GREENBRIER PUBLIC SERVICE DISTRICT NO. 1

Sewer Revenue Bonds,
Series 1983 A and Series 1983 B

BOND TRANSCRIPT

Table of Contents

1. Consent of HUD to Parity Issue
2. EPA Grant Agreement
3. WDA Grant Agreements
4. Receipt for Bonds
5. Approving Opinion
6. Supplemental Opinion
7. Bond Registration Certificate
8. General Certificate of Issuer and Attorney
9. Certificate on Local Act
10. Attorney's Certificate of No Litigation
11. Engineer's Certificate
12. Accountant's Certificate on Rate Coverage
13. County Commission Orders, etc., Regarding Creation of District and Appointment of Board Members
14. Oaths of Office
15. Rules of Procedure
16. Minutes of 1983 Organizational Meeting
17. Public Service Commission Order - Certificate of Convenience and Necessity, Rates and Financing
18. Sewage Treatment Contract with City of Ronceverte

19. Minutes on Adoption of Bond Resolution

20. Bond and Notes Resolution

21. First Supplemental Resolution

22. Second Supplemental Resolution

23. Third Supplemental Resolution

24. Bond Supplemental Resolution

25. Loan Agreement

26. 1972 Bond Resolution

27. Specimen Bonds

05/31/83
GNPSD1-K

cc:
3H file/chron 942
3S Staller 902
3H Perretta 942
3H Clayman 942
3G ORC 992
3H:dab 5/23/83

MAY 24 1983

WV Water Development Authority
Dunbar, WV

Greenbrier Public Service
District No. 1
Lewisburg, WV

Gentlemen:

SUBJECT: Greenbrier Public Service District No. 1 $3,900,000 Sewer Revenue Bonds, Series 1983 A and Series 1983 B

The United States Department of Housing and Urban Development as holder of the outstanding Sewer Revenue Bond, Series A, No. AR-1, dated as of May 1, 1982, has received a copy of the Resolution providing for the issuance of the above-captioned Bonds, Series A and Series B (the "1983 Bonds").

It is our understanding that the 1983 Bonds, as provided in said Resolution, are to be purchased by WV Water Development Authority. It is our further understanding that the proceeds of the 1983 Bonds are to be used to pay the principal of and interest on Bond Anticipation Notes of the District heretofore issued for financing additions and extensions to the District's sewerage system.

United States Department of Housing and Urban Development hereby consents to the issuance of the 1983 Bonds under the terms and provisions of the resolution authorizing such issue, on a parity in all respects with the Water Revenue Bond, Series A, of the District held by the Department, except that the Series A Bond shall have priority as to optional redemption or prepayment.

Please send to us promptly after delivery of the 1983 Bonds a certified copy of the Resolution and a copy of the legal opinion of bond counsel on the Bond issue.

It is understood that a copy of the Resolution will be delivered to WV Municipal Bond Commission (formerly State Sinking Fund Commission) following delivery of the 1983 Bonds, and that the Municipal Bond Commission and the District will take the necessary steps to change the funds and accounts relating to said Sewer Revenue Bond, Series A, to conform with the funds and accounts provided in said Resolution, all as set forth in said Resolution.

Sincerely,

Harry W. Staller

Harry W. Staller
Acting Regional Administrator, 3S

1

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
6TH AND WALNUT STREETS
PHILADELPHIA, PENNSYLVANIA 19106

MAY 06 1980

Re: C-540304-02
Greenbrier Public Service
District #1

Mr. Joseph M. Holt, Jr., Chairman
Greenbrier Public Service District #1
119 West Washington Street
Lewisburg, West Virginia 24901

Dear Mr. Holt:

You were advised by mailgram on April 16, 1980, that the bidding procedures for Contract Numbers 1, 2, 3A, 3B, and 4 of the referenced project were approved and that the contracts could be awarded to the low responsive bidders as indicated by the proposals you had submitted.

In addition, EPA Form 5780-1B is approved with the following revisions:

Item	For Grant Participation	
A. Construction		
1. Contract Number 1	$1,192,013.00	
2. Contract Number 2	1,183,784.06	
3. Contract Number 3A	2,715,754.00	1/
4. Contract Number 3B	1,745,385.16	
5. Contract Number 4	1,199,647.30	2/
6. Future Contracts	40,000.00	
B. Technical Services	870,470.00	
C. Legal and Fiscal	33,662.00	3/
D. Administrative	12,000.00	
E. Contingency	486,684.48	4/
F. Total	$9,479,400.00	

1/ Error in math
2/ $1,000 error in math on Contract 4
3/ $10,000 for rate hearing to revise rates is not eligible
4/ Adjusted to maintain same eligible cost

2

The Federal share in the project remains at $7,109,550 with the latest estimate of eligible project cost of $9,479,400.

When the contracts have been awarded, one executed copy of the construction agreements, performance and payment bonds, subagreements with the Minority Business Enterprise subcontractors, and the Notices-to-Proceed should be promptly submitted to this office, and one similar set forwarded to the West Virginia Department of Natural Resources. Payments will not be made by this office for construction until our receipt of these items.

The Grant Agreement for the project has as conditions at certain payment intervals, the submission of documents to meet operation and maintenance, and sewer use ordinance requirements. In order to assure timely processing of payment requests, these documents must be submitted through the State Agency in accordance with the Grant Agreement. In addition, you are requested to provide this office with the name and qualifications of the treatment plant operator prior to your request for a fifty (50) percent payment.

We are enclosing informational sheets outlining procedures to be followed in making contract modifications and for submitting partial payment requests.

Also enclosed are approved copies of Addenda Numbers 1, 2, 3, and 4 to all the contracts and plan sheets numbers 1A and 571. This constitutes full approval of the plans and specifications for these contracts.

This project has been assigned by EPA to the Corps of Engineers for the overview of certain Step III construction activities. A Corps representative will contact you in the near future. The Corps of Engineers contact is Mr. Wes King 304/529-5011. Your cooperation with the Corps is requested.

Sincerely yours,

Kenneth R. Kryszczun
Chief
West Virginia Section

Enclosures

cc: Mr. Warren Means, WVDNR
Mr. Edgar Henry, WDA
Mr. Wes King, COE
Roy Weston, Engineers

U.S. ENVIRONMENTAL PROTECTION AGENCY

GRANT AGREEMENT/ AMENDMENT

GRANT IDENTIFICATION NO.: C 5 4 0 3 0 4 0 2

CHECK APPLICABLE ITEM(S)		DATE OF AWARD (Obligation date)
	GRANT AGREEMENT	AUG 24 1979
X	GRANT AMENDMENT	TYPE OF ACTION
X	SUBSEQUENT RELATED PROJECT (WWT)	Continuation

PART I-GENERAL INFORMATION

1. GRANT PROGRAM	2. STATUTE REFERENCE	3. REGULATION REFERENCE
Municipal Wastewater Treatment Works	33 USC 1281 et. seq.	40 CFR Parts 30 & 35

4. GRANTEE ORGANIZATION

a. NAME: Greenbrier Public Service District

b. EMPLOYER I.D. NO. (EIN):

c. ADDRESS: 119 West Washington Street
Lewisburg, West Virginia 24901

5. PROJECT MANAGER (Grantee Contact)

a. NAME: Joseph M. Holt, Jr.

b. TITLE: Chairman

c. TELEPHONE NO. (Include Area Code): 304/645-6632

d. ADDRESS: Greenbrier Public Service District
119 West Washington Street
Lewisburg, West Virginia 24901

6. PROJECT OFFICER (EPA Contact)

a. NAME: Dennis P. Carney

b. TITLE: Team Leader, West Virginia Section

c. TELEPHONE NO. (Include Area Code): 215/597-9911

d. ADDRESS: Environmental Protection Agency
Water Division
Curtis Building
6th and Walnut Streets
Philadelphia, Pennsylvania 19106

7. PROJECT TITLE AND DESCRIPTION

Construction of pumping stations with force main and collection sewers. The eligible project includes allowable associated costs as defined in 40 CFR 35.940-1 up to the amounts shown in Part II of the Grant Amendment.

PROJECT STEP (WWT): III

8. DURATION

PROJECT PERIOD (Dates)	BUDGET PERIOD (Dates)
September, 1979 - November, 1981	N/A

9. DOLLAR AMOUNTS

TOTAL PROJECT COSTS	$10,173,300	EPA GRANT AMOUNT	~~XXXXXXXXXXXXXXXXX~~$7,109,550
TOTAL ELIGIBLE COSTS (WWT)	$ 9,479,400	UNEXPENDED PRIOR YR. BAL. (EPA Funds)	N/A
TOTAL BUDGET PERIOD COSTS	N/A	THIS ACTION (This obligation amount)	$7,109,550

10. ACCOUNTING DATA

APPROPRIATION	DCC CONTROL NO.	ACCOUNT NO.	OBJ CLASS	AMOUNT CHARGED
ABA779	W78061	Y779036006	11	$7,109,550

11. PAYMENT METHOD

☐ ADVANCES ____ % of award X REIMBURSEMENT

☐ OTHER

SEND PAYMENT REQUEST TO: Financial Management Branch

12. PAYEE (Name and mailing address, include ZIP Code)

Greenbrier Public Service Distr
119 West Washington Street
Lewisburg, West Virginia 24901

GRANT IDEN CATION NO. C-540704-02

PART II–APPROVED BUDGET

TABLE A - OBJECT CLASS CATEGORY (Non-construction)	TOTAL APPROVED ALLOWABLE BUDGET PERIOD COST
1. PERSONNEL	
2. FRINGE BENEFITS	
3. TRAVEL	
4. EQUIPMENT	
5. SUPPLIES	
6. CONTRACTUAL	
7. CONSTRUCTION	
8. OTHER	
9. TOTAL DIRECT CHARGES	
10. INDIRECT COSTS: RATE % BASE	
11. TOTAL (Share: Grantee _____ % Federal _____ %)	
12. TOTAL APPROVED GRANT AMOUNT	$

TABLE B - PROGRAM ELEMENT CLASSIFICATION (Non-construction)	
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10. TOTAL (Share: Grantee _____ % Federal _____ %)	
11. TOTAL APPROVED GRANT AMOUNT	$

TABLE C - PROGRAM ELEMENT CLASSIFICATION (Construction)	
1. ADMINISTRATION EXPENSE	42,500
2. PRELIMINARY EXPENSE	
3. LAND STRUCTURES, RIGHT-OF-WAY	
4. ARCHITECTURAL ENGINEERING BASIC FEES	127,200
5. OTHER ARCHITECTURAL ENGINEERING FEES	55,000
6. PROJECT INSPECTION FEES	711,200
7. LAND DEVELOPMENT	
8. RELOCATION EXPENSES	
9. RELOCATION PAYMENTS TO INDIVIDUALS AND BUSINESSES	
10. DEMOLITION AND REMOVAL	
11. CONSTRUCTION AND PROJECT IMPROVEMENT	7,755,900
12. EQUIPMENT	
13. MISCELLANEOUS (M.B.E.)	12,000
14. TOTAL *Lines 1 thru 13)*	8,703,800
15. ESTIMATED INCOME *(If applicable)*	
16. NET PROJECT AMOUNT *(Line 14 minus 15)*	
17. LESS: INELIGIBLE EXCLUSIONS	
18. ADD: CONTINGENCIES	775,600
19. TOTAL (Share: Grantee 25 % Federal 75 %)	9,479,400
20. TOTAL APPROVED GRANT AMOUNT	$ 7,109,550

a. General Conditions:

The grantee covenants and agrees that it will expeditiously initiate and timely complete the project work for which assistance has been awarded under this grant, in accordance with all applicable provisions of 40 CFR Chapter I, Subpart B. The grantee warrants, represents, and agrees that it, and its contractors, subcontractors, employees and representatives, will comply with: (1) all applicable provisions of 40 CFR Chapter I, Subchapter B, INCLUDING BUT NOT LIMITED TO the provisions of Appendix A to 40 CFR Part 30, and (2) any special conditions set forth in this grant agreement or any grant amendment pursuant to 40 CFR 30.425.

b. Special Conditions:

The grantee's attention is particularly directed to certain following special considerations and also to the following discussion of provisions contained in 40 CFR, Chapter I, Subchapter B, Part 35, Subpart E dated September 27, 1978:

1. Regulations Affecting Federal Grant Payments

(a) The grantee's procurement practices shall be in conformance with 40 CFR 35.935-2 and 35.939.

(b) In accordance with 40 CFR 35.935-12(c), payment shall not be made for (1) more than 50 percent of the Federal share of the project unless the grantee has furnished a draft operation and maintenance manual for review, or adequate evidence of timely development of such draft, or (2) more than 90 percent of such Federal share unless the grantee has furnished a satisfactory final operation and maintenance manual.

(c) In accordance with 40 CFR 35.935-16, payment shall not be made for more than 80 percent of the Federal share of the project, unless the Regional Administrator has approved the grantee's sewer use ordinance, and the grantee is complying with any sewer system evaluation and rehabilitation schedule as may be incorporated in this Grant Agreement. Other requirements may pertain to segmented or multiple facility projects within 35.935-16.

(d) Final payment shall be made in accordance with 40 CFR 35.935-14 and 35.945(e).

2. Discharge Permits

The grantee shall obtain any necessary discharge permits for the treatment works in accordance with Section 402 of the 1972 Amendments to the Federal Water Pollution Control Act and as further amended by the Clean Water Act of 1977 (PL 95-217).

3. Advertisement for Bids

The grantee shall not advertise or place on the market for bidding any portion of this project until the final plans and specifications have been approved in writing by the appropriate state water pollution control agency and the EPA Project Officer and authorization to advertise has been given.

STEP 3

Special Conditions (Continued):

4. Contract Award

The grantee agrees that construction contracts including those for the purchase of equipment and materials shall not be awarded until written approval is obtained from the EPA Project Officer, except that for certain contracts less than $10,000, the provisions of 40 CFR 35.936-19 (small purchases) apply.

5. Sites, Easements and Rights-of-Way

The grantee shall submit an acceptable legal opinion that the necessary sites and easements and/or rights-of-way have been obtained and that they are free of any restrictions or encumbrances that might restrict their use for the purpose intended. Said opinion shall be submitted to EPA not later than the time at which the grantee requests approval to award construction contracts.

6. Operation and Maintenance of Related Existing Facilities

The grantee shall construct the additions described herein in such a manner as to assure an absolute minimum of interference with proper and efficient operation of related facilities.

7. Flood Insurance

The grantee agrees to acquire and maintain any flood insurance made available to it under the National Flood Insurance Act of 1968, as amended. The insurance shall be in an amount at least equal to the total eligible project costs excluding cost of land and uninsurable improvements, or to the maximum limit of coverage made available under the National Flood Insurance Act of 1968, as amended, whichever is less, for the entire useful life of the project.

This condition shall not be applicable if, on the date of execution of this Grant Agreement by both parties, flood insurance was not available pursuant to the Flood Insurance Act of 1968, as amended, for property in the project location. This condition shall not be applicable if the project location is outside the boundaries of a special flood hazard area delineated on a Flood Hazard Boundary Map or Flood Insurance Rate Map which has been issued by the Department of Housing and Urban Development, Federal Insurance Administration. This condition shall not be applicable if the total value of improvements insurable under the National Flood Insurance Act is less than $10,000.

8. Prompt Payment/Retention of Payment

(a) The grantee agrees to make a payment to its contractor promptly after receipt of Federal payments due under this grant and to retain only such amounts as may be justified by specific circumstances and provisions of this grant or the construction contract. Retained amounts shall be limited, except where greater retention is necessary under specific circumstances specially provided for in the construction contract, to the levels stipulated in 40 CFR 35.938-7.

Special Conditions (Continued):

(b) 40 CFR 35.938-7 is as follows:

§ 35.938-7 Retention from progress payments.

(a) The grantee may retain a portion of the amount otherwise due the contractor. Except as State law otherwise provides, the amount the grantee retains shall be limited to the following:

(1) Withholding of not more than 10 percent of the payment claimed until work is 50 percent complete.

(2) When work is 50 percent complete, reduction of the withholding to 5 percent of the dollar value of all work satisfactorily completed to date, provided that the contractor is making satisfactory progress and there is no specific cause for greater withholding.

(3) When the work is substantially complete (operational or beneficial occupancy), the withheld amount shall be further reduced below 5 percent to only that amount necessary to assure completion.

(4) The grantee may reinstate up to 10 percent withholding if the grantee determines, at its discretion, that the contractor is not making satisfactory progress or there is other specific cause for such withholding.

(5) The grantee may accept securities negotiable without recourse, condition or restrictions, a release of retainage bond, or an irrevocable letter of credit provided by the contractor instead of all or part of the cash retainage.

(b) The foregoing retention policy shall be implemented with respect to all step 3 projects for which plans and specifications are approved after March 1, 1978. Appropriate provision to assure compliance with this po must be included in the bid docum for such projects initially or by ad dum before the bid submission d and as a special condition in the gr agreement or in a grant amendm For all previous active projects, grantee may implement the forego policy through contract amendm upon written request to the grante the contractor upon considera that the grantee deems adequate.

(c) Under § 30.620-3 of this chapter, a grantee who delays bursement of grant funds will be quired to credit to the United St all interest earned on those funds.

(c) The grantee agrees to report to the EPA Project Officer and promptly credit to the Federal share due under this grant the full amount of any interest earned, or if no such interest is earned, an imputed amount of interest at the prevailing rate, upon Federal payments paid to the grantee, if payment to the contractor is unjustifiably delayed by the grantee, its employees or representatives.

(d) The grantee agrees to include appropriate provisions in each Step 3 construction contract to implement this prompt payment requirement.

9. Buy American

The grantee shall give preference to use of domestic construction materials in the performance of this grant, pursuant to Section 215 of the Federal Water Pollution Control Act, as amended, and EPA implementing regulations and guidelines. Notwithstanding any other provision of law, no grant for which application is made after February 1, 1978, shall be made under this title for any treatment works unless only such unmanufactured articles, materials and supplies as have been mined or produced in the United States, and only such manufactured articles, materials and supplies as have been manufactured in the United States, substantially all from articles, materials or supplies mined, produced, or manufactured, as the case may be, in the Unites States will be used in such treatment works. This section shall not apply in any case where the Administrator determines, based upon those factors the Administrator deems relevant, including the available resources of the agency, it to be inconsistent with the public interest (including multilateral government procurement agreements) or the cost to be unreasonable, or if articles, materials or supplies of the class or kind to be used or the articles, materials or supplies from which they are manufactured are not mined, produced or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality.

Special Conditions (Continued):

10. Plan of Operation

The grantee agrees to prepare a plan of operation in accordance with 40 CFR 35.935-12(a) and (b) and obtain State and EPA approval of the plan not later than the date by which the 50% grant payment is made for this project.

11. Grant Payment (Outlay Management) Requirements

Prior to requesting any payment under the grant, the grantee shall submit to EPA, for its approval, a project schedule. The minimum information required is as follows:

a. Project identification.

b. Project schedule (start and completion dates).

c. Quarterly payment schedule for EPA share.

d. Comments on whether project schedule will result in compliance with NPDES Permit, if applicable.

It is a further requirement that approved project outlay schedule must be updated whenever it is apparent the actual grant payments will vary beyond -5% and +10% from the approved schedule. Grant payments may be limited to those specified in the approved project payment schedules. Also, the grantee shall confirm annually the project outlay schedules by each July 1st, during the active phase of the project.

GR/ IDENTIFICATION NO. C-540304-02

b. SPECIAL CONDITIONS (Continued)

PART IV

NOTE: The Grant Agreement must be completed in duplicate and the Original returned to the Grants Administration Division for Headquarters grant awards and to the appropriate Grants Administration Office for state and local awards within 3 calendar weeks after receipt or within any extension of time as may be granted by EPA.

Receipt of a written refusal or failure to return the properly executed document within the prescribed time, may result in the automatic withdrawal of the grant offer by the Agency. Any change to the Grant Agreement by the grantee subsequent to the document being signed by the EPA Grant Award Official which the Grant Award Official determines to materially alter the Grant Agreement shall void the Grant Agreement.

OFFER AND ACCEPTANCE

The United States of America, acting by and through the U.S. Environmental Protection Agency (EPA), hereby offers a grant/amendment to the Greenbrier P.S.D. (GRANTEE ORGANIZATION) for 75 % of all approved costs incurred up to and not exceeding $ 7,109,550 (GRANT AMOUNT) for the support of approved budget period effort described in application *(including all application modifications)* C-540304-02, Greenbrier P.S.D., 8/17/79 (TITLE AND DATE) included herein by reference.

ISSUING OFFICE (Grants Administration Office)	AWARD APPROVAL OFFICE
ORGANIZATION ADDRESS Environmental Protection Agency Virginia/West Virginia Branch Curtis Building, 6th & Walnut Streets Philadelphia, Pennsylvania 19106	ORGANIZATION/ADDRESS Environmental Protection Agency Water Division Curtis Building, 6th & Walnut Streets Philadelphia, Pennsylvania 19106

THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY

SIGNATURE OF AWARD OFFICIAL	TYPED NAME AND TITLE	DATE
	Greene A. Jones Director, Water Division	AUG 24 1979

This Grant Agreement is subject to applicable U.S. Environmental Protection Agency statutory provisions and grant regulations. In accepting this award or amendment and any payments made pursuant thereto, (1) the undersigned represents that he is duly authorized to act on behalf of the grantee organization, and (2) the grantee agrees (a) that the grant is subject to the applicable provisions of 40 CFR Chapter I, Subchapter B and of the provisions of this agreement (Parts I thru IV), and (b) that acceptance of any payments constitutes an agreement by the payee that the amounts, if any, found by EPA to have been overpaid will be refunded or credited in full to EPA.

BY AND ON BEHALF OF THE DESIGNATED GRANTEE ORGANIZATION

SIGNATURE	TYPED NAME AND TITLE	DATE

WDA-5
NO. C-540304-02

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

BASIC GRANT AGREEMENT

1. GRANT RECIPIENT (NAME AND ADDRESS): COUNTY: Greenbrier

Greenbrier PSD No. 1
119 West Washington Street
Lewisburg, WV 24901

2. GRANT RECIPIENT REPRESENTATIVE (NAME, TITLE AND ADDRESS):

Mr. Joseph H. Holt, Jr., Chairman
Greenbrier PSD No. 1
119 West Washington Street
Lewisburg, WV 24901

3. GRANT PAYEE (NAME AND ADDRESS):

Greenbrier PSD No. 1
119 West Washington Street
Lewisburg, WV 24901

4. APPROVED AMOUNT OF GRANT: $ 100,000

5. PAYMENTS WILL USUALLY BE INITIATED BY THE WDA UPON RECEIPT OF A COPY OF THE EPA APPROVED GRANT PAYMENT REQUEST IN AMOUNTS PROPORTIONATELY SIMILAR TO PAYMENTS MADE BY THE EPA.

ALL GRANTS ARE SUBJECT TO STATE APPROPRIATION AND AVAILABILITY OF FUNDS. CONTRACT SHALL EXTEND UNTIL JUNE 30, 1980, AND IS SUBJECT TO RENEWAL.

6. TYPE OF ACTIVITY FOR WHICH GRANT FUNDS ARE TO BE USED:

Construction of pumping stations with force main and collection sewers. The eligible project includes allowable associated costs as defined in 40 CFR 35.940-1.

7. TOTAL COSTS $ 10,173,300

ELIGIBLE COSTS $ 9,479,400

FEDERAL (EPA) GRANT AMOUNT
(% OF ELIGIBLE COSTS 75) $ 7,109,550

STATE (WDA) INCENTIVE GRANT AMOUNT
(% OF ELIGIBLE COSTS 2.5) $ 236,985*
*Limit set at $200,000

8. GRANT OFFER AND ACCEPTANCE:

THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY HEREBY OFFERS AN INCENTIVE GRANT TO Greenbrier PSD No. 1, SUCH GRANT NOT TO EXCEED $ 200,000 FOR SUPPORT OF COSTS DESCRIBED IN THIS AGREEMENT AND ITS APPLICATION WHICH IS HEREBY MADE A PART OF THIS AGREEMENT.

REPAYMENT OF LOANS. THE GRANT RECIPIENT AGREES TO PROVIDE IMMEDIATE PAYMENT IN FULL OF ANY LOANS OR SERVICE CHARGES DUE THE WATER DEVELOPMENT AUTHORITY IN ACCORDANCE WITH REGULATIONS OF THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY.

TERMINATION: THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY RESERVES THE RIGHT TO TERMINATE THIS AGREEMENT UPON GIVING THE RECIPIENT ORGANIZATION NOT LESS THAN SIXTY (60) DAYS PRIOR WRITTEN NOTICE. THE RECIPIENT ORGANIZATION MAY TERMINATE THIS AGREEMENT BY GIVING THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY SIXTY (60) DAYS PRIOR WRITTEN NOTICE. IN THE EVENT THIS AGREEMENT IS TERMINATED BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, OR IN THE EVENT THIS AGREEMENT IS TERMINATED BY THE RECIPIENT ORGANIZATION, THE ELIGIBLE PROJECT COSTS INCURRED PRIOR TO THE DATE OF COMPLETION OF THE WORK ON THE APPROVED PROJECT OR THE DATE OF SUCH TERMINATION, WHICHEVER IS EARLIER, SHALL BE PAID BY THE RECIPIENT ORGANIZATION OR ITS CONSTITUENTS. ANY MONEYS PAID BY EITHER PARTY PURSUANT TO THE AGREEMENT WHICH BECOMES THE OBLIGATION OF THE OTHER PARTY UNDER THE PROVISIONS OF THIS AGREEMENT SHALL BE REPAID IN NOT MORE THAN THREE (3) YEARS AFTER TERMINATION.

THIS GRANT AGREEMENT IS SUBJECT TO ALL STATUTORY PROVISIONS, ALL GRANT REGULATIONS OF THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND ALL PROVISIONS OF THIS AGREEMENT AND FURTHER IS SUBJECT TO THE CONDITIONS SET FORTH IN GRANT AGREEMENT NO. C-540304-02 CONSUMMATED BETWEEN THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY AND Greenbrier PSD No. 1 OFFERED ON August 24, 1979 AND ACCEPTED ON September 18, 1979.

THE RECIPIENT ORGANIZATION AGREES THAT FUNDS AWARDED UNDER THIS AGREEMENT WILL BE USED SOLELY FOR THE PURPOSES OF THE PROJECT AS APPROVED.

9. NAME AND TITLE OF AWARD OFFICIAL: Edgar N. Henry

TITLE: Director

SIGNATURE: Edgar N. Henry

DATE: January 17, 1980

STATE OF WEST VIRGINIA, COUNTY OF KANAWHA.

TAKEN, SUBSCRIBED AND SWORN TO BEFORE ME THIS 17th DAY OF January, 1980.

NOTARY: Barbara A. Butcher

COMMISSION EXPIRES: January 3, 1984

10. NAME AND TITLE OF RECIPIENT ORGANIZATION REPRESENTATIVE: Mr. Joseph M. Holt, Jr.

TITLE: Chairman

SIGNATURE: J M Holt J

DATE: Jan 23, 1980

STATE OF WEST VIRGINIA COUNTY OF Greenbrier.

TAKEN, SUBSCRIBED AND SWORN TO BEFORE ME THIS 23rd DAY OF January, 1980.

NOTARY: Donna M. Hanson

COMMISSION EXPIRES: 8-11-86

NOTE: THE GRANT AGREEMENT MUST BE COMPLETED IN DUPLICATE AND RETURNED WITHIN 30 DAYS AFTER RECEIPT OR AS PROVIDED IN ANY TIME EXTENSION ARRANGED WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY. RECEIPT OF WRITTEN REFUSAL OR FAILURE TO RETURN WITHIN THE 30-DAY PERIOD WILL RESULT IN TERMINATION OF THE GRANT OFFER. NO AMENDMENTS MAY BE MADE TO THE AGREEMENT SUBSEQUENT TO SIGNING BY THE AUTHORITY.

ALL CORRESPONDENCE CONCERNING THIS OFFER AND AGREEMENT SHOULD BE ADDRESSED TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, 1201 DUNBAR AVENUE, DUNBAR, WV 25064.

WDA-5
NO. C-540304-02

RECEIVED
JAN 2 5 19[illegible]
WATER DEVELOPMENT AUTH[illegible]

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

INCENTIVE GRANT AGREEMENT

1. GRANT RECIPIENT (NAME AND ADDRESS): COUNTY: Greenbrier

Greenbrier PSD No. 1
119 West Washington Street
Lewisburg, WV 24901

2. GRANT RECIPIENT REPRESENTATIVE (NAME, TITLE AND ADDRESS):

Mr. Joseph M. Holt, Jr., Chairman
Greenbrier PSD No. 1
119 West Washington Street
Lewisburg, WV 24901

3. GRANT PAYEE (NAME AND ADDRESS):

Greenbrier PSD No. 1
119 West Washington Street
Lewisburg, WV 24901

4. APPROVED AMOUNT OF GRANT: $ 200,000

5. PAYMENTS WILL USUALLY BE INITIATED BY THE WDA UPON RECEIPT OF A COPY OF THE EPA APPROVED GRANT PAYMENT REQUEST IN AMOUNTS PROPORTIONATELY SIMILAR TO PAYMENTS MADE BY THE EPA.

ALL GRANTS ARE SUBJECT TO STATE APPROPRIATION AND AVAILABILITY OF FUNDS. CONTRACT SHALL EXTEND UNTIL JUNE 30, 1980, AND IS SUBJECT TO RENEWAL.

6. TYPE OF ACTIVITY FOR WHICH GRANT FUNDS ARE TO BE USED:

Construction of pumping stations with force main and collection sewers.

7. TOTAL COSTS	$ 10,173,300
ELIGIBLE COSTS	$ 9,479,400
FEDERAL (EPA) GRANT AMOUNT (% OF ELIGIBLE COSTS 75)	$ 7,109,550
STATE (WDA) BASIC GRANT AMOUNT (% OF ELIGIBLE COSTS 2.5) *Limited to $100,000	$ 100,000*

8. GRANT OFFER AND ACCEPTANCE:

THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY HEREBY OFFERS A BASIC GRANT TO Greenbrier PSD No. 1, SUCH GRANT NOT TO EXCEED $ 100,000 FOR SUPPORT OF COSTS DESCRIBED IN THIS GRANT AGREEMENT AND ITS APPLICATION WHICH IS HEREBY MADE A PART OF THIS AGREEMENT.

REPAYMENT OF LOANS. THE GRANT RECIPIENT AGREES TO PROVIDE IMMEDIATE PAYMENT IN FULL OF ANY LOANS OR SERVICE CHARGES DUE THE WATER DEVELOPMENT AUTHORITY IN ACCORDANCE WITH REGULATIONS OF THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY.

TERMINATION. THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY RESERVES THE RIGHT TO TERMINATE THIS AGREEMENT UPON GIVING THE RECIPIENT ORGANIZATION NOT LESS THAN SIXTY (60) DAYS PRIOR WRITTEN NOTICE. THE RECIPIENT ORGANIZATION MAY TERMINATE THIS AGREEMENT BY GIVING THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY SIXTY (60) DAYS PRIOR WRITTEN NOTICE. IN THE EVENT THIS AGREEMENT IS TERMINATED BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, OR IN THE EVENT THIS AGREEMENT IS TERMINATED BY THE RECIPIENT ORGANIZATION, THE ELIGIBLE PROJECT COSTS INCURRED PRIOR TO THE DATE OF COMPLETION OF THE WORK ON THE APPROVED PROJECT OR THE DATE OF SUCH TERMINATION, WHICHEVER IS EARLIER, SHALL BE PAID BY THE RECIPIENT ORGANIZATION OR ITS CONSTITUENTS. ANY MONEYS PAID BY EITHER PARTY PURSUANT TO THE AGREEMENT WHICH BECOMES THE OBLIGATION OF THE OTHER PARTY UNDER THE PROVISIONS OF THIS AGREEMENT SHALL BE REPAID IN NOT MORE THAN THREE (3) YEARS AFTER TERMINATION.

THIS GRANT AGREEMENT IS SUBJECT TO ALL STATUTORY PROVISIONS, ALL GRANT REGULATIONS OF THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND ALL PROVISIONS OF THIS AGREEMENT AND FURTHER IS SUBJECT TO THE CONDITIONS SET FORTH IN GRANT AGREEMENT NO. C-540304-02 CONSUMMATED BETWEEN THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY AND Greenbrier PSD No. 1 OFFERED ON August 24, 1979, AND ACCEPTED ON September 18, 1979.

THE RECIPIENT ORGANIZATION AGREES THAT FUNDS AWARDED UNDER THIS AGREEMENT WILL BE USED SOLELY FOR THE PURPOSES OF THE PROJECT AS APPROVED.

9. NAME AND TITLE OF AWARD OFFICIAL: Edgar N. Henry

TITLE: Director

SIGNATURE: [signature]

DATE: November 19, 1979

STATE OF WEST VIRGINIA, COUNTY OF KANAWHA.

TAKEN, SUBSCRIBED AND SWORN TO BEFORE ME THIS 19th DAY OF November, 19 79.

NOTARY: Barbara A. Butcher

COMMISSION EXPIRES: January 3, 1984

10. NAME AND TITLE OF RECIPIENT ORGANIZATION REPRESENTATIVE: Mr. Joseph M. Holt, Jr.

TITLE: Chairman

SIGNATURE: [signature]

DATE: 12-6-79

STATE OF WEST VIRGINIA, COUNTY OF Greenbrier.

TAKEN, SUBSCRIBED AND SWORN TO BEFORE ME THIS [illegible] DAY OF [illegible], 19 79.

NOTARY: [illegible]

COMMISSION EXPIRES: [illegible]

NOTE: THE GRANT AGREEMENT MUST BE COMPLETED IN DUPLICATE AND RETURNED WITHIN 30 DAYS AFTER RECEIPT OR AS PROVIDED IN ANY TIME EXTENSION ARRANGED WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY. RECEIPT OF WRITTEN REFUSAL OR FAILURE TO RETURN WITHIN THE 30-DAY PERIOD WILL RESULT IN TERMINATION OF THE GRANT OFFER. NO AMENDMENTS MAY BE MADE TO THE AGREEMENT SUBSEQUENT TO SIGNING BY THE AUTHORITY.

ALL CORRESPONDENCE CONCERNING THIS OFFER AND AGREEMENT SHOULD BE ADDRESSED TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, 1201 DUNBAR AVENUE, DUNBAR, WV 25064.

WDA-5
NO. C-540304-02

RECEIVED
MAY - 1 19
WATER DEVELOPMENT AUTHORITY

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

HARDSHIP GRANT AGREEMENT

1. GRANT RECIPIENT (NAME AND ADDRESS): COUNTY: Greenbrier

Greenbrier PSD No. 1
119 West Washington Street
Lewisburg, WV 24901

2. GRANT RECIPIENT REPRESENTATIVE (NAME, TITLE AND ADDRESS):

Mr. Joseph M. Holt, Jr., Chairman
Greenbrier PSD No. 1
119 West Washington Street
Lewisburg, WV 24901

3. GRANT PAYEE (NAME AND ADDRESS):

Greenbrier PSD No. 1
119 West Washington Street
Lewisburg, WV 24901

4. APPROVED AMOUNT OF GRANT: $ 400,000

5. PAYMENTS WILL USUALLY BE INITIATED BY THE WDA UPON RECEIPT OF A COPY OF THE EPA APPROVED GRANT PAYMENT REQUEST IN AMOUNTS PROPORTIONATELY SIMILAR TO PAYMENTS MADE BY THE EPA.

ALL GRANTS ARE SUBJECT TO STATE APPROPRIATION AND AVAILABILITY OF FUNDS. CONTRACT SHALL EXTEND UNTIL JUNE 30, 1980, AND IS SUBJECT TO RENEWAL.

6. TYPE OF ACTIVITY FOR WHICH GRANT FUNDS ARE TO BE USED:

Construction of pumping stations with force main and collector sewers.

7. TOTAL COSTS $ 10,173,300

ELIGIBLE COSTS $ 9,479,400

FEDERAL (EPA) GRANT AMOUNT $ 7,109,550
(% OF ELIGIBLE COSTS 75)

STATE (WDA) HARDSHIP GRANT AMOUNT $ 400,000*
(% OF ELIGIBLE COSTS 4.2)
*Limit set at $400,000

8. GRANT OFFER AND ACCEPTANCE:

THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY HEREBY OFFERS A HARDSHIP GRANT TO Greenbrier PSD No. 1, SUCH GRANT NOT TO EXCEED $ 400,000 FOR SUPPORT OF COSTS DESCRIBED IN THIS GRANT AGREEMENT AND ITS APPLICATION WHICH IS HEREBY MADE A PART OF THIS AGREEMENT.

REPAYMENT OF LOANS. THE GRANT RECIPIENT AGREES TO PROVIDE IMMEDIATE PAYMENT IN FULL OF ANY LOANS OR SERVICE CHARGES DUE THE WATER DEVELOPMENT AUTHORITY IN ACCORDANCE WITH ADMINISTRATIVE REGULATIONS OF THE WATER DEVELOPMENT AUTHORITY.

TERMINATION. THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY RESERVES THE RIGHT TO TERMINATE THIS AGREEMENT UPON GIVING THE RECIPIENT ORGANIZATION NOT LESS THAN SIXTY (60) DAYS PRIOR WRITTEN NOTICE. THE RECIPIENT ORGANIZATION MAY TERMINATE THIS AGREEMENT BY GIVING THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY SIXTY (60) DAYS PRIOR WRITTEN NOTICE. IN THE EVENT THIS AGREEMENT IS TERMINATED BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, OR IN THE EVENT THIS AGREEMENT IS TERMINATED BY THE RECIPIENT ORGANIZATION, THE ELIGIBLE PROJECT COSTS INCURRED PRIOR TO THE DATE OF COMPLETION OF THE WORK ON THE APPROVED PROJECT OR THE DATE OF SUCH TERMINATION, WHICHEVER IS EARLIER, SHALL BE PAID BY THE RECIPIENT ORGANIZATION OR ITS CONSTITUENTS. ANY MONEYS PAID BY EITHER PARTY PURSUANT TO THE AGREEMENT WHICH BECOMES THE OBLIGATION OF THE OTHER PARTY UNDER THE PROVISIONS OF THIS AGREEMENT SHALL BE REPAID IN NOT MORE THAN THREE (3) YEARS AFTER TERMINATION.

THIS GRANT AGREEMENT IS SUBJECT TO ALL STATUTORY PROVISIONS, ALL GRANT REGULATIONS OF THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND ALL PROVISIONS OF THIS AGREEMENT AND FURTHER IS SUBJECT TO THE CONDITIONS SET FORTH IN GRANT AGREEMENT NO. C-540304-02 CONSUMMATED BETWEEN THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY AND Greenbrier PSD No. 1 OFFERED ON August 24, 1979 AND ACCEPTED ON September 18, 1979.

THE RECIPIENT ORGANIZATION AGREES THAT FUNDS AWARDED UNDER THIS AGREEMENT WILL BE USED SOLELY FOR THE PURPOSES OF THE PROJECT AS APPROVED.

9. NAME AND TITLE OF AWARD OFFICIAL: Edgar N. Henry

TITLE: Director

SIGNATURE: _____

DATE: April 25, 1980

STATE OF WEST VIRGINIA, COUNTY OF KANAWHA.

TAKEN, SUBSCRIBED AND SWORN TO BEFORE ME THIS 25th DAY OF April, 1980.

NOTARY: Barbara A. Butcher

COMMISSION EXPIRES: January 3, 1984

10. NAME AND TITLE OF RECIPIENT ORGANIZATION REPRESENTATIVE: Mr. Joseph M. Holt, Jr.

TITLE: Chairman

SIGNATURE: _____

DATE: 4-30-80

STATE OF WEST VIRGINIA, COUNTY OF Greenbrier.

TAKEN, SUBSCRIBED AND SWORN TO BEFORE ME THIS ___ DAY OF _____, 1980.

NOTARY: _____

COMMISSION EXPIRES: _____

NOTE: THE GRANT AGREEMENT MUST BE COMPLETED IN DUPLICATE AND RETURNED WITHIN 30 DAYS AFTER RECEIPT OR AS PROVIDED IN ANY TIME EXTENSION ARRANGED WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY. RECEIPT OF WRITTEN REFUSAL OR FAILURE TO RETURN WITHIN THE 30-DAY PERIOD WILL RESULT IN TERMINATION OF THE GRANT OFFER. NO AMENDMENTS MAY BE MADE TO THE AGREEMENT SUBSEQUENT TO SIGNING BY THE AUTHORITY.

ALL CORRESPONDENCE CONCERNING THIS OFFER AND AGREEMENT SHOULD BE ADDRESSED TO WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, 1201 DUNBAR AVENUE, DUNBAR, WV 25064.

GREENBRIER PUBLIC SERVICE DISTRICT No. 1
SANITARY SEWER SYSTEM

PHONE 304 645-663

119 West Washington Stree
Lewisburg, West Virginia 2490

April 30, 1980

RECEIVED
MAY - 1 1980
WATER DEVELOPMENT AUTHORITY

W. V. Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

Dear Sir:

At our last meeting, held on April 30, 1980 BE IT RESOLVED that the Greenbrier Public Service District No. 1 authorizes its Chairman, Joseph M. Holt, Jr. to accept and to sign on behalf of the District a hardship grant agreement, not to exceed $400,000 from the W. Va. Water Development Authority.

Resolved the 29th. day of April, 1980.

Chairman

Secretary

GREENBRIER PUBLIC SERVICE DISTRICT NO. 1

Sewer Revenue Bonds,
Series 1983 A and Series 1983 B

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned, for West Virginia Water Development Authority (the "Purchaser"), hereby certifies as follows:

1. On the 23rd day of June, 1983, at Dunbar, West Virginia, the undersigned received for and on behalf of the Purchaser the Greenbrier Public Service District No. 1 Sewer Revenue Bonds, Series 1983 A, and Series 1983 B, in the respective principal amounts of $2,950,000 and $910,000, both dated the date hereof, ~~authorized to be issued by a Bond and Notes Resolution adopted by the public service board of the District on August 15, 1980 and as supplemented by supplemental resolutions adopted August 28, 1981, June 7, 1982, June 23, 1982 and June 21, 1983~~, and issued in the form of two fully registered Bonds with payment record attached, both numbered R-1. EWH

2. At the time of such receipt, the Bonds had been executed by the Chairman of the public service board of the District and the seal of the District had been affixed to the Bonds and attested by the Secretary.

3. At the time of such receipt there was also received from the District, for and on behalf of the Purchaser, a check in the amount of $35,333.91 for payment of "negative arbitrage" incurred by the Purchaser.

4. At the time of such receipt, there was paid to the District for the Series 1983 A Bond the sum of $2,492,750 (84.5% of par value), $2,390,000 of which was applied by the District to payment of its Bond Anticipation Notes and for the Series 1983 B Bond the sum of $910,000 (100% of par value), all of which was applied by the District to payment of its Bond Anticipation Notes.

4

5. At the time of such receipt, there was also received by the undersigned a set of Bond Transcript documents.

IN WITNESS WHEREOF, the West Virginia Water Development Authority has duly executed and delivered this Receipt for Bonds on this 23rd day of June, 1983.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By _____
Its Director

The undersigned, Joseph M. Holt, Jr., Chairman of the public service board of Greenbrier Public Service District No. 1, hereby certifies that on the date hereof, I received on behalf of the District, the sum of $3,402,750 as payment in full for the District's Sewer Revenue Bonds, Series 1983 A and Series 1983 B, in the respective principal amounts of $2,950,000 and $910,000, the purchase price of the Series 1983 A Bond being $2,492,750 and the purchase price of the Series B Bond being $910,000. Such sum has been applied to payment of a portion of the District's Bond Anticipation Notes, heretofore issued.

Dated this 23rd day of June, 1983.

_____
Joseph M. Holt, Jr.

06/22/83
GNPSD1-C

STEPTOE & JOHNSON

ATTORNEYS AT LAW

SIXTH FLOOR

UNION NATIONAL CENTER EAST

P. O. BOX 2190

CLARKSBURG, W. VA. 26302-2190

(304) 624-8000

EUGENE G. EASON
RALPH BOHANNON
ERNEST C. SWIGER
HERBERT G. UNDERWOOD
JACKSON L. ANDERSON
ROBERT G. STEELE
JAMES M. WILSON
PATRICK D. DEEM
ROBERT M. STEPTOE, JR.
JUSTIN L. HENDERSON
ANNE R. WILLIAMS
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WILLIAM T. BELCHER
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J. GREG GOODYKOONTZ
IRENE M. KEELEY
EVANS L. KING, JR.
WALTER L. WILLIAMS
SUSAN S. BREWER
RONALD H. HANLAN
STEVEN F. BRINES
C. DAVID MORRISON
HARRY P. WADDELL
RICHARD H. LORENSEN
CLEMENT D. CARTER III
W. HENRY LAWRENCE IV

OF COUNSEL
WILLIS O. SHAY
THOMAS B. WHITE

WRITER'S DIRECT DIAL NUMBER
(304) 624-

TELECOPIER
(304) 622-2676

June 23, 1983

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

Greenbrier Public Service District No. 1
Lewisburg,
West Virginia

Greenbrier Public Service District No. 1
$3,860,000 Sewer Revenue Bonds,
Series 1983 A and Series 1983 B

Gentlemen:

We are bond counsel to Greenbrier Public Service District No. 1, in Greenbrier County (the "Governmental Agency"), a public service district and a public corporation and political subdivision of the State of West Virginia.

We have examined a certified copy of proceedings and other papers relating to (i) the authorization and amendment of a loan agreement (the "Loan Agreement"), dated May 31, 1982, between the Governmental Agency and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of two separate series of revenue bonds of the Governmental Agency (the "Governmental Agency Bonds") purchased by the Authority in accordance with the provisions of the Loan Agreement, as amended. The Governmental Agency Bonds are issued in the aggregate principal amount of $3,860,000, and consist of the series of Governmental Agency Bonds described in the Loan Agreement as Local Bonds (the "Series 1983 A Bonds") in the principal amount of $2,950,000 and the series of Governmental Agency Bonds described in the Loan Agreement as Supplemental Bonds (the "Series 1983 B Bonds") in the principal amount of $910,000.

We have also examined the applicable provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Code Provision") under which the Governmental Agency Bonds are issued, and the Loan Agreement that has been undertaken, including all amendments, schedules and exhibits to the Loan Agreement. The Governmental Agency Bonds have been authorized by a bond resolution duly adopted by the public service board of the Governmental Agency on August 15, 1980, as supplemented by supplemental resolutions adopted August 28, 1981, May 28, 1982, June 23, 1982 and June 21, 1983 (the "Local Act"), which contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement. The Governmental Agency Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

Based upon the foregoing and upon our examination of such other documents as we have deemed necessary, we are of the opinion that:

1. The Loan Agreement, as amended, has been duly authorized by and executed on behalf of the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with the terms thereof.

2. The Loan Agreement, as amended, inures to the benefit of the Authority and cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Governmental Agency without the consent of the Authority.

3. The Governmental Agency is a duly organized and presently existing public service district, public corporation and political subdivision of the State of West Virginia, with full power and authority to construct, acquire, operate and maintain the project referred to in the Loan Agreement and to issue and sell the Governmental Agency Bonds, all under the provisions of the Code Provision and other applicable provisions of law.

4. The Governmental Agency has legally and effectively adopted the Local Act and all necessary resolutions authorizing the issuance and sale to the Authority of the Governmental Agency Bonds.

5. The Governmental Agency Bonds, subject to the terms thereof, constitute valid and legally enforceable special obligations of the Governmental Agency, payable from the Net Revenues of the system referred to in the Local Act and secured by a lien on and pledge of said Net Revenues. The Series 1983 A Bonds are on a parity with respect to sources of and security for payment

with the outstanding HUD Bonds described in the Local Act (except the HUD Bonds have priority for redemption) and the Series 1983 B Bonds are junior and subordinate with respect to sources of and security for payment with the outstanding HUD Bonds and the Series 1983 A Bonds, all in accordance with the terms of the Governmental Agency Bonds and the Local Act and the Governmental Agency Bonds have been issued and delivered to the Authority.

6. The Governmental Agency has reserved the right to issue additional bonds ranking on a parity with the Local Bonds, as provided in the Local Act, but subject to the consent of the holder of said HUD Bonds.

7. The initial rates, fees and other charges for the services and facilities of the System referred to in the Local Act have been approved by the Public Service Commission of West Virginia by final order, the time for appeal of which has expired.

8. The Governmental Agency Bonds and the interest on the Local Bonds (the Series 1983 A Bonds) are, by statute, exempt from taxation by the State of West Virginia and the other taxing bodies of said State, and under the laws, regulations, rulings and decisions of the United States of America, as presently written and applied, the interest on the Local Bonds is exempt from Federal income taxation.

9. We have examined the Governmental Agency Bonds, Series 1983 A, numbered R-1 and Series 1983 B, numbered R-1, and in our opinion, the Governmental Agency Bonds are in proper form and have been properly executed.

No opinion is given herein as to the enforceability of remedies with respect to the Governmental Agency Bonds under any applicable bankruptcy, insolvency, moratorium or other laws affecting creditors' rights.

Very truly yours,

Steptoe & Johnson

STEPTOE & JOHNSON

06/22/83
GNPSD1-E

EUGENE G. EASON
RALPH BOHANNON
ERNEST C. SWIGER
HERBERT G. UNDERWOOD
JACKSON L. ANDERSON
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OF COUNSEL
WILLIS O. SHAY
THOMAS B. WHITE

WRITER'S DIRECT DIAL NUMBER
(304) 624-

TELECOPIER
(304) 622-2676

June 23, 1983

West Virginia Water Development Authority
Dunbar,
West Virginia

Greenbrier Public Service District No. 1
Lewisburg,
West Virginia

Greenbrier Public Service District No. 1
$3,860,000 Sewer Revenue Bonds,
Series 1983 A and Series 1983 B

Gentlemen:

We have examined a record of proceedings relating to the issuance of the $2,950,000 principal amount of Sewer Revenue Bonds, Series 1983 A and the $910,000 principal amount of Sewer Revenue Bonds, Series 1983 B (collectively the "Bonds") of Greenbrier Public Service District No. 1 (the "Issuer"), a public service district and political subdivision of the State of West Virginia.

In connection with such examination, we have reviewed the certificate of even date herewith of the Chairman of the public service board of the Issuer relating to the expectation that the proceeds of the issuance of the Bonds will not be used in a manner which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended.

Based upon our examination of law and review of such certification, it is our opinion that none of the Bonds will be an "arbitrage bond" for the purposes of Section 103(c) and Sections 1.103-13, 1.103-14 and 1.103-15 of the Income Tax Regulations adopted May 31, 1979, under the Internal Revenue Code of 1954, as amended.

No matters have come to our attention which in our opinion make unreasonable or incorrect the representations made in such certification.

Very truly yours,

Steptoe & Johnson

STEPTOE & JOHNSON

06/22/83
GNPSD1-G

GREENBRIER PUBLIC SERVICE DISTRICT NO. 1

Sewer Revenue Bonds,
Series 1983 A and Series 1983 B

REGISTRATION OF BONDS

I, LARRIE BAILEY, Treasurer of the State of West Virginia and Registrar under the Bond Legislation providing for the $2,950,000 Sewer Revenue Bond, Series 1983 A and the $910,000 Sewer Revenue Bond, Series 1983 B of Greenbrier Public Service District No. 1, hereby certify that on the 23rd day of June, 1983, the single, fully registered Bond of the District in the principal amount of $2,950,000 designated "Sewer Revenue Bond Series 1983 A," numbered R-1, and dated on the date hereof and the single, fully registered Bond of the District in the principal amount of $910,000 designated "Sewer Revenue Bond, Series 1983 B," numbered R-1, and dated on the date hereof, were registered as to principal and interest in the name of "West Virginia Water Development Authority" in the books of the District kept for that purpose at my office.

WITNESS my signature as of this 23rd day of June, 1983.

Larrie Bailey

Treasurer, State of West Virginia

06/22/83
GNPSD1-A

GREENBRIER PUBLIC SERVICE DISTRICT NO. 1

Sewer Revenue Bonds,
Series 1983 A and Series 1983 B

GENERAL CERTIFICATE ON:

1. PROPER NAME
2. INCUMBENCY
3. EXECUTION AND DELIVERY OF BONDS AND RECEIPT OF PAYMENT
4. NO-LITIGATION
5. NO ADVERSE FINANCIAL CHANGE: INDEBTEDNESS
6. SIGNATURES, ETC.
7. MEETINGS, ETC.
8. CERTIFICATION OF COPIES OF DOCUMENTS
9. LAND AND RIGHTS-OF-WAY
10. NO ARBITRAGE
11. MISCELLANEOUS CERTIFICATIONS

We, JOSEPH M. HOLT, JR. and PHILLIP L. McLAUGHLIN, Chairman and Secretary, respectively, of the Public Service Board of Greenbrier Public Service District No. 1, in the County of Greenbrier, State of West Virginia (the "Issuer"), and EDGAR L. SMITH, Esquire, ATTORNEY for the Issuer, hereby certify as follows in connection with the issuance and delivery by the Issuer of its $2,950,000 principal amount Sewer Revenue Bond, Series 1983 A and its $910,000 principal amount Sewer Revenue Bond, Series 1983 B, both dated the date hereof (collectively the "Bonds"), authorized to be issued by a Resolution adopted by the Public Service Board on August 15, 1980, as supplemented by resolutions adopted August 28, 1981, May 28, 1982, June 23, 1982, and June 21, 1983, of the Issuer (the "Bond Legislation"):

1. PROPER NAME: The proper name of the Issuer is "Greenbrier Public Service District No. 1," and it is a public service district in Greenbrier County of said State.

2. INCUMBENCY: The governing body of the Issuer is its public service board, consisting of three members, whose names and dates of commencement and termination of current terms of office are as follows:

Name	Commencement of Term	Termination of Term
Joseph M. Holt, Jr.	April, 1980	February, 1986
Phillip L. McLaughlin	April, 1980	February, 1986

[James F. Bower, former member of the Public Service Board has resigned and appointment of a new member to fill his unexpired term has not yet been made.]

The present and acting officers of the public service board are: Joseph M. Holt, Jr., Chairman and Phillip L. McLaughlin, Secretary.

3. EXECUTION AND DELIVERY OF BONDS AND RECEIPT OF PAYMENT: A. As of the date hereof the undersigned Chairman executed the Bonds, consisting of two Bonds in the aggregate principal amount of $3,860,000, both numbered R-1, and the undersigned Secretary affixed the official seal of the Issuer to the Bonds, an impression of which seal is affixed to this certificate, and attested the same. The Bonds were delivered to a representative of West Virginia Water Development Authority (the "Purchaser") at Dunbar, West Virginia. At the time of such delivery, there was paid to the Issuer the agreed purchase price of the Bonds, being the sum of $2,492,750 for the Series 1983 A Bond and $910,000 for the Series 1983 B Bond.

4. NO LITIGATION: No controversy or litigation of any nature is now pending, or threatened, restraining, enjoining or affecting in any manner the issuance and delivery of the Bonds; nor in any manner questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Bonds; nor in any manner affecting the validity of the Bonds or any provisions made or authorized for the payment thereof; nor in any manner questioning the existence of the Issuer or the public service board of the Issuer or the title of the members and officers thereof to their respective offices; nor in any manner questioning any proceedings, procedures, act or thing followed, taken, held or done in connection with the Bonds and the issuance thereof for the purposes recited in the Bonds or the accomplishment of said purposes; nor questioning the acquisition and construction of the Project described in the said Bond Legislation being financed in part out of the proceeds of sale of the Bonds, EXCEPT that there is pending in the United States District Court for the Southern District of West Virginia that certain civil action styled Lisbon Contractors, Inc. v. Greenbrier Public Service District No. 1, Civil Action No. 82-2374, which Civil Action has been settled by agreement between the parties as set

forth in the Settlement Agreement, dated June 21, 1983, attached hereto, and which civil action is expected to be forthwith dismissed with prejudice by order of the Court.

5. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer or the System since the issuance by West Virginia Water Development Authority (the "Authority") of its commitment letter, dated June 17, 1980, whereby the Authority has agreed to purchase the Issuer's Bonds with funds from the proceeds of the Authority's next issue of sewage system loan program revenue bonds, which agreement is contingent upon the Issuer's satisfying the engineering, legal and other requirements of its sewage system loan program, to assist in acquisition or construction of the Project, and which engineering, legal and other requirements have, as of the date hereof, been satisfied.

The Issuer does not have outstanding any other obligation payable from and entitled to any lien on the revenues of the System, except the Sewer Revenue Bonds, Series A, of the Issuer, dated May 1, 1972 (the "HUD Bonds"), issued in the aggregate principal amount of $670,000, and sold to and held by the United States Department of Housing and Urban Development ("HUD"). The Series 1983 A Bond is on a parity with the HUD Bonds pursuant to written consent of HUD. The Series 1983 B Bond is junior and subordinate to the HUD Bonds and the Series 1983 Bonds.

6. SIGNATURES, ETC.: The undersigned CHAIRMAN and SECRETARY are the duly qualified and serving officers as indicated by the official titles opposite their signatures below, and are duly authorized to execute and seal the Bonds for the Issuer.

7. MEETINGS, 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 construction, acquisition, operation and financing of the Project and the System were authorized or adopted at meetings of the public service board of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the public service board and all applicable statutes, and a quorum of duly appointed, qualified and acting members of the Governing Body was present and acting at all times during all such meetings.

8. 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:

Minutes on Adoption of Bond Resolutions

PSC Orders Granting Certificate of Convenience and Necessity, Approving Rates and Financing

Engineer's Certificate

Accountant's Certificate

Commitment Letter, dated June 17, 1980, from West Virginia Water Development Authority

Loan Agreement dated May 31, 1982, with amendments

Written Consent of HUD to Issuance of Parity Bonds

9. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the construction, acquisition and maintenance of the sewerage system to be financed in part by the proceeds of the Bonds have been acquired or can and will be acquired by purchase or, if necessary, by condemnation by the Issuer and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions that would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any property that may have to be acquired by condemnation, are, in the opinion of all the undersigned, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Bonds.

10. NO ARBITRAGE: The original proceeds of the Bonds, being $3,402,750, will be used as follows:

(a) $3,300,000 of the proceeds of the Bonds will be used to pay the principal of and interest accrued on the Issuer's Bond Anticipation Notes, heretofore issued in the aggregate principal amount of $3,620,000, on or prior to June 24, 1983, the proceeds of which Bond Anticipation Notes were applied toward financing in part acquisition and construction of the Project (as defined in the Bond Legislation);

(b) $93,750.00 of the proceeds of the Bonds will be used to pay Costs of the Works not otherwise provided for; and

(c) $ 9,000.00 of the proceeds of the Bonds will be used to pay expenses incurred in connection with issuance of the Bonds.

The Issuer has entered into binding obligations to commence construction of the Project and work on the Project has proceeded with due diligence. Completion of the Project was accomplished in _____, 1982.

At least 85% of the spendable proceeds of the Bonds will be expended on the Project (or to pay principal of the Bond Anticipation Notes, the proceeds of which were expended on the Project) within 3 years from the date of issuance thereof.

The Issuer will further secure payment of the Bonds by creating over a period of approximately 5 years a reasonably required reserve account (the "Reserve Account") that when fully funded, shall equal one year's debt service on the Series 1983 Bonds.

Any money deposited in a sinking fund for payment of the principal of or interest on the Bonds (other than the Reserve Account) will be spent within a 13-month period beginning on the date of receipt.

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

To the best of our information and belief, the above expectations are reasonable.

The Issuer has not been notified of any listing of it by the Internal Revenue Service as an issue which may not certify its bonds.

This no arbitrage certification is being executed and delivered pursuant to Section 1.103-13, 1.103-14 and 1.103-15 of the Income Tax Regulations, and the undersigned Chairman of the Issuer is the office of the Issuer charged with the responsibility of issuing the Bonds.

11. MISCELLANEOUS CERTIFICATIONS: To the best knowledge of the undersigned, no legislation, ordinance, rule or regulation has been enacted or introduced or favorably reported for passage by any governmental body, department or agency of the State of West Virginia or a decision rendered by any court of competent jurisdiction of such state which would adversely affect the exemption from all taxation of the Issuer and all properties owned

by it and the exemption from taxes of all bonds and obligations of the general character of the Bonds issued by the Issuer.

No authority or proceedings for the issuance of the Bonds or documents executed in connection therewith have been repealed, revoked, rescinded or superseded, except as set forth in the Bond Legislation.

Attached hereto as Exhibit A are specimens of the Series 1983 and Series 1983 Bonds, which, except as to execution, are identical in all respects with the Bonds described herein and delivered to the purchaser herein designated.

WITNESS our official signatures and the official seal of GREENBRIER PUBLIC SERVICE DISTRICT NO. 1, this 23rd day of June, 1983.

[SEAL]

Chairman

Secretary

Attorney for Issuer

06/22/83
GNPSD1-O

SETTLEMENT AGREEMENT

AGREEMENT made the 21st day of June , 1983, between Lisbon Contractors, Inc. ("Lisbon") and Greenbrier Public Service District No. 1, Greenbrier, West Virginia ("Greenbrier"),

WITNESSETH that

There is pending in the United States District Court for the Southern District of West Virginia, a suit by Lisbon against Greenbrier, entitled Lisbon Contractors, Inc. v. Greenbrier Public Service District No. 1, Civil Action No. 82-2374 ("the Suit");

Greenbrier desires to settle all of the claims asserted in the Suit by making the payment to Lisbon provided for in this settlement agreement; and

Lisbon, in consideration of Greenbrier's settlement payment, desires to release Greenbrier from the claims asserted in the Suit.

NOW THEREFORE, each of them intending to be legally bound by this settlement agreement, the parties agree as follows:

1. Greenbrier will prepare, execute and process any necessary change order for payment of $100,000 (One hundred thousand dollars) to Lisbon in connection with Contract 4.

2. Greenbrier will pay to Lisbon, by certified check made payable to Lisbon Contractors, Inc. and delivered to its

attorney, Gary W. Hart of Jackson, Kelly, Holt & O'Farrell, 1500 One Valley Square, P. O. Box 553, Charleston, West Virginia 25322, the balance of $75,000 (Seventy-five thousand dollars) within twenty (20) days of the date hereof. Lisbon has already received the sum of $25,000 (Twenty-five thousand dollars).

3. Such payment by Greenbrier shall not be contingent or conditioned in any respect upon any approval by the United States Environmental Protection Agency or any other person or entity, including, but not limited to, approval of any change order issued in connection with this settlement agreement.

4. Lisbon agrees that, after it has received payment as provided in paragraph 2 of this settlement agreement, it will take all necessary steps to have the Suit dismissed with prejudice.

5. Lisbon does hereby remise, release and forever discharge Greenbrier of and from all claims that Lisbon asserted against Greenbrier in the Suit.

6. In the event that Greenbrier readvertises for bid within two (2) years of the date hereof a contract for the construction of a wastewater collection system for the Rolling Hills section of Contract No. 4 (the contract and the area involved in the Suit) and in the event that Lisbon submits a bid and is awarded the new contract, Lisbon shall refund to Greenbrier the sum of $50,000 (Fifty thousand dollars). Nothing herein shall prevent Lisbon from submitting a bid for such contract at any time that it is advertised.

7. This agreement shall be binding upon, and inure to the benefit of, the successors and assigns of Lisbon and Greenbrier.

IN WITNESS WHEREOF, the parties have executed this agreement as of the date stated at the outset.

ATTEST:

John A. Serafini
Assistant Secretary

LISBON CONTRACTORS, INC.

By Anthony L. Differ
Anthony L. Differ
Vice President

ATTEST:

GREENBRIER PUBLIC SERVICE DISTRICT NO. 1

By J. M. Holt, Jr.

EXHIBIT A

CERTIFICATE REGARDING LOCAL ACT

I, the undersigned Chairman of Greenbrier Public Service District No. 1 (the Governmental Agency"), hereby certify that the Local Act, as defined in the Loan Agreement, dated May 31, 1982, between the Governmental Agency and the West Virginia Water Development Authority (the "Authority") consists of the following: a resolution adopted August 15, 1980, as amended and supplemented by a supplemental resolution adopted August 28, 1981, accepting the authority's extension of the maturity of the Governmental Agency's Note by issuance of its Sewerage System Bond Anticipation Renewal Note, 1981 Series A, and as further supplemented by a supplemental resolution adopted May 28, 1982, agreeing to a further extension of maturity of said Note to November 30, 1982, and as further supplemented by a supplemental resolution adopted June 23, 1982, approving execution and delivery of the Loan Agreement and Schedule X thereto, and as further supplemented by a supplemental resolution adopted June 21, 1983, approving delivery of the Bonds.

Certified copies of all resolutions set forth above have, prior to the date hereof been delivered to the Authority or are being delivered herewith. The resolutions set forth above constitute the entire Local Act as of the date hereof, and said Local Act is in full force and effect as of the date hereof and has not been amended, supplemented, superseded, repealed or otherwise modified except as set forth above.

WITNESS my signature and the seal of Greenbrier Public Service District No. 1 this 23rd day of June, 1983.

[SEAL]

Chairman

06/22/83
GNPSD1-D

GREENBRIER PUBLIC SERVICE DISTRICT NO. 1

Sewer Revenue Bonds,
Series 1983 A and Series 1983 B

ATTORNEY'S CERTIFICATE OF NO LITIGATION

I, EDGAR L. SMITH, Attorney for GREENBRIER PUBLIC SERVICE DISTRICT NO. 1 (the "Issuer"), HEREBY CERTIFY as follows:

No proceeding at law or in equity or before any administrative body or litigation of any nature is pending or, to my knowledge, threatened: (a) restraining or enjoining the authorization, issuance, sale, execution or delivery of the $2,950,000 principal amount Greenbrier Public Service District No. 1 Sewer Revenue Bond, Series 1983 A, numbered R-1 or the $910,000 principal amount Greenbrier Public Service District No. 1 Sewer Revenue Bond, Series 1983 B, numbered R-1 (collectively the "Bonds"), or any part thereof, both dated as of the date hereof, authorized to be issued by a Resolution adopted by the public service board of the Issuer on August 15, 1980, and supplemental Resolutions adopted August 28, 1981, May 28, 1982, June 23, 1982, and June 21, 1983 (collectively called the "Bond Legislation"), or the collection of any amount of revenues pledged under the Bond Legislation, (b) in any way questioning or affecting the pledge of moneys, funds and accounts of the Issuer for the benefit of the Bonds provided in the Bond Legislation, (c) in any way contesting or affecting any authority for the issuance of the Bonds or the validity of the Bonds, the Bond Legislation, or the Loan Agreement between the Issuer and the West Virginia Water Development Authority, or (d) in any way contesting or affecting the creation, organization, existence or powers of the Issuer or the title of any of the present members of the public service board of the Issuer or the officers thereof to their respective positions, ~~(except that certain civil action styled~~, EXCEPT that there is pending in the United States District Court for the Southern District of West Virginia that certain civil action styled Lisbon Contractors, Inc. v. Greenbrier Public Service District No. 1, Civil Action No. 82-2374, which Civil Action has been settled by agreement between the parties as set forth in the Settlement Agreement, dated June 21, 1983, attached hereto, and which Civil Action is expected to be forthwith dismissed with prejudice by order of the Court.

10

IN WITNESS WHEREOF, I have hereunto set my hand as of the 23rd day of June, 1983.

Attorney for Greenbrier Public Service District No. 1

06/22/83
GNPSD1-P

SETTLEMENT AGREEMENT

AGREEMENT made the 21st day of June , 1983, between Lisbon Contractors, Inc. ("Lisbon") and Greenbrier Public Service District No. 1, Greenbrier, West Virginia ("Greenbrier"),

WITNESSETH that

There is pending in the United States District Court for the Southern District of West Virginia, a suit by Lisbon against Greenbrier, entitled Lisbon Contractors, Inc. v. Greenbrier Public Service District No. 1, Civil Action No. 82-2374 ("the Suit");

Greenbrier desires to settle all of the claims asserted in the Suit by making the payment to Lisbon provided for in this settlement agreement; and

Lisbon, in consideration of Greenbrier's settlement payment, desires to release Greenbrier from the claims asserted in the Suit.

NOW THEREFORE, each of them intending to be legally bound by this settlement agreement, the parties agree as follows:

1. Greenbrier will prepare, execute and process any necessary change order for payment of $100,000 (One hundred thousand dollars) to Lisbon in connection with Contract 4.

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attorney, Gary W. Hart of Jackson, Kelly, Holt & O'Farrell, 1500 One Valley Square, P. O. Box 553, Charleston, West Virginia 25322, the balance of $75,000 (Seventy-five thousand dollars) within twenty (20) days of the date hereof. Lisbon has already received the sum of $25,000 (Twenty-five thousand dollars).

3. Such payment by Greenbrier shall not be contingent or conditioned in any respect upon any approval by the United States Environmental Protection Agency or any other person or entity, including, but not limited to, approval of any change order issued in connection with this settlement agreement.

4. Lisbon agrees that, after it has received payment as provided in paragraph 2 of this settlement agreement, it will take all necessary steps to have the Suit dismissed with prejudice.

5. Lisbon does hereby remise, release and forever discharge Greenbrier of and from all claims that Lisbon asserted against Greenbrier in the Suit.

6. In the event that Greenbrier readvertises for bid within two (2) years of the date hereof a contract for the construction of a wastewater collection system for the Rolling Hills section of Contract No. 4 (the contract and the area involved in the Suit) and in the event that Lisbon submits a bid and is awarded the new contract, Lisbon shall refund to Greenbrier the sum of $50,000 (Fifty thousand dollars). Nothing herein shall prevent Lisbon from submitting a bid for such contract at any time that it is advertised.

7. This agreement shall be binding upon, and inure to the benefit of, the successors and assigns of Lisbon and Greenbrier.

IN WITNESS WHEREOF, the parties have executed this agreement as of the date stated at the outset.

ATTEST:

John A. Serafini
Assistant Secretary

LISBON CONTRACTORS, INC.

By
Anthony L. Differ
Vice President

ATTEST:

GREENBRIER PUBLIC SERVICE DISTRICT NO. 1

By

ENGINEER'S CERTIFICATE

West Virginia Water
Development Authority,
1201 Dunbar Avenue,
Dunbar, West Virginia. 25064

Greenbrier Public Service District No. 1

Gentlemen:

I, S.A. Lubetkin, Registered Professional Engineer, West Virginia License No. 8125, of Roy F. Weston, Inc., West Chester, Pennsylvania, hereby certify that my firm is engineer for the sewerage system (the "Project") of Greenbrier Public Service District No. 1 to be constructed in Greenbrier County, West Virginia, which construction and acquisition are being financed in part by the proceeds of $3,620,000 in aggregate principal amount of Sewerage System Bond Anticipation Notes, Series 1980, of the District. I further certify as follows:

(1) The Project will, to the best of my knowledge, be constructed in accordance with plans and specifications prepared by my firm.

(2) Such sewerage system is situate wholly or chiefly within the boundaries of said District.

(3) The Project is adequate for the purposes for which it is designed.

(4) The District has received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the District's application for loan, dated 6 August 1979, as revised and supplemented, submitted to the West Virginia Water Development Authority (the "Application").

(5) The District has obtained all requisite permits necessary for the construction of the Project from the United States Environmental Protection Agency (the "EPA"), and the West Virginia Department of Natural Resources.

(6) The District has obtained a Step III grant offer from the EPA.

WITNESS my signature on this 15th day of August, 1980.

S. A. Lubetkin, P.E

08/14/80 11

WEST VIRGINIA, GREENBRIER COUNTY COURT

REGULAR FEBRUARY 7, 1967, TERM

It is ORDERED that the creation of a Public Service District, pursuant to Chapter 16, Article 13A, section 2 of the West Virginia Code, embracing the territory within the Magisterial District lines of Fort Spring and Lewisburg Magisterial Districts, for the purpose of the construction, maintenance and operation of Properties to supply sewage services therein, to be named Greenbrier Public Service District, No. 1, be, and the same is hereby proposed, and that the 2nd day of March, 1967, at 1:30 o'clock, P. M., in the Circuit Court Room of the Court House of Greenbrier County, West Virginia, at Lewisburg, in said County, be, and the same is hereby, fixed as the time and place of a hearing on the creation of the proposed Public Service District at which hearing all persons residing in, or owning, or having any interest in Property in such proposed Public Service District shall have an opportunity to be heard for and against the creation of the same, and the Court shall consider and determine the feasibility of the creation of the proposed District.

It is further ORDERED that the County Clerk shall cause notice of such hearing and the time and place thereof, setting forth a description of all of the territory proposed to be included in said proposed Public Service District, to be given by publication at least once in a newspaper of general circulation published in Greenbrier County, West Virginia, at least ten days prior to such hearing.

Chas. W. Lewis
President

COPY TESTE: _____ CLERK.

13.

IN THE COUNTY COURT OF GREENBRIER COUNTY, WEST VIRGINIA

Regular March 7, 1967, Term:

A Public hearing on the proposed creation of a Public Service District for the purpose of construction, maintenance, and operation of properties to supply sewerage service therein, embracing the territory within the Magisterial District lines of Fort Spring and Lewisburg Magisterial District, having been held on the 2nd day of March, 1967, in the Circuit Courtroom in the Court House at Lewisburg West Virginia, notice of such meeting having been published in the Greenbrier Independent and The West Virginia Daily News, newspapers of general circulation in Greenbrier County, West Virginia, as required by Law and be evidenced by Certificate of Publication attached hereto and made a part hereof, all as provided by Order heretofore entered in the regular February 7, 1967 term of this Court: a resolution having been adopted by the governing body of the Incorporated Town of Lewisburg, in Lewisburg Magisterial District consenting to being included in such Public Service District, a copy of which was presented to the Court and is hereto attached: no such resolution having been adopted by the governing body of Ronceverte Municipality: and no oral protest having been filed as provided by law: it is determined after due consideration, that the proposed District will be conducive to the preservation of Public Health, comfort and convenience of such area and that the same is feasible: and therefore hereby ordered that, pursuant to Chapter 16, Article 13A, Section 2, of the Code of West Virginia, a Public Service District, hereby named "Greenbrier Public Service District No. 1", for the purpose of construction, maintenance and operation of properties to supply sewerage service therein be, and the same is hereby,

created to embrace all of Lewisburg Magisterial District and all of Fort Spring Magisterial District in said County with the exception of the Municipality of Ronceverte in said Fort Spring Magisterial District, which is hereby expressly excluded from the boundry lines of said District. ot be hereafter created be, and the same is hereby vested with all of the powers in connection with such Public Service District as set forth in the said Article 13A of Chapter 16, of the Code of the State of West Virginia.

Chas. W. Lewis
President.

COPY TESTE: Paul C. Hogsett CLERK.

BLAKE & BOONE ACCOUNTING CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS
RT. 219 N. - P.O. BOX 187
LEWISBURG, WEST VIRGINIA 24901

MEMBERS
W. VA. SOCIETY OF CPAs
AMERICAN INSTITUTE OF CPAs

OFFICES
LEWISBURG, W. VA. 497-3192
MARLINTON, W. VA. 799-6661

May 31, 1983

Vince Collins
Steptoe & Johnson
Clarksburg, WV

Dear Mr. Collins:

We hereby certify that the schedule of rates and charges for services of Greenbrier Public Service District #1 are sufficient to provide funds which along with other revenues of the District will pay all reasonable expenses of operation, repair, and maintenance of the sewer system and leave a balance each year equal to at least 130% of the amount required for debt service on all obligations, including the Governmental Agency Bonds, payable from the revenues of the District.

Yours truly,

Freddie M. Boone, Jr.

Freddie M. Boone, Jr.

FMB:lb

12

COUNTY COMMISSION OF GREENBRIER COUNTY, WEST VIRGINIA.

REGULAR April 8, 1980 TERM.

It appearing to the Commission that the terms of two (2) of the members of the Greenbrier Public Service District No. 1, have expired and that a third (3rd) member of said Public Service District had heretofore resigned, by reason of which, three (3) vacancies exist in the governing body of said District, it is ORDERED that J. M. HOLT, JR., PHILIP L. McLAUGHLIN and JAMES F. BOWER, all of Lewisburg, in said District, be and they are hereby appointed Members of the Governing Body of said Greenbrier Public Service District No. 1, each to serve as such members, for a term of six (6) years from the 1st day of April, 1980, which said terms shall expire on the last day of February, in the year 1986, or at such time thereafter as successors have been appointed and qualified.

GREENBRIER COUNTY COMMISSION.

By _____
President

A COPY TESTE: _____ CLERK.

EDGAR L. SMITH
ATTORNEY AT LAW
LEWISBURG, W. VA

IN THE COUNTY COURT OF GREENBRIER COUNTY, WEST VIRGINIA

SPECIAL MARCH 17, 1967 TERM:

A PUBLIC HEARING ON THE PROPOSED CREATION OF A PUBLIC SERVICE DISTRICT FOR THE PURPOSE OF CONSTRUCTION, MAINTENANCE, AND OPERATION OF PROPERTIES TO SUPPLY SEWERAGE SERVICE THEREIN, EMBRACING THE TERRITORY WITHIN THE MAGISTERIAL DISTRICT LINES OF FORT SPRING AND LEWISBURG MAGISTERIAL DISTRICT, HAVING BEEN HELD ON THE 2ND DAY OF MARCH, 1967, IN THE CIRCUIT COURTROOM IN THE COURTHOUSE AT LEWISBURG, WEST VIRGINIA, NOTICE OF SUCH MEETING HAVING BEEN PUBLISHED IN THE GREENBRIER INDEPENDENT AND THE WEST VIRGINIA DAILY NEWS, NEWSPAPERS OF GENERAL CIRCULATION IN GREENBRIER COUNTY, WEST VIRGINIA, AS REQUIRED BY LAW AND AS EVIDENCED BY CERTIFICATE OF PUBLICATION ATTACHED HERETO AND MADE A PART HEREOF, ALL AS PROVIDED BY ORDER HERETOFORE ENTERED IN THE REGULAR FEBRUARY 7, 1967 TERM OF THIS COURT; A RESOLUTION HAVING BEEN ADOPTED BY THE GOVERNING BODY OF THE INCORPORATED TOWN OF LEWISBURG IN LEWISBURG MAGISTERIAL DISTRICT CONSENTING TO BEING INCLUDED IN SUCH PUBLIC SERVICE DISTRICT, A COPY OF WHICH WAS PRESENTED TO THE COURT AND IS HERETO ATTACHED; NO SUCH RESOLUTION HAVING BEEN ADOPTED BY THE GOVERNING BODY OF RONCEVERTE MUNICIPALITY; AND NO ORAL PROTEST HAVING BEEN FILED AS PROVIDED BY LAW; IT IS DETERMINED AFTER DUE CONSIDERATION, THAT THE PROPOSED DISTRICT WILL BE CONDUCIVE TO THE PRESERVATION OF PUBLIC HEALTH, COMFORT AND CONVENIENCE OF SUCH AREA AND THAT THE SAME IS FEASIBLE; AND THEREFORE HEREBY ORDERED THAT, PURSUANT TO CHAPTER 16, ARTICLE 13A, SECTION 2, OF THE CODE OF WEST VIRGNIA, A PUBLIC SERVICE DISTRICT, HEREBY NAMED "GREENBRIER PUBLIC SERVICE DISTRICT NO. 1", FOR THE PURPOSE OF CONSTRUCTION, MAINTENANCE AND OPERATION OF PROPERTIES TO SUPPLY SEWERAGE SERVICE THEREIN BE, AND THE SAMEIS HEREBY

CREATED TO EMBRACE ALL OF LEWISBURG MAGISTERIAL DISTRICT AND ALL OF FORT SPRING MAGISTERIAL DISTRICT IN SAID COUNTY WITH THE EXCEPTION OF THE MUNICIPALITY OF RONCEVERTE IN SAID FORT SPRING MAGISTERIAL DISTRICT, WHICH IS HEREBY EXPRESSLY EXCLUDED FROM THE BOUNDRY LINES OF SAID DISTRICT, ~~TO BE HEREINAFTER CREATED, BE~~, AND THE SAME IS HEREBY, VESTED WITH ALL OF THE POWERS IN CONNECTION WITH SUCH PUBLIC SERVICE DISTRICT AS SET FORTH IN THE SAID ARTICLE 13A OF CHAPTER 16, OF THE CODE OF THE STATE OF WEST VIRGINIA.

IT IS FURTHER ORDERED THAT THE GOVERNING BODY OF SAID PUBLIC SERVICE DISTRICT SHALL BE COMPOSED OF THREE (3) MEMBERS WHO WILL CONSTITUTE THE PUBLIC SERVICE BOARD THEREOF AND BE VESTED WITH ALL THE POWERS, DUTIES AND RESPONSIBILITIES OF THE SAME, AND THAT SAID MEMBERS AND THEIR RESPECTIVE TERMS OF OFFICE TO WHICH THEY ARE HEREBY APPOINTED SHALL BE AS FOLLOWS:

1. LOWELL E. SEBERT, A RESIDENT OF FAIRLEA, WEST VIRGINIA, IN SAID FORT SPRING DISTRICT, FOR A TERM OF TWO (2) YEARS.

2. PHILIP L. McLAUGHLIN, A RESIDENT OF LEWISBURG, WEST VIRGINIA, IN SAID LEWISBURG DISTRICT, FOR A TERM OF FOUR (4) YEARS.

3. WOODROW TAYLOR, A RESIDENT OF LEWISBURG, WEST VIRGINIA, IN SAID LEWISBURG DISTRICT, FOR A TERM OF SIX (6) YEARS.

Edward A. Tierney

PRESIDENT

The Greenbrier Independent

"The Old Home Paper"

Lewisburg, West Virginia

NOTICE

Notice of hearing on the creation of a proposed Public Service District embracing the Territory within the Magisterial District Lines of Fort Spring and Lewisburg Districts, Greenbrier County, West Virginia, for the purpose of providing sewage services therein.

To: All persons residing in or owning or having any interest in property in the proposed Public Service District embracing the territory within the Magisterial District lines of Fort Spring and Lewisburg Districts, Greenbrier County, West Virginia.

You, and each of you, are hereby notified that, pursuant to an order of the County Court of Greenbrier County, West Virginia, entered on the 7th day of February, 1967, wherein the court on its own motion proposed the creation of a Public Service District under the authority of chapter 16, article 13a, section 2, of the West Virginia Code, embracing the territory within the magisterial district lines of Fort Spring and Lewisburg Districts, in said county, to be named Greenbrier Public Service District No 1, for the purpose of the construction, maintenance and operation of properties to supply sewage services therein, there will be a public hearing on the creation of the proposed Public Service District in the Circuit Court Room of the Court House at Lewisburg, in said county, at one-thirty o'clock P. M. on the 2nd day of March, 1967, at which hearing all persons residing in or owning or having any interest in property in such proposed Public Service District shall have an opportunity to be heard for and against the creation of the same, and the Court shall consider and determine the feasibility of the creation of the proposed district. At such time and place you may appear and be heard if you so desire.

PAUL C. HOGSETT,
Clerk of the County Court
of Greenbrier County,
West Virginia. 16 It

I. J. Bright Hern, Publisher of the GREENBRIER INDEPENDENT, a weekly newspaper of general circulation, published in Lewisburg, Greenbrier County, West Virginia, by the Greenbrier Publishing Co., Inc., do hereby Certify that the annexed notice was published— one — weeks consecutively in said newspaper, in its issues of the following date, viz:

February 16, 1967.

Given under my hand this— 2nd — day of — March — , 1967.

I. J. Bright Hern

Publisher

Publication Fee $10.23

BE IT RESOLVED: by the Council of the City of Lewisburg that it hereby consents for the area embraced by the corporate limits of Lewisburg to be included within the boundaries of the proposed Greenbrier Public District No. 1.

I, Wm. S. Coleman, Mayor of City of Lewisburg, West Virginia hereby certify that the foregoing is a true and correct copy of the resolution adopted at the regular meeting, February 7, of the City Council of Lewisburg.

Wm. S. Coleman

Wm. S. Coleman, Mayor, City of Lewisburg

CITY OF LEWISBURG INCORPORATED 1871 GREENBRIER CO. W. VA.

Attest:

Recorder:

No Fee
Filed

OFFICER'S OATH

State of West Virginia, Greenbrier County, to-wit:

I, Joseph M. Holt Jr., who have been duly Appointed to the office of

Member Public Service District # 1

do solemnly swear that I will support the Constitution of the United States and the Constitution of this State, and that I will truly and faithfully perform all the duties of said office, during my continuance therein, to the best of my skill and judgment. So help me God.

Joseph M Holt

Subscribed and sworn to before the undersigned, a County Clerk of the County aforesaid, this 17th day of April, 1980

Eugene V. Spencer

COUNTY COMMISSION * WEST VIRGINIA * GREENBRIER COUNTY

BOOK 02 PAGE 15

Copy Teste: Eugene V. Spencer, Clerk

14

No Fee
Filed

OFFICER'S OATH.

State of West Virginia, Greenbrier County, to-wit:

I, Philip McLaughlin, who have been duly Appointed to the office of

Member Public Service District # 1

do solemnly swear that I will support the Constitution of the United States and the Constitution of this State, and that I will truly and faithfully perform all the duties of said office, during my continuance therein, to the best of my skill and judgment. So help me God.

Philip McLaughlin

Subscribed and sworn to before the undersigned, a County Clerk of the County aforesaid, this 23rd day of April, 19 80

Emmett V. Jones

COUNTY COMMISSION OF GREENBRIER COUNTY WEST VIRGINIA

Copy Teste: Emmett V. Jones, Clerk

17

No Fee
Filed

OFFICER'S OATH

State of West Virginia, Greenbrier County, to-wit:

I, James F. Bower, who have been duly Appointed to the office of

Member Public Service District # 1

do solemnly swear that I will support the Constitution of the United States and the Constitution of this State, and that I will truly and faithfully perform all the duties of said office, during my continuance therein, to the best of my skill and judgment. So help me God.

James F. Bower

Subscribed and sworn to before the undersigned, a County Clerk of the County aforesaid, this 9th day of April, 19 80

Eugene V. Spencer

COUNTY COMMISSION WEST VIRGINIA GREENBRIER COUNTY

BOOK 02 PAGE 13

Copy Teste: Eugene V. Spencer, Clerk

17

RULES OF PROCEDURE

GREENBRIER PUBLIC SERVICE DISTRICT NO. 1

ARTICLE I

Name and Place of Business

Section 1. Name: GREENBRIER PUBLIC SERVICE DISTRICT NO. 1

Section 2. The principal office of this Public Service District will be located at Lewisburg, West Virginia, 24901.

Section 3. The Common Seal of the District shall consist of two concentric circles between which circles shall be inscribed Greenbrier Public Service District No. 1, and in the center "seal" as follows:

Section 4. The fiscal year of the District shall begin the 1st day of July in each year and shall end on the following June 30.

ARTICLE II

Purpose

This District is organized exclusively for the purposes set forth in Chapter 16, Article 13A of the Code of West Virginia of 1931, as amended.

ARTICLE III

Membership

Section 1. The members of the Public Service Board of this District shall be those persons appointed by the County Commission of Greenbrier County, who shall serve for such terms as may be specified in the order of the County Commission.

Section 2. Should any member of the Public Service Board resign or otherwise become legally disqualified to serve as a member of the Public Service Board, the Secretary shall immediately notify the County

Commission and request the appointment of a qualified person to fill such vacancy. Prior to the end of the term of any member of the Public Service Board, the Secretary shall notify the County Commission of the pending termination and request the County Commission to enter an order of appointment or re-appointment to maintain a fully qualified membership of the Public Service Board.

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 2nd Wednesday 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 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. Notice to members by letter or telephone shall be required for regular meetings. Notice in writing of each special meeting of the membership shall be given to all members by the Secretary by mailing the same to the last known post office addresses of the members at least three (3) days before the date fixed for such 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, notice of the time and place of all regularly scheduled sessions of such public service board, and the time, place and purpose of all special sessions of such public service board shall be made available to the public and news media as follows:

A. A notice shall be posted by the Secretary of the public service board of such Public Service District at the front door of the GREENBRIER County Courthouse of the time and place fixed and entered of record by the public service board for the holding of regularly scheduled sessions. If a particular regularly scheduled session is cancelled or postponed, a notice of such cancellation or postponement shall be posted at the front door of the Courthouse as soon as feasible after such cancellation or postponement has been determined upon.

B. A notice shall be posted by the Secretary of the public service board at the front door of the _____ County Courthouse at least twenty-four hours before a special session is to be held, stating the time, place and purpose for which such special session shall be held. If the special session is cancelled, a notice of such cancellation shall be posted at the front door of the Courthouse as soon as feasible after such cancellation has been determined upon.

C. The form of notice for posting as to a special session may be generally as follows:

GREENBRIER PUBLIC SERVICE DISTRICT NO. 1

Notice of Special Session

The public service board of _____ Public Service District will meet in special session on _____, _____, 19___, at _____ __.m., E__T, at _____, West Virginia, for the following purposes:

1. To consider and act upon a proposed Bond Authorizing Resolution providing for the issuance of a _____ Bond, Series _____, of _____ facilities of the _____ District.

2.

_____
Secretary

Date: _____

ARTICLE V

Officers

Section 1. The officers of the Public Service Board shall be a Chairman, Secretary and 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 the month of January of 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 as 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. He shall, together with the Secretary, sign the minutes of all meetings at which he shall preside. He shall attend generally to the executive business of the Board and exercise such powers as may be conferred upon him by the Board, by these by-laws, or prescribed by law. He 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. If the Chairman is absent from any meeting, the remaining members of the Board shall select a temporary chairman.

Section 3. The Secretary shall keep a record of all proceedings of the Board which shall be available for inspection as other public records. He shall, together with the Chairman, sign the minutes of the meetings at which he is present. The Secretary shall have charge of the minute book, be the custodian of deeds and other writings and papers of the Board. He shall also perform such other duties as he may have under law by virtue of his office or as may be conferred upon him from time to time by the members of the Board.

Section 4. The Treasurer shall be the lawful custodian of all funds of the District and shall pay same out 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.

ARTICLE VII

Amendments to Rules of Procedure

These Rules of Procedure may be altered, changed, amended 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 or addition shall be made at any special meeting unless notice of the intention to propose such change, alteration, amendment or addition and a clear statement of the substance thereof be included in the written notice calling such meeting.

August 15, 1980

I do hereby certify that the foregoing Rules of Procedure for Greenbrier Public Service District No. 1 were adopted at the special meeting of Greenbrier Public Service District No. 1 held on August 15, 1980, and that the aforesaid copy of Rules of Procedures is an exact excerpt from the minutes of said special meeting.

GREENBRIER PUBLIC SERVICE DISTRICT NO. 1

Ruby L Blank

Secretary

MINUTES OF ORGANIZATIONAL MEETING FOR CURRENT YEAR

On JANUARY 10, 1983, a meeting was held at LEWISBURG, West Virginia, to nominate and reelect officers for the year 1983 for Greenbrier Public Service District No. 1 Board.

The meeting was called to order by Chairman Joseph M. Holt, Jr., and the following people were nominated and elected to the following offices:

Chairman	-	Joseph M. Holt, Jr.
Secretary	-	Phillip L. McLaughlin
Treasurer	-	~~Phillip L. McLaughlin~~ BENTEE D. BOBLOSKEZY

After business of electing officers was completed, the motion was made and seconded that the meeting be adjourned.

Secretary,
Greenbrier Public Service District
No. 1

06/01/83
GNPSD1-F

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: April 4, 1983

CASE NO. 82-351-S-19A

GREENBRIER PUBLIC SERVICE DISTRICT
NO. 1, a public utility, Lewisburg,
Greenbrier County.

HEARING EXAMINER'S DECISION

PROCEDURE

On July 21, 1982, Greenbrier Public Service District No. 1 filed an application seeking authority to increase rates and charges for sewer service provided to its customers in Greenbrier County. The purpose of the rate increase was to cover higher than anticipated borrowing costs associated with recent construction. The District requested that the gross annual revenue limitation of Rule 19-A be waived, and that this application be processed pursuant to that rule.

On November 16, 1982, the Commission approved certain increased rates and charges for the Greenbrier Public Service District No. 1 for providing sewer service to 1,578 customers in Greenbrier County. The conditionally approved rates and charges represents an increase of 58.8 percent.

The Commission's order of November 16, 1982, required the District to give notice of the conditionally approved rates and charges by publishing Tariff Form No. 10 in a newspaper published and of general circulation in Greenbrier County, and the order specified that if no substantial protests were received, the rates shall become effective thirty (30) days from the date of the first publication.

Publication was made and the Commission received a voluminous number of letters of protest and requests for a public hearing.

By order entered on December 13, 1982, the Commission scheduled this matter for hearing to be held in the Municipal Fire Station, Lewisburg, West Virginia, on Tuesday, February 8, 1983, at 9:30 a.m., EST. A Commission order was issued on December 27, 1982, rescheduling the hearing to the Circuit Court Room, Greenbrier County Court House, Lewisburg, West Virginia, on Tuesday, February 8, 1982, at 6:00 p.m., EST. The order further required the District to give notice of the rescheduled

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

hearing by publishing a copy of that order instead of the order of December 13, 1982.

Proper notice was given and the hearing held as scheduled. The District appeared by Joseph M. Holt, its Chairman, and without counsel. The Commission's Staff appeared by Mark Thessin, Esquire, Gary Jarrell, Engineering Division, and Bill B. Galford, Audit Division. M. T. Moss, Woodrow Taylor, Gene Vest and Brownie Down, users of Greenbrier Public Service District No. 1, expressed their concerns to the proposed increase and of the ability of many of the users to pay higher rates. All protestant's statements were considered by the Examiner along with all testimony and exhibits filed in this case.

Mr. Joseph M. Holt, Chairman of the Greenbrier Public Service District, stated that the District was formed in 1969 to construct the sewer system for Lewisburg and its environs. It was established that the system would serve 2,300 customers and be constructed in three phases. Through the last fourteen years, the system has been built at a construction cost of approximately $15,000,000. Construction was financed by Grants from the Environmental Protection Agency, Economic Development Administration and the West Virginia Water Development Authority of approximately $11,000,000. The local share, HUD Bonds ($67,000) at 5-5/8 percent, West Virginia Water Development Authority of $3,300,000 - estimated at 7-1/2 percent interest.

Commission order entered August 15, 1979, for Case No. 79-128-S-CN, approved the certificate for construction of the final step of the three phased program. The first two phases involved the construction of an interceptor system from the City of Ronceverte to a point approximately two (2) miles north of the City of Lewisburg. Phase III involved the construction of sewer systems serving the residential development within the interceptor area. This same order approved an increase in rates. The rate increase was granted in advance of construction. The rate approved in this case included a forty (40) year 7-1/2% WDA Revenue Bond issue. The present rate of $3.01 per 1,000 gallons also assumed there would be 2,300 users, while only 1,758 materialized. The reduction in customers is partly due to the economic slump and the original project included Rolling Hills Subdivision that was eliminated or deleted by EPA. (Tr., pp. 10 - 15).

The Debt Service amount of $506,750 is a ten year average of old

and new bond issues. The HUD Bonds of $670,000 were issued in 1975 for a forty-year term at an annual interest rate of 5-5/8 percent. The remaining balance for this issue is $625,000. The new Water Development Revenue Bonds amounts to $2,950,000 at an annual interest rate of 10 percent, and Supplemental Bonds for $910,000 at a 0 percent interest rate. The new bonds require a 30 percent coverage on all outstanding debt. The WDA Bonds were sold at a higher interest rate than the 10 percent stated above, however, the Supplemental Bonds at 0 percent rate average the total to be approximately 10 percent. (Staff Exhibit No. 1).

The projected Operating Expenses of $189,910 - $185,510 for Operation and Maintenance Expenses and $4,400 for Other Taxes. The Per Books Operation and Maintenance Expenses at June 30, 1982, were $149,844 and the projected increase $35,666. The projected increases are as follows: (1) Labor - $5,323; (2) Purchased Power - $4,737; (3) Treatment of Disposal - $17,536; (4) Billing and Collecting - $4,915; and (5) Inflation Adjustment - $3,155. The projected increases are based on an additional 900 customers being added to the system. (Staff Exhibit No. 1).

The Bill Analysis Schedule showing Annual Revenue of $696,611 assumes that an additional 900 customers will be added to the system as the final phase of construction has been completed. The Per Books Operating Revenue at June 30, 1982, was $295,977. The increase in revenue is $399,614. (Bill Analysis - attached to Staff Exhibit No. 1).

The Commission's Audit Division investigated this matter and the rates proposed by the District are being recommended for approval with the deletion of the "Multiple Occupancy" tariff.

CONCLUSIONS OF LAW AND FINDINGS OF THE EXAMINER

The rates and charges and other tariff provisions recommended by the Commission's Audit Division, and approved by the Commission in its order entered on November 16, 1982, are just and reasonable and should be approved for sewer service furnished by the Greenbrier Public Service District No. 1, to become applicable on all sewer service furnished on and after April 1, 1983.

ORDER

IT IS, THEREFORE, ORDERED that:

1. The rates and charges and other tariff provisions contained in

Appendix A, attached hereto, are hereby approved for furnishing sewer service to Greenbrier Public Service District No. 1 customers, to become effective for sewer service furnished on or after April 1, 1983.

2. Greenbrier Public Service District No. 1 shall file a proper tariff with the Commission setting forth the rates and charges hereby authorized and approved.

3. The Executive Secretary is hereby ordered to serve a copy of this order upon the Commission by hand delivery, and upon all parties of record by United States Certified Mail, return receipt requested.

4. Leave is hereby granted to the parties to file written exceptions supported by a brief with the Executive Secretary of the Commission within fifteen (15) days of the date this order is mailed. If exceptions are filed, the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served said exceptions.

5. If no exceptions are so filed this order shall become the order of the Commission, without further action or order, five (5) days following the expiration of the aforesaid fifteen (15) day time period, unless it is ordered stayed or postponed by the Commission.

6. Any party may request waiver of the right to file exceptions to a Hearing Examiner's Order by filing an appropriate petition in writing with the Secretary. No such waiver will be effective until approved by order of the Commission, nor shall any such waiver operate to make any Hearing Examiner's Order or Decision the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.

Arnold O. Weiford
Hearing Examiner

APPENDIX A

GREENBRIER PUBLIC SERVICE DISTRICT NO. 1

CASE NO. 82-351-S-19A

RATES

APPLICABILITY

Applicable inside and outside the boundaries of the Town of Lewisburg.

AVAILABILITY

Available for metered general domestic, commercial and industrial service, and users who obtain water from wells.

RATES

Each 1,000 gallons used per month	$ 4.78 per 1,000 gallons
Minimum monthly bill	$15.93 per month
Well user surcharge	$ 1.75 per month

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full within twenty (20) days, ten percent (10%) will be added to the net amount shown. This delayed payment penalty is not interest and is to be collected only once for each bill where appropriate.

SERVICE CONNECTION FEE

A service connection fee of $150.00 will apply to each connection made to the collection system.

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: August 15, 1979

CASE NO. 79-128-S-CN

GREENBRIER PUBLIC SERVICE DISTRICT
NO. 1, a public utility.
Application for a certificate of convenience and necessity to construct sewage collection lines, pumping stations at City of Lewisburg and Fairlea, County of Greenbrier.

HEARING EXAMINER'S RECOMMENDED DECISION

PROCEDURE

On April 12, 1979, Greenbrier Public Service District No. 1, a public utility, filed an application, duly verified, for a certificate of convenience and necessity to construct sewage collection lines and to furnish sewer service to customers in the City of Lewisburg and Fairlea, Greenbrier County, and for approval of rates and charges.

By order entered May 17, 1979, this matter was set for hearing to be held in the Commission's Hearing Room at the Capitol in the City of Charleston on June 12, 1979, and the applicant was required to give notice of the filing of its application and of the time and place of hearing thereon by publishing a copy of the order once a week for two (2) successive weeks, the first publication to be made not more than thirty (30) days nor less than fifteen (15) days prior to June 12, 1979, in a newspaper published and of general circulation in Greenbrier County.

Proper notice was given and the hearing was held as scheduled. The applicant appeared by its proper officials and by Frank E. Jolliffe, its counsel. The Commission's Staff was represented by Virginia Keys of the Division of Accounts, Finance and Rates, and by David Mathews of the Division of Engineering. There were no protestants or intervenors present at the hearing. At the conclusion of the hearing the matter was submitted for decision.

EVIDENCE AND FINDINGS OF FACT

Greenbrier Public Service District No. 1, a public utility, was duly created by the County Commission of Greenbrier County for the construction, maintenance, operation, improvements and extension of a sewerage system within the boundaries of the District in Greenbrier

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA

County. There is no sanitary sewer system in the area and sanitary sewage is presently being disposed of through the use of private septic systems. The private sanitary sewage disposal systems are not satisfactory; and the soil in the area does not adequately absorb the effluent from the septic tank systems (Tr., p. 9).

The proposed project involves the installation of a collection sewer system in the City of Lewisburg, the Community of Fairlea and the neighboring area located in the southern section of Greenbrier County. The system will consist of approximately 115,000 linear feet of gravity sewer and 9,000 feet of force main with six pumping stations and modifications to two existing pumping stations (Tr., pp. 31-32 and Applicant's Exhibit No. 3).

The proposed project is the final step of a three-phased program initiated by the District. The first two phases involved the construction of an interceptor system from the City of Ronceverte to a point approximately two (2) miles north of the City of Lewisburg. The interceptor system consists of 12" to 18" diameter gravity sewer and pumping stations. Phase III involves the construction of sewer systems serving the residential development within the interceptor area (Tr., p. 32 and Applicant's Exhibit No. 4). At the present time the District is serving four hundred customers; and after the project is completed the District anticipates serving an additional nineteen hundred users, or approximately twenty-three hundred users.

All of the District's sewage is to be treated by the City of Ronceverte under the terms of the Intercommunity Agreement entered into on the 30th day of September, 1977. The formula for determination of charges by the City to the District for the handling and treatment of sewage for the first year of such treatment shall be in accordance with estimates provided by the District of the flow from the District to the City, and the payment for the first year shall be at the rate of $320.00 per million gallons. Thereafter, the rates for handling and treatment of sewage by the City for the District shall be computed and refigured annually in accordance with the increase and decrease in operating costs and expenses by the City, and in accordance with the formula set forth above (Exhibit A to the Rule 42 Exhibit).

The total construction cost of $10,634,969 will be financed by a

Greenbrier Water Development Authority (WDA) grant of $100,000, a Environmental Protection Agency (EPA) grant of $6,962,000, connection fees of $208,052, and a forty (40) year 7-1/2% WDA Revenue Bond Issue (Tr., p. 11 - Exhibit No. 2). The District expects to finance the remaining construction cost of $138,700 from a WDA hardship grant and a Governor's Partnership Grant. If additional funds become available the District will apply these funds to the reduction of the Sewer Revenue Bond Issue. Construction is expected to be underway by January 1980 and to be completed by 1981.

The District's proposed tariff changes the rate structure from declining block rates to a single rate of $3.01 per thousand gallons. This is claimed to more equitably distribute the sewer costs and to lessen the financial impact on the residential user. It should be noted that of the $170,000 annual increase in revenue, 50% will be provided by 26 large users in the block over 150,000 gallons.

The District proposes to place the tariff into effect at the beginning of construction. This places the burden of providing interim financing on the 400 existing customers in exchange for lower rates for all customers.

The Commission's Division of Accounts, Finance and Rates, after reviewing the application and the tariff, recommends that the application as filed be approved with the exception of the multiple occupancy clause.

Although the Commission does not normally approve placing rates into effect at the beginning of construction, it does so in this case due to the length of time and cost involved in the construction of Phases I and II of this project. Any delay in Phase III that would further increase the cost of construction would of necessity create rates that would be prohibitive for the user of ordinary means.

CONCLUSIONS OF LAW AND FINDINGS OF THE HEARING EXAMINER

1. The applicant, Greenbrier Public Service District No. 1, a public utility, should be granted a certificate of convenience and necessity to construct sewage collection lines and pumping stations and to furnish sewer service to customers in the City of Lewisburg and Fairlea.

2. The financing as proposed by the applicant for the construction of the system should be approved.

The contract for the treatment of the sanitary sewage between the City of Lewisburg and the applicant should be approved.

4. The rates and charges applied for, as hereinafter amended, should be approved.

ORDER

1. The applicant, Greenbrier Public Service District No. 1, a public utility, is hereby granted a certificate of convenience and necessity to construct sewage collection lines and pumping stations and to furnish sewer service to customers in the City of Lewisburg and Caldwell in the said District in Greenbrier County.

2. The proposed financing, as above described, is hereby approved and consented to.

3. The contract executed by the applicant and the City of Ronceverte, a municipal corporation, for the treatment of sanitary sewage is hereby authorized and approved.

4. The following rates and charges are hereby authorized and approved:

GREENBRIER PUBLIC SERVICE DISTRICT NO. 1
SCHEDULE NO. 1
(Sewer Rates)

APPLICABILITY

Applicable inside and outside the boundaries of the Town of Lewisburg. Effective the beginning of construction.

AVAILABILITY

Available for metered general domestic, commercial and industrial service, and users who obtain water from wells.

RATES

Each 1,000 gallons used per month	$ 3.01 per 1,000 gallons
Minimum quarterly bill	$30.10 per quarter
Bill user surcharge	$ 5.00 quarterly

DELAYED PAYMENT PENALTY

Above schedule is net. On all accounts not paid in full within twenty (20) days, ten percent (10%) will be added to the net amount shown. This delayed payment penalty is not interest and is to be collected only once for each bill where appropriate.

SCHEDULE NO. 2
(Sewer Connection Fees)

APPLICABILITY

Applicable inside and outside the boundaries of the Town of Lewisburg.

CONNECTION CHARGE

There shall be a connection charge to the system of One Hundred and Fifty Dollars ($150.00).

5. The applicant shall file a tariff with the Commission setting forth the authorized rates prior to putting such rates into effect.

The Executive Secretary is hereby ordered to serve a copy of the recommended order upon the Commission by hand delivery, and upon all parties of record by United States Certified Mail, return receipt requested.

Leave is hereby granted to the parties to file written exceptions supported by a brief with the Executive Secretary of the Commission within fifteen (15) days of the date this order is mailed. If exceptions are filed, the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served said exceptions.

If no exceptions are so filed this order shall become the order of the Commission, without further action or order, five (5) days following the expiration of the aforesaid fifteen (15) day time period, unless it is ordered stayed or postponed by the Commission.

Arnold O. Weiford
Hearing Examiner

THIS AGREEMENT, made and entered into this 1st day of February, 1975, by and between the CITY OF RONCEVERTE, a municipal corporation of West Virginia, hereinafter referred to as the "city" and GREENBRIER PUBLIC SERVICE DISTRICT NO. 1, a corporation organized and existing under and by virtue of the laws of the State of West Virginia, party of the second part, hereinafter referred to as the "district".

WHEREAS, the city and the district entered into an agreement for the transportation, treatment and disposal of wastes which agreement is dated June 10, 1974, and which agreement was subject to approval by the Public Service Commission of West Virginia; and

WHEREAS, the Public Service Commission of West Virginia did, on the 6th day of January, 1975, approved said agreement, subject to certain modifications to be made therein;

NOW, THEREFORE, THIS AGREEMENT, WITNESSETH: That for and in consideration of the mutual covenants herein contained, the city and the district do hereby agree, that the Agreement entered into between them on the 10th day of June, 1974, shall be modified and amended, insofar, and only insofar, as is required by the Order of the Public Service Commission of West Virginia, dated January 6, 1975, and the said city and the said district do hereby agree that the cost of operation, upon which the fee charged to the district is determined, in paragraph 9 of said agreement, shall be modified so as the cost of operations shall include only those actual costs incurred by the city in the operation of its treament plant, including labor, materials, depreciation, interest, and all other operation expenses of said treatment plant, and any operation expense, including repairs to the intercepter line serving the district. The city and district do further agree that paragraph 10 of said agreement shall be modified so that the needs of the citizens of the City of Ronceverte shall not take precedence over the

treatment n(s of the district, subjea to the limitation that when it becomes necessary to increase the size of the treatment plant in order to provide additional customers of the district under Phase III of their contemplated construction program, then the needs of the city and the then existing customers of the district shall take precedence over the treatment needs of the district under Phase III and only such surplus gallonage over the needs of the city and then existing customers of the district shall be handled by the treatment plant of the city, for the district, until necessary additions to the treatment plant have been made by the city.

IN WITNESS WHEREOF, the parties hereto have each signed their names and affixed their seals thereto, as of the day and year first above written.

CITY OF RONCEVERTE,
a West Virginia municipal corporation

By: Virginia B. Blake
Its MAYOR

Attest: C. Fred Workman
CITY CLERK

GREENBRIER PUBLIC SERVICE DISTRICT,
NO. 1,
a West Virginia corporation,

By: [signature]
CHAIRMAN

Attest: Philip L. Mauzy
SECRETARY

STATE OF WEST VIRGINIA,
COUNTY OF GREENBRIER, TO-WIT:

I, Gilmer Lacy Morgan, a Notary Public in and for the County and State aforesaid, do certify that Virginia B. Blake Mayor, who signed the writing above, bearing date the 1st day of February, 1975, for the City of Ronceverte, a corporation, has this

THIS AGREEMENT, made and entered into this 1st day of February, 1975, by and between the CITY OF RONCEVERTE, a municipal corporation of West Virginia, hereinafter referred to as the "city" and GREENBRIER PUBLIC SERVICE DISTRICT NO. 1, a corporation organized and existing under and by virtue of the laws of the State of West Virginia, party of the second part, hereinafter referred to as the "district".

WHEREAS, the city and the district entered into an agreement for the transportation, treatment and disposal of wastes which agreement is dated June 10, 1974, and which agreement was subject to approval by the Public Service Commission of West Virginia; and

WHEREAS, the Public Service Commission of West Virginia did, on the 6th day of January, 1975, approved said agreement, subject to certain modifications to be made therein;

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THIS AGREEMENT, made and entered into this 10th day of June 1974, by and between the CITY OF RONCEVERTE, a municipal corporation of West Virginia, hereinafter referred to as the "City", and GREENBRIER PUBLIC SERVICE DISTRICT NO. 1, a corporation organized and existing under and by virtue of the laws of the State of West Virginia, party of the second party, hereinafter referred to as the "District".

W I T N E S S E T H:

WHEREAS, the City owns and operates a sewage treatment plant facility with a system of interceptors leading therefrom to portions of the City's corporate limits, which said plant and system is capable of treating wastes which may be delivered to City by District; and

WHEREAS, the City is agreeable and willing to obligate itself by contract to accept, transport and treat certain of the sewage and wastes originating in areas outside of the corporate limits of said City; and

WHEREAS, while the capacity of the City's sewer system and its sewage treatment plant were designed and constructed at the City's expense, to transport and to treat all normal wastes anticipated to originate within and without the limits of said City; and

WHEREAS, in years to come it may become necessary to furthe enlarge or extend said facilities or to upgrade, change or improve upon or increase the degree of treatment of said wastes; and

WHEREAS, the District desires that the City receive all nor mal, domestic and commercial wastes originating within the boundaries of the District and to transport the same to, and treat such wastes at, its sewage treatment plant, to the end that no untreated or improperly treated wastes from the District may be discharged into streams, or elsewhere in the general vicinity of the City and the District; and

WHEREAS, in the judgment of the parties to this contract, the transportation to and the treatment of such wastes, originating with the District, at the sewage treatment plant owned by the City will be to the mutual advantage of the City and the District;

NOW, THEREFORE, FOR AND IN CONSIDERATION, of the premises and of the covenants and conditions herein contained, the parties hereto do hereby covenant and agree, each with the other, as follows:

1. Public Service District hereby agrees to deliver all of its normal domestic and commercial wastes originating within its boundaries to any installed sewer line therein and thence to an interceptor line installed by the City, with adequate capacity as determined by the City with data and information sufficient to enable the City to evaluate the circumstances and requirements of every flow proposed for delivery to the City at any point. The City shall be obligated to receive the flow from the District in quantities only up to the designed capacity of the City's lines, receiving such flow and transporting the same to the designed capacity of its treatment plant.

2. The City has received grants from governmental agencies to finance a portion of the costs of the construction and installation of the interceptor line, which runs from the city limits of the City to the treatment plant. The District has paid, as a connection charge, the difference between the amount received from such grants and the costs of construction and installation of said interceptor line or lines. Such costs have included all engineerin fees, legal fees, and any and all other costs necessary and incidental to the construction and installation of said interceptor line, so that the total cost to the City has been paid without any obligation from the general revenues of the City and without any obligation on the part of the citizens of the City of Ronceverte.

3. All facilities necessary for the collection of waste within the District and to points of delivery to the City and its interceptor lines, shall be provided and maintained at the sole cost of the District, and without cost to the City.

4. At such time as the flow from the District reaches a point where additional facilities are needed at the treatment plant the City agrees to apply for grants to finance the costs of such additions to said treatment plant and to attempt to finance the balance of such costs by the issuance of the revenue bonds by said City.

5. The City agrees to accept all of the normal domestic and commercial wastes from the area of the District and to transport the same therefrom, through its interceptor lines, to its sewage treatment plant, and to treat all such waste at its treatment plant to the same extent and degree that it shall treat wastes originating within the City, at is said treatment plant, and such treatment shall be the exclusive responsibility of the City. All waste treated at the City treatment plant, including waste originating in the District, shall be the property of the City.

6. The District expressly covenants and agrees to adopt, maintain and enforce within the area served by the District certain compulsory ordinances, no less regulatory or restrictive than ordinances effective within the City, regulating, limiting, or prohibiting the introduction into the sewer distribution or collector lines in said District, of excluded or objectionable substances, matter or materials, either as to quality or quantity thereof.

7. In addition to the normal domestic and commercial wastes accepted by the City from the District, through its interceptor lines, to its sewage treatment plant, the City agrees to accept certain industrial wastes, so long as such industrial wastes are

liquid wastes, other than normal sewage, resulting from processes or operations employed in industrial or manufacturing establishments, and so long as the quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure in five days at 20° C., does not exceed one thousand parts per million. It is expressly understood that the District shall be obligated to pay to the City such amount or amounts as may be necessary and sufficient to cover the additional expenses of handling such industrial wastes, beyond the base rate costs for normal sewage, as hereinafter provided.

8. The District does hereby agree to pay to the City, for its handling, transportation and treatment of all sewage and wastes, such sums of money as may be determined to be fair and reasonable by the Public Service Commission of West Virginia, it being expressly understood that at no time shall the amount to be charged to the individual customers of the District, as determined by their rate schedules, be less than the amount charged by the City of Ronceverte to its sewer customers for the handling and treatment of sewage for said customers of said City.

9. The District agrees to pay to the City for its handling and treatment of all sewage and wastes, originating within the District, a sum to be determined by the following formula:

The annual operating expenses of the existing sewage system, including collecting system expense, pumping system expense, treatment and disposal expense, meter reading and collecting administrative and general expenses, debt service on the existing treatment plant facilities, depreciation, taxes, and return on investment, divided by the total annual sewage flow in millions of gallons of all sewage or wastes in the City's sewage treatment plant, as recorded at the City's treatment plant, shall give the cost per million gallons of flow. The flow from the District shall be measured at its point of introduction into the City's inter-

line or lines. There shall be added to this figure the debt service for any additions which are required to be made to the existing sewage treatment plant, in order to handle any added requested capacity of the District, which divided by the annual flow per million gallons, shall give the total cost per million gallons for transportation, handling and treatment of all sewage and waste

10. The needs of the citizens of the City of Ronceverte shall take precedence over the treatment needs of the District, and only such surplus gallonage over the needs of the City shall be handled by the treatment plant of the City, for the District.

11. The formula for determination of charges by the City to the District for the handling and treatment of sewage for the first year of such treatment shall be in accordance with the estimates provided by the District of the flow from the District to the City, and the payment for such services for the first year shall be at the rate of $320.00 per million gallons. Thereafter, the rate for handling and treatment of sewage by the City for the District shall be computed and refigured annually in accordance with the increase and decrease in operating costs and expenses by the City, and in accordance with the formula set forth above.

12. It is mutually understood and agreed that this agreement shall continue in full force and effect for as many years as may be necessary to retire any and all bonds issued by the District, or by the City for additions to its treatment plant, and for bonds issued for the construction and maintenance of lines by the District, or by the City.

13. The terms and conditions of any and all contracts entered into by the City and the District shall be subject to the approval of the Public Service Commission of West Virginia and until such approval has been obtained, nothing herein contained shall be binding upon the City or the District.

14. It is expressly understood and agreed by and between

the parties hereto that this agreement shall be of no force and effect and shall become null and void, and shall not be executed by either of the parties to this agreement, unless and until the necessary grants and/or loans, and the necessary financing by whatever means available, have been obtained, without in any way obligating the citizens of the City of Ronceverte for the construction of any interceptor lines necessary to handle and transport the flow of sewage from the District, or any additions to be made to the existing treatment plant, which additions may become necessary by reason of the increased flow from the District to the City.

IN WITNESS WHEREOF, the parties hereto have each signed their names and affixed their seals thereto, as of the day and year first above written.

CITY OF RONCEVERTE,
a West Virginia municipal corporation

By Virginia B. Blake
Its Mayor

Attest: Celia F. Fink
City Clerk

GREENBRIER PUBLIC SERVICE DISTRICT NO. 1,
a West Virginia corporation,

By J. M. Holt Jr.
Chairman

Attest: Rudolph Plauger
Secretary

I, [illegible], a Notary Public in and for the County and State aforesaid do hereby certify that VIRGINIA B. BLAKE, who signed the writing above, bearing date the 10th day of June, 1974, for City of Ronceverte, a municipal corporation of West Virginia has this day in my said County, before me, acknowledged the said writing to be the the act and deed of said corporation.

Given under my hand this 24th day of June, 1974

My commission expires June 8-1976.

Glenna Lacy Morgan

STATE OF WEST VIRGINIA,

COUNTY OF GREENBRIER, TO-WIT:

I, Edna L. Smith, a Notary Public in and for the County and State aforesaid do hereby certify that J. M. Hall, Jr., who signed the writing above, bearing date the 10th day of June, 1974, for Greenbrier Public Service District No. 1 a West Virginia corporation, has this day in my said County, before me, acknowledged the said writing to be the act and deed of said corporation.

Given under my hand this 25th day of June, 19 74.

My commission expires 12-13-75.

Edna L. Smith
Notary Public

This agreement was prepared by R. D. Keightley, Jr., Attorney At Law, Lewisburg, West Virginia.

CERTIFICATE

I, PHILIP L. MCLAUGHLIN, SECRETARY OF GREENBRIER PUBLIC SERVICE DISTRICT NO. 1, A PUBLIC CORPORATION, DO HEREBY CERTIFY THAT THE ABOVE IS A TRUE AND EXACT COPY OF THE AGREEMENT ENTERED INTO BY THE CITY OF RONCEVERTE AND GREENBRIER PUBLIC SERVICE DISTRICT NO. 1 ON THE 10TH DAY OF JUNE, 1974, THE SAME STILL BEING IN FULL FORCE AND EFFECT.

IN TESTIMONY WHEREOF I HEREBYNTO SET MY HAND AND SEAL OF SAID GREENBRIER PUBLIC SERVICE DISTRICT NO. 1, A PUBLIC CORPORATION, THIS 5th DAY OF SEPTEMBER, 1975.

(SEAL)

Philip L. McLaughlin
SECRETARY, GREENBRIER PUBLIC SERVICE DISTRICT NO. 1, A PUBLIC CORPORATION

GREENBRIER PUBLIC SERVICE DISTRICT NO. 1

Sewer Revenue Bonds,
Series 1983 A and Series 1983 B

MINUTES ON ADOPTION OF BOND RESOLUTION

I, Phillip L. McLaughlin, Secretary of the public service board of Greenbrier Public Service District No. 1, hereby certify that the following is a true and correct excerpt of the minutes of a special meeting of said public service board:

*** *** ***

The public service board of Greenbrier Public Service District No. 1 met in special session, pursuant to notice duly given, on the 21st day of June, 1983, at _____, _____, West Virginia, at the hour of _____ __.m.

PRESENT: Joseph M. Holt, Jr. - Chairman
Phillip L. McLaughlin - Secretary
Edgar L. Smith - Attorney for District

ABSENT:

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 present a proposed Resolution in writing entitled:

> RESOLUTION PROVIDING AS TO DATE, MATURITY, INTEREST RATE AND SALE PRICE OF THE SEWER REVENUE BONDS, SERIES 1983, OF GREENBRIER PUBLIC SERVICE DISTRICT NO. 1; CHANGING SERIES DESIGNATION; AUTHORIZING ISSUANCE OF SUCH BONDS IN TWO SEPARATE SERIES AND AMENDING, AUTHORIZING, APPROVING AND RATIFYING A LOAN AGREEMENT AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, on motion of Mr. McLaughlin, seconded by Mr. Holt, it was unanimously ordered that the said Bond Resolution be adopted.

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

Chairman

*** *** ***

I further hereby certify that the foregoing action of said public service board remains in full force and effect and has not been amended or repealed.

WITNESS my signature on this 23rd day of June, 1983.

Secretary, Public Service Board of
Greenbrier Public Service District No. 1

06/22/83
GNPSD1-U

GREENBRIER PUBLIC SERVICE DISTRICT NO. 1

$3,620,000 Sewerage System Bond Anticipation Notes,
Series 1980

MINUTES OF AUGUST 15, 1980, MEETING

The Public Service Board of Greenbrier Public Service District No. 1 met in special session, pursuant to law, notice duly given in accordance with the Rules of Procedure of said Board at the office of West Virginia Water Development Authority, in Dunbar, West Virginia, at 1:00 o'clock p.m., EDST, on Friday, the 15th day of August, 1980.

PRESENT: Joseph M. Holt, Jr. - Member and Chairman
Phillip L. McLaughlin - Member and Secretary
~~James M. Bower - Member~~

ALSO PRESENT: Edgar L. Smith, Attorney for the District

ABSENT: James M. Bower

Joseph M. Holt, Jr., Chairman, presided, and Phillip L. McLaughlin acted as Secretary for the meeting.

The Chairman announced that a quorum of Board members was present and that the meeting was open for any business specified in the Notice of Special Meeting, which notice is attached hereto and made part hereof.

Thereupon, the members unanimously elected for following offices of the Public Service Board for the current calendar year:

Chairman - Joseph M. Holt, Jr.
Secretary - Phillip L. McLaughlin

Thereupon, the Chairman presented proposed written Rules of Procedure for the Board, and after discussion, on motion of Mr. ~~Bower~~ Holt seconded by Mr. McLaughlin, it was unanimously ordered that such Rules of Procedure be adopted, effective immediately.

Thereupon, the Chairman presented a proposed resolution entitled

A RESOLUTION AUTHORIZING THE CONSTRUCTION AND ACQUISITION OF CERTAIN SEWAGE FACILITIES OF GREENBRIER PUBLIC SERVICE DISTRICT NO. 1, GREENBRIER COUNTY, WEST VIRGINIA, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $3,900,000 IN PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1980, AND BOND ANTICIPATION NOTES; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH BONDS AND NOTES; AUTHORIZING THE SALE OF SUCH BONDS AND NOTES TO WEST VIRGINIA WATER DEVELOPMENT AUTHORITY PURSUANT TO THE TERMS OF A

LOAN AGREEMENT BETWEEN THE DISTRICT AND SAID AUTHORITY AND ADOPTING OTHER PROVISIONS RELATING THERETO,

and caused the same to read. Mr. ~~Bower~~ Hall moved that the Resolution presented be adopted, and Mr. McLaughlin seconded his motion, and there was discussion. After all discussion on the motion, the adoption of said motion was put to a vote. The vote was unanimous in favor of adoption of said motion, and it was ordered that said motion be adopted and that the Resolution presented be adopted and be in full force and effect on and from the date thereof.

Thereupon, the Chairman presented a proposed Supplemental Note Legislation entitled,

SUPPLEMENTAL NOTE LEGISLATION SUPPLEMENTING A RESOLUTION ENTITLED "A RESOLUTION AUTHORIZING THE CONSTRUCTION AND ACQUISITION OF CERTAIN SEWAGE FACILITIES OF GREENBRIER PUBLIC SERVICE DISTRICT NO. 1, GREENBRIER COUNTY, WEST VIRGINIA, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $3,900,000 IN PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1980, AND BOND ANTICIPATION NOTES; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH BONDS AND NOTES; AUTHORIZING THE SALE OF SUCH BONDS AND NOTES TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY PURSUANT TO THE TERMS OF A LOAN AGREEMENT BETWEEN THE DISTRICT AND SAID AUTHORITY AND ADOPTING OTHER PROVISIONS RELATING THERETO";

setting the aggregate principal amount of Sewerage System Bond Anticipation Notes, Series 1980, to be issued at $3,620,000 and confirming the sale thereof to the West Virginia Water Development Authority; and adopting other provisions relating to such notes and caused the same to read. Mr. ~~Bower~~ Hall moved that the Supplemental Note Legislation presented be adopted, and Mr. McLaughlin seconded his motion, and there was discussion. After all discussion on the motion, the adoption of said motion was put to a vote. The vote was unanimous in favor of adoption of said motion, and it was ordered that said motion be adopted and that the Supplemental Note Legislation presented be adopted and be in full force and effect on and from the date thereof.

Thereupon, the Board members executed various documents for the closing of the sale of $3,620,000 in aggregate principal amount of the District's Sewerage System Bond Anticipation Notes, Series 1980, to the West Virginia Water Development Authority, for delivering one fully registered note, No. NR-1, in such amount and for receiving the purchase price therefor of $3,583,800.

The aforesaid Supplemental Note Legislation supplements the Resolution adopted by the Board on August 15, 1980, at which date the loan agreