006 (collectively, the "Bond Legislation"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

The Bond Legislation provides that the Bonds are issued for the purposes of (i) currently refunding the Issuer's Water Revenue Bonds, Series 1983 dated May 4, 1983, issued in the original aggregate principal amount of \$317,000 and Water Revenue Bonds, Series 1985, dated December 5, 1985, and issued in the original aggregate principal amount of \$27,000, (collectively, the "GMAC Bonds"); and (ii) paying costs of issuance and related costs. Upon issuance and delivery of the Bonds, the GMAC Bonds and all interest accrued thereon will be paid in full.

In connection with the issuance of the Bonds, the Issuer has executed a Certificate as to Arbitrage, dated as of the date hereof (the "Certificate as to Arbitrage"), which, among other things, sets forth restrictions on the investment and expenditure of the Bond proceeds and earnings thereon, to ensure that the arbitrage requirements of the Internal Revenue Code of 1986, as amended, and regulations thereunder (collectively, the "Code"), necessary to establish and maintain the excludability of interest on the Bonds from gross income for federal income tax purposes, are and will continue to be met.

As to questions of fact material to our opinion, we have relied upon the representations of the Issuer contained in the Bond Legislation and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Issuer is duly created and validly existing as a public service district and as a public corporation and a political subdivision of the State of West Virginia, with corporate power to adopt the Bond Legislation, perform the agreements on its part contained therein and to issue and sell the Bonds, all under the Act and other applicable provisions of law.
2. The Bond Legislation has been duly adopted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.
3. The Bonds have been duly authorized, executed and delivered by the Issuer and constitute a valid and binding special obligation of the Issuer, payable from and secured by a first lien on the Net Revenues (as such term is defined in the Bond Legislation) of the System, on a parity as to liens, pledge and source of and security for payment with the Issuer's Water System Note, Series 1970 (United States Department of Agriculture), dated October 23, 1970, issued in the original aggregate principal amount of \$93,000 (the "Series 1970 Bonds") and the Water System Note, Series 1989 A (United States Department of Agriculture), dated September 22, 1989, issued in the original aggregate principal amount of \$260,000 (the "Series 1989 A Bonds"), collectively referred to herein as the "Prior Bonds", and a statutory mortgage lien in accordance with the Act.
4. Under the laws, regulations, published rulings and judicial decisions of the United States of America existing on the date hereof, the interest on the Bonds (including original issue discount properly allocable to owners of the Bonds) is excludable from gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations. It should be noted, however, that for the purpose of computing the alternative minimum tax on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. Ownership of tax-exempt obligations, including the Bonds, may result in collateral federal income tax consequences to certain taxpayers, including without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. We offer no opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their own tax advisors as to such consequences. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Internal Revenue Code of 1986, as amended, and regulations thereunder (the "Code") that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth in the Resolution, and the Certificate as to Arbitrage. Failure to comply with such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. Except as set forth in paragraph 6 below, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

5. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

6. Under the Act, the Bonds are exempt from taxation by the State of West Virginia, and the other taxing bodies of said State, and the interest on the Bonds is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

7. The GMAC Bonds have been paid in full and the covenants, agreements and other obligations of the Issuer to the holder of the GMAC Bond have been satisfied and discharged. In rendering this opinion, we have relied upon the Receipt and Release of GMAC Acceptance Corporation dated as of the date hereof.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Bond Legislation and the liens and pledges set forth therein, may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,


STEPTOE & JOHNSON PLLC

06.13.06
354410.00002



CARL, KEATON & FRAZER, PLLC

ATTORNEYS AT LAW

56 E. MAIN STREET

ROMNEY, WEST VIRGINIA 26757

H. CHARLES CARL, III
WILLIAM C. KEATON
JULIE A. FRAZER
WILLIAM H. ANSEL, JR. (1914-1988)

(304) 822-4187
(304) 822-3028
FAX (304) 822-7871

June 29, 2006

Green Spring Valley Public Service District
Water Refunding Bonds, Series 2006 A

Branch Banking and Trust Company
501 Tennessee Avenue
Charleston, West Virginia 25302

Steptoe & Johnson PLLC
P. O. Box 1588
Charleston, West Virginia 25326-1588

Ladies and Gentlemen:

I am counsel to Green Spring Valley Public Service District, in Hampshire County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the opinion of Steptoe & Johnson PLLC, as bond counsel, the Bond Legislation (as defined therein) and other documents relating to the above-captioned Bonds (the "Bonds") of the Issuer. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation when used herein.

I am of the opinion that:

1. The Issuer is duly created and validly existing as a public service district and as a public corporation and a political subdivision of the State of West Virginia, with full power and authority to refund the GMAC Bonds, to operate and maintain the System, to adopt the Bond Legislation, all under the Act and other applicable provisions of law.
2. The members and officers of the Public Service Board of the Issuer have been duly, lawfully and properly appointed and elected, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.
3. The Bond Legislation has been duly adopted by the Issuer and is in full force and effect.
4. The execution and delivery of the Bonds and the consummation of the transactions contemplated by the Bonds and the Bond Legislation, and the carrying out of the terms thereof, do not and

will not in any material respect conflict with or constitute on the part of the Issuer a breach of or default under any instrument, document or agreement to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, order or decree to which the Issuer is subject.

5. All permits, licenses, approvals, consents, certificates, orders, exemptions and authorizations necessary for the due creation and valid existence of the Issuer, the issuance of the Bonds, the refunding of the GMAC Bonds, and the financing of the costs thereof, the operation of the System and the imposition of rates and charges have been entered and/or received, including, without limitation, all requisite orders, certificates, consents and approvals from The County Commission of Hampshire County and the Public Service Commission of West Virginia, and the Issuer has taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges.

6. To the best of my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein any unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bonds and the Bond Legislation, the refunding of the GMAC Bonds, the operation of the System or the validity of the Bonds or the collection or pledge of the Net Revenues therefor.

All counsel to this transaction may rely upon this opinion as if specifically addressed to them.

Very truly yours,



H. CHARLES CARL, III



GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT

Water Refunding Bonds, Series 2006 A
(Branch Banking and Trust Company)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. AWARD OF BONDS
3. NO LITIGATION
4. GOVERNMENTAL APPROVALS
5. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
6. CERTIFICATION OF COPIES OF DOCUMENTS
7. INCUMBENCY AND OFFICIAL NAME, ETC.
8. MEETINGS; PUBLICATION AND POSTING OF NOTICES, ETC.
9. SIGNATURES AND DELIVERY
10. SPECIMEN BOND
11. PRIVATE USE OF FACILITIES
12. NO FEDERAL GUARANTY
13. IRS INFORMATION RETURN
14. CONFLICT OF INTEREST
15. EXECUTION OF COUNTERPARTS

We, the undersigned CHAIRMAN and the undersigned SECRETARY of the Public Service Board of Green Spring Valley Public Service District in Hampshire County, West Virginia (the "Issuer"), and the undersigned ATTORNEY for the Issuer, hereby certify on this the 29th day of June, 2006, in connection with the \$238,197 aggregate principal amount Green Spring Valley Public Service District Water Refunding Bonds, Series 2006 A (the "Bonds"), as follows:

1. **TERMS:** All capitalized words and terms used in this General Certificate and not otherwise defined shall have the same meaning as in the Bond Resolution of the Issuer adopted June 28, 2006, and a Supplemental Resolution adopted June 28, 2006 (collectively, the "Bond Legislation").

2. **AWARD OF BONDS:** The Bonds have been duly awarded to Branch Banking and Trust Company, Charleston, West Virginia (the "Purchaser"), pursuant to a commitment letter dated June 8, 2006, from the Purchaser and the Bond Legislation.

3. **NO LITIGATION:** No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bond, the refunding of the GMAC Bonds, the operation of the System, nor in any way questioning or affecting the validity of the Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or application of any moneys or security provided for the payment of the Bonds; nor questioning the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the refunding of the GMAC Bond, the operation of the System, the pledge or application of any moneys or security provided for the payment of the Bonds; nor questioning the rates and charges provided for the services of the System.

4. **GOVERNMENTAL APPROVALS:** All applicable and necessary approvals, permits, authorizations, registrations, exemptions, consents and certificates required by law for the refunding of the GMAC Bonds, and the financing of the costs thereof, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Bonds have been obtained and remain in full force and effect. The Issuer has received the Commission Order of the Public Service Commission of West Virginia entered on June __, 2006, in Case No. 05-0606-PWD-CN, approving and consenting to the issuance of the Bonds and the refunding of the GMAC Bonds. Such Order is in full force and effect.

5. **NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS:** There has been no adverse change in the financial condition of the Issuer since the offer by the Purchaser to purchase the Bonds.

Upon the refunding of the GMAC Bonds, there are outstanding obligations of the Issuer which will rank on a parity with the Series 2006 A Bonds as to liens, pledge and source of and security for payment, being the Issuer's Water System Note, Series 1970 (United States Department of Agriculture), dated October 23, 1970, issued in the original aggregate principal amount of \$93,000 (the "Series 1970 Bonds") and the Water System Note, Series 1989 A (United States Department of Agriculture), dated September 22, 1989, issued in the original aggregate principal amount of \$260,000 (the "Series 1989 A Bonds"), collectively referred to herein as the "Prior Bonds").

Prior to the issuance of the Series 2006 A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2006 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no Outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all covenants of the Prior Bonds and the Prior Resolutions.

The Issuer has obtained a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met and the

written consent of the Holders of the Prior Bonds to the issuance of the Series 2006 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no Outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Resolutions.

6. CERTIFICATION OF COPIES OF DOCUMENTS: The copies of the below-listed documents hereto attached or delivered herewith or heretofore delivered are true, correct and complete copies of the originals of the documents of which they purport to be copies, and such original documents are in full force and effect and have not been repealed, rescinded, amended or changed in any way unless modification appears from later documents also listed below:

Bond Resolution

Supplemental Resolution

Consent of Rural Utilities Service to Issuance of Parity Bonds

County Commission Orders Creating District

County Commission Orders Appointing Current Board Members

Oaths of Office of Current Board Members

Rules of Procedure

Minutes of Organizational Meeting

Minutes on Adoption of Bond Resolution and Supplemental Resolution

Public Service Commission Order

Receipt and Release of Holder of GMAC

Commitment Letter

7. INCUMBENCY AND OFFICIAL NAME, ETC.: The proper corporate title of the Issuer is "Green Spring Valley Public Service District" and its principal office and place of business are in Hampshire County, West Virginia. The Issuer is a public service district and public corporation and political subdivision of the State of West Virginia. The governing body of the Issuer is its Public Service Board consisting of three duly appointed,

qualified and acting members, whose names and dates of commencement and termination of current terms of office are as follows:

<u>Name</u>	<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
Mark Puffinburger	July 1, 2004	June 30, 2007
Roger Wisner	July 1, 2004	June 30, 2009
Gary Bradfield	January 1, 2006	June 30, 2011

The names of the duly elected, appointed, qualified and acting officers of said Public Service Board of said Issuer for the calendar year 2006 as follows:

Chairman	-	Mark Puffinburger
Secretary	-	Roger Wisner
Treasurer	-	Gary Bradfield

The duly appointed and acting Attorney for the Issuer is H. Charles Carl, III, Esquire, Romney, West Virginia.

8. MEETINGS; PUBLICATION AND POSTING OF NOTICES, ETC.:

All actions, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the acquisition, construction, operation and financing of the System and the issuance of the Bond were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including Chapter 6, Article 9A, of the West Virginia Code of 1931, as amended, and a quorum of duly appointed, elected, qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

9. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Chairman did officially sign the Bonds by his manual signature, and the undersigned Secretary did officially cause the official seal of the Issuer to be imprinted upon the Bonds and to be attested by his manual signature, and the Registrar did officially authenticate and deliver the Bonds to the Purchaser. Said official seal is also impressed above the signatures appearing on this certificate.

10. SPECIMEN BOND: Delivered concurrently herewith is a true and accurate specimen of the Bonds.

11. **PRIVATE USE OF FACILITIES:** The Issuer shall at all times take, and refrain from taking, and shall not fail to take, any and all actions necessary to assure the initial and continued tax-exempt status of the Bonds and the interest thereon. Less than 10% of the proceeds of the Bonds will be used, directly or indirectly, for any private business use, and less than 10% of the payment of principal of, or the interest on, such issue, under the terms of such issue or any underlying arrangement, is, directly or indirectly, secured by any interest in property used or to be used for a private business use, payments in respect of such property, or to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use. None of the proceeds of the Bonds will be used, directly or indirectly, for any private business use which is not related to the governmental use of the proceeds of the Bonds, including the disproportionate related business use of the proceeds of the Bonds, and none of the payment of principal of, or the interest on, such issue, under the terms of such issue or any underlying arrangement, is, directly or indirectly, secured by any interest in property used or to be used for a private business use, payments in respect of such property, or to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use with respect to such private business use, which is not related to any government use of such proceeds, including the disproportionate related business use of the issue of the Bonds. None of the proceeds of the issue of the Bonds will be used, directly or indirectly, to make or finance loans to persons other than governmental units. For purposes of this paragraph, private business use means use, directly or indirectly, in a trade or business carried on by any person, including related persons, other than a governmental unit and other than use as a member of the general public. All of the foregoing have been and shall be determined in accordance with and within the meaning of the Internal Revenue Code of 1986, as amended, including any successor provisions and rules and regulations thereunder (the "Code").

12. **NO FEDERAL GUARANTY:** The Bonds are not and will not be, in whole or part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

13. **IRS INFORMATION RETURN:** On the date hereof, the undersigned Chairman did officially sign a properly completed IRS Form 8038-G and will cause such executed Form 8038-G to be filed in a timely manner with the Internal Revenue Service Center, Ogden, Utah.

14. **CONFLICT OF INTEREST:** No officer or employee of the Issuer has a substantial financial interest, directly, indirectly or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Bonds, the Bond Legislation, including, without limitation, with respect to the Purchaser. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

15. EXECUTION OF COUNTERPARTS: This document may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same document.

[Remainder of Page Intentionally Left Blank]

WITNESS our signatures and the official seal of GREEN SPRING VALLEY
PUBLIC SERVICE DISTRICT on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE

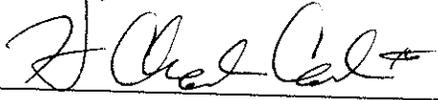
OFFICIAL TITLE



Chairman



Secretary



Attorney for Issuer

06.13.06
354410.00002



GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT

Water Refunding Bonds, Series 2006 A

CERTIFICATE AS TO ARBITRAGE

The undersigned duly authorized Chairman of the Public Service Board of Green Spring Valley Public Service District, in Hampshire County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for issuing the above-captioned Bonds (the "Bonds") of the Issuer, and acting for the Issuer and its name, hereby certifies the following expectations of the Issuer with regard to the Bonds and use of the proceeds thereof, all capitalized terms used herein and not otherwise defined herein to have the meanings ascribed thereto in the Bond Resolution duly adopted by the Issuer on June 28, 2006, as supplemented by a Supplemental Resolution adopted June 28, 2006 (collectively, the "Bond Legislation").

This certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or any predecessor thereto (collectively, the "Code"). I am one of the officers of the Issuer charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances, and estimates herein certified and am duly authorized to execute and deliver this certificate on behalf of the Issuer.

1. This certificate may be relied upon as the certificate of the Issuer.
2. The Issuer has not been notified by the Internal Revenue Service of any listing or proposed listing of it as an issuer that may not certify its obligations or the certification of which may not be relied upon by holders of obligations of the Issuer or that there is any disqualification of the Issuer by the Internal Revenue Service because a certification made by the Issuer contains a material misrepresentation.
3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on June 29, 2006, the date on which the Bonds are to be physically delivered in exchange for the purchase price thereof, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.
4. In the Bond Legislation pursuant to which the Bonds are issued, the Issuer has covenanted to not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Bonds which would cause the Bonds to be an "arbitrage bonds" within the meaning of Section 148 of the Code. The Issuer has, therefore,

covenanted to not intentionally use any portion of the proceeds of the Bonds to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except as otherwise allowed under Section 148 of the Code. The Issuer, in the Bond Legislation, has further covenanted that it will take all actions that may be required of it so that the interest on the Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

5. The Bonds were sold on June 29, 2006, to Branch Banking and Trust Company, Charleston, West Virginia (the "Purchaser"), for a purchase price of \$238,197 (100% of par), there being no interest accrued thereon.

6. The Bonds are being delivered simultaneously with the delivery of this certificate and will be used by the Issuer on the date hereof as contemplated by the Bond Legislation and related documents for the purposes of (i) refund the Issuer's Water Revenue Bonds, Series 1983 and Series 1985 (GMAC), and (ii) to pay costs of issuance and related costs.

7. The face amount of the Bonds is \$238,197. The sources and uses of proceeds of the Bonds in connection with the refunding of the GMAC Bonds is as follows:

Sources

Par amount of Bonds	\$238,197.00
Total Sources	<u>\$238,197.00</u>

Uses

Pay off GMAC Bonds	\$232,811.37
Costs of Issuance	\$ 4,200.63
Bank Fee	\$ 1,185.00
Total Uses	<u>\$238,197.00</u>

8. Principal of and interest on the Bonds are payable monthly directly to the Purchaser. No sinking fund is created to pay debt service on the bonds.

9. The Series 2006 A Bonds Reserve Account is created under the Bond Legislation. The Issuer has either (a) funded the Series 2006 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or

(b) created the Series 2006 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2006 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Moneys in the Series 2006 A Bonds Reserve Account will be used solely to pay principal of and interest on the Bonds.

10. The amount in the Series 2006 A Reserve Fund will be equal to 10% of the stated principal amount of the Bonds, and is not in excess of the maximum annual principal and interest requirements of the Bonds or 125% of the average annual principal and interest requirements of the Bonds. The monies in the Series 2006 A Bonds Reserve Account will be invested without restriction as to yield. All earnings on amounts deposited in the Series 2006 A Bonds Reserve Account will, to the extent the yield thereon exceeds the yield on the Bonds, be subject to rebate. All investment earnings on monies in the Series 2006 A Bonds Reserve Account will be withdrawn therefrom, not less than once each year, and deposited into the Revenue Fund, and such amounts will be applied as set forth in the Bond Legislation. Except for the Series 2006 A Bonds Reserve Account, there are no other funds or accounts established or held by the Issuer which are reasonably expected to be used to pay debt service on the Bonds, or which are pledged as collateral for the Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Bonds, if the Issuer encounters financial difficulties. Except as provided herein, no funds which have been or will be used to acquire directly or indirectly securities, obligations, annuity contracts, investment-type property or any residential real property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved desegregation plan or other investment property producing a yield in excess of the yield on the Bonds, have been or will be pledged to payment of the Bonds. The establishment of the Series 2006 A Bonds Reserve Account is required by the Purchaser, is vital to the purchase of the Bonds, and is reasonably required to assure payments of debt service on the Bonds.

11. Proceeds of the Bonds in the amount of \$5,385 will be used to pay costs of issuance of the Bonds. All such amounts will be fully expended on the date hereof.

12. Other than the funds and accounts described above, there are no other funds or accounts of the Issuer which (i) are reasonably expected to be used to pay debt service on the Bonds or which are pledged as collateral to secure repayment of debt service on the Bonds and (ii) for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Bonds.

13. No more than 10% of the proceeds of the Bonds will be used (directly or indirectly) in any trade or business carried on by, and less than 5% of the proceeds of the Bonds or \$5,000,000 have been or will be used to make or finance loans to, any person who is not a governmental unit.

14. The original proceeds of the Bonds will not exceed the amount necessary for the purpose of the issue.

15. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of the Bonds as a "private activity bond" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and the Treasury Regulations promulgated or to be promulgated thereunder.

16. The Bonds are not, and will not be, in whole or part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

17. The Issuer shall file Form 8038-G in a timely fashion with the Internal Revenue Service, Ogden, Utah 84201.

18. No portion of the proceeds of the Bonds will be used directly or indirectly to replace funds of the Issuer or other related governmental agency that have been used directly or indirectly to acquire securities or obligations which may reasonably be expected, on the date hereof, to produce a yield materially higher than the yield on the Bonds.

19. In connection with the Bonds, there has not been created or established, and the Issuer does not expect that there will be created or established, any sinking fund, pledged fund or similar fund (other than as specifically identified in this certificate), including without limitation any arrangement under which money, securities, or obligations are pledged directly or indirectly to secure the Bonds or any contract securing the Bonds or any arrangement providing for compensating or minimum balances to be maintained by the Issuer or related governmental agencies with any registered owner of the Bonds.

20. The Bonds are not and will not be part of a transaction or series of transactions that (i) attempt to circumvent the provisions of Section 148 of the Code, or any successor thereto, and the Regulations promulgated thereunder which enable the Issuer to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage or (ii) increase the burden on the market for tax-exempt obligations in any manner, including, without limitation, by selling obligations that would not otherwise be sold or selling a larger amount of obligations, or issuing them sooner, or allowing them to remain outstanding longer, than would otherwise be necessary.

21. No other obligations are being issued by the Issuer or any related entity at substantially the same time and sold pursuant to a common plan of financing and which will be paid out of substantially the same source of funds (or which will have substantially the same claim to be paid out of substantially the same source of funds) as the Bonds or which will be paid directly or indirectly from proceeds of the sale of the Bonds.

22. The issuance of the Bonds will not involve the use of a "device" or an "abusive transaction" within the meaning of Section 149(d)(4) of the Code and the Regulations thereunder.

23. The Issuer covenants to comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be and continue to be excludable from gross income for federal income tax purposes.

24. The Issuer will rebate to the United States the amount, if any, required by the Code and to take all steps necessary to make such rebates. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, and take all other actions required of it in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

25. The Issuer has retained the right to amend the Bond Legislation authorizing the issuance of the Bonds if such amendment is necessary to assure compliance with Section 148(f) of the Code or as may otherwise be necessary to assure the exclusion of interest on the Bonds from the gross income of the holders thereof.

26. The Issuer shall comply with all yield restrictions on the proceeds of the Bonds as set forth in the Code.

27. The Issuer covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom, and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exempt status of the Bonds and the interest thereon. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of the Bond Legislation.

28. The Issuer hereby designates the Bonds for purposes of Section 265(b)(3)(B) of the Code and covenants that the Bonds does not constitute private activity bonds as defined in Section 141 of the Code, and that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 2006.

29. On the basis of the foregoing, it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

30. To the best of my knowledge, information and belief, there are no other facts, estimates and circumstances which would materially change the expectations herein expressed.

31. Steptoe & Johnson PLLC is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein in rendering its opinions regarding the tax-exempt status of interest on the Bond.

32. To the best of my knowledge, information and belief, the foregoing expectations are reasonable.

IN WITNESS WHEREOF, I have set my hand this 29th day of June, 2006.

A handwritten signature in black ink, appearing to read "Mark L. ...", is written over a horizontal line. Below the line, the word "Chairman" is printed in a standard serif font.

Chairman

06.22.06
354410.00002





J.C. Kunkle & Associates, A.C.
CERTIFIED PUBLIC ACCOUNTING & CONSULTING

June 29, 2006

Green Spring Valley Public Service District
Water Refunding Bonds, Series 2006 A
(Branch Banking and Trust Company)

Green Spring Valley Public Service District
Green Spring, West Virginia

Branch Banking and Trust Company
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the water rates and charges set forth in the Commission Order of the Public Service Commission of West Virginia, which became final on June 29, 2006, in Case No. 05-0606-PWD-CN, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Green Spring Valley Public Service District (the "Issuer"), it is my opinion that such rates and charges will be sufficient to provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the annual debt service on the Prior Bonds, as defined in the Bond Resolution, and the Water Refunding Bonds, Series 2006 A (Branch Banking and Trust Company) (the "Series 2006 A Bonds"), and sufficient to make the payments into the Prior Bonds Reserve Funds, the Series 2006 A Bonds Reserve Account and the Renewal and Replacement Fund and all the necessary expenses of operating and maintaining the System during such Fiscal Year.

It is further my opinion that the Net Revenues for the Fiscal Year following the year in which the Series 2006 A Bonds are issued will be at least 120% of the average annual debt service requirements on the Series 2006 A Bonds and the Prior Bonds.

Very truly yours,

J.C. KUNKLE & ASSOCIATES, A.C.

Martinsburg, West Virginia

164 Lina Lane ■ Martinsburg, WV 25405
304/263-9299 ■ Fax 304/267-7032 ■ e-mail: jekunkle@jckunkleassociates.com

MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS



Be it resolved and ordered that pursuant to the provisions of Section 2, Article 13-A, Chapter 16 of the Code of West Virginia, as amended, it is hereby proposed that a public service district be created in that part or portion of Springfield District of the County of Hampshire, State of West Virginia, to be known as Green Spring Valley Public Service District, and which is more particularly described and bounded as follows:

Beginning at the southern terminus of the bridge crossing the South Branch River on Secondary Route No. 3, four miles east of the Town of Springfield, in Springfield District, Hampshire County, West Virginia, thence, by direct line, N. 32 15 E., but following the meanders of the low water mark of said river and on the west side thereof, a distance of 66,528.0 feet to the confluence of the said South Branch and the North Branch Rivers; thence, by direct line, N. 82 00 W., but along the meanders of the low water mark of the North Branch River and on the south side thereof, 27,984.00 feet to the point where the Hampshire-Mineral County line intersects the said river; thence, with the said County line, S. 36 45 W., 15,312.0 feet to a point; thence, S. 65 15 W., 4,224.0 feet to the point where West Virginia Secondary Route No. 19 crosses said county line; thence, S. 30 15 W., 6,864.0 feet to the point where West Virginia Secondary Route No. 28/9 intersects said county line, said way being generally known as the Goldsborough Road; thence, S. 40 55 E., 11,880.00 feet to a point in West Virginia Secondary Route No. 1, near the Town of Springfield and at the northern terminus of the Springfield Water Association, Inc., water line; thence S. 74 00 E., 10,560.00 feet to the beginning.

It is further ordered that the 11 day of August, 1981, at 9:00 A.M. at the Court House in Romney, West Virginia, shall be and the same is hereby fixed as the time and place for a hearing wherein any interested citizen who lives within the proposed Green Spring Valley Public Service District may appear to either voice his approval or objection to the creation of the public service district aforesaid, and every such citizen will be given an opportunity to be heard.

And it is further ordered that the Clerk of this Court shall cause notice of such hearing and the time and place thereof, together with the name of and a description of the territory to be included within the bounds of said district, to be published in the Hampshire Review, a newspaper of general circulation in Hampshire County, West Virginia, as a Class I legal advertisement in compliance with the provisions of Section I, Article 3, Chapter 59 et seq of this code, which said publication shall be at least ten days prior to the day of the hearing herein fixed.

LIAM H. ANSEL, JR.
ATTORNEY AT LAW
KEY, WEST VIRGINIA

It is further ordered that the Clerk of this Court shall cause all publication costs relative thereto to be paid out of the contingent funds of this Court or out of any other funds available, or to be made available for that purpose.

Hampshire County Commission

July 24, 1981

By James E. Miller
President

LIAM H. ANSEL, JR.
ATTORNEY AT LAW
MARTINSBURG, WEST VIRGINIA

CERTIFICATION OF RECORD

State of West Virginia,

County of Hampshire, To-wit:

I, Nancy C. Feller, Clerk of the

County Court of Hampshire County, a Court of record in and for said County and

state, do certify that the foregoing and annexed writing is a true copy of

ORDER: Green Spring Valley Public Service District recorded

in the Clerk's Office of the said County Court on the 24th day of

July 1981, as full and complete as the same is now

of record in said office, in Fiscal & Police Record Book

No. 12 Page 100

IN WITNESS WHEREOF, I have hereto set my hand and the seal of said

Court (which is my Official Seal) at my office, in said County, this 2nd

day of March 1982

Nancy C. Feller

Clerk of County Court of Hampshire County, West Virginia

** ORDER **

It appearing that on the 24th day of July, 1981, an Order was entered by this Commission proposing that a public service district be created in Springfield District, Hampshire County, West Virginia, to be known as the Green Spring Valley Public Service District, and in said Order, it was directed that a hearing be held relative to the creation of the said District on the 11th day of August, 1981, at the Courthouse in Romney, West Virginia, beginning at 9:00 a.m., and it further appearing that the date set for said hearing was nineteen (19) days from the date of entry of said Order, whereas by law a period of twenty (20) days must elapse between the entry of Order and the hearing aforesaid, and to correct said error, another Order is entered relative to the creation of said Public Service District, as follows:

Be it resolved and ordered that pursuant to the provisions of Section 2, Article 13A, Chapter 16 of the Code of West Virginia, as amended, it is hereby proposed that a public service district be created in that part or portion of Springfield District of the County of Hampshire, State of West Virginia, to be known as Green Spring Valley Public Service District, and which is more particularly described by metes and bounds as follows:

Beginning at the southern terminus of the bridge crossing the South Branch River on Secondary Route No. 3, four miles east of the Town of Springfield, in Springfield District, Hampshire County, West Virginia, thence by direct line, N. 32 15 E., but following the meanders of the low water mark of said river and on the west side thereof, a distance of 66,528.0 feet to the confluence of the said South Branch and the North Branch Rivers; thence by direct line, N. 82 00 W., but along the meanders of the low water mark of the North Branch River and on the south side thereof, 27,984.00 feet to the point where the Hampshire-Mineral County line intersects the said river; thence with the said County line, S. 36 45 W., 15,312.0 feet to a point; thence S. 65 15 W., 4,224.0 feet to the point where West Virginia Secondary Route No. 19 crosses said County line; thence S. 30 15 W., 6,864.0 feet to the point where West Virginia Secondary Route No. 28/9 intersects said County line, said way being generally known as the Goldsborough Road; thence S. 40 55 E., 11,880.00 feet to a point in West Virginia Secondary Route No. 1, near the Town of Springfield and at the northern terminus of the Springfield Water Association, Inc., water line; thence S. 74 00 E., 10,560.00 feet to the beginning.

It is further ordered that the 5th day of September, 1981, at 9:00 A.m. at the Courthouse in Romney, Hampshire County, West Virginia, shall be and the same is hereby fixed as the time and place for a hearing wherein any interested citizen who lives within the proposed Green Spring Valley Public Service District or who owns property or who has an interest in

LIAM H. ANSEL JR.
ATTORNEY AT LAW
ROMNEY, WEST VIRGINIA

property within said District may appear and each will be given an opportunity to be heard for and against its creation.

And it is further ordered that the Clerk of this Court shall cause notice of such hearing and the time and place thereof, together with the name of and a metes and bounds description of the territory to be included within the bounds of said District, to be published in the Hampshire Review, a newspaper of general circulation in Hampshire County, West Virginia, as a Class I legal advertisement in compliance with the provisions of Article 3, Chapter 59 of the Code of West Virginia, which said publication shall be at least ten (10) days prior to the day of the hearing herein fixed. And there shall also be posted in at least five (5) conspicuous places in the proposed District a notice containing the same information as contained in the published notice, said posted notices to be posted by a credible person or persons not less than ten (10) days before the hearing aforesaid.

And it is further ordered that the Clerk of this Court shall cause all publication costs relative thereto to be paid out of the contingent funds of this Court or out of any other funds available, or to be made available for that purpose.

HAMPSHIRE COUNTY COMMISSION

August 11, 1981

By: James E. Miller
President

LIAM J. ANGEL, JR.
ATTORNEY AT LAW
MARTINSBURG, WEST VIRGINIA

CERTIFICATION OF RECORD

State of West Virginia,

County of Hampshire, To-wit:

I, Nancy C. Feller, Clerk of the

County Court of Hampshire County, a Court of record in and for said County and

state, do certify that the foregoing and annexed writing is a true copy of

CORRECTED ORDER Green Spring Public Service District recorded

in the Clerk's Office of the said County Court on the 11th day of

August 1981 as full and complete as the same is now

of record in said office, in Fiscal & Police Record Book

No. 2 Page 110

IN WITNESS WHEREOF, I have hereto set my hand and the seal of said

Court (which is my Official Seal) at my office, in said County, this 2nd

day of March 1982

Nancy C. Feller

Clerk of County Court of Hampshire County, West Virginia

It appearing that all the provisions of law relating to the creation of public service districts have been complied with, and it having been further determined that the creation of a public service district as hereafter specified is feasible, and it further appearing that the construction or acquisition by purchase or otherwise, and maintenance, operation, improvement and extension of public service properties by such public service district will be conducive to the preservation of public health, comfort and convenience of such area, and it further appearing that on the 8th day of September, 1981, at 9:00 a.m., at the Courthouse in Romney, Hampshire County, West Virginia, after proper and lawful notice having been given, a hearing was held, at which time and place the citizens who lived within or who owned property or who have an interest in property situate in said district appeared and indicated that it was their desire that such district be created, and there being no objection thereto, and it further appearing that no other public service district or districts can adequately serve the area of the proposed public service district, whether by expansion, merger or other means, it is therefore ordered that, pursuant to the provisions of Article 13a, Chapter 16, of the Code of West Virginia, as amended, that a public service district be, and the same is hereby created in Hampshire County, West Virginia, to be known as Green Spring Valley Public Service District, and which is described by metes and bounds as follows:

Beginning at the southern terminus of the bridge crossing the South Branch River on Secondary Route No. 3, four miles east of the Town of Springfield, in Springfield District, Hampshire County, West Virginia, thence by direct line, N. 32 15 E., but following the meanders of the low water mark of said river and on the west side thereof, a distance of 66,528.0 feet to the confluence of the said South Branch and the North Branch Rivers; thence by direct line, N. 82 00 W., but along the meanders of the low water mark of the North Branch River and on the south side thereof, 27,984.00 feet to the point where the Hampshire-Mineral County line intersects the said river; thence with the said County line, S. 36 45 W., 15,312.0 feet to a point; thence S. 65 15 W., 4,224.0 feet to the point where West Virginia Secondary Route No. 19 crosses said County line; thence S. 30 15 W., 6,864.0 feet to the point where West Virginia Secondary Route No. 28/9 intersects said County line, said way being generally known as the Goldsborough Road; thence S. 40 55 E., 11,880.00 feet to a point in West Virginia Secondary Route No. 1, near the Town of Springfield and at the northern terminus of the Springfield Water Association, Inc., water line; thence S. 74 00 E., 10,560.00 feet to the beginning.

LILLIAN H. ANSEL, JR.
ATTORNEY AT LAW
ROMNEY, WEST VIRGINIA

And from the date of the adoption of this Order, the said Public Service District shall be; and the same is by operation of law, a public corporation and political subdivision of this State with power of perpetual succession, but without power to levy or collect ad valorem taxes, and with such other powers as is now or may be authorized by law.

And it is further ordered that Lilburn W. Henderson, Robert Hott and William Ray Chesshire, properly qualified persons residing within the confines of the Green Spring Valley Public Service District, be, and they are hereby nominated, constituted and appointed members of a public service board to take charge of and to conduct the business of said Public Service District according to the powers and authority granted such public service board by the provisions of law; and the said Lilburn W. Henderson is hereby appointed to a term of six years on said board; and the said Robert Hott is appointed to a term of four years, and the said William Ray Chesshire is hereby appointed to a term of two years on said board. And it is further ordered that the members of said Public Service Board as above appointed and constituted shall appear as soon as practicable, ^{or} ~~not exceeding thirty days from the date hereof~~, before the Clerk of this Court and qualify as such by taking the oath of office as required by law.

ENTER: 
President

September 8, 1981

WILLIAM H. ANSEL, JR.
ATTORNEY AT LAW
CHINEY, WEST VIRGINIA

CERTIFICATION OF RECORD

State of West Virginia,

County of Hampshire, To-wit:

I, Nancy C. Feller Clerk of the

County Court of Hampshire County, a Court of record in and for said County and

state, do certify that the foregoing and annexed writing is a true copy of

ORDER: Green Spring Valley Public Service District recorded

in the Clerk's Office of the said County Court on the 8th day of

September, 1981 full and complete as the same is now

of record in said office, in Fiscal & Police Record Book

No. 12 Page 202

IN WITNESS WHEREOF, I have hereto set my hand and the seal of said

Court (which is my Official Seal) at my office, in said County, this 2nd

day of March, 1982

Nancy C. Feller

Clerk of County Court of Hampshire County, West Virginia

STATE OF WEST VIRGINIA
COUNTY OF HAMPSHIRE,
TO WIT:

The undersigned hereby certifies
that the annexed notice was duly
published in THE HAMPSHIRE REVIEW
a weekly newspaper published in
said county, for 1 consecutive
weeks, commencing on the 19th
day of August, 1981,
and posted at the front door of
the Court House in Romney, WV.

(if required by law)

CORNWELL & AILES, INC., Publisher

By Nora L Kimble

Words _____ Cost, \$ _____

Handbills \$ _____

ORDER OF PUBLICATION

By Order entered in the County Commission of Hampshire County, West Virginia, on the 11th day of August, 1981, and pursuant to the provisions of Section 2, Article 13A, Chapter 16 of the Code of West Virginia, as amended, it is proposed that a public service district to be known as Green Spring Valley Public Service District, be created in Springfield District, Hampshire County, West Virginia, which said proposed District is more particularly described by metes and bounds as follows:

Beginning at the southern terminus of the bridge crossing the South Branch River on Secondary Route No. 3, four miles east of the Town of Springfield, in Springfield District, Hampshire County, West Virginia, thence by direct line, N. 32 15 E., but following the meanders of the low water mark of said river and on the west side thereof, a distance of 66,528.0 feet to the confluence of the said South Branch and the North Branch Rivers; thence by direct line, N. 82 00 W., but along the meanders of the low water mark of the North Branch River and on the South side thereof, 27,984.00 feet to the point where the Hampshire-Mineral County line intersects the said river; thence with the said County line, S. 36 45 W., 15,312.0 feet to a point; thence S. 65 15 W., 4,224.0 feet to the point where West Virginia Secondary Route No. 19 crosses said County line; thence S. 30 15 W., 6,864.0 feet to the point where West Virginia Secondary Route No. 28/9 intersects said County line, said way being generally known as the Goldsborough Road; thence S. 40 55 E., 11,880.00 feet to a point in West Virginia Secondary Route No. 1, near the Town of Springfield and at the northern terminus of the Springfield Water Association, Inc., water line; thence S. 74 00 E., 10,560.00 to the beginning.

All persons residing in, or owning or having any interest in property in said proposed Green Spring Valley Public Service District are hereby notified that on the 8th day of September, 1981, at 9:00 a.m. at the Courthouse in Romney, Hampshire County, West Virginia, a hearing will be held by the County Commission of Hampshire County to determine whether said Public Service District should be created, at which time and place you may appear and you shall have an opportunity to be heard for and against its creation.

Nancy C. Feller
Clerk County Commission
Hampshire County, W. Va.

8-19-1c

Be it resolved and ordered that pursuant to the provisions of Section 2, Article 13-A, Chapter 16 of the Code of West Virginia, as amended, it is hereby proposed that a public service district be created in that part or portion of Springfield District of the County of Hampshire, State of West Virginia, to be known as Green Spring Valley Public Service District, and which is more particularly described and bounded as follows:

Beginning at the southern terminus of the bridge crossing the South Branch River on Secondary Route No. 3, four miles east of the Town of Springfield, in Springfield District, Hampshire County, West Virginia, thence, by direct line, N. 32 15 E., but following the meanders of the low water mark of said river and on the west side thereof, a distance of 66,528.0 feet to the confluence of the said South Branch and the North Branch Rivers; thence, by direct line, N. 82 00 W., but along the meanders of the low water mark of the North Branch River and on the south side thereof, 27,984.00 feet to the point where the Hampshire-Mineral County line intersects the said river; thence, with the said County line, S. 36 45 W., 15,312.0 feet to a point; thence, S. 65 15 W., 4,224.0 feet to the point where West Virginia Secondary Route No. 19 crosses said county line; thence, S. 30 15 W., 6,864.0 feet to the point where West Virginia Secondary Route No. 28/9 intersects said county line, said way being generally known as the Goldsborough Road; thence, S. 40 55 E., 11,880.00 feet to a point in West Virginia Secondary Route No. 1, near the Town of Springfield and at the northern terminus of the Springfield Water Association, Inc., water line; thence S. 74 00 E., 10,560.00 feet to the beginning.

It is further ordered that the 11 day of August, 1981, at 9:00 A.M. at the Court House in Romney, West Virginia, shall be and the same is hereby fixed as the time and place for a hearing wherein any interested citizen who lives within the proposed Green Spring Valley Public Service District may appear to either voice his approval or objection to the creation of the public service district aforesaid, and every such citizen will be given an opportunity to be heard.

And it is further ordered that the Clerk of this Court shall cause notice of such hearing and the time and place thereof, together with the name of and a description of the territory to be included within the bounds of said district, to be published in the Hampshire Review, a newspaper of general circulation in Hampshire County, West Virginia, as a Class I legal advertisement in compliance with the provisions of Section I, Article 3, Chapter 59 et seq of this code, which said publication shall be at least ten days prior to the day of the hearing herein fixed.

It is further ordered that the Clerk of this Court shall cause all publication costs relative thereto to be paid out of the contingent funds of this Court or out of any other funds available, or to be made available for that purpose.

Hampshire County Commission

July 24, 1981

By James E. Miller
President

WILLIAM H. ANSEL, JR.
ATTORNEY AT LAW
MARTINSBURG, WEST VIRGINIA

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Be it resolved and ordered that pursuant to the provisions of Section 2, Article 13A, Chapter 16 of the Code of West Virginia, as amended, it is hereby proposed that the Green Spring Valley Public Service District be enlarged to include that part or portion of Springfield District of the County of Hampshire, State of West Virginia, known as the town of Springfield and area south to the South Branch River, and which is more particularly described by the hereby amended metes and bounds as follows:

Beginning at the southern terminus of the bridge crossing the South Branch River District, Hampshire County, West Virginia, thence by direct line, N. 32 15E., but following the meanders of the low water mark of said river and on the west side thereof, a distance of 66,528.0 feet to the confluence of the said South Branch and the North Branch Rivers; thence by direct line, N. 82 00W., but along the meanders of the low water mark of the North Branch River and on the south side thereof, 27,984.00 feet to the point where the Hampshire-Mineral County line intersects the said river; thence with the said County line, S. 36 45W., 15,312.0 feet to a point; thence S. 65 15W., 4224.0 feet to the point where West Virginia Secondary Route No. 19 crosses said County line; thence S. 30 15W., 6,864.0 feet to the point where West Virginia Secondary Route No. 28/9 intersects said County line, said way being generally known as the Goldsborough Road; thence continuing with the County boundary line between Mineral and Hampshire County southwesterly crossing West Virginia Route 28 and following the meandering of the County line approximately 34,320 feet to its intersection with West Virginia Secondary Route 28/6 near Slate Lick Knob lookout tower and thence, leaving said County line and following the center line of West Virginia Secondary Route 28/6 approximately 21,120 feet to a point where the West Virginia Route 28/6 meets the South Branch River at the mouth of Broad Run, thence leaving the road perpendicularly to the mouth of Broad Run and continuing along the meanders of the low water mark of the northern edge of the South Branch River crossing West Virginia Route 28 approximately 62,061 feet to the beginning.

It is further ordered that the 26th day of April, 1999, at 7 p.m. at the Springfield VFD Community Building in Springfield, Hampshire County, West Virginia, shall be and the same is hereby fixed as the time and place for a hearing wherein any interested citizen who lives within the proposed amended Green Spring Valley Public Service District or who owns property or who has an interest within said current District or the area to be added, mainly the community of Springfield, may appear and each will be given an opportunity to be heard for and against the Green Spring Public Service District expansion.

An it is further ordered that the Clerk of this Court shall cause notice of such hearing and the time and place thereof, together with the name of and a metes and bounds description of the territory to be included within the bounds of said amended Public Service District, to be published in the Hampshire Review, a newspaper of general circulation in Hampshire County, West Virginia, as a Class I legal advertisement in

compliance with the provisions of Article 3, Chapter 59 of the Code of West Virginia, which said publication shall be at least ten (10) days prior to the day of the hearing herein fixed. And there shall also be posted in at least five (5) conspicuous places in the proposed District a notice containing the same information as contained in the published notice, said posted notices to be posted by a credible person or persons not less than ten (10) days before the hearing aforesaid.

And it is further ordered that the Clerk of this Court shall cause all publication costs relative thereto be paid out of the contingent funds of this Court or out of any other funds available, or to be made available for that purpose.

HAMPSHIRE COUNTY COMMISSION

April 6, 1999

By: John A. Suter
President

A meeting of the Hampshire County Commission held on Tuesday, January 3, 2006 at 9:00 a.m. in the conference room of the Hampshire County Courthouse. Leslie J. Shoemaker, Jr., President, Donald P. Cookman and Steve W. Slonaker, Commissioners were present.

The first order of business for the New Year was the election of a president to the County Commission. Commissioner Slonaker made a motion to elect Leslie J. Shoemaker, Jr. as president of the County Commission, Commissioner Cookman seconded the motion. Motion carried.

The minutes of December 20, 2005 were presented for approval. Commissioner Cookman made a motion to approve the minutes as presented, Commissioner Slonaker seconded the motion. Motion carried.

President Shoemaker, in the vacation of the Commission, attended the Hampshire County Development Authority meeting and reported they had offered the position of economic development director to Tom Jones, spoke to Nancy Ailes concerning the farm preservation resolution and will be meeting with her later in the day, advised that the infrastructure meeting will be held Friday, January 7, 2006 at Taggart Hall, and had been informed by the Hampshire County Planning Commission that they had appointed zoning committee members.

Commissioner Slonaker had received a call from Central Hampshire Public Service District Teddy Smith advising someone needed to be appointed to the Central Hampshire Public Service District board and received a call from Capon Springs Volunteer Fire and Rescue Squad advising communications had improved greatly.

Hampshire County Building Commission member Walter Davis gave an update on the installation of the elevator and advised all complaints are being recognized. Mr. Davis and Hampshire County OEM Director Michael Crouse discussed the installation of the generator in the courthouse annex.

Hampshire County E-911 Director Brian Boley submitted the request for proposals for the computer aided dispatch (CAD). Commissioner Cookman made a motion to approve Brian Boley to begin contract negotiation with Interact and submit a final document for approval, Commissioner Slonaker seconded the motion. Motion carried. Mr. Boley advised the Capon Springs radios are 90% finished, advised the county repeater license is still in coordination with the Federal Communication Commission, advised the legislature committee of the 911 counsel will be working on voice over internet protocol (IP) legislation and prepaid wireless and requested the support of the County Commission. Mr. Boley requested permission to negotiate an agreement with Bob Lott for yearly maintenance for radios and stated he had not received any notification from the Prosecuting Attorney concerning the pay increases for county E-911 dispatchers.

Juvenile Probation Officer Steve Davis advised a new probation officer would be appointed for our circuit in June, 2006 and requested office space in the courthouse. The County Commission advised they would speak with the Sheriff Nathan Sions concerning this office space.

BOOK 32 PAGE 44

The Commission proceeded to appoint a member to the Green Spring Valley Public Service District. Upon the recommendation of the present Green Spring Valley Public Service District members, Commissioner Cookman made a motion to appoint Gary Bradfield to the Green Spring Public Service District, Commissioner Slonaker seconded the motion. Motion carried.

An appointment to the Hampshire County Board of Health was discussed. Commissioner Slonaker made a motion to appoint Allan Niederberger, Commissioner Cookman seconded the motion. Motion carried.

County Clerk Sharon Link requested a transfer of \$5,000.00 from the Emergency 911 Fund to the Emergency 911 Operating Fund. Commissioner Cookman made a motion to approve the transfer of funds, Commissioner Slonaker seconded the motion. Motion carried.

Assessor Frank Whitacre and employee Nancy Burkhardt requested the courthouse annex bathroom be painted and the carpet replaced with linoleum. Mrs. Burkhardt advised that Probation Officer Robert Hou would have community service people help with the painting and linoleum. Commissioner Cookman made a motion to have maintenance bring the courthouse annex bathroom up to acceptable standards, Commissioner Slonaker seconded the motion. Motion carried.

Commissioner Cookman had to leave the meeting.

Hampshire County E-911 Director Brian Boley presented a year service maintenance agreement for the radios at the 911 Center. Commissioner Slonaker made a motion to approve the maintenance agreement, President Shoemaker seconded the motion. Motion carried.

Compliance Office Charles Baker presented building permits for President Shoemaker to sign. Mr. Baker presented a change to the subdivision ordinance. The changes affect Section 3.3 Exemption Procedure for 3.2b; Section 4.4 Preliminary Plat conference; Section 7.1 Planning Commission time limits; Section 10.4 Flood-Prone areas; and Section 12.0 Road classes and design. Hampshire County Planning Commission Vice-President Evelyn Baker stated the changes had been approved by the Hampshire County Planning Commission. Commissioner Slonaker made a motion to adopt the changes to the subdivision ordinance with minor technical changes, President Shoemaker seconded the motion. Motion carried. Mr. Baker presented the Hampshire County Building Code ordinance. Upon review, Commissioner Slonaker made a motion to adopt the Hampshire County Building Code ordinance, as amended, President Shoemaker seconded the motion. Motion carried. Mr. Baker presented a bid information sheet for the Hampshire County Building Codes. The County Commission approved the request for bids advertisement. Mr. Baker advised a FEMA Community Rating System meeting will be held in Emmitsburg, Md on April 17 - 20 and requested permission to attend. The County Commission approved. Mr. Baker requested an executive session to discuss personnel. Commissioner Slonaker made a motion to go into executive session under WV Code 6-9A-4 exceptions, President Shoemaker seconded the motion. Motion



NOTE

carried. Upon reconvening, President Shoemaker stated issues of personnel were discussed with no action taken.

A resolution was not needed for the transportation enhancement grant program, however, Commissioner Slonaker made a motion to authorize President Shoemaker to sign documents related to this grant, President Shoemaker seconded the motion. Motion carried.

Invoices were presented for approval. Commissioner Slonaker made a motion to approve the invoices, President Shoemaker seconded the motion. Motion carried.

Commissioner Slonaker made a motion to adjourn, President Shoemaker seconded the motion. Motion carried.

BOOK 30 PAGE 160

A meeting of the Hampshire County Commission held on Wednesday, June 23, 2004 at 9:00 a.m. in the conference room of the Hampshire County Courthouse. O. Grady Bradfield and Donald P. Cookman were present.

The minutes of June 9, 2004 were presented. Commissioner Cookman made a motion to approve the minutes as presented, Commissioner Bradfield seconded the motion. Motion carried.

County Clerk Sharon Link had a request from Gloria Haines, member of the Hampshire County School Employees, to plant a tree at the park in memory of President Shoemaker's mother, Dianna Shoemaker. Commissioner Cookman made a motion to approve the planting of the tree at the park, Commissioner Bradfield seconded the motion. Motion carried.

Commissioner Cookman discussed replacing the door at the Magistrate Court building with a metal door. The Commission will ask Mark Stickle, Maintenance Department, to contact Magistrate Eugene Billmeyer, concerning this matter.

County Clerk Sharon Link presented the oath of office for Edward Bolyard as a member of the Civil Service Commission. Commissioner Cookman made a motion to approve the oath of office, Commissioner Bradfield seconded the motion.

County Clerk Sharon Link presented grant applications for the Hampshire County Helping Adolescents Learn Trust (HALT) and Prevention Resource Officer (PRO) programs. Commissioner Cookman made a motion to authorize President Shoemaker sign the grant applications, Commissioner Bradfield seconded the motion. Motion carried.

County Clerk Sharon Link, by request from E-911 Coordinator Brian Boley, presented a list of road names for the Commission to approve. Commissioner Cookman made a motion to approve the road names, Commissioner Bradfield seconded the motion. Motion carried.

County Clerk Sharon Link presented the pledge agreement for deposits at the First National Bank of Romney. Commissioner Cookman made a motion to authorize President Shoemaker sign the pledge agreements, Commissioner Bradfield seconded the motion. Motion carried.

County Clerk Sharon Link presented a letter from the State Auditor's Office for a request an audit for the fiscal year 2002-2003. Commissioner Cookman made a motion to approve President Shoemaker sign the letter, Commissioner Bradfield seconded the motion. Motion carried.

County Clerk Sharon Link presented in-house budget revisions. Commissioner Cookman made a motion to approve the in-house budget revisions, Commissioner Bradfield seconded the motion.

Attorney H. Charles Carl, III, representing Thomas and Nancy Alkire, presented a petition of the Town of Capon Bridge for a minor boundary adjustment to its corporate boundaries and a copy of the plat of the area. Commissioner Cookman made a motion that finds the petition meets the threshold requirements for consideration of a minor boundary adjustment, authorized Sharon H. Link, Clerk of the County Commission, to

sign the order of publication that finds that the annexation could not be efficiently or cost effectively accomplished under WV Code 8-6-2 and WV Code 8-6-4, Commissioner Bradfield seconded the motion. Motion carried.

Mayor William Hicks, Robert Shilling, Dennis Morris and Dan Hileman, Town of Romney Park and recreation board members, requested funding for the city pool. The Commission having discussed this matter with Hampshire Center Director David Mayfield, approved the withdraw of the funds from the retained earnings at Hampshire Center. Commissioner Cookman made a motion to approve the transfer of the funds when received to the Romney Board of Park and Recreation Commission, Commissioner Bradfield seconded the motion. Motion carried.

County Clerk Sharon Link presented a drawdown for the Springfield Ruritan Playground. Commissioner Cookman made a motion to approve the drawdown, Commissioner Bradfield seconded the motion. Motion carried.

Hampshire County Park and Recreation Director Bruce Nicholson gave an update on activities of the park and recreation department.

David Stacy, Commercial Insurance Services Sales Executive, was interviewed as an agent of record for the BRIM policy.

The Commission discussed the appointment of Mark Puffinburger as a member of the Green Spring Valley Public Service District. Commissioner Cookman made a motion to approve the appointment of Mark Puffinburger as a member of the Green Spring Valley P.S.D., Commissioner Bradfield seconded the motion. Motion carried.

Invoices were presented for approval. Commissioner Cookman made a motion to approve the invoices, Commissioner Bradfield seconded the motion.

Alissa Beth Parker, Edwards Insurance Agency and Financial Services, Inc., was interviewed as an agent of record for the BRIM policy.

J. W. Hughes did not appear for the 2:30 p.m. appointment.

Commissioner Cookman made a motion to adjourn, Commissioner Bradfield seconded the motion. Motion carried.

NOTE

A meeting of the Hampshire County Commission held on Wednesday, August 25, 2004 at 9:00 a.m. in the conference room of the Hampshire County Courthouse. Leslie J. Shoemaker, Jr., President, O. Grady Bradfield and Donald P. Cookman were present.

The minutes of August 11, 2004 were presented for approval. Commissioner Bradfield made a motion to approve the minutes as presented, Commissioner Cookman seconded the motion. Motion carried.

President Shoemaker, in the vacation of the Commission, reported on the Farmland Preservation Board meeting and the next meeting to be held on September 16, had spoke with Park and Recreation Director Bruce Nicholson concerning a meeting to be held in Capon Bridge concerning an eastern county park and at a legislature interim meeting discussed floodplain ordinances.

Commissioner Bradfield discussed concerns with yard sales and flea markets held at a location in Augusta. The Commission will contact Afton Malick and the West Virginia Department of Highways concerning this matter.

Eastern Regional Family Resource Network Mari Freno, Erick Hendrickson and Amy Pancake presented a request for \$5,000.00 for matching funds for the H.A.L. T. grant. Commissioner Cookman made a motion to bring this matter before the Commission at the next meeting and the Commission will investigate budgetary available funding in the county budget and other resources, Commissioner Bradfield seconded the motion. Motion carried.

Attorney H. Charles Carl, III, representing Lester and Judy Sirbaugh, presented a petition of the Town of Capon Bridge for a minor boundary adjustment to its corporate boundaries and a copy of the plat and description of the area. Commissioner Cookman made a motion that finds the petition meets the threshold requirements for consideration of a minor boundary adjustment, authorized Sharon H. Link, Clerk of the County Commission, to sign the order of publication that finds that the annexation could not be efficiently or cost effectively accomplished under WV Code 8-6-2 and WV Code 8-6-4, Commissioner Bradfield seconded the motion. Motion carried.

Commissioner Cookman recused himself from the meeting on the matter of the estate of Hal F. Burton.

James Billings, Attorney and petitioner for Barbara Lonas (not present), Curtis Power, Attorney for Helen Burton (present), Donald P. Cookman, Attorney for the estate, Prosecuting Attorney Stephen Moreland and David Waterworth were present. The petitioner requested a review of the will to see if it is a valid will and appoint a curator on the estate of Hal F. Burton, deceased. Mr. Powers stated the will was in proper form, properly executed and admitted to probate, a fiduciary commissioner was appointed and no evidence of any improprieties in the administration of this estate was presented and requested the Commission deny the appointment of a curator. Prosecuting Attorney Stephen Moreland, having reviewed the will and pleas, advised the Commission to deny the request for a curator and the petitioner could appeal to the Circuit Court. Commissioner Bradfield made a motion to deny the request for a curator on the advice of

the Prosecuting Attorney, President Shoemaker seconded the motion. Motion carried. The petitioner will prepare an order for recordation.

Prosecuting Attorney Stephen Moreland informed the Commission of the petition filed in Hampshire County Circuit Court styled Reggie A. Pressutti, Executor of the estate of Arthur D. Pressutti et als vs Gladys E. Pressutti, et als. Mr. Moreland advised the Commission is involved as owners of Central Hampshire Park as a beneficiary in the will. Mr. Moreland will file an answer to the petition.

Prosecuting Attorney Stephen Moreland discussed the letter of memorandum of understanding presented by the Hampshire County Pet Adoption. Mr. Moreland stated the first paragraph of the memorandum concerning the issue of the unrestricted access of Hampshire County Pet Adoption to the Animal Control Shelter needs to be clarified.

Sheriff John W. Corbin, Sr. presented a response to a FOIA letter he had received concerning drug prevention program grants. The Commission agreed the response was acceptable with them. Sheriff Corbin presented the application of Judith Riffle Judy for the full time position in the Treasurer Office. Commissioner Cookman made a motion to approve the full time position, Commissioner Bradfield seconded the motion. Motion carried.

The Commission discussed the appointment for the position of a board member to the Green Spring Valley P. S. D. Commissioner Cookman made a motion to appoint Roger Whisner, Commissioner Bradfield seconded the motion. Motion carried.

County Clerk Sharon Link presented an oath of office for Lori Stonebraker, deputy clerk in the Treasurer Office and Roy McHiggins as deputy sheriff for Hampshire County. Commission Cookman made a motion to approve both oaths of offices, Commissioner Bradfield seconded the motion. Motion carried.

A letter from Region 8 Solid Waste Authority informing the Commission the term of member Patrick Brady had expired. Commissioner Bradfield made a motion to re-appoint Mr. Brady to the Region 8 Solid Waste Authority, Commissioner Cookman seconded the motion. Motion carried.

A letter from Marlin C. Biggs notifying the Commission of his resignation from the Hampshire County Economic Development Authority. Hampshire County Development Authority Director David Pancake will attend the next County Commission on this matter.

County Clerk Sharon Link presented an in-house budget revision for the Assessor's Office. Commissioner Cookman made a motion to approve the in-house budget revision, Commissioner Bradfield seconded the motion. Motion carried.

Commissioner Bradfield discussed that the Hampshire County Development Authority looking at the Park and Recreation Board for financial funding for the gym at the wellness center. Commissioner Bradfield stated he felt the park and recreation department need to stay focused on park and recreation issues and the county financing stay strictly focused on the construction of the courthouse. Commissioner Bradfield advised he had spoken with Allen Hotz, member of the Hampshire County Building Commission, and Mr. Hotz will volunteer his time to the administration of the elevator

NOTE

construction project. Commissioner Bradfield made a motion to recommend Allen Hoti to the Hampshire County Building Commission for the project administration. Commissioner Cookman seconded the motion. Motion carried.

Assessor Frank Whitacre and Larry Whitacre, resident of Capon Bridge, discussed a 2004 farm report on Mr. Whitacre's mother property that was not submitted. The Commission stated their policy was to exonerate the difference of the taxes plus add an additional 10% penalty. Assessor Whitacre will submit exoneration.

Assessor Frank Whitacre presented exonerations and consolidations. Commissioner Bradfield made a motion to approve the exonerations and consolidations. Commissioner Cookman seconded the motion. Motion carried.

Magistrate Eugene Billmeyer presented the funding of the magistrate court and discussed the alternative plan for sentencing of prisoners. Mr. Billmeyer will attend a magistrate meeting in September and will inform the Commission.

Invoices were presented for approval. Commissioner Cookman made a motion to approve the invoices, Commissioner Bradfield seconded the motion. Motion carried.

Commissioner Cookman made a motion to adjourn. Commissioner Shoemaker seconded the motion. Motion carried.

OATH OF OFFICE AND CERTIFICATE

BOOK 3 PAGE 487

STATE OF WEST VIRGINIA,

COUNTY OF HAMPSHIRE TO WIT:

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of MEMBER GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT to the best of my skill and judgment SO HELP ME GOD.

(Signature of affiant) *[Handwritten Signature]*

Subscribed and sworn to before me, in said County and State, this 23rd day of January

19 2006.

Sharon H. Link County Clerk
Hampshire County Commission

SHARON H. LINK
HAMPSHIRE COUNTY 01:22:19 PM
Instrument No B1732
Recorded Date 02/17/2006
Instrument Type OATH
Book-P-399 3-487

STATE OF WEST VIRGINIA, Hampshire County Commission Clerk's Office 2/17/06 1:22pm

The foregoing Instrument, together with the certificate of its acknowledgment, was this day presented in said office and admitted to record.

Teste *Sharon H. Link* Clerk.

OATH OF OFFICE AND CERTIFICATE

STATE OF WEST VIRGINIA

COUNTY OF HAMPSHIRE TO-WIT

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of
MEMBER OF THE GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT

to the best of my skill and judgment SO HELP ME GOD.

(Signature of affiant) Roger W. Adams

Subscribed and sworn to before me, in said County and State, this 20TH day of
September 2004

Sharon H. Link

SHARON H. LINK
HAMPSHIRE COUNTY CLERK
Instrument No 6415
Recorded Date 09/23/2004
Decrement Type OATH
Book-Page 3-409

STATE OF WEST VIRGINIA, Hampshire County Commission Clerk's Office 9/23/04 10:06 a.m.

The foregoing instrument, together with the certificate of its acknowledgment, was this day presented in said office and admitted to record.

Teste Sharon H. Link Clerk

OATH OF OFFICE AND CERTIFICATE

STATE OF WEST VIRGINIA

COUNTY OF HAMPSHIRE TO-WIT

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of

GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT MEMBER

to the best of my skill and judgment SO HELP ME GOD.

(Signature of affiant) [Handwritten Signature]

Subscribed and sworn to before me, in said County and State, this 29th day of

June, 2004.

Sharon H. Link
County Clerk

HAMPSHIRE COUNTY COM.
CLERK OF OFFICE
Date/Time: 07/15/2004 09:06
Inst. #: 62089
Book/Page: 3-1 373-
Recd/Tax: .00

STATE OF WEST VIRGINIA, Hampshire County Commission Clerk's Office 7/15/04 9:06 AM

The foregoing Instrument, together with the certificate of its acknowledgment, was this day presented in said office and admitted to record.

Teste Sharon H. Link Clerk

District 2: Green Spring Valley Public Service District

Board Chairman: Lathorn W. Henderson Gary Bradfield

Term began: 07-01-0999 01-03-06 Term expires: 06-30-05 06-30-11

Board Member: Roger Whisner

Term began: 07-01-04 Term expires: 06-30-09

Board Member: Mark Euffenburger

Term began: 07-01-04 Term expires: 06-30-07

District 3: _____

Board Chairman: _____

Term began: _____ Term expires: _____

Board Member: _____

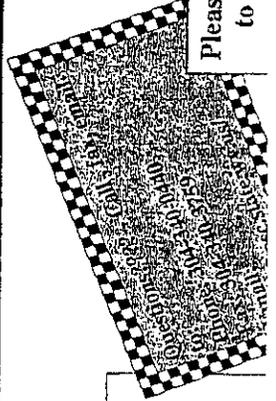
Term began: _____ Term expires: _____

Board Member: _____

Term began: _____ Term expires: _____

This form must be completed and returned to Drema Witt at the PSC by July 1, 2005.

Please return this form to:
Drema S. Witt
WV Public Service
Commission
P.O. Box 812



Please make copies of this form
to list additional Districts

ARTICLE IV

MEETINGS OF THE PUBLIC SERVICE BOARD

Section 1. The members of the Public Service Board of this District shall hold regular monthly meetings on the 3rd Tuesday of each month, at such place and hour as the members shall determine from time to time. If the day stated shall fall on a legal holiday, the meeting shall be held on the following day. Special meetings of the Public Service Board may be called at any time by the Chairman or by a quorum of the Board.

Section 2. At any meeting of the Public Service Board of the District, two (2) members shall constitute a quorum. Each member of the Public Service Board shall have one vote at any membership meeting and if a quorum is not present, those present may adjourn the meeting to a later date.

Section 3. Unless otherwise agreed, notice to members of regular meetings shall not be required. Unless otherwise waived, notice of each special meeting of the membership shall be given to all members by the Secretary by fax, telephone, mail or other satisfactory means at least three (3) days before the date fixed for such special meeting. The notice of any special meeting shall state briefly the purposes of such meeting and the nature of the business to be transacted thereat, and no business other than that stated in the notice or incidental thereto shall be transacted at any such special meeting.

PUBLIC NOTICE OF MEETINGS

Section 4. Pursuant to Section 3, Article 9A, Chapter 6 of the West Virginia Code of 1931, as amended (1999 Revision), notice of the date, time, place and agenda of all regularly scheduled meetings of such Public Service Board, and the date, time, place and purpose of all special meetings of such Public Service Board, shall be made available, in advance, to the public and news media (except in the event of an emergency requiring immediate action) as follows:

A. Regular Meetings. A notice shall be posted and maintained by the Secretary of the Public Service Board of the Public Service District at the front door or bulletin board of the Hampshire County Courthouse and at the front door or bulletin board of the place fixed for regular meetings of the Public Service Board of the date, time and place fixed and entered of record by the Public Service Board for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same locations by the Secretary of the Public Service Board not less than 72 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is cancelled or postponed, a notice of such cancellation or postponement shall be posted at the same locations as soon as feasible after such cancellation or postponement has been determined.

B. Special Meetings. A notice shall be posted by the Secretary of the Public Service Board at the front door or bulletin board of the Hampshire

County Courthouse and at the front door or bulletin board of the place fixed for the regular meetings of the Public Service Board not less than 72 hours before a specialy scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is cancelled, a notice of such cancellation shall be posted at the same locations as soon as feasible after such cancellation has been determined.

ARTICLE V

OFFICERS

Section 1. The officers of the Public Service Board shall be a Chairman, a Secretary and a Treasurer. The Chairman shall be elected from the members of the Public Service Board. The Secretary and Treasurer need not be members of the Public Service Board, and may be the same person.

Section 2. The officers of the Public Service Board shall be elected each year by the members at the first meeting held in such year. The officers so elected shall serve until the next annual election by the membership and until their successors are duly elected and qualified. Any vacancy occurring among the officers shall be filled by the members of the Public Service Board at a regular or special meeting. Persons selected to fill vacancies shall serve until the following January meeting of the Board when their successors shall be elected hereinabove provided.

ARTICLE VI

DUTIES OF OFFICERS

Section 1. When present, the Chairman shall preside as Chairman at all meetings of the Public Service Board. The Chairman shall, together with the Secretary, sign the minutes of all meetings at which he or she shall preside. The Chairman shall attend generally to the executive business of the Board and exercise such powers as may be conferred by the Board, by these Rules of Procedure, or as prescribed by law. The Chairman shall execute, and if necessary, acknowledge for record, any deeds, deeds of trust, contracts, notes, bonds, agreements or other papers necessary, requisite, proper or convenient to be executed by or on behalf of the Board when and if directed by the members of the Board.

Section 2. The Secretary shall keep a record of all proceedings of the Board which shall be available for inspection as other public records. The Secretary shall, together with the Chairman, sign the minutes of the meetings at which he or she is present. The Secretary shall have charge of the minute book, be the custodian of the Common Seal of the District and all deeds and other writings and papers of the Board. The Secretary shall also perform such other duties as he or she may have under law by virtue of the office or as may be conferred from time to time by the members of the Board, these Rules of Procedure or as prescribed by law.

Section 3. The Treasurer shall be the lawful custodian of all funds of the District and shall disburse funds of the District on orders authorized or approved by the Board. The Treasurer shall keep or cause to be kept proper and accurate books of accounts and proper receipts and vouchers for all disbursements made by or through him and shall prepare and submit such reports and statements of the

financial condition of the Board as the members may from time to time prescribe. He shall perform such other duties as may be required of him by law or as may be conferred upon him by the members of the Board, these Rules of Procedure or as prescribed by law.

Section 4. If the Chairman, Secretary or Treasurer is absent from any meeting, the remaining members of the Board shall select a temporary chairman, secretary or treasurer, as necessary, who shall have all of the powers of the absent officer during such period of absence.

ARTICLE VII

AMENDMENTS TO RULES OF PROCEDURE

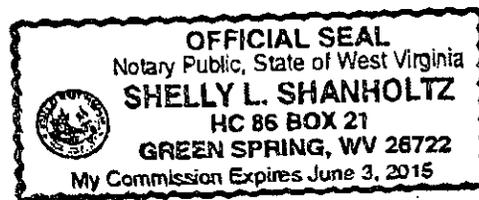
These Rules of Procedure may be altered, changed, amended, repealed or added to at any regular or special meeting of the Board by a majority vote of the entire Board, or at any regular or special meeting of the members when a quorum is present in person and a majority of those present vote for the amendment; but no such change, alteration, amendment, repeal or addition shall be made at any special meeting unless notice of the intention to propose such change, alteration, amendment, repeal or addition and a clear statement of the substance thereof be included in the written notice calling such meeting.

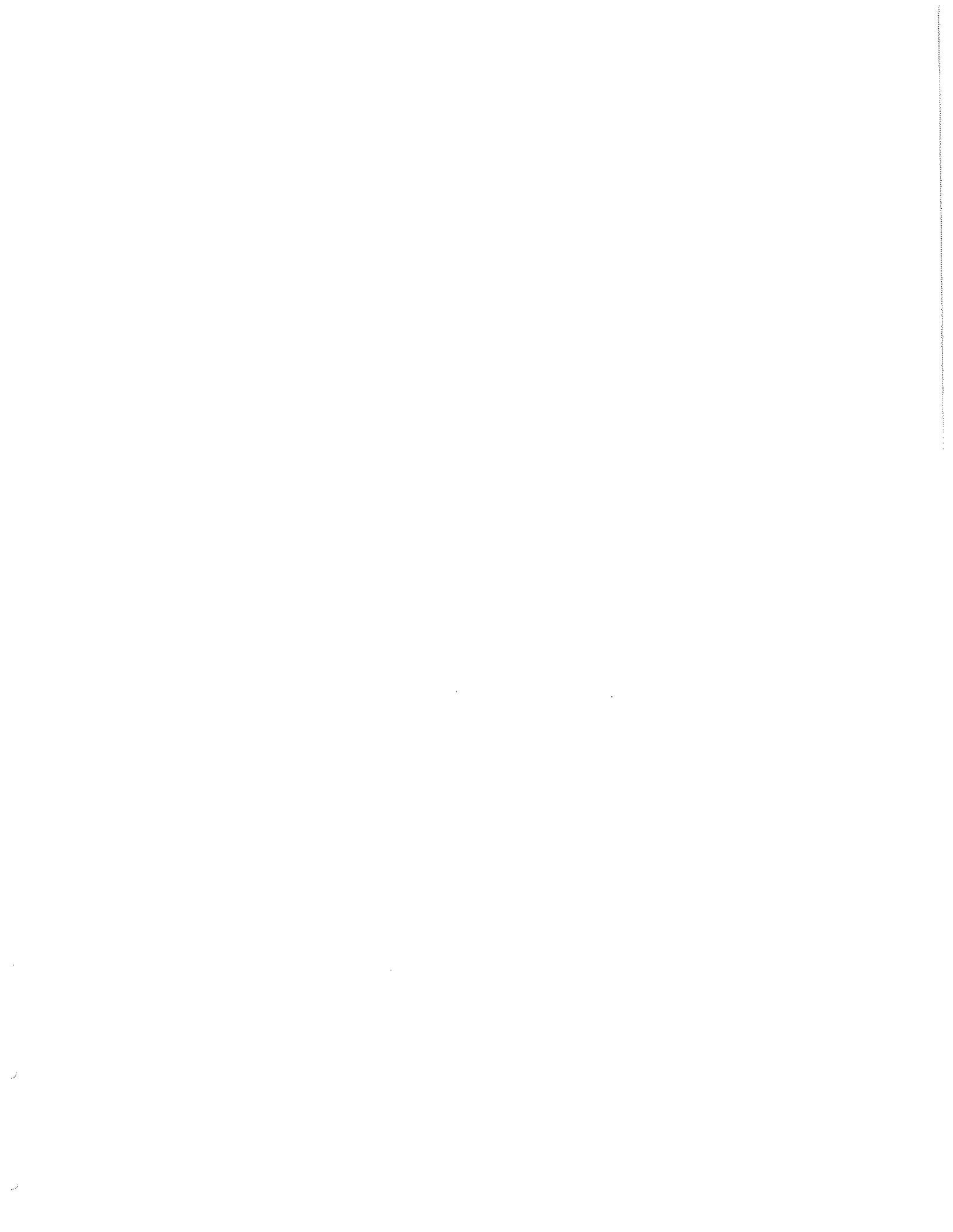
These Rules of Procedure shall replace any and all previous rules of procedure, bylaws or similar rules heretofore adopted by the District.

Adopted this ¹⁸20th day of April, 2006.

CHAIRMAN:  4/19/06

ATTEST: Shelly L. Shanholtz 4/18/06





Board Meeting 1/17/06

Present was Mark Puffinburger, Roger Whisner, Gary Bradfield(our new board member), Ernie Crouse, and Shelly Shanholtz. The meeting began at 12:30.

Due to the death of our board member Lilburn Henderson – Gary Bradfield has been appointed our new board member. The board members have been appointed as follows – Mark Puffinburger as the chairman, Roger Whisner as the secretary, and Gary Bradfield as the treasurer.

Terry Lively is suppose to call back and let us know what time the meeting or tomorrow is going to be. The meeting is to discuss getting grant money from the Army Corp. of Engineers for the sewer project.

The board went over everything with Gary and caught him up on everything that is going on. The board decided to raise the security deposit to \$75.00. We went over the bills and everything was fine – I wrote out the checks and paid the bills. The meeting was adjourned at 1:30.

GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT
Water Refunding Bonds, Series 2006 A
(Branch Banking and Trust Company)

EXCERPT OF MINUTES ON ADOPTION OF
BOND RESOLUTION AND SUPPLEMENTAL RESOLUTION

The undersigned duly appointed Secretary of the Public Service Board (the "Board") of Green Spring Valley Public Service District hereby certifies that the following is a true and correct excerpt of the minutes of a special meeting of said Board:

The Board of Green Spring Valley Public Service District met in regular session, pursuant to notice duly posted, on the 28th day of June, 2006, in Green Spring, West Virginia, at the hour of 11:30 a.m.

PRESENT:	Chairman	-	Mark Puffinburger
	Secretary	-	Roger Whisner
	Treasurer	-	Gary Bradfield

ABSENT: None

Mark Puffinburger, Chairman, presided, and Roger Whisner acted as Secretary. The Chairman announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the Chairman presented a proposed Bond Resolution in writing entitled:

RESOLUTION AUTHORIZING THE REFUNDING OF THE WATER REVENUE BONDS, SERIES 1983 AND SERIES 1985 (GMAC), OF GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT AND THE ACQUISITION OF CERTAIN EQUIPMENT TO BE USED IN CONNECTION WITH THE OPERATION OF THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE DISTRICT THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$300,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REFUNDING BONDS, SERIES 2006 A; PROVIDING FOR THE RIGHTS AND

REMEDIES OF AND SECURITY FOR THE HOLDER OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, on motion duly made and seconded, it was unanimously ordered that said Bond Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Chairman presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO DATE, MATURITY, INTEREST RATE AND OTHER TERMS OF THE WATER REFUNDING BONDS, SERIES 2006 A, OF GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO BRANCH BANKING AND TRUST COMPANY; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

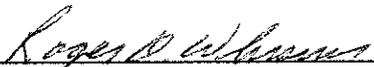
and caused the same to be read and there was discussion. Thereupon, on motion duly made and seconded, it was unanimously ordered that said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

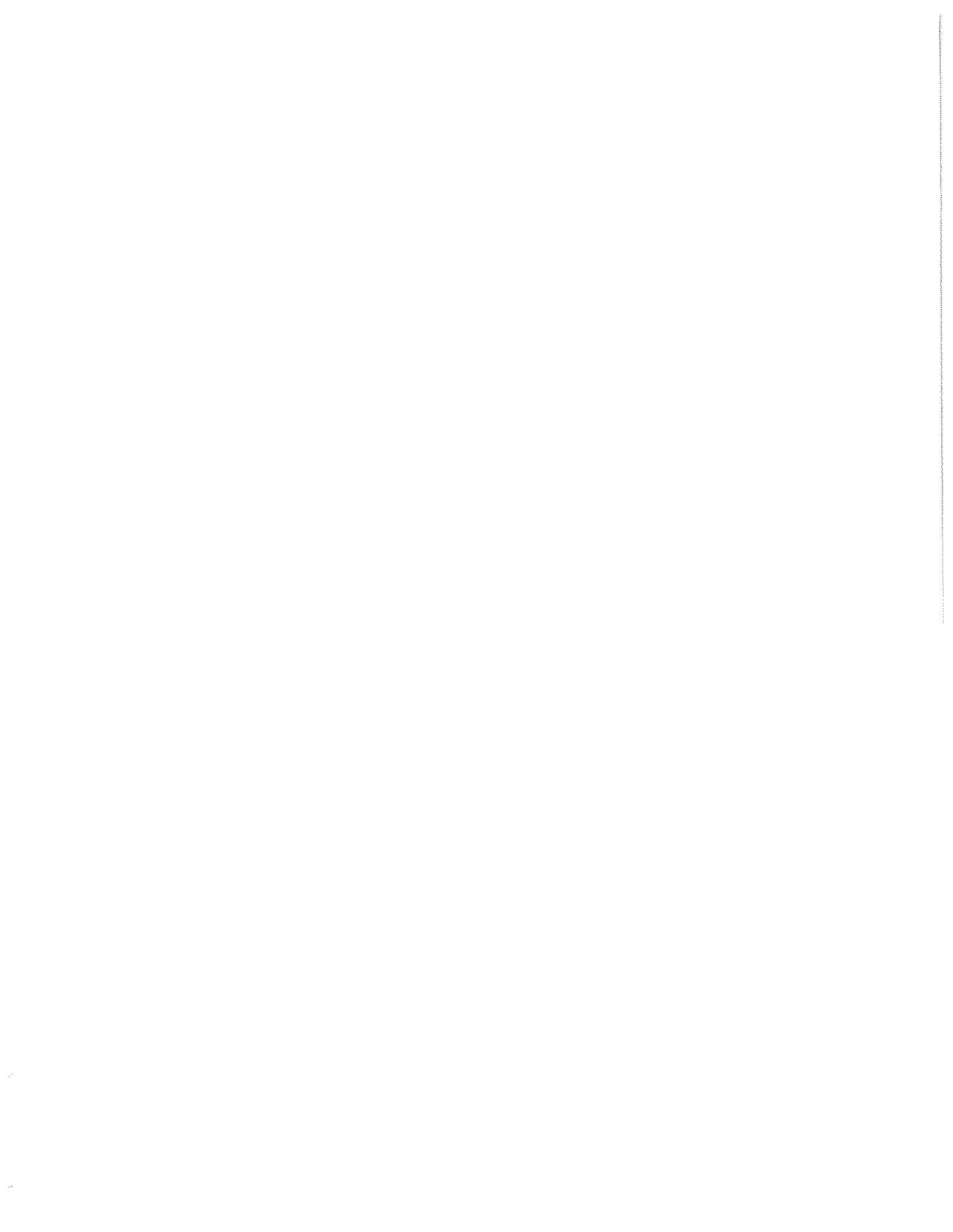
CERTIFICATION

I hereby certify that the foregoing action of Green Spring Valley Public Service District remains in full force and effect and has not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 29th day of June, 2006.


Secretary

06.13.06
354410.00002



WV MUNICIPAL BOND COMMISSION
8 Capitol Street
Suite 500
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: June 29, 2006

(See Reverse for Instructions)

ISSUE: Green Spring Valley Public Service District Water Refunding Bonds, Series 2006 A

ADDRESS: P. O. Box 95-A, Green Spring, WV 26722 COUNTY: Hampshire

PURPOSE OF ISSUE: New Money: X
Refunding: X REFUNDS ISSUE(S) DATED: September 26, 1996

ISSUE DATE: June 29, 2006 CLOSING DATE: June 29, 2006

ISSUE AMOUNT: \$238,197 RATE: 4.76%

1ST DEBT SERVICE DUE: N/A 1ST PRINCIPAL DUE: N/A

1ST DEBT SERVICE AMOUNT: N/A PAYING AGENT: Branch Banking & Trust Company

BOND COUNSEL: Steptoe & Johnson PLLC
Contact Person: John Stump, Esquire
Phone: 304.353.8196

UNDERWRITERS COUNSEL: _____
Contact Person: _____
Phone: _____

CLOSING BANK: Branch Banking and Trust Company
Contact Person: Russell Akers
Phone: 304.353.1635

ESCROW TRUSTEE: _____
Contact Person: _____
Phone: _____

KNOWLEDGEABLE ISSUER CONTACT
Contact Person: Mark Puffinburger
Position: Chairman
Phone: 304.492.5842

OTHER: _____
Contact Person: _____
Function: _____
Phone: _____

DEPOSITS TO MBC AT CLOSE: _____
By: _____ Wire _____
_____ Check _____
Accrued Interest: \$ _____
Capitalized Interest: \$ _____
Reserve Account: \$ _____
Other: \$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: _____ Wire _____
_____ Check _____
_____ IGT _____
To Escrow Trustee: \$ _____
To Issuer: \$ _____
To Cons. Invest. Fund: \$ _____
To Other: _____ \$ _____

NOTES: _____

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: _____
TRANSFERS REQUIRED: _____

The purpose of the NEW ISSUE REPORT FORM is to provide the WV Municipal Bond Commission with an early warning of three basic facts no later than the day of closing on any issue for which the Commission is to act as fiscal agent. These are:

1. Formal notification that a new issue is outstanding.
2. Date of first action or debt service.
3. Contact people should we lack documents, information, or funds needed to administer the issue by the date of the first action or debt service.

The commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specified by the West Virginia Code 13-3-8. This notice is not intended to provide all the information needed to administer an issue, but to alert the Commission and ensure that no debt service payments are missed due to delays in assembling bond transcripts. If, at the time of closing, documents such as the ordinance and all supplements, debt service schedules, and a specimen bond or photostat are available and submitted with this form, it will greatly aid the Commission in the performance of its duties. These documents are needed to set up the proper accounts and to advise the issuer of monthly deposit requirements as far in advance of the first debt service as possible.

It is not necessary to complete all items if they are not pertinent to your issue. Indicate the County of the issuer. With PSDs that overlap more than one county, indicate the county of their business office. Complete "Rate" only if the issue has only one rate. Please complete a separate form for each series of an issue. Other important information can be recorded under "Notes."

Again, please submit this form on each new issue on the day of closing. If fund transfers into or out of the Commission at closing are required, please submit this form before closing. If no significant facts change by closing, no resubmission at closing is required. If, however, there are changes, please submit an updated form, with changes noted, at closing.

If you should have any questions concerning this form, please call the Commission.

06.29.06
354410.00002



June 8, 2006

Governmental Finance

501 Tennessee Avenue
Charleston, WV 25302
(304) 353-1635
Fax (304) 340-4702

Mark Puffinburger
Chairman
Green Spring Valley Public Service District
PO Box 95-A
Green Spring, WV 26722

Dear Mr. Puffinburger:

Branch Banking and Trust Company ("BB&T") is pleased to offer this proposal for the financing requested by the Green Spring Valley Public Service District ("PSD").

- (1) **Project:** Series 1983 and 1985 GMAC Bond Refinance
- (2) **Amount To Be Financed:** \$260,000.00
- (3) **Interest Rates, Financing Terms and Corresponding Payments:**

<u>Term</u>	<u>Rate</u>
11 years	4.76%

Payments shall be ~~annual~~ ^{monthly} in arrears, as requested. See the attached amortization schedule(s) for information on payments.

The interest rates stated above are valid for a closing not later than 30 days after today. Closing of the financing is contingent upon completing documentation acceptable to BB&T and upon the condition of the property being acceptable to BB&T. We shall review your most recent financial statements before funding this transaction.

Remuneration for our legal expenses, preparation of documentation and for providing the project fund services for this financing transaction shall be 1/2% of amount financed. All applicable taxes, permits, costs of lawyers for the PSD and any other costs shall be the PSD's responsibility and separately payable by the PSD. The financing documents shall allow prepayment of the principal balance in whole on a scheduled payment date with a 1% prepayment premium.

The stated interest rates assume that the PSD expects to borrow less than \$10,000,000 in calendar year 2006 and that the financing shall qualify as qualified tax-exempt financing under the Internal Revenue Code. BB&T reserves the right to terminate its interest in this bid or to negotiate a mutually acceptable rate if the financing is not qualified tax-exempt financing.

(4) Financing Documents:

It shall be the responsibility of the PSD to retain and compensate counsel to appropriately structure the funding of the Green Spring Valley Public Service District revenue bond to West Virginia statutes. BB&T shall also require the PSD to provide an unqualified counsel opinion. BB&T reserves the right to review the bond, and it must be mutually accepted by BB&T and the PSD.

* * * * *

BB&T appreciates the opportunity to make this financing proposal and requests to be notified within five days of this proposal should BB&T be the successful proposer.

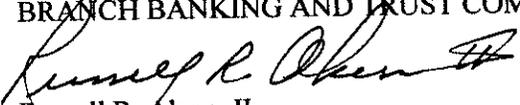
BB&T shall have the right to cancel this offer by notifying the PSD of its election to do so (whether or not this offer has previously been accepted by the PSD) if at any time prior to the closing there is a material adverse change in the PSD's financial condition, if we discover adverse circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the PSD or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to BB&T. We reserve the right to negotiate and/or terminate our interest in this transaction should we be the successful proposer.

Should we become the successful proposer, we have attached the form of a resolution that your governing PSD can use to award the financing to BB&T. If your PSD adopts this resolution, then BB&T shall not require any further PSD action prior to closing the transaction.

Please call me at (304) 353-1635 with your questions and comments. We look forward to hearing from you.

Sincerely,

BRANCH BANKING AND TRUST COMPANY


Russell R. Akers, II
Assistant Vice President

Enclosure

Resolution Approving Financing Terms

WHEREAS: The Green Spring Valley Public Service District ("PSD") has previously determined to refinance series 1983 and 1985 revenue bonds, and the Finance Officer has now presented a proposal for the financing of such Project.

BE IT THEREFORE RESOLVED, as follows:

1. The PSD hereby determines to finance the Project through Branch Banking and Trust Company ("BB&T"), in accordance with the proposal dated June 8, 2006. The amount financed shall not exceed \$260,000.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 4.76%, and the financing term shall not exceed eleven (11) years from closing.

2. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. All officers and employees of the PSD are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution. The Financing Documents shall include a Financing Agreement and a Project Fund Agreement as BB&T may request.

3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by PSD officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.

4. The PSD shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The PSD hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).

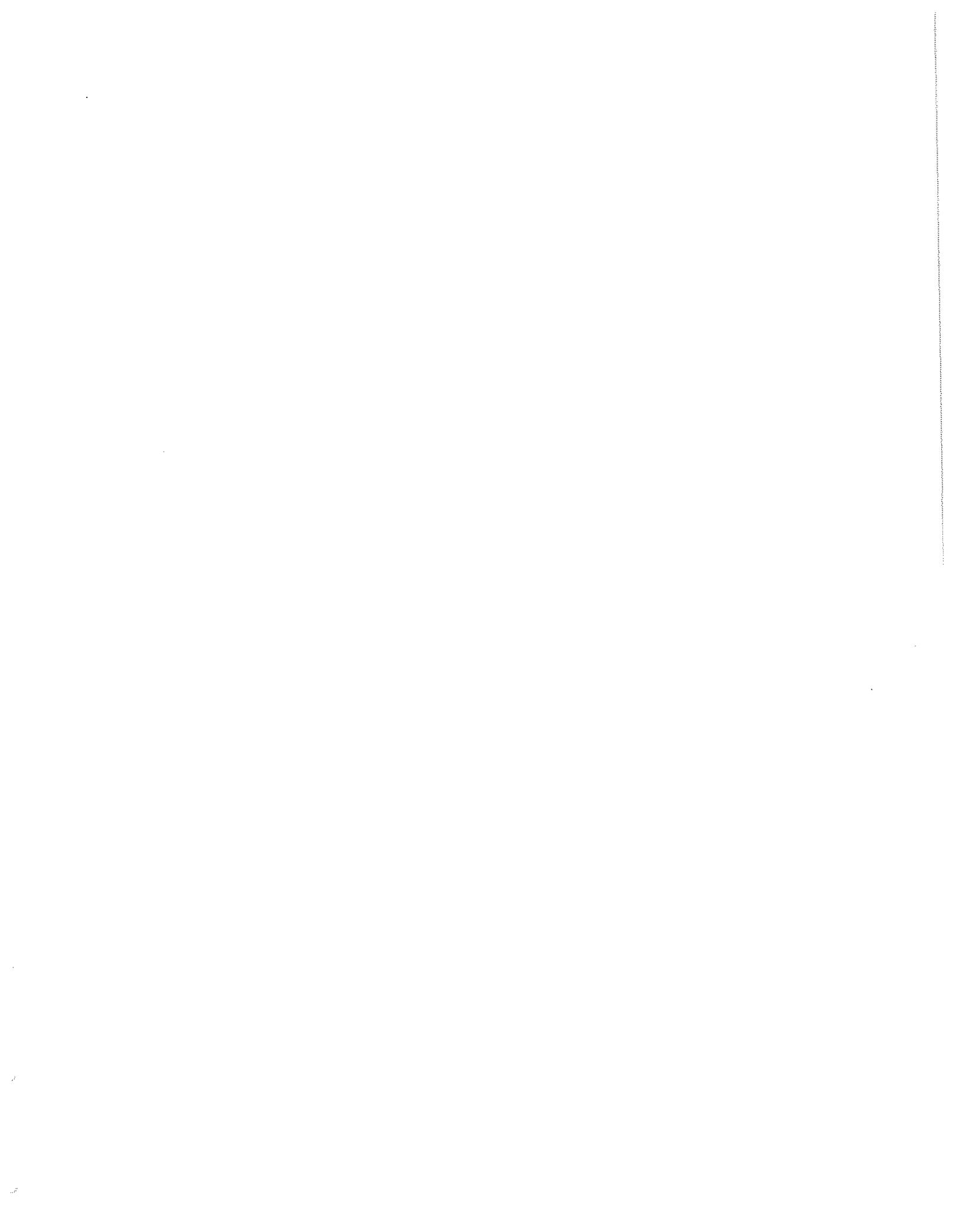
5. All prior actions of PSD officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this _____ day of _____, 2006

(Clerk)

(Chairman)

SEAL





Governmental Finance

501 Tennessee Avenue
Charleston, WV 25302
(304) 353-1635
Fax (304) 340-4702

June 29, 2006

Green Spring Valley Public Service District
Water Refunding Bonds, Series 2006 A

Green Spring Valley Public Service District
Green Spring, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

The undersigned, purchaser of the above-captioned bond (the "Bonds"), to be issued by Green Spring Valley Public Service District (the "Issuer"), hereby makes the following representations and warranties to you that:

1. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by our purchase of the Bonds, and our net worth and available assets are such that we are able to bear the economic risk of our purchase of the Bonds.
2. We understand that the entire principal of and interest on the Bonds are payable by the Issuer solely from Net Revenues on a parity with the Prior Bonds (all as defined in the Bond Resolution); that the Bonds are a special and limited obligation of the Issuer and are not a general obligation or secured by any obligation or pledge of any monies received or to be received by the Issuer other than the Net Revenues; that the Bonds do not now and shall never constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation.
3. We understand that no official statement, prospectus, offering circular or other comprehensive offering statement containing material information with respect to the Issuer or the Bonds is being issued and that, in due diligence, we have made our own inquiry and analysis with respect to the Issuer, the Bonds and the security therefor, and other material factors affecting the security for and payment of the Bonds, and are relying solely on such inquiry and analysis in our purchase of the Bonds.

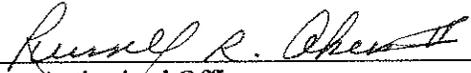
4. We acknowledge that during the course of the transaction and prior to the sale of the Bonds, we have requested or have had access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and we have had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Issuer, the Bonds and the security therefore, so that as a reasonable investor, we have been able to make our decision to purchase the Bonds. No such information requested by us has been denied to us.
5. Because of our experience in financial and business matters, we feel that we are qualified to make the inquiry and analysis described in paragraph 3 and to understand fully the documents and information described in paragraph 4.
6. We understand that the Internal Revenue Code of 1986, as amended (the "Code"), prescribes satisfaction of several requirements in order that interest on the Bonds be and remain excludable from gross income for federal income tax purposes, some of which apply after issuance of the Bonds, and that noncompliance by the Issuer with certain of such requirements could cause interest on the Bonds to be includable in gross income for federal income tax purposes and thus, subject to federal income taxation retroactively to the date hereof. We also understand that under the Code, interest on obligations, such as the Bonds, which are not "private activity bonds," are not an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations by Section 55 of the Code, but that a provision of the Code which is applicable to corporations (as defined for federal income tax purposes), and which would impose an alternative minimum tax on a portion of the excess of adjusted net book income over pre-book alternative minimum taxable income, could subject part of the interest on the Bonds received by corporations to such corporate alternative minimum tax. Additionally, we understand that for tax years beginning after 1986, interest on the Bonds earned by some corporations could be subject to the environmental tax imposed by Section 59A of the Code and enacted by the Superfund Revenue Act of 1986, and that for taxable years beginning after 1986, interest on the Bonds earned by certain foreign corporations doing business in the United States could be subject to the branch profits tax imposed by the Code.
7. We understand that the Bonds (a) are not being registered under the Securities Act of 1933, as amended, and are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed on any stock or other securities exchange, (c) will carry no rating from any rating service, and (d) will not be readily marketable.
8. We are purchasing the Bonds for investment in our own account and do not intend to divide the Bonds purchased by us nor to resell or otherwise dispose of all or any part of the Bonds purchased by us, except as permitted by law on a basis of full disclosure to any subsequent holder of the Bonds and subject to applicable securities laws and regulations thereunder.

Green Spring Valley Public Service District, et al.
Page 3

9. We have had the opportunity to consult with and be advised by legal counsel as to the significance of this letter and we have satisfied ourselves that the Bonds are a lawful investment for us under all applicable laws.

Yours very truly,

BRANCH BANKING AND
TRUST COMPANY

By: 
Its: Authorized Officer



Clarksburg Charleston Morgantown Martinsburg Wheeling Huntington

Bank One Center, Eighth Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.stepToe-johnson.com

Writer's Contact Information
(304) 353-8196 - Telephone
(304) 353-8181 - Fax
stampjc@stepToe-johnson.com

July 12, 2006

FILE COPY

Green Spring Valley Public Service District
Water Refunding Bonds, Series 2006 A
(Branch Banking and Trust Company)

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Internal Revenue Service
Internal Revenue Service Center
Ogden, Utah 84201

Ladies and Gentlemen:

Enclosed herewith is an amended and executed Internal Revenue Service Form 8038-G, which includes a copy of the state certification and a file copy thereof with regard to the above-captioned issue. Please file the original form in the appropriate Internal Revenue Service records and return the copy marked in red as the "File Copy" to me (after acknowledging receipt of the same) in the enclosed self-addressed envelope.

Thank you for your attention to this letter. If you have any questions regarding any of the issues set forth herein, or if I can be of any service, please do not hesitate to call.

My best regards.

Very truly yours,

A handwritten signature in black ink, appearing to read 'John C. Stump', written over a printed name.

John C. Stump

JCS/kmw
Enclosure

cc: Vincent A. Collins, Esquire (w/o encl.)

354410.00002

CH833293.1

Information Return for Tax-Exempt Governmental Obligations

Under Internal Revenue Code section 149(e)

See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name Green Spring Valley Public Service District	2 Issuer's employer identification number 55 0618334		
3 Number and street (or P.O. box if mail is not delivered to street address) P.O. Box 95-A	Room/suite	4 Report number 3 2006-01	
5 City, town, or post office, state, and ZIP code Green Spring, WV 26722		6 Date of issue June 29, 2006	
7 Name of issue Water Refunding Bonds, Series 2006 (Branch Banking and Trust Company)		8 CUSIP number N/A	
9 Name and title of officer or legal representative whom the IRS may call for more information Mark Puffinburger, Chairman		10 Telephone number of officer or legal representative (304) 492.5842	

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule	
11 <input type="checkbox"/> Education	11
12 <input type="checkbox"/> Health and hospital	12
13 <input type="checkbox"/> Transportation	13
14 <input type="checkbox"/> Public safety	14
15 <input checked="" type="checkbox"/> Environment (including sewage bonds)	15 \$238,197
16 <input type="checkbox"/> Housing	16
17 <input type="checkbox"/> Utilities	17
18 <input type="checkbox"/> Other. Describe	18
19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>	

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	June 29, 2017	\$ 238,197	\$ 238,197	6.773 years	4.760 %

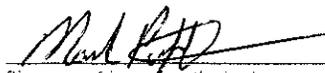
Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)				
22	Proceeds used for accrued interest		22	-0-
23	Issue price of entire issue (enter amount from line 21, column (b))		23	238,197
24	Proceeds used for bond issuance costs (including underwriters' discount)	5,385.63	24	
25	Proceeds used for credit enhancement	-0-	25	
26	Proceeds allocated to reasonably required reserve or replacement fund	-0-	26	
27	Proceeds used to currently refund prior issues	-0-	27	
28	Proceeds used to advance refund prior issues	-0-	28	
29	Total (add lines 24 through 28)	5,385.63	29	
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	232,811.37	30	

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)		
31	Enter the remaining weighted average maturity of the bonds to be currently refunded	N/A years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded	N/A years
33	Enter the last date on which the refunded bonds will be called	N/A
34	Enter the date(s) the refunded bonds were issued	N/A

Part VI Miscellaneous		
35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	-0-
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	-0-
b	Enter the final maturity date of the guaranteed investment contract	
37	Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	-0-
b	If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer and the date of the issue	
38	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box	<input checked="" type="checkbox"/>
39	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box	<input type="checkbox"/>
40	If the issuer has identified a hedge, check box	<input type="checkbox"/>

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Sign Here


 Signature of issuer's authorized representative

June 29, 2006
 Date

Mark Puffinburger, Chairman
 Type or print name and title



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Internal Revenue Service
 Internal Revenue Service Center
 Ogden, Utah 84201

2. Article Number
 (Transfer from service label)

7005 0390 0001 6623 9997

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

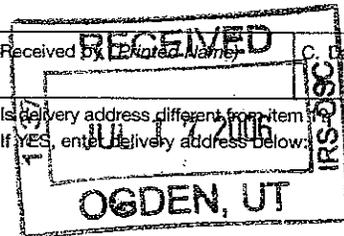
- Agent
- Address

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? If YES, enter delivery address below.

- Yes
- No



3. Service Type

- Certified Mail
- Express Mail
- Registered
- Return Receipt for Merchandise
- Insured Mail
- C.O.D.

4. Restricted Delivery? (Extra Fee)

- Yes

7005 0390 0001 6623 9997

U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
<i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	Postmark Here
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	
Sent To	
Internal Revenue Service	
Internal Revenue Service Center	
Ogden, Utah 84201	
PS Form 3800, June 2002 See Reverse for Instructions	

Servicing Operations Center
200 Witmer Road
Horsham PA 19044



June 29, 2006

Green Spring Valley Public Water
P. O. Box 95-A
Green Springs, WV 26722-0000

RE: Loan Number 01-0592904

LOAN PREPAYMENT NOTIFICATION

We acknowledge receipt of payment on the subject loan. Accordingly, we are in the process of reviewing the satisfaction conditions of your mortgage totaling an original debt of \$27,000.00. If applicable, we have enclosed a check for the amount of your cash escrows not applied against your payoff.

Consequently, you are solely responsible for any unpaid tax, insurance or property expenses previously covered by your loan. Please provide a copy of this letter to your Property Insurance Agent in order to have this loan removed as the Loss Payee on your policy.

Please retain this notification as evidence of your payment. Furthermore, this letter does not release you from any obligations remaining under your loan documents. You will receive a final notification after your local jurisdiction has recorded the satisfaction of your debt. In the interim, please feel free to contact me directly with any questions.

Sincerely,

Paula Hensley
Client Relations Manager
Toll Free: 888-334-4622

Officer's Certification:

James Goodall
Vice President

Post-it® Fax Note	7671	Date	6-29-06	# of pages	2
To	Karrie Mastox	From	Paula Hensley		
Co./Dept.		Co.	CAPMARK		
Phone #		Phone #	801-233-2011		
Fax #	304-353-8181	Fax #	801-233-2041		

Servicing Operations Center
200 Witmer Road
Horsham PA 19044



June 29, 2006

Green Spring Valley Public Water
P.O. Box 81
Green Springs, WV 26722-0000

RE: Loan Number 01-0592901

LOAN PREPAYMENT NOTIFICATION

We acknowledge receipt of payment on the subject loan. Accordingly, we are in the process of reviewing the satisfaction conditions of your mortgage totaling an original debt of \$317,000.00. If applicable, we have enclosed a check for the amount of your cash escrows not applied against your payoff.

Consequently, you are solely responsible for any unpaid tax, insurance or property expenses previously covered by your loan. Please provide a copy of this letter to your Property Insurance Agent in order to have this loan removed as the Loss Payee on your policy.

Please retain this notification as evidence of your payment. Furthermore, this letter does not release you from any obligations remaining under your loan documents. You will receive a final notification after your local jurisdiction has recorded the satisfaction of your debt. In the interim, please feel free to contact me directly with any questions.

Sincerely,

A handwritten signature in cursive script that reads "Paula Hensley".

Paula Hensley
Client Relations Manager
Toll Free: 888-334-4622

Officer's Certification:

A handwritten signature in cursive script that reads "James Goodall".

James Goodall
Vice President

GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT

Water Refunding Bonds, Series 2006 A
(Branch Banking and Trust Company)

RECEIPT AND RELEASE

General Motors Acceptance Corporation, as the holder of the Green Spring Valley Public Service District's Water Revenue Bonds, Series 1983, dated May 4, 1983, issued in the original aggregate principal amount of \$317,000, and Water Revenue Bond, Series 1985, dated December 5, 1985, and issued in the original aggregate principal amount of \$27,000 (collectively, the "GMAC Bonds"), hereby certifies that it has this day received the sum of \$232,811.37 from the District and that such sum is sufficient to pay the entire principal amount of and interest accrued on the GMAC Bonds to the date hereof and discharge the liens, pledges and encumbrances securing the GMAC Bonds.

Dated this 29th day of June, 2006.

GENERAL MOTORS ACCEPTANCE CORPORATION

By: _____
Its: Authorized Officer

Wire Reference No.: 0629E3QP021C001210
Released at 2:39 p.m. on June 29, 2006

06.13.06
354410.00002

LOAN PAYOFF STATEMENT

GREEN SPRING VALLEY PUBLIC WATER
P.O. BOX 81

GREEN SPRINGS WV 26722-0000

Loan No. 01-0592901
Investor (1) FMHA
010592901
Current Interest Rate 5.00000%

The following data is submitted per your request of June 12, 2006

CURRENT PRINCIPAL BALANCE				\$	211,562.11
INTEREST DUE @ Current Rate	05/18/06	through	06/28/06		1,217.21
CUSTODIAL & ADMINISTRATIVE EXPENSES					-
<u>Supplemental Charges</u>					
FACSIMILE, ACCOUNT & LEGAL FEES					-
TOTAL				\$	212,779.32

IMPORTANT: The above amount is valid only for 06/29/2006. Unless arranged in advance, no rebates are given for early wires. Escrow refunds are returned separately. This letter does NOT modify your loan documents nor negate your responsibility to pay installments timely.

Wire payments submitted to repay this loan must be received in this office by 2:00 p.m. EST or interest will accrue DAILY at a rate of \$28.98 good until 07/14/2006 after which a revised Payoff Statement is required.

Please wire the total amount due as follows:

Bank: Bank One - Texas, NA
Routing: ABA # 111-000-614
Beneficiary: Capmark Finance Inc.,
Account: DDA No. 1825178252
Reference: Attn: PAULA HENSLEY LN: 01-0592901

CAPMARK REQUIRES THE INCLUSION OF THE ABOVE REFERENCE LINE AS A CONDITION OF ACCEPTING YOUR PAYMENT.

The Total amount due should be remitted in accordance with the above instructions in Immediately Available Funds. Alternative forms of payment (e.g., Certified Checks, Bank Drafts, and other mediums) should be arranged in advance through your Client Relations Manager.

We assume no responsibility for late or misdirected wires, nor should this statement be used for a non-wire payment. No real estate tax or insurance payments will be disbursed for your account after payoff funds are received. The borrower is responsible for any payments due on or after the payoff date, including applicable interest or penalties. Any escrow deposits will be returned via check post-payoff.

IMPORTANT NOTE: This statement does not modify, alter or amend the terms of the loan documents. Should your payoff date change or be delayed, we reserve the right to assess a \$100 revision fee to generate a new Loan Payoff Statement.

Should you have any questions, please contact PAULA HENSLEY

Telephone: 1-888-334-4622



Capmark Finance Inc.
 Servicing
 200 Witmer Road
 Horsham PA 19044



LOAN PAYOFF STATEMENT

GREEN SPRING VALLEY PUBLIC WATER
 P. O. Box 95-A

Loan No. 01-0592904
 Investor (1) FMHA
 010592904
 Current interest Rate 5.00000%

GREEN SPRINGS WV 26722-0000

The following data is submitted per your request of June 12, 2006

CURRENT PRINCIPAL BALANCE		\$	19,917.46
INTEREST DUE @ Current Rate	05/18/06 through 06/28/06		114.59
CUSTODIAL & ADMINISTRATIVE EXPENSES			-
<u>Supplemental Charges</u>			-
FACSIMILE, ACCOUNT & LEGAL FEES			-
TOTAL		\$	20,032.05

IMPORTANT: The above amount is valid only for 06/29/2006. Unless arranged in advance, no rebates are given for early wires. Escrow refunds are returned separately. This letter does NOT modify your loan documents nor negate your responsibility to pay installments timely.

Wire payments submitted to repay this loan must be received in this office by 2:00 p.m. EST or interest will accrue DAILY at a rate of \$2.73 good until 07/14/2006 after which a revised Payoff Statement is required.

Please wire the total amount due as follows:

Bank: Bank One - Texas, NA
 Routing: ABA # 111-000-614
 Beneficiary: Capmark Finance Inc.,
 Account: DDA No. 1825178252
 Reference: Attn: PAULA HENSLEY LN: 01-0592904

CAPMARK REQUIRES THE INCLUSION OF THE ABOVE REFERENCE LINE AS A CONDITION OF ACCEPTING YOUR PAYMENT.

The Total amount due should be remitted in accordance with the above instructions in Immediately Available Funds. Alternative forms of payment (e.g., Certified Checks, Bank Drafts, and other mediums) should be arranged in advance through your Client Relations Manager.

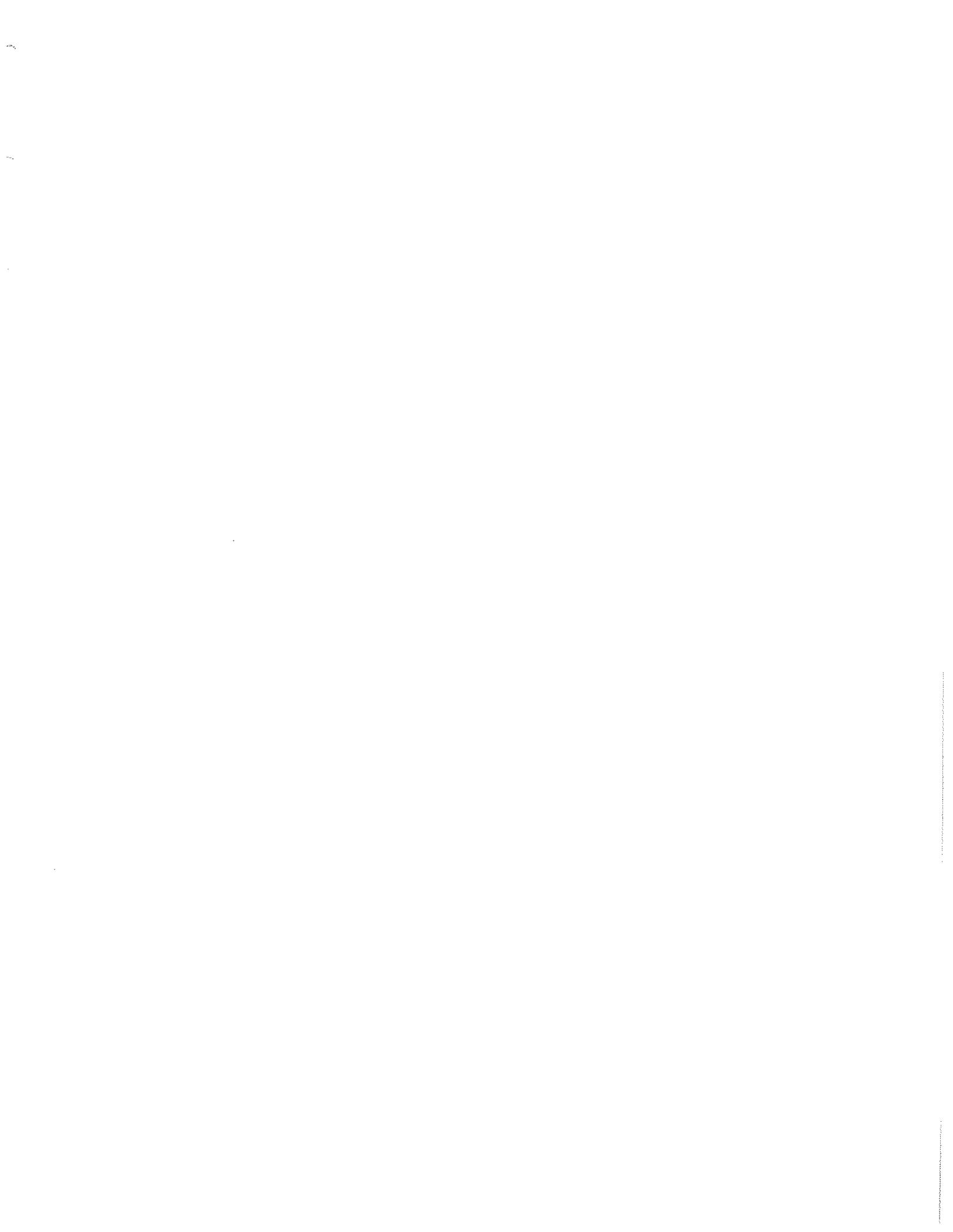
We assume no responsibility for late or misdirected wires, nor should this statement be used for a non-wire payment. No real estate tax or insurance payments will be disbursed for your account after payoff funds are received. The borrower is responsible for any payments due on or after the payoff date, including applicable interest or penalties. Any escrow deposits will be returned via check post-payoff.

IMPORTANT NOTE: This statement does not modify, alter or amend the terms of the loan documents. Should your payoff date change or be delayed, we reserve the right to assess a \$100 revision fee to generate a new Loan Payoff Statement.

Should you have any questions, please contact PAULA HENSLEY

Telephone: 1-888-334-4622

Post-It® Fax Note	7671	Date	6-14	# of pages	2
To	Karrie Mastox	From	Paula Hensley		
Co./Dept.		Co.	CAPMARK		
Phone #		Phone #	801-233-2011		
Fax #	304-353-8181	Fax #	801-233-2041		





**United States Department of Agriculture
Rural Development**
West Virginia State Office

June 29, 2006

**Green Spring Valley Public Service District
Water Refunding Bonds, Series 2006 A
(Branch Banking and Trust Company)**

TO WHOM IT MAY CONCERN:

The undersigned duly authorized representative of the United States of America, acting through the Rural Utilities Service, United States Department of Agriculture, the present holder of the entire outstanding aggregate principal amounts of the Series 1970 Bonds and the Series 1989 A Bonds hereinafter defined and described, hereby (i) consents to the issuance of the Water Refunding Bonds, Series 2006 A (Branch Banking and Trust Company) (the "Series 2006 A Bonds"), in the original aggregate principal amount of not to exceed \$300,000, by Green Spring Valley Public Service District (the "Issuer"), under the terms of the bond resolution authorizing the issuance of the Series 2006 A Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's Water System Note, Series 1970 (United States Department of Agriculture), dated October 23, 1970, issued in the original aggregate principal amount of \$93,000 (the "Series 1970 Bonds") and the Water System Note, Series 1989 A (United States Department of Agriculture), dated September 22, 1989, issued in the original aggregate principal amount of \$260,000 (the "Series 1989 A Bonds"), collectively referred to herein as the "Prior Bonds"; (ii) waives any requirements imposed by the Prior Bonds or the resolutions authorizing the Prior Bonds (the "Prior Resolutions"), regarding the issuance of parity bonds which are not met by the Series 2006 A Bonds or the Resolution; and (iii) consents to any amendments made to the Prior Resolutions by the Resolution, if any.

A handwritten signature in black ink, appearing to read "Robert M. Steptoe III". The signature is written in a cursive style with a large, sweeping initial "R".

ROBERT M. STEPTOE III
State Director

Federal Building • 75 High Street • Suite 320 • Morgantown, WV 26705-7500
Phone: (304) 284-4860 OR 1-800-295-8228 • Fax: (304) 284-4893 • TDD: (304) 284-4836
Web: <http://www.rurdev.usda.gov/wv>

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Washington, DC 20250-9410 or call (800)795-3272 (voice) or (202) 720-6382 (TDD).



**United States Department of Agriculture
Rural Development**
West Virginia State Office

June 29, 2006

**Green Spring Valley Public Service District
Water Refunding Bonds, Series 2006 A
(Branch Banking and Trust Company)**

TO WHOM IT MAY CONCERN:

The undersigned duly authorized representative of the United States of America, acting through the Rural Utilities Service, United States Department of Agriculture, the present holder of the entire outstanding aggregate principal amounts of the Series 1970 Bonds, the Series 1996 B Bonds and the Series 1989 Bonds hereinafter defined and described, hereby (i) consents to the issuance of the Water Refunding Bonds, Series 2006 A (Branch Banking and Trust Company) (the "Series 2006 A Bonds"), in the original aggregate principal amount of not to exceed \$300,000, by Green Spring Valley Public Service District (the "Issuer"), under the terms of the bond resolution authorizing the issuance of the Series 2006 A Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's Water System Note, Series 1970 (United States Department of Agriculture), dated October 23, 1970, issued in the original aggregate principal amount of \$93,000 (the "Series 1970 Bonds") and the Water System Note, Series 1989 A (United States Department of Agriculture), dated September 22, 1989, issued in the original aggregate principal amount of \$260,000 (the "Series 1989 A Bonds"), collectively referred to herein as the "Prior Bonds"; (ii) waives any requirements imposed by the Prior Bonds or the resolutions authorizing the Prior Bonds (the "Prior Resolutions"), regarding the issuance of parity bonds which are not met by the Series 2006 A Bonds or the Resolution; and (iii) consents to any amendments made to the Prior Resolutions by the Resolution, if any.

A handwritten signature in black ink, consisting of a series of loops and flourishes, positioned above a horizontal line.

State Director

75 High Street Federal Building • Suite 320 • Morgantown, WV 26505-7500
Phone: 304.284.4860 • 1.800.295.8228 • Fax: 304.284.4893 • TTY/TDD: 304.284.4836 • Web: <http://www.rurdev.usda.gov/wv>

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Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).



LOAN RESOLUTION SECURITY AGREEMENT

COPY

A RESOLUTION OF THE Directors
OF THE Springfield Water Association, Inc.
AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS IN THE
PRINCIPAL AMOUNT OF \$260,000.00 FOR THE PURPOSE
OF PROVIDING A PORTION OF THE COST OF ACQUIRING AND CONSTRUCTING A
water system improvement, PROVIDING FOR THE COLLECTION, HANDLING, AND
DISPOSITION OF REVENUES THEREFROM, AND AUTHORIZING MAKINGS OF PROMISSORY
NOTE(S), SECURITY INSTRUMENTS, AND PLEDGES OF REVENUES TO EVIDENCE AND
SECURE THE PAYMENT OF SAID INDEBTEDNESS AND FOR RELATED PURPOSES.

WHEREAS, the Springfield Water Association, Inc., (hereinafter
referred to as the "Organization"), was organized under Article 1, Chapter 31 of the
Code of West Virginia for the purpose of providing a
water system improvement to serve its customers.

_____ (hereinafter referred to as the
"Facility") to serve the Members of the said Organization; and

WHEREAS, a meeting of the members of the said organization was held on the 29 day of February
pursuant to proper notice thereof to consider plans for the acquisition and construction methods of financing the Facility:
and, as shown by the minutes of said meeting, of the 152 members of record of the organization there was
present and voting 52, and by a recorded majority vote, the Facility and its financing authorized; and,

WHEREAS, the proposed Facility is to be constructed and equipment in accordance with plans, and specifications
prepared by Stultz and Associates, Romney, West Virginia

and in order to finance the Facility, the Directors
(hereinafter referred to as the "Board") is authorized and empowered, in their discretion, for and in the name of the
organization, to make application to the United States of America, acting through the Farmers Home Administration, United
States Department of Agriculture, (hereinafter referred to as the "Government"), for financial assistance; to cause the
execution and delivery of a promissory note or notes or other evidence of indebtedness (hereinafter referred to as the "note"),
and appropriate security instruments to secure any loan or loans made or insured by the Government; to comply with any
requirements, terms or conditions prescribed by the Government or by Government regulations; and to execute contracts or
enter into agreements and, without limitation, to take any and all other action as may be necessary, incidental or appropriate
to finance, acquire, construct, complete, and/or equip the Facility for and on behalf of the Organization.
NOW THEREFORE, it is hereby resolved by the Board as follows:

Section 1. (Determination of Board). That it is necessary to defray a portion of the costs of financing the Facility by
obtaining a loan made or insured by the Government in accordance with applicable provisions of the Consolidated Farm and
Rural Development Act, it being determined that the Organization is unable to obtain sufficient credit elsewhere to finance
the Facility, taking into consideration prevailing private and cooperative rates and terms currently available;

The agreement to provide the information collected through the loan resolution is required to obtain FmHA loan/grant assistance and the
information so collected is used to determine compliance with the covenants of this resolution and applicable FmHA regulations.

Section 2. (Terms of Loan). That the Organization borrow \$ 260,000.00 and issue as evidence thereof an installment promissory note in the form prescribed by the Government for the full principal amount of the loan. The note shall be signed by the President, attested by the Secretary and have the corporate seal of the Organization affixed

therefore, and shall bear interest from its date, which shall be the date of delivery, at a rate not to exceed 5 percent per annum; the principal and interest shall be paid over a period of 40 years in accordance with the payment schedule set forth in the promissory note, until the principal and interest are fully paid except the final payment of the entire indebtedness, if not

sooner paid, shall be due and payable 40 years from the date of the note. Each payment shall be applied first to the payment of the accrued interest and second to the payment of the principal. Prepayments of any installment may be made in any amount at the option of the Organization.

Section 3. (Assignment and Pledge of Revenue). The indebtedness hereby authorized to be incurred, together with the interest thereon, shall be payable from the gross income and revenue to be derived from the operation of the Facility, a sufficient portion of which, to pay the principal and interest as and when the same shall be come due, is hereby assigned and pledged and shall be set aside for that purpose and this assignment and pledge shall extend to and include any assessments that may be levied pursuant to Section 5 (d) hereof.

Section 4. (Protection and Disposition of Funds). The Treasurer of the Organization shall be the custodian of all funds of the Organization. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.

The Springfield Water Association, Inc. shall obtain a fidelity bond in an amount not less than \$ 30,000.00 with a surety company approved by the Government and unless prohibited by State law the "United States of America" shall be named as a co-obligee in such bond and the amount thereof shall not be reduced without

the prior written consent of the Government. The Treasurer is hereby directed to established the following accounts into which the current funds of the Organization, note proceeds, the revenues from the Facility and any other income shall be deposited, which accounts shall be continually maintained, except as otherwise provided, so long as the indebtedness hereby authorized remains unpaid:

(a) Construction Account.

The proceeds of the borrowing hereby authorized not disbursed contemporaneously with loan closing for incurred Facility costs, and at least the amount of \$ None to be contributed by the Organization from the collection of initial connection fees, membership fees or contributions shall be deposited in the Construction Account which shall be established as required by the Government. Withdrawals from the construction account shall be made only on checks signed by the

Treasurer of the Organization as authorized by the Board from time to time, and with prior concurrence of FmFA. At the option of the Government, the construction account may be established as a "supervised bank account". Amounts in the supervised bank account exceeding \$100,000 shall be secured by the depository bank in advance in accordance with U.S. Treasury Department Circular No. 176. Withdrawals from a supervised bank account

shall be made only on checks signed by the Treasurer of the Organization and countersigned by an authorized official of the Farmers Home Administration. The Organization's share of any insurance or liquidated damages and other monies paid by defaulting contractors or their sureties will be deposited in the Construction Account to assure completion of the Facility. When all construction costs have been paid in full, any balance remaining in the Construction Account may be applied on the loan or used for other authorized purposes that have been approved by the Government and the Constructon Account shall be closed.

(b) General Account

As soon as the facility becomes revenue producing, all funds received shall be set aside in an account to be designated as the General Account, and disbursements and transfers from this account shall be in the following priority: Debt Service, Operations and Maintenance, transfers to Reserve Account. Monies deposited in the General Account shall be used only in the manner and order as follows:

(1) Borrowers making monthly FmHA Debt Service Payments shall use the General Account for making such payments plus operating and maintenance expenses. Also, funds will be transferred from this account to the Reserve Account in accordance with (d) below.

(2) Borrowers making other than monthly FmHA Debt Service Payments shall use the General Account to pay first operating and maintenance expenses. Other transfers from this account will be made in the following order: (i) Transfers to the Debt Service Account will be made in accordance with (c) below. (ii) Transfers to the Reserve Account will be made in accordance with (d) below.

(c) Debt Service Account

For borrowers on other than monthly debt service payments, transfers, in proportion to income availability, shall be made from the General Account and set aside in an account designated as the Debt Service Account, in sufficient amounts which will accumulate for the next installment on the note.

(d) Reserve Account

From the remaining funds in the General Account, after transfers and payments required in (b) (1) or (b) (2) and (c), there shall be set aside into an account designated as the Reserve Account the sum of \$ 128.00 each

month until there is accumulated in that account the sum of \$ 15,324.00 after which deposits may be suspended, except to replace withdrawals. When necessary, disbursements may be used for payments due on the note if sufficient funds are not available in the General or Debt Service Account. With the prior written approval of the Government, funds may be withdrawn for:

- (1) paying the cost of repairing or replacing any damage to the Facility which may have been caused by catastrophe.
- (2) making extensions or improvements to the Facility.

Whenever disbursements are made from the Reserve Account, monthly deposits shall then be resumed until there is again

accumulated the amount \$ 15,324.00 at which time deposits may be discontinued. Whenever there shall accumulate in the General Account, amounts in excess of those required in subsections (b)(1) and (2), (c), and (d), such excess will be used by the organization to make prepayments on the loan or retained in the general account. The accounts required in subsections (b) (1) and (2), (c) and (d) may be established and maintained as bookkeeping accounts or as separate bank accounts at the election of the organization, unless otherwise directed by the Government.

Section 5. (Other Covenants and Agreements of the Organization). The Organization covenants and agrees that so long as the indebtedness hereby authorized remains unpaid:

- (a) It will indemnify the Government for any payments made or losses suffered by the Government.
- (b) It will comply with applicable Statelaws and regulations and continually operate and maintain the Facility in good condition.
- (c) It will impose and collect such rates and charges that gross revenues will be sufficient at all times to provide for the payment of the operation and maintenance thereof and the installment payments on the note and the maintenance of the various funds herein created. All service rendered by or use of the Facility shall be subject to the full rates prescribed in the rules and regulations of the Organization; no free service by or use of the Facility will be permitted.
- (d) It will cause to be levied and collected such assessments as may be necessary to operate and maintain the Facility in good condition and meet installment payments on the note which the same become due if, for any reason, gross revenues are insufficient.
- (e) It will establish and maintain such books and records relating to the operation of the system and its financial affairs and will provide for the annual audit thereof in such manner as may be required by the Government, will provide the Government without its request a copy of each such audit, and will make and forward to the Government such additional information and reports as it may from time to time require.
- (f) It will provide the Government at all reasonable times, access to all books and records relating to the Facility and access to the property of the Facility so that the Government may ascertain that the Organization is complying with the provisions hereof and with the provisions of other instruments incident to the making or insuring of the loan.
- (g) It will maintain at least such insurance coverage as may be required by the Government.
- (h) It will not borrow any money from any source or enter into any contract or agreement or incur any other liabilities in connection with making extensions or improvements to the Facility, exclusive of normal maintenance, without obtaining the prior written consent of the Government.
- (i) It will not cause or permit any voluntary dissolution of its organization, merge or consolidate with any other organization, without obtaining the prior written consent of the Government. It will not dispose of or transfer title to the facility or any part thereof, including lands and interest in lands by sale, security instrument, lease or other encumbrance, without obtaining the prior written consent of the Government. Revenue, in excess of the amount required to maintain the accounts described by Section 4 herein, will not be distributed or transferred to any other organization or legal entity.
- (j) It will not modify or amend the Articles of Incorporation or the Bylaws of the Organization without the written consent of the Government.
- (k) It will provide adequate service to all persons within the service area who can feasibly and legally be served and will obtain FmHA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the organization or public body.
- (l) All present and future contract rights, accounts receivable, and general intangibles arising in connection with the facility are pledged as security for the loan.

Section 6. (Security Instruments). In order to secure the payment of the principal and interest of the note, the President and Secretary of the Organization are hereby authorized and directed to execute and deliver good and sufficient lien instruments, where necessary, encumbering the properties and assets both real and personal constituting said Facility, as completed or as the same may be thereafter extended, including an assignment and pledge of revenues and such other instruments as may be prescribed by the Government.

Section 7. (Refinancing). If at any time it shall appear to the Government that the Organization is able to refinance the amount of the indebtedness then outstanding, in whole or in part, by obtaining a loan for such purposes from responsible cooperative or private credit sources, at reasonable rates and terms for loans for similar purposes and periods of time, the Organization will, upon request of the Government, apply for and accept such loan in sufficient amount to repay the Government and will take all such actions as may be required in connection with such loan.

Section 8. ("Equal Employment Opportunity under Construction Contracts and Nondiscrimination"). The President and the Secretary be and they are hereby authorized and directed to execute for and on behalf of the Organization, Form FmHA 400-1, "Equal Opportunity Agreement", and Form FmHA 400-4, "Assurance Agreement".

Section 9. In the case of a grant in the sum not to exceed \$ 180,000.00, the Organization hereby accepts the grant under the terms as offered by the Government and that the President and Board of the Organization are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant and the Organization hereby resolves to operate the facility under the terms as offered in said grant agreement(s).

Section 10. Default under the provisions of this agreement or any instrument incident to the making or issuing of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Organization, and default under any such instrument may be construed by the Government to constitute default hereunder.

Section 11. (Resolution a Contract). The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instruments, shall constitute a contract between the Organization and the Government so long as the note hereby authorized remains unpaid.

Section 12. This resolution shall take effect and be in force and after the 29th day of February, 19 88, being the date of its enactment.

The vote was: Yeas 4 Nays 0 Absent 1

(SEAL) (if applicable)

Attest:

[Signature]

Title Secretary

SPRINGFIELD WATER ASSOCIATION, INC.

By [Signature]
Roy Atkire
Title President

CERTIFICATION

I, the undersigned, as secretary of the Springfield Water Association, Inc. hereby certify that the DIRECTORS of such Organization or Corporation is composed of 5 members of whom 4, constituting a quorum, were present at a meeting thereof duly called and held on the 29 day of February, 19 88; that the foregoing resolution was adopted at such meeting by the vote shown above, and that said resolution has not been rescinded or amended in any way.

Dated, this 29 day of February, 19 88.

SPRINGFIELD WATER ASSOCIATION, INC.

Secretary of [Signature]

RESOLUTION AMENDING FORM FmHA 1942-9

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SPRINGFIELD WATER ASSOCIATION, INC. AMENDING A
RESOLUTION OF THE BOARD ADOPTED ON FORM FmHA 1942-9, AUTHORIZING THE
PRESIDENT AND SECRETARY TO EXECUTE AND DELIVER A LOAN AGREEMENT AND
OTHER LOAN INSTRUMENTS.

RESOLVED, that the resolution of this board adopted on
February 29, 1988 on Form FmHA 1942-9 and
executed as a security agreement be and it is hereby amended and
modified in accordance with the provisions of the Loan Agreement
presented to this meeting.

FURTHER RESOLVED, that the President and the Secretary be and they
are hereby authorized to execute and deliver the Loan Agreement and the
other loan instruments referred to therein, all in substantially the
forms presented to this meeting, with such changes as they in their
sole discretion may deem necessary or appropriate to carry out the
purposes of this Resolution.

FURTHER RESOLVED, that the President and the Secretary be and they
are hereby authorized to execute and deliver such other loan instruments,
closing papers and representations on behalf of the Corporation, and to
take all other actions which they jointly deem necessary or appropriate
to carry out the provisions of this resolution and the transactions
contemplated in the loan instruments referred to herein.

FINALLY RESOLVED, that all prior resolutions or parts thereof
inconsistent herewith be and they are hereby repealed.

The vote was:

YEAS: 5
NAYS: 0
ABSENT: 0

CERTIFICATION

I, the undersigned, as Secretary of the Springfield Water
Association, Inc., hereby certify that the _____
Membership of the Corporation is composed of
5 members, of whom 5, constituting a quorum,
were present at a meeting thereof duly called and held on the
29th day of February, 1988; that the foregoing
resolution was adopted at such meeting by the vote shown above;

Dated, this 29th day of February, 1988.

Paul T. Milson

Secretary of

Springfield Water Association, Inc.

RESOLUTION OF MEMBERS OR STOCKHOLDERS

Springfield Water Association, Inc.
(Name of Association)

Springfield, West Virginia 26763
(Address, including Zip Code)

COPY

RESOLVED, that the Governing Board of this Association be and it hereby is authorized and empowered to take all action necessary or appropriate --

1. To obtain for and on behalf of the Association through the Farmers Home Administration or any other Governmental agency:

(a) A loan in a sum not to exceed \$ 260,000.00 ;

(b) A grant in a sum not to exceed \$ 180,000.00 ;

to be advanced by the lender or grantor in one or more advances at such time or times as may be agreed upon.

2. In case of a loan or grant or both --

(a) For the execution of such application or applications (including exhibits, amendments and/or supplements thereto) as may be required;

(b) For the execution and delivery to the lender or grantor of all such written instruments as may be required in regard to or as evidence of such loan or grant; and

(c) In its judgment to carry out the terms of this resolution.

3. And in case of a loan --

(a) To obligate this Association for the repayment of the loan at such rates of interest and on such other terms and conditions as the Governing Board shall deem proper;

(b) To pledge, hypothecate, mortgage, convey, or assign property of this Association of any kind and in any amount now owned or hereafter acquired, as security for any or all obligations (past, present and/or future) of this Association to such lender; and

(c) From time to time to pay, extend, or renew any such obligations.

CERTIFICATION

I, the undersigned, as Secretary of the above named Association, hereby

(Secretary) (Acting Secretary)

certify that said Association on the 29 day of February, 19 88, had 152

(Number)

Members ; that 15% of these

(members) (stockholders) or (shares of voting stock outstanding)

constituted a quorum; that 52 said members or stockholders or shares of voting stock were present at a meeting

of the members or stockholders duly called and held on the 29 day of February, 19 88;

that the foregoing resolution was adopted at such meeting by the affirmative vote of 52 said members or stockholders or shares of voting stock; and that said resolution has not been rescinded or amended in any way.

Dated this 29 day of February, 19 88.

W. T. Miller

Secretary of Springfield Water Association, Inc.

LOAN AGREEMENT
(Short Form)

RECITALS

COPY

Springfield Water Association, Inc. (the Borrower) is a non-profit corporation organized and existing under the laws of the State of West Virginia. The Borrower has determined that it is necessary and desirable to borrow money from the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture, (the Government), in order to finance a project duly authorized by resolutions of its members and of its governing body (the Project).

NOW, THEREFORE, in consideration of the Government's making a community facility loan (the Loan) to the Borrower, the Borrower hereby agrees to the following:

PART ONE

REPRESENTATIONS AND WARRANTIES

Section 1.1. General: In order to induce the Government to make the Loan, the Borrower makes the representations and warranties set forth in this Article.

Section 1.2. Corporate Organization and Power: The Borrower (a) is a non-profit corporation duly organized, validly existing and in good standing under the laws of West Virginia; (b) has not suffered or permitted its corporate charter or by-laws to be amended, rescinded or revoked, except as previously fully disclosed to the Government in writing; (c) has the corporate power to acquire, own, lease and give a lien on and security interest in the Collateral, and to engage in the transactions contemplated by this Loan Agreement; (d) has duly authorized the execution and delivery of this Loan Agreement and each of the other Loan Instruments; and (e) has the full power, authority and legal right to execute and deliver each of them and to perform and observe the terms and provisions of this Agreement and of such instruments.

Section 1.3. Liabilities: The Borrower has no liabilities except as contemplated by this Loan Agreement and fully disclosed in the Borrower's financial records as presented to the Government. Such financial records are true and correct. No data was withheld and no material adverse change in the

Borrower's financial position has occurred which would adversely effect such statements. The Borrower's assets are not less than its liabilities, both determined in accordance with generally accepted accounting principals and the Borrower is solvent.

Section 1.4. Litigation and Taxes: There are no actions, suits or proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower at law or in equity before any court or administrative officer or agency which might result in any material adverse change in the business or financial condition of the Borrower. The Borrower is not in default (a) on the payment of any taxes levied or assessed against it or any of its assets or (b) under an applicable statute, rule, order, decree, writ, injunction or regulation of any governmental body (including any court).

Section 1.5. Compliance with Other Instruments: The Borrower is not a party to any contract or agreement or subject to any charter or corporate restriction to any order, rule, regulation, writ, injunction or decree of any court or governmental authority or to any statute which materially and adversely affects its business, property, assets or financial condition. Neither the execution, delivery or performance of this Loan Agreement or of any of the other Loan Instruments, evidencing or securing the Loan nor compliance with the terms and provisions thereof, conflicts or will conflict with or results or will result in a breach of any of the terms, conditions or provisions of the charter documents or by-laws of the Borrower, or of any law, or of any order, writ, injunction or decree of any court or governmental authority, or of any agreement or instrument to which the Borrower is a party or by which it is bound, or constitute a default thereunder, or result in the creation or imposition of any lien, charge or encumbrance upon any of its property pursuant to the terms of any such agreement or instrument, except the lien and security interest hereby created, or by the other Loan Instruments.

Section 1.6. Governmental Authorization: No authorization, consent, or approval of any governmental authority is required for the execution and delivery of the Loan Instruments. If, on the Closing Date, any such authorization, consent or approval shall be required, the same shall have been obtained or made on or prior to the Closing Date. All necessary permits and licenses to Construct and operate the facility in the Loan Instruments have been obtained.

Section 1.7. Events of Default: No event has occurred and is continuing which would constitute an Event of Default under the Deed of Trust or would constitute such an event of default but for the requirements that notice be given or that a period of time elapse, or both.

Section 1.8. Credit Elsewhere: The Borrower is unable to obtain sufficient credit elsewhere to finance the Project, taking into consideration prevailing private and cooperative rates and terms currently available.

Section 1.9. Other Representation: All representations which the Borrower has made to the Government, in connection with the transactions contemplated hereby, whether contained in the other Loan Instruments, the Loan application or written or oral correspondence with the Government, are true and are not materially misleading.

PART TWO

TERMS OF LOAN

The Borrower's obligation to repay the Loan is evidenced by its installment Promissory Note executed by its President and attested by its Secretary on Form FmHA 440-22 dated September 22, 1989 (the Note). The terms of the Loan are set forth in the Note as well as any additional notes which the Borrower may deliver to the Government from time to time pursuant to Section 6.10 hereof which is hereby incorporated into this Part by reference.

PART THREE

PLEDGE OF COLLATERAL

Section 3.1. Collateral: Borrower hereby assigns to and grants the Government a security interest in the following collateral (the Collateral) as security for the performance of its obligations under this Loan Agreement:

"Exhibit A"

Section 3.2. After-Acquired Property: Borrower hereby assigns to and grants the Government a security interest in all additions, substitutions and replacements of the Collateral, now or hereafter acquired. As used in this Loan Agreement, the term "Collateral" includes such after-acquired property.

Section 3.3. Proceeds of Collateral: The assignment and pledge of Collateral in Sections 3.1 and 3.2 of this Part shall also include the proceeds thereof; however, disposition of Collateral is not authorized by this Section.

PART FOUR

COVENANTS OF BORROWER

Section 4.1. Payment of Note: The Borrower shall pay the Government when due all sums owed by the Borrower under the Note, as well as any additional promissory notes of the Borrower held or insured by the Government.

Section 4.2. Loan Resolution: The Borrower will fully observe and perform all of the covenants contained in Sections 5 and 7 of its Loan Resolution dated February 29, 1988 and adopted by its governing body on Form FmHA 1942.9, (the Loan Resolution), and all of such covenants are hereby incorporated by the reference into this Loan Agreement.

Section 4.3. Preservation of Collateral: The Borrower will keep all of the Collateral in good condition and free from all encumbrances and will not do, or suffer to be done, any act or thing whereby the security interest created hereby might or could be impaired.

Section 4.4. Sale or Disposition of Collateral: Except in the ordinary course of its business, the Borrower will not attempt to sell, lease, or dispose of the Collateral or any part thereof, or to remove the same from its premises without the prior written consent of the Government. The Borrower will permit the Government and its representatives to inspect the same at any reasonable time, it being understood that so long as the Borrower is not in default it may retain possession and at its own expense keep and use the Collateral, subject to all the terms and conditions herein or made a part hereof.

Section 4.5. Taxes: The Borrower will pay, when due, all taxes, assessments and other charges lawfully levied or assessed upon the Collateral.

Section 4.6. Other Obligations: In case at any time, either before or after the date hereof, the Borrower acquires any equipment under another security interest or lease, it will make all payments under that other security interest or lease as and when due and payable.

Section 4.7. Further Assurances: At all times the Borrower will do, execute, acknowledge and deliver, all further acts, deeds and assurances as the Government shall reasonably require for the better assuring and confirming unto the Government, the security interest in the Collateral, and the rights, privileges and remedies hereby created granted or assigned. The Borrower will also warrant and defend the security interest created by this Loan Agreement against all claims and demands of all persons.

Section 4.8. Additional Equipment: The Borrower will, upon acquiring any additional equipment, promptly notify the Government of the acquisition, stating the nature, description, cost and amount of equipment so acquired, and it will upon request of the Government, at the Borrower's own expense, promptly execute and deliver to the Government additional agreements or financing statements as required by the Government.

Section 4.9. Financing Statements: The Borrower will join with the Government in executing one or more financing statements in form satisfactory to the Government and will pay the cost of filing the same or filing or recording this Agreement in all public offices wherever filing or recording is deemed by the Government to be necessary or desirable. In addition, the Borrower also hereby authorizes the Government to file financing statements without Borrower's signature.

Section 4.10. Discrimination Prohibited: The Borrower will not cause or permit discrimination, in the use of its services or occupancy of its premises because of race, color, creed, sex or national origin.

Section 4.11. Dissolution: The Borrower will, in the event that it has been organized as a non-profit corporation and subsequently is dissolved or ceases to carry out the objectives or purposes set forth in its organizational papers, see that all of its business, property and assets shall go and be distributed to one or more non-profit corporations or public bodies as may be selected by its governing body and approved by at least 75% of its members, to be used for, and devoted to, the purpose of a community facility project or other purpose to serve the public welfare of the community; and in no event shall the Borrower cause or permit any of its assets or property, in the event of dissolution, to be distributed to members, directors, stockholders, or others having financial or managerial interests in the Borrower, either for the reimbursement of any sum subscribed, donated or contributed by such persons or for any other purposes. However, nothing in this section shall prohibit the Borrower from paying its just debts.

Section 4.12. Protection and Disposition of Funds: On or before the closing of the Loan, the Borrower will establish the accounts called for in Section 4 of the Loan Resolution and thereafter will make the deposits and transfers called for therein.

Section 4.13. Use of Loan Proceeds: The Borrower will use the proceeds of the Loan to finance the Project and will diligently pursue the completion of the construction and/or acquisition or Project:

Section 4.14. Compliance with Laws: The Borrower will comply with all applicable statutes, regulations, orders and restrictions of the United States of America, the state in which the Facility is located, municipalities of such state, and agencies and instrumentalities of the foregoing, with respect to the conduct of its operations and activities and the ownership of its Facility, except such as are being contested in good faith.

PART FIVE

DEFAULTS AND REMEDIES

Section 5.1. Event of Default Defined: Each of the following events is hereby declared to be an "Event of Default":

5.1.1. If the payment of any installment of principal and interest on the Note shall not be made when the same shall become due and payable, either at maturity or by proceedings for prepayment or otherwise.

5.1.2. If Borrower shall discontinue for more than 60 days or unreasonably delay or fail to carry on with reasonable dispatch the completion of the construction of the Project.

5.1.3. If Borrower shall for any reason be rendered incapable of fulfilling its obligations hereunder.

5.1.4. If the Facility (as defined in the Loan Resolution) or any substantial part thereof shall be condemned, destroyed, or damaged to the extent of impairing its efficient operation or adversely affecting its gross revenues and for any reason shall not be promptly repaired, replaced, rebuilt, or reconstructed.

5.1.5. If judgment for the payment of money shall be rendered against Borrower as the result of its ownership or operation of the Facility, or any of Borrower's other operations, and the judgment shall not be discharged within 60 days from the entry thereof and an appeal shall not be taken in a manner so as to stay decree or process for the enforcement thereof.

5.1.6. If any order or decree shall be entered, with the consent or acquiescence of Borrower appointing a receiver or receivers of the Facility, or the revenues from the Facility, or if an order or decree, having been entered without the acquiescence or consent of Borrower, shall not be vacated or discharged or stayed on appeal within 60 days after the entry thereof.

5.1.7. If any proceeding shall be instituted with the consent or acquiescence of Borrower for the purpose of effecting a composition between Borrower and its creditors or for the purpose of adjusting the claims of those creditors pursuant to any Federal or State statute now or hereafter in effect, if the claims of the creditors are under any circumstances payable from the revenues of the Facility or in any way effect the financial stability of the Facility.

5.1.8. If the Government determines that any of the Borrower's representations contained in the Loan Instruments, the Loan application, the Loan closing papers or any written or oral communication submitted by it to the Government were false or materially misleading.

5.1.9. If Borrower shall default in the due and punctual performance of any covenants, conditions, agreements or provisions contained in any Loan Instrument or any other security instrument of Borrower held or insured by the Government, and the default is either incurable or, if curable, shall continue for thirty days after written notice, specifying the default and requiring that it be remedied, shall have been filed with Borrower by the Government or by an uninsured holder of the Note.

Section 5.2. Remedies Upon Default: Upon the happening of any Event of Default, the Government and/or any uninsured holder of the Note shall have all of the rights and remedies contained in the Loan Instruments, and such rights and remedies shall be in addition to and not in lieu of all other rights and remedies which may be afforded to the Government and any uninsured holder of the Note by any applicable state or federal laws and/or regulations.

Section 5.3. Protective Advances: If taxes or other assessments against any of the Collateral remain unpaid after the date fixed for the payment of the same without penalty or interest, or if any lien be claimed which in the opinion of the Government, or if any lien be claimed which in the opinion of the Government, or its counsel, would create a valid obligation having priority over the security interest created herein, or if any insurance premiums be at any time overdue, the Government may pay such taxes, assessments, claims or insurance premiums and any other amounts proper to protect or preserve the Collateral. The amount paid plus interest at the highest rate provided in the Note shall be added to the secured indebtedness.

Section 5.4. Right of Possession: Upon the occurrence of an Event of Default, the Government may enter upon the Borrower's premises to take immediate possession of the Collateral and there maintain possession thereof, until the completion of the sale, delivery or other disposition thereof, or may remove the equipment therefrom. Any expenses incurred by the Government in exercising its rights under this Section shall be added to the secured indebtedness and shall bear interest at the highest rate provided in the Note.

Section 5.5. Collections: Upon the occurrence of an Event of Default, the Government may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose and realize upon Collateral insofar as it shall consist of accounts receivable, contract rights, insurance policies, instruments, chattel paper, choses in action or the like. The Government may receive, open and dispose of mail addressed to the debtor and endorse notes, checks, drafts, money orders, documents of title or other evidence of payment of any form of Collateral on behalf of and in the name of the Borrower.

Section 5.6. Liquidation Proceeds: In the event that the Government liquidates the Collateral, as permitted by the Loan Agreement, the proceeds of any liquidation sale shall be applied in the following order: first, to the expenses of retaking, holding, preparing for sale, selling and the like; second, to payment of any prior liens required by law or competent court to be paid; third, to the indebtedness secured hereby; fourth, to inferior liens of record in the order of their priority; fifth, at the Government's option to any other indebtedness of the Borrower owing to or insured by the Government; and the surplus, if any, to the Borrower; but in the event there remains an unsatisfied portion of the indebtedness of the Borrower to the Government, the Borrower shall remain liable for the deficiency.

Section 5.7. Remedies Cumulative: No remedy conferred by this Loan Agreement is intended to be exclusive of any other remedy conferred by law or by any other instrument securing the

Loan, and every remedy shall be cumulative and in addition to every other remedy therein or now or hereafter existing in equity, at law, by statute or by government regulation. The waiver by the Government of any Event of Default shall not operate as a waiver of any other Event of Default or as a waiver of the occurrence of the same Event of Default on a future occasion.

PART SIX

MISCELLANEOUS

Section 6.1. Federal Criminal Laws: Violation of the Borrower's covenants set forth in Sections 4.3 and 4.4, restricting sale or encumbrance of the Collateral, in addition to constituting an "Event of Default" under Section 5.1 of this Loan Agreement, may also constitute a violation of Federal criminal laws.

Section 6.2. Contract with Government and Holder of Note: The provisions of the Loan Instruments shall constitute a contract and security agreement between Borrower and the Government for as long as the Government is the holder or insurer of the Note and any portion of the principal of the Note or the interest thereon remains outstanding and unpaid. In the event that the Government is neither a holder nor insurer of the Note, then and only then shall the Loan Instruments constitute a contract between Borrower and the holder of the Note.

Section 6.3. Limitations on Notice: Any provisions in any Loan Instrument for the giving, filing, mailing, or delivery of notice or other papers shall be deemed fully complied with if and when such notice or other papers are sent by certified mail (postage prepaid), unless otherwise required by law, addressed as set forth below:

Borrower's Address Springfield Water Association, Inc.
Springfield
West Virginia 26763

Government's Address Farmers Home Administration
400 Davis Avenue
Elkins, WV 26241

The parties may change the addresses in this Section by giving notice of the change in the manner set forth above.

Section 6.4. Amendments: The Loan Instruments may not be amended or modified except in writing executed by an authorized representative of the party against whom such amendment is being

enforced. All amendments shall clearly identify the Loan Instrument to which they pertain. They shall also be numbered sequentially beginning with "Amendment 1" and be dated.

Section 6.5. Headings and Table of Contents: Any headings in the Loan Instruments and the Table of Contents to this Loan Agreement are solely for convenience of reference and shall not constitute a part of the Loan Instruments, nor shall they affect their meaning, construction, or effect.

Section 6.6. Severability: The provisions of this Loan Agreement are hereby declared to be severable. If any court of competent jurisdiction shall hold any provisions hereof to be invalid and unenforceable, that holding shall not affect any other provisions of this instrument.

Section 6.7. Effective Date: This Loan Agreement shall take effect immediately.

Section 6.8. Applicable Laws: The Loan Instruments shall be subject to the present regulations of the Farmers Home Administration, and to its future regulations not inconsistent with the express provisions thereof. The Loan Instruments shall be governed by federal law, to the extent pertinent, and in all other respects by the laws of the state in which the Project is located.

Section 6.9. Nature of Loan Agreement: This Loan Agreement shall constitute a security agreement as defined in the Uniform Commercial Code. To the extent that any of the Collateral is of a type which can be assigned, the Borrower hereby assigns such Collateral to the Government subject, however, to the right reserved to the Borrower to use, possess, collect and apply such Collateral prior to any Event of Default.

Section 6.10. Subsequent Loans: In the event that the Government shall ever determine to make one or more such loans by adopting new resolutions on Form FmHA 1942-9. Such resolutions adopted on Form FmHA 1942-9 shall constitute an amendment of the Loan Agreement and any indebtedness incurred pursuant to them shall be automatically added to the indebtedness secured by this Loan Agreement. In the event that the Government requires the Borrower to put up collateral not already pledged under Sections 3.1 and 3.2 of this Loan Agreement, then such collateral may be included in such sections by having the Borrower sign a description of such collateral and attaching the signed description to this Loan Agreement.

Section 6.11. Forms: In the event that any of the government forms referred to herein or in any of the other Loan Instruments are revised, redesignated, or renumbered, then such

references shall be deemed to include such revised, redesignated or renumbered forms, as they may be in effect from time to time, but only to the extent that they do not conflict with the express provisions hereof or of the other Loan Instruments.

Section 6.12. Loan Instruments, Definition and Relationship. The term "Loan Instruments" as used in this Loan Agreement collectively refers to this Loan Agreement, the Deed of Trust of even date herewith, the Note and Loan Resolution, including any future amendments thereof or supplements thereto, and any related financing statements. In case of any discrepancies or inconsistencies among the Loan Instruments, the Note shall control the Mortgage; the Mortgage shall control the Loan Agreement; and the Loan Agreement shall control the Loan Resolution. For purposes of the Uniform Commercial Code, this Loan Agreement, the Loan Resolution and the Mortgage collectively constitute one security agreement between the Government and the Borrower.

IN WITNESS WHEREOF, Borrower has caused this Loan Agreement to be executed on its behalf by its President, and its Secretary, all on this 22nd day of September, 19 89, being the date of the execution and delivery of the Note.

(CORPORATE SEAL)

ATTEST:

M. T. Willson

Secretary

By

James E. Mills

James E. Mills
President

"EXHIBIT A"

TO LOAN AGREEMENT

All contract rights, accounts, general intangibles, gross receipts, gifts, pledges, income and revenue now or hereafter in existence, including the proceeds thereof.

All of Debtor's supplies, inventory, furnishings, furniture, fixtures, equipment, machinery, motor vehicles, and all other tangible assets of every nature or description now owned or hereafter acquired together with all appurtenant furnishings and equipment, including all accessions, additions, repairs, and replacements in any way relating to Debtor's use or operation of a water facility in or around Springfield, West Virginia.

Default hereunder shall constitute default under any other instrument evidencing a debt or other obligation of Borrower to the Government or securing such a debt or other obligation and default under any such other instrument shall constitute default hereunder. Upon any such default, the Government at its option may declare all or any part of any such indebtedness immediately due and payable.

This note is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farmers Home Administration Act of 1961 if the box opposite "Association" is checked under the heading "KIND OF LOAN", or pursuant to Title V of the Housing Act of 1949 if the box opposite "LH - Organization" or "RRH - Organization" is checked. This note shall be subject to the present regulations of the Farmers Home Administration and to its future regulations not inconsistent with the express provisions hereof.

Presentment, protest, and notice are hereby waived.

ENDORSEMENT "Shawmut Bank, N.A., as 1987 A Trust
Pay to the order of Trustee on behalf of the Community Program Loan Trust 1987 A.
without recourse, except as provided in a certain Loan Sale Agreement
between the Government and the Purchaser.

District Director
(Title)
(CORPORATE SEAL)
ATTEST
[Signature]
(Signature of Attesting Official)
Secretary
(Title of Attesting Official)

By: Lawrence H. Bollen
Springfield Water Association, Inc.
(Name of Borrower)
[Signature]
(Signature of Executive Official)
President
(Title of Executive Official)
Springfield, West Virginia 26763
(City, State, and ZIP Code)

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$ 23,000	October 23, 1970	(6) \$ 23,000	October 23, 1970
(2) \$ 35,000	11-19-70	(7) \$	
(3) \$ 35,000	December 1970	(8) \$	
(4) \$		(9) \$	
(5) \$		(10) \$	
TOTAL			

PAY TO THE ORDER OF The First National Bank of Harrisburg, Harrisburg, Illinois

Pay to the order of the United States of America. Without recourse.

UNITED STATES OF AMERICA
FARMERS HOME ADMINISTRATION

The First National Bank of Harrisburg.

By [Signature]

BY [Signature]

H. W. HACKER
INSURED LOAN OFFICER
(Title)

COPY

THIS INDENTURE, made and entered into this day, October 23, 1970
(Date)

by and between the undersigned Springfield Water Association, Inc., a corporation organized
and existing under the laws of the State of West Virginia

residing in Hampshire County, West Virginia, whose post office address
is Springfield, West Virginia 26763,

as grantor(s), herein called "Borrower," and J. Kenton Lambert, State Director of the

Farmers Home Administration for the State of West Virginia, whose residence address is Tucker County,
West Virginia, and his successors in office as State Director or Acting State Director, as trustee, herein called "Trustee,"
and the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture,
beneficiary, herein called the "Government," WITNESSETH THAT:

WHEREAS, Borrower is justly indebted to the Government as evidenced by one or more certain promissory note(s) or
assumption agreement(s), herein called "note" (if more than one note is described below, the word "note" as used herein
shall be construed as referring to each note singly or all notes collectively, as the context may require), said note being
executed by Borrower, being payable to the order of the Government in installments as specified therein, authorizing
acceleration of the entire indebtedness at the option of the Government upon any default by Borrower, and being further
described as follows:

<u>Date of Instrument</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Due Date of Final Installment</u>
October 23, 1970	\$93,000.00	5%	October 23, 2010

and
WHEREAS, the note evidences a loan to Borrower in the principal amount specified therein, made with the purpose and
intention that the Government, at any time, may assign the note and insure the payment thereof pursuant to the Consolidated
Farmers Home Administration Act of 1961, or Title V of the Housing Act of 1949; and

WHEREAS, when payment of the note is insured by the Government, it may be assigned from time to time and each holder
of the insured note, in turn, will be the insured lender; and

WHEREAS, when payment of the note is insured by the Government, the Government will execute and deliver to the
insured lender along with the note an insurance endorsement insuring the payment of all amounts payable to the insured
lender in connection with the loan; and

WHEREAS, when payment of the note is insured by the Government, the Government by agreement with the insured lender
set forth in the insurance endorsement may be entitled to a specified portion of the payments on the note, to be designated
the "annual charge"; and

WHEREAS, a condition of the insurance of payment of the note will be that the holder will forego his rights and remedies
against Borrower and any others in connection with the loan evidenced thereby, as well as any benefit of this instrument,
and will accept the benefits of such insurance in lieu thereof, and upon the Government's request will assign the note to the
Government; and

WHEREAS, it is the purpose and intent of this instrument that, among other things, at all times when the note is held by
the Government, or in the event the Government should assign this instrument without insurance of the note, this instrument
shall secure payment of the note; but when the note is held by an insured lender, this instrument shall not secure payment of
the note or attach to the debt evidenced thereby, but as to the note and such debt shall constitute an indemnity mortgage to
secure the Government against loss under its insurance endorsement by reason of any default by Borrower:

NOW, THEREFORE, in consideration of the loan(s) **BORROWER DOES HEREBY GRANT, BARGAIN, SELL, CONVEY,
AND ASSIGN UNTO TRUSTEE WITH GENERAL WARRANTY THE FOLLOWING-DESCRIBED PROPERTY SITUATED IN**

THE STATE OF WEST VIRGINIA, COUNTY(IES) OF Hampshire
(type description in Capital letters):

All that certain tract or parcel of real estate situate near the Town of Springfield, in Springfield District, West Virginia, and more particularly bounded and described as follows:

Beginning at a yellow poplar, corner located approximately 1160 feet from a wooden bridge leading to Sam Peters' Sawmill and further described as a corner of Westvaco Smith tract and Sam Peters' Sawmill Seat Tract; thence S. 27 E., 141 feet to a stake; thence N. 63 E., 100 feet to a rock pile; thence N. 27 W., 251 feet to a rock pile; thence S. 15 30 W. to the beginning.

And being the same real estate that was conveyed unto Springfield Water Association, Inc. a corporation, by deed of Westvaco Corporation, a corporation, dated the 16th day of June, 1970, and of record in the Office of the Clerk of the County Court of Hampshire County, West Virginia, in Deed Book No. 187, at Page 33.

Together with all the real estate and assets comprising the waterworks system of Springfield Water Association, Inc., consisting of wells, sites, tanks, pumping stations, pipelines, meters, rights of way, and easements including, but not limited to, those three of record in the Office of the Clerk of the County Court of Hampshire County, West Virginia, in Deed Book 186 at Pages 122, 126, and 615, and all fixed equipment and appurtenances thereto in the County of Hampshire, State of West Virginia, all personal property reasonably necessary to the use thereof, including its franchise from the Public Service Commission, and all such properties and assets the Springfield Water Association, Inc., may hereafter acquire, with like effect as though now owned by the Corporation and as though covered and conveyed hereby by specific and apt descriptions, together with all revenues and service charges which may arise or be had from the operation of the said waterworks system.

TOGETHER WITH ALL RIGHTS, INTERESTS, EASEMENTS, HEREDITAMENTS AND APPURTENANCES THEREUNTO BELONGING, THE RENTS, ISSUES, AND PROFITS THEREOF AND REVENUES AND INCOME THEREFROM, ALL IMPROVEMENTS AND PERSONAL PROPERTY NOW OR LATER ATTACHED THERETO OR REASONABLY NECESSARY TO THE USE THEREOF, ALL WATER, WATER RIGHTS, AND WATER STOCK PERTAINING THERETO, AND ALL PAYMENTS AT ANY TIME OWING TO BORROWER BY VIRTUE OF ANY SALE, LEASE, TRANSFER, CONVEYANCE, OR CONDEMNATION OF ANY PART THEREOF OR INTEREST THEREIN--ALL OF WHICH ARE HEREIN CALLED "THE PROPERTY";

TO HAVE AND TO HOLD the property unto Trustee, his successors, grantees and assigns forever and in fee simple; IN TRUST, NEVERTHELESS, (a) at all times when the note is held by the Government, or in the event the Government should assign this instrument without insurance of the payment of the note, to secure prompt payment of the note and any renewals and extensions thereof and any agreements contained therein, including any provision for the payment of an insurance or other charge, (b) at all times when the note is held by an insured lender, to secure performance of Borrower's agreement herein to indemnify and save harmless the Government against loss under its insurance endorsement by reason of any default by Borrower, and (c) in any event and at all times to secure the prompt payment of all advances and expenditures made by the Government, with interest, as hereinafter described and the performance of every covenant and agreement of Borrower contained herein or in any supplementary agreement.

BORROWER for himself, his heirs, executors, administrators, successors and assigns WARRANTS the property unto Trustee for the benefit of the Government against all lawful claims and demands whatsoever except any liens, encumbrances, easements, reservations, or conveyances specified hereinabove, and COVENANTS AND AGREES as follows:

(1) To pay promptly when due any indebtedness to the Government hereby secured and to indemnify and save harmless the Government against any loss under its insurance of payment of the note by reason of any default by Borrower. At all times when the note is held by an insured lender Borrower shall continue to make payments on the note to the Government, as collection agent for the holder.

(2) To pay to the Government such fees and other charges as may now or hereafter be required by regulations of the Farmers Home Administration.

(3) At all times when the note is held by an insured lender, any amount due and unpaid under the terms of the note, less the amount of any annual charge, may be paid by the Government to the holder of the note as provided in the note and insurance endorsement for the account of Borrower. Any amount due and unpaid under the terms of the note, whether it is held by the Government or by an insured lender, may be credited by the Government on the note and thereupon shall constitute an advance by the Government for the account of Borrower. Any advance by the Government as described in this paragraph shall bear interest at the note rate from the date on which the amount of the advance was due to the date of payment to the Government.

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(4) WHETHER OR NOT THE NOTE IS INSURED BY THE GOVERNMENT, THE GOVERNMENT MAY AT ANY TIME PAY ANY OTHER AMOUNTS REQUIRED HEREIN TO BE PAID BY BORROWER AND NOT PAID BY HIM WHEN DUE, AS WELL AS ANY COSTS AND EXPENSES FOR THE PRESERVATION, PROTECTION, OR ENFORCEMENT OF THIS LIEN, AS ADVANCES FOR THE ACCOUNT OF BORROWER. ALL SUCH ADVANCES SHALL BEAR INTEREST AT THE RATE BORNE BY THE NOTE WHICH HAS THE HIGHEST INTEREST RATE.

(5) ALL ADVANCES BY THE GOVERNMENT AS DESCRIBED IN THIS INSTRUMENT, WITH INTEREST, SHALL BE IMMEDIATELY DUE AND PAYABLE BY BORROWER TO THE GOVERNMENT WITHOUT DEMAND AT THE PLACE DESIGNATED IN THE LATEST NOTE AND SHALL BE SECURED HEREBY. No such advance by the Government shall relieve Borrower from breach of his covenant to pay. Such advances, with interest, shall be repaid from the first available collections received from Borrower. Otherwise, any payment made by Borrower may be applied on the note or any indebtedness to the Government secured hereby, in any order the Government determines.

(6) To use the loan evidenced by the note solely for purposes authorized by the Government.

(7) To pay when due all taxes, liens, judgments, encumbrances, and assessments lawfully attaching to or assessed against the property and promptly deliver to the Government without demand receipts evidencing such payments.

(8) To keep the property insured as required by and under insurance policies approved by, delivered to, and retained by the Government.

(9) To maintain improvements in good repair and make repairs required by the Government; operate the property in a good and husbandmanlike manner; comply with such farm conservation practices and farm and home management plans as the Government from time to time may prescribe; and not to abandon the property, or cause or permit waste, lessening or impairment of the security covered hereby, or, without the written consent of the Government, cut, remove, or lease any timber, gravel, oil, gas, coal, or other minerals except as may be necessary for ordinary domestic purposes.

(10) To comply with all laws, ordinances, and regulations affecting the property.

(11) To pay or reimburse the Government for expenses reasonably necessary or incidental to the protection of the lien and priority hereof and to the enforcement of or the compliance with the provisions hereof and of the note and any supplementary agreement (whether before or after default), including but not limited to costs of evidence of title to and survey of the property, costs of recording this and other instruments, attorneys' fees, trustees' fees, court costs, and expenses of advertising, selling, and conveying the property.

(12) Neither the property nor any portion thereof or interest therein shall be leased, assigned, sold, transferred or encumbered, voluntarily or otherwise, without the written consent of the Government. The Government shall have the sole and exclusive rights as beneficiary hereunder, including but not limited to the power to grant consents, partial releases, subordinations, and satisfaction, and no insured lender shall have any right, title or interest in or to the lien or any benefits hereof.

(13) At all reasonable times the Government and its agents may inspect the property to ascertain whether the covenants and agreements contained herein or in any supplementary agreement are being performed.

(14) The Government may extend and defer the maturity of and renew and reamortize the debt evidenced by the note or any indebtedness to the Government secured hereby, release from liability to the Government any party so liable thereon, release portions of the property from and subordinate the lien hereof, and waive any other rights hereunder, without affecting the lien or priority hereof or the liability to the Government of Borrower or any other party for payment of the note or indebtedness secured hereby except as specified by the Government in writing.

(15) The power to appoint a substitute trustee is hereby granted to the Government and its assigns, to be exercised at any time hereafter, without notice and without specifying any reason therefor, by filing for record in the office where this instrument is recorded an instrument of appointment, whereupon the substitute trustee shall succeed to all the estates, rights, powers, and trusts herein granted to or vested in Trustee, and the former trustee or substitute trustee shall be divested thereof; and notice of the exercise of this power and any requirement of, or right to require, a bond from any trustee hereunder, are hereby waived.

(16) Default hereunder shall constitute default under any other real estate, or under any personal property or other, security instrument held or insured by the Government and executed or assumed by Borrower, and default under any such other security instrument shall constitute default hereunder.

(17) SHOULD DEFAULT occur in the performance or discharge of any obligation secured by this instrument, or should any one of the parties named as Borrower die or be declared an incompetent, a bankrupt, or an insolvent, or make an assignment for the benefit of creditors, the Government, at its option, with or without notice, may: (a) declare the entire amount unpaid under the note and any indebtedness to the Government hereby secured immediately due and payable, (b) for the account of Borrower incur and pay reasonable expenses for repair or maintenance of and take possession of, operate or rent the property, (c) upon application by it and production of this instrument, without other evidence and without notice of hearing of said application, have a receiver appointed for the property, with the usual powers of receivers in like cases, and (d) authorize and request Trustee to foreclose this instrument and sell the property as provided by law.

(18) At the request of the Government, Trustee may foreclose this instrument by advertisement and sale of the property as provided by law, for cash or secured credit at the option of the Government, personal notice of which sale need not be served on Borrower; such sale may be adjourned from time to time without other notice than oral proclamation at the time and place appointed for such sale and correction made on the posted notices; and at such sale the Government and its agents may bid and purchase as a stranger; Trustee at his option may conduct such sale without being personally present, through his delegate authorized by him for such purpose orally or in writing, and Trustee's execution of a conveyance of the property or any part thereof to any purchaser at foreclosure sale shall be conclusive evidence that the sale was conducted by Trustee personally or through his delegate duly authorized in accordance herewith.

(19) The proceeds of foreclosure sale shall be applied in the following order to the payment of: (a) costs and expenses incident to enforcing or complying with the provisions hereof, (b) any prior liens required by law or a competent court to be so paid, (c) the debt evidenced by the note and all indebtedness to the Government secured hereby, (d) inferior liens of record required by law or a competent court to be so paid, (e) at the Government's option, any other indebtedness of Borrower owing to or insured by the Government, and (f) any balance to Borrower. In case the Government is the successful bidder at foreclosure or other sale of all or any part of the property, the Government may pay its share of the purchase price by crediting such amount on any debts of Borrower owing to or insured by the Government, in the order prescribed above.

(20) All powers and agencies granted in this instrument are coupled with an interest and are irrevocable by death or otherwise; and the rights and remedies provided in this instrument are cumulative to remedies provided by law.

(21) As against the debt evidenced by the note and any indebtedness to the Government hereby secured, with respect to the property, Borrower (a) hereby relinquishes, waives, and conveys all rights, inchoate or consummate, of descent, dower, curtesy, homestead, valuation, appraisal, and exemption, to which Borrower is or becomes entitled under the laws and constitution of the jurisdiction where the property lies, and (b) hereby agrees that any right provided by such laws or constitution for redemption or possession following foreclosure sale shall not apply, and that no right of redemption or possession shall exist after foreclosure sale.

(22) This instrument shall be subject to the present regulations of the Farmers Home Administration, and to its future regulations not inconsistent with the express provisions hereof.

(23) Notices given hereunder shall be sent by certified mail, unless otherwise required by law, addressed, unless and until some other address is designated in a notice so given, in the case of the Government to Farmers Home Administration, United States Department of Agriculture, at Morgantown, West Virginia 26505, and in the case of Borrower to him at his post office address stated above.

(24) To comply with all provisions of the loan resolution adopted by the Directors of Borrower on October 23, 19 70, a copy of which has been filed with the Government.

WITNESS the hand(s) and seal(s) of Borrower the day and year first above written.

(CORPORATE SEAL)

ATTEST:

SPRINGFIELD WATER ASSOCIATION, INC. (SEAL)

STATE OF WEST VIRGINIA
COUNTY OF HAMPSHIRE
Secretary
WITNESS

By Walter L. Grace, Jr. (SEAL)
President

ss: ACKNOWLEDGMENT

William H. Ansel, Jr., a Notary Public in and for the County and State aforesaid, do certify that Walter L. Grace, Jr., President, and Samuel E. Peters, and Secretary Springfield Water Association, Inc.

whose name(s) is (are) signed to the writing above, bearing date on the 23rd day of October, 19 70, has (have) this day acknowledged the same before me in my said County.

Give under my hand this 23rd day of October, 19 70.

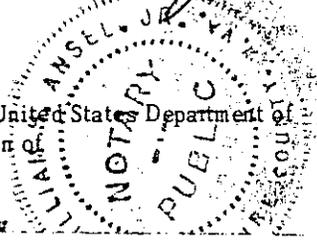
(SEAL)

My commission expires: March 18, 1977
State of West Virginia,
County of Hampshire,

Wm. H. Ansel, Jr.
(Notary Public)

Recorded in Deed of Trust No. 70

The form of this instrument was prepared by the Office of the General Counsel of the United States Department of Agriculture, and the material in the blank spaces in the form was inserted by or under the direction of



Attorney at Law

Samuel E. Peters
20/11

PROMISSORY NOTE
(ASSOCIATION OR ORGANIZATION)

State West Virginia			
County Hampshire			
Case No. 57-014-0000327325			
FINANCE OFFICE USE ONLY			
F	LN	LC	IA

- KIND OF LOAN:
- ASSOCIATION - ORGANIZATION
 - HOUSING - ORGANIZATION
 - PUBLIC BODY
 - OTHER

91-02
COPY

Date September 22, 19 89

FOR VALUE RECEIVED, Springfield Water Association, Inc.
(herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture, (herein called the "Government") at its office in Elkins, West Virginia, or at such other place as the Government may hereafter designate in writing, the principal amount of TWO HUNDRED SIXTY THOUSAND dollars (\$ 260,000.00), plus interest on the unpaid principal balance at the rate of FIVE percent (05.0000%) per annum. The said principal and interest shall be paid in the following installments on or before the following dates:

- \$ Interest Only on September 22, 19 90,
- \$ Interest Only on September 22, 19 91,
- \$ XXXXXXXXXXXXXXXX on XXXXXXXXXXXXXXXX, 19 XX,
- \$ 1,277.00 on October 22, 19 91, and
- \$ 1,277.00 thereafter on the 22 of each Month

until the principal and interest are fully paid except that the final installment of the entire indebtedness evidenced hereby, if not sooner paid, shall be due and payable Forty (40) years from the date of this note, and except that prepayments may be made as provided below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this note shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Farmers Home Administration according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this note and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this note and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder. No assignment of this note shall be effective unless the Borrower is notified in writing of the name and address of the assignee. The Borrower shall thereupon duly note in its records the occurrence of such assignment, together with the name and address of the assignee.

While this note is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment of Borrower, and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security hereto, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

Default hereunder shall constitute default under any other instrument evidencing a debt or other obligation of Borrower to the Government or securing such a debt or other obligation and default under any such other instrument shall constitute default hereunder. Upon any such default, the Government at its option may declare all or any part of any such indebtedness immediately due and payable.

This note is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act if the box opposite "Association" is checked under the heading "KIND OF LOAN," or pursuant to Title V of the Housing Act of 1949 if the box opposite "HOUSING - ORGANIZATION" is checked. This note shall be subject to the present regulations of the Farmers Home Administration and to its future regulations not inconsistent with the express provisions hereof.

Presentment, protest, and notice are hereby waived.

SPRINGFIELD WATER ASSOCIATION, INC.

(CORPORATE SEAL)

James E. Mills (Name of Borrower)
James E. Mills (Signature of Executive Official)
 James E. Mills
 President
 (Title of Executive Official)

ATTEST:

William T. Milleson (Signature of Attesting Official)
 William T. Milleson
 Secretary
 (Title of Attesting Official)

(Post Office Box No. or Street Address)
 Springfield, West Virginia 26763
 (City, State, and Zip Code)

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) 30,000.00	09-22-89	(6) \$ 17,000.00	03- 13 -90
(2) \$ 44,000.00	10- 25 -89	(7) \$	
(3) \$ 77,000.00	11-13 -89	(8) \$	
(4) \$ 63,000.00	12-11-89	(9) \$	
(5) \$ 29,000.00	02-12-90	(10) \$	
TOTAL		\$260,000.00	

PAY TO THE ORDER OF _____

UNITED STATES OF AMERICA
 FARMERS HOME ADMINISTRATION

BY _____

25209

CORPORATE REAL ESTATE DEED OF TRUST FOR WEST VIRGINIA

THIS DEED, made this day, September 22, 1989, among Grantor, Springfield Water Association, Inc., a non-profit corporation organized and existing under the laws of the State of West Virginia, whose address is Springfield, West Virginia 26763 (the Borrower), and John C. Musgrave, State Director of the Farmers Home Administration for the State of West Virginia, whose residence address is Mason County, West Virginia, and his successors in office as State Director, as trustee (the Trustee) for the benefit of the United States of America (the Government), acting through the Farmers Home Administration, United States Department of Agriculture, WITNESSETH THAT:

The Government has lent the Borrower money as evidenced by one or more promissory note(s). If more than one note is described below, the work "Note" as used herein shall be construed as referring to each note singly or all notes collectively, as the context may require and all of them shall have equal lien under this instrument without regard to their priority in time, maturity or otherwise. The Note has been executed by the Borrower, is payable to the order of the Government in installments as specified therein, authorizes acceleration of the entire indebtedness at the option of the Government upon any default by the Borrower, and is further described as follows:

<u>Date of Instrument</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Due Date of Final Installment</u>
Oct. 23, 1970	\$ 93,000.00	05.0000%	October 23, 2010
Sept. 22, 1989	\$260,000.00	05.0000%	September 22, 2029

The Government may assign the Note at any time. The Government may also insure the payment of the Note pursuant to the Consolidated Farm and Rural Development Act.

Whenever the Note is held either by the Government or by an uninsured holder, this instrument shall secure payment of the Note. Whenever the Note is held by a insured holder, however, this instrument shall not secure payment of the Note or attach to the underlying debt. In that event, this instrument shall constitute an indemnity mortgage to secure any payments to an insured holder of the Note or other advances which the Government may be required to make upon default by the Borrower. The insured holder shall have no right, title or interest in or to the lien of this instrument or its benefits. This instrument

COPY

also secures the Borrower's obligations and covenants under other instruments delivered in connection with the loan evidenced by the Note, including the Borrower's Loan Agreement of even date and its Loan Resolution referred to therein, both of which are hereby incorporated herein by reference. The Note, Loan Agreement, Loan Resolution and this instrument together with any supplements, amendments, attachments, modifications, additions and related financing statements are collectively referred to as the "Loan Instruments".

The lien of this instrument shall extend to and cover all property and property rights, real or personal and of whatever character or nature, that may at any time hereafter be acquired, owned, held, possessed, or enjoyed in any manner by Borrower in or on the premises described below.

NOW THEREFORE, in consideration of the loan(s) as evidenced and described by the Note described above the Borrower does hereby grant, assign, and convey to the Trustee, his successors, grantees and assigns, in fee simple forever, the following property:

ALL that real estate in Hampshire County(ies), West Virginia, and being more particularly described as follows:

- (1) All that property described in a Deed of Trust dated October 23, 1970, and recorded in Deed of Trust Book 70 at Page 224
- (2) All that real estate and assets comprising a water distribution system as shown on the plans drawn by Stultz & Associates, Inc. consisting of 13 sheets dated March, 1988.

This instrument also secures the obligations and covenants of the Borrower set forth in Borrower's Loan Resolutions of October 23, 1970, and February 29, 1988.

TOGETHER with all easements and rights of way used in connection with the premises or as a means of access thereto.

TOGETHER with all improvements now on the premises or hereafter placed thereon, including, without limitation, all heating, lighting, refrigeration, plumbing, ventilating, incinerating, water heating, cooling and air-conditioning equipment and apparatus and all appurtenances now and hereafter placed or installed within or about such improvements, and all renewals, replacements, and substitutions therefor, all of which are hereby deemed a part of the realty.

TOGETHER with all fixtures, machinery, appliances, and equipment of every nature and kind whether now on the premises or hereafter to be placed or installed therein or thereon, appurtenant to the buildings erected or to be erected on the premises and intended for the use of occupants, all of which are hereby deemed a part of the realty as between Borrower and the Government, their successors and assigns, and a portion of the security for the indebtedness herein mentioned and to be conveyed by this instrument.

TOGETHER with all chattels and articles of personal property owned by Borrower in, or used in connection with, the operation, possession, and enjoyment of, the premises, whether attached or unattached to the freehold, including all chattels and articles of personal property hereafter acquired by Borrower or any subsequent owner of the premises in addition to, substitution for, or replacement of any of the chattels or articles of personal property now in, or used in connection with, the premises. This instrument shall constitute a security agreement with respect to any and all of the above-described chattels and articles of personal property. At the request of the Government, Borrower shall join with the Government in executing one or more financing statements pursuant to the Uniform Commercial Code, in form satisfactory to Government, and will pay for filing the same in the proper public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by Government.

TOGETHER with the rents, issues, and profits of the premises, subject, however, to the right reserved by Borrower to collect and apply such rents, issues, and profits prior to any default hereunder.

PROVIDED, HOWEVER, that with respect to any goods above which are or become fixtures and proceeds thereof this instrument shall also serve as a fixture filing pursuant to §46-9-402(6) of the West Virginia Code without the necessity of filing a fixture financing statement under the Uniform Commercial Code.

All of the foregoing property is hereinafter collectively referred to for convenience of reference as the "Encumbered Property."

IN TRUST, to secure (a) payment of the Note in accordance with its terms, including any extensions or renewals thereof, whenever the Note is held by either the Government or by an uninsured holder; (b) repayment, with interest, of any payments, advances and expenditures made by the Government (c) performance of every covenant and agreement of the Borrower's contained in this or any other Loan Instrument; and (d) all future advances, whether obligatory, protective or voluntary, made to the Borrower by the Government from time to time.

The Borrower, for itself, its successors and assigns, WARRANTS the Encumbered Property to the Trustee against the lawful claims of all persons whose claims are not based upon liens, encumbrances, easements or reservations specified above.

The Borrower, for itself, its successors and assigns, COVENANTS AND AGREES as follows:

(1) Borrower will promptly pay any indebtedness secured by this instrument when due.

(2) Borrower will indemnify the Government against any loss which the Government may incur as a result of making payments to an insured holder of the Note after the Borrower's default.

(3) Borrower will pay the Government any fees or other charges required under regulations of the Farmers Home Administration.

(4) Borrower will pay when due all taxes, liens, judgments, encumbrances and assessments lawfully attaching to or assessed against the Encumbered Property, and, without demand, will also provide the Government with proof of those payments.

(5) Borrower will pay the Government for any expenses necessary or incidental to (a) the protection of the lien or priority of any Loan Instrument and to (b) the enforcement of or compliance with the provisions of any Loan Instrument.

"Expenses" includes (without limitation) costs of evidence of title, surveys, recording fees, attorneys' fees and trustees' fees, as well as court costs and expenses of advertising, selling and conveying the Encumbered Property or any portion of it.

(6) Borrower will use the loan evidenced by the Note solely for the purpose authorized by the Government.

(7) Borrower will keep the Encumbered Property insured as required by the Government and will deliver the originals of all insurance policies to the Government for safekeeping if so requested.

(8) Borrower will comply with all laws, ordinances and regulations affecting the Encumbered Property and the conduct of Borrower's business operations.

(9) Borrower will maintain the Encumbered Property in good repair and make any repairs the Government may require.

(10) Borrower will operate the Encumbered Property in a good and efficient manner and will comply with management plans and practices which the Government may prescribe from time to time.

(11) Borrower will not abandon the Encumbered Property; effect waste, lessening, or impairment of the Encumbered Property; or cut, remove or lease any timber, gravel, oil, gas, coal or other minerals.

(12) Borrower will not (except as may be authorized in the Loan Agreement or as may be in the ordinary course of business) lease, assign, sell, transfer or further encumber the Encumbered Property or any nonexpendable part thereof, voluntarily or otherwise, either in whole or in part, without the prior written consent of the Government. This covenant may be modified by the Loan Agreement and does not preclude any lease, assignment, sale, transfer or further encumbrance of the Encumbered Property in the ordinary course of the Borrower's business.

(13) The premises described herein was obtained or improved through Federal financial assistance. The Encumbered Property is subject to the provisions of Title VI of the Civil Rights Act of 1964 and the regulations issued pursuant thereto for so long as the premises continues to be used for the same or similar purpose for which financial assistance was extended or for so long as the Borrower owns it, whichever is longer.

(14) If at any time it shall appear to the Government that the Borrower may be able to obtain a loan from a production credit association, a federal land bank, or other responsible cooperative or private credit source, at reasonable rates and terms for the loans for similar purposes and period of time, the Borrower will, upon the Government's request, apply for and accept a loan in sufficient amount to pay the Note and any other indebtedness secured by this instrument and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such a loan.

(15) The Government may require the Borrower to make additional monthly payments equal to one-twelfth of the estimated taxes, assessments, insurance premiums and other charges upon the Encumbered Property.

(16) The Government and its agents may inspect the Encumbered Property at reasonable times to ascertain whether the Borrower is fulfilling its obligation under this or any other Loan Instrument.

(17) The Government may at any time pay as advances for the Borrower's account any amounts which the Borrower is obligated to pay under any Loan Instrument and any expenses incurred by the Government in enforcing or protecting the Government's rights hereunder. The Government may exercise this right regardless of whether the Note is insured and regardless of whether advances exceed the face amount of the Note. Advances by the Government pursuant to the terms of this paragraph shall bear interest at the rate borne by the Note which bears the highest interest rate. Advances, with interest, shall be immediately due and payable by the Borrower at the place designated in the latest Note. Advances under this paragraph shall neither relieve the Borrower of its obligation to pay nor cure any default under any Loan Instrument. Such advances, together with interest accruing on them, shall automatically become a part of the mortgage debt secured by this instrument.

(18) To the extent specified by the Government in writing, the Government in its sole discretion may grant an extension of the time for payment or reamortize the indebtedness secured by any Loan Instrument, release any party from liability to the Government, release portions of the Encumbered Property from the lien of any Loan Instrument, and waive any other Government right under any Loan Instrument without affecting the lien or priority of any Loan Instrument or the liability of the Borrower or any other party for payment of the indebtedness secured by any Loan Instrument.

(19) The Government and its assigns are empowered to appoint a substitute trustee at anytime. This power may be exercised without giving any notice or rationale for its use. THE BORROWER WAIVES notice of the exercise of this power and any requirement of, or right to require, a bond from any substitute trustee. The power to appoint a substitute trustee shall be exercised by filing an instrument of appointment in the office where this instrument is recorded, whereupon the substitute trustee shall succeed to all the estates, rights, powers and trusts granted to or vested in the Trustee and the former trustee or substitute Trustee shall be divested.

(20) All powers and agencies granted in this instrument are coupled with an interest and are irrevocable by death or otherwise.

(21) The Government will not be bound by any present or future state laws (a) providing for valuation, appraisal, or exemption of the Property; (b) prohibiting or restricting an action for deficiency judgment or limiting the judgment amount which may be awarded; (c) prescribing any statute of limitations; (d) allowing any right of redemption or possession the Government may impose by regulation as a condition of approving a transfer of the Encumbered Property to a new borrower. THE BORROWER WAIVES THE BENEFIT OF ANY SUCH STATE LAWS.

(22) Should the Borrower DEFAULT on any of its obligations under any Loan Instrument; breach any of its warranties or covenants under any Loan Instrument; merge, dissolve, be the benefit of creditors, the Government may without notice (a) accelerate the entire indebtedness secured by this instrument by declaring it immediately due and payable; (b) charge the Borrower's account for any reasonable expenses which the Government may pay or incur to maintain and repair the Encumbered Property; (c) operate or rent the Encumbered Property and apply any moneys received to the Borrower's account; (d) have a receiver appointed for the Encumbered Property who may exercise the usual powers of receivers in similar cases; and (e) authorize the Trustee to foreclose this and any other Loan Instrument and sell the Encumbered Property as a business unit without any requirement for marshalling of assets and without regard to whether the Encumbered Property is realty or personalty.

(23) At the request of the Government, the Trustee may foreclose this instrument by advertisement and sale of the Encumbered Property as provided by law, for cash or secured credit as the Government may desire. Except to the extent it may be required by law, personal notice of sale need not be served on the Borrower. The sale may be adjourned from time to time without notice other than oral proclamation at the time and place originally appointed for the sale and written correction made on the posted notices. At the sale the Government and its agents may bid any purchase as a stranger. The Trustee, at his option, may conduct the sale without being personally present. The Trustee may authorize a delegate for that purpose, either orally or in writing. The Trustee's execution of a conveyance of all or part of the Encumbered Property to any purchaser at foreclosure sale shall be conclusive evidence that the sale was conducted in accordance with the provisions of the Loan Instruments, either by the Trustee personally or through his duly authorized delegates.

(24) Proceeds of a foreclosure sale pursuant to any Loan Instrument shall be applied in the following order to the payment of: (a) costs and expenses incident to enforcing or complying with the provisions of any Loan Instrument; (b) any prior liens; (c) all indebtedness to the Government secured by this instrument; (d) inferior liens of record in their order of priority; (e) at the Government's option, any other indebtedness of the Borrower owing to or insured by the Government, and (f) any balance to Borrower.

(25) If the Government is the successful bidder at a foreclosure sale under any Loan Instrument, any portion of the purchase price not owed to a third party may be paid by crediting that amount on any debts of the Borrower which are owed to or insured by the Government.

(26) The rights and remedies provided in this instrument are cumulative and shall be in addition to every other remedy now or hereafter existing at law, in equity, by statute or by regulation.

(27) A waiver, amendment, release or modification of this instrument may be effected only by a writing which has been duly executed by the Government and shall not be established by conduct, custom or course of dealing.

(28) This instrument shall be subject to the present regulations of the Farmers Home Administration and to its future regulations not inconsistent with the express provisions of this instrument, and shall be construed and enforced in accordance with applicable federal law. In all other respects, this instrument shall be governed by the laws of the State in which it is recorded.

(29) Default under this instrument shall constitute a default under any other instruments of the Borrower held or insured by the Government and default under any other instrument constitutes default under this instrument.

(30) The invalidity or unenforceability of any portion of this instrument shall not effect the validity or enforceability of the remaining portion of this instrument.

(31) Notices to the Borrower shall be sent to its address as shown on the first page of this instrument. Notices to the Government shall be addressed to the Farmers Home Administration, United States Department of Agriculture, 400 Davis Avenue, Elkins, West Virginia. For the purposes of §39-1-2 of the West Virginia Code, the immediately preceding address shall be deemed to be the address of the beneficial owner of the debt secured. Notices shall be sent by certified mail (postage prepaid) unless otherwise required by law. The Government and the Borrower may designate any further or different addresses to which subsequent notices shall be sent.

(32) In the event that the Government at its option desires to extend additional credit to the Borrower from time to time, then the lien of this instrument shall automatically be extended to cover such indebtedness. The Borrower shall evidence its consent by the execution and delivery of a Loan Resolution on Form FmHA 1942-9 and an additional note on Form FmHA 440-22, or their equivalents. In the event that at the time of the additional borrowing, the laws of the state in which this instrument is recorded do not permit such future advances to enjoy the lien of this instrument, then the Borrower shall execute and deliver an additional deed of trust. Future deeds of trust may be in statutory form, with such additional provisions, either expressed or incorporated by reference to this deed of trust, as the Government and the Borrower agree upon. Nothing contained in this section shall be construed to require the Government to evidence and secure obligatory advances under the Note or protective advances under this instrument with additional notes and deeds of trust.

IN WITNESS WHEREOF, the Borrower has caused this Deed of Trust to be executed by its President and its corporate seal to be affixed and attested by its Secretary, all as of the date first written above.

(CORPORATE SEAL)

ATTEST:

William T. Milleson
Secretary

By

James E. Mills
President

ACKNOWLEDGMENT

STATE OF WEST VIRGINIA)
COUNTY OF HAMPSHIRE) ss:

I, Laurie A. Paugh, a notary public in and for the state and county aforesaid, do certify that on this 22nd day of September, 1989, before me appeared James E. Mills and William T. Milleson, to me personally known, who being by me duly sworn, did acknowledge before me in my county aforesaid that they are the President and Secretary of Springfield Water Association, Inc., a Corporation and that the seal affixed to the foregoing Deed of Trust is the corporate seal of the corporation, and that the Deed of Trust was signed and sealed by them on behalf of the corporation by authority of its governing board, and they acknowledged the Deed of Trust to be the free act and deed of the corporation.

Given under my hand and official seal this 22nd day of September, 1989.

(NOTARIAL SEAL)

My term of office as Notary expires Feb. 15, 1999.

Official Seal
Notary Public, State of West Virginia
Laurie A. Paugh
56 East Main St.
Ronnney, WV 26757
My commission expires February 15, 1999

Laurie A. Paugh
Notary Public

The form of this instrument was prepared by the Office of the General Counsel of the United States Department of Agriculture, and the materials in the blank spaces in the form was inserted by or under the direction of

Delmes M. Goldizen
(NAME)

District Loan Specialist
(TITLE)

STATE OF WEST VIRGINIA, County of Hampshire, to-wit:

Be it remembered that on the 22nd day of September, 1989, at 1:55 P M., this Deed of Trust was presented in the Clerk's Office of the County Commission of said County and with the certificate thereof annexed, admitted to record.

Attest Nancy C Feller Clerk
County Commission, Hampshire County, W. Va.

CASTO & HARRIS INC., SPENCER, W. VA. RE-ORDER NO. 92553-89

CLOSING MEMORANDUM

To: Financing Team
From: John C. Stump, Esquire
Date: June 29, 2006
Re: Green Spring Valley Public Service District
Water Refunding Bonds, Series 2006 A (Branch Banking & Trust Company)

1. DISBURSEMENTS TO GMAC

Payor: Branch Banking and Trust Company
Amount: \$232,811.37
Form: Wire
Payee: GMAC Acceptance Corporation
Capmark Finance, Inc. (Beneficiary)
Contact: Paula Hensley - (801) 233-2011
Bank: Bank One - Texas, NA
ABA: 111-000-614
Account: DDA No. 1825178252
Reference: ATTN: Paula Hensley LN: 01-0592901 & 01-0592904

2. DISBURSEMENTS TO GREEN SPRING VALLEY PUBLIC SERVICE DISTRICT

Payor: Branch Banking and Trust Company
Amount: \$4,200.63
Form: Wire
Payee: Green Spring Valley Public Service District
Bank: Bank of Romney
ABA: 052201925
Account: 125-065

3. DISBURSEMENTS TO BB&T

Payor: Branch Banking and Trust Company
Amount: \$1,185.00
Form: Internal Transfer
Payee: Branch Banking and Trust Company
Memo: Bank Fee

06.26.06
354410.00002

CH831746.1



Branch Banking & Trust Co.

INVOICE

Governmental Finance

501 Tennessee Avenue
Charleston, WV 25302
(304) 353-1635
Fax (304) 340-4702

Green Spring Valley Public Service District

003-0718057-001

Green Spring Valley, WV

Underwriting Fees

\$1,185.00

Payment Due Date: At Closing

REMIT TO:

BB&T GOVERNMENTAL FINANCE
P.O. BOX 312731
CHARLOTTE, NC 28231

GREEN SPRING VALLEY PSD
SCHEDULE B FOR BB&T LOAN

Payoff of Series 1983 Bonds:	\$212,779.32
Payoff of Series 1985 Bonds:	\$ 20,032.05
Bank's Fee:	\$ 1,185.00
Bond Counsel Fee:	\$ 2,500.00
Local Counsel Fee:	\$ 1,000.00
Accountant's Fee:	<u>\$ 700.00</u>
TOTAL	\$238,197.00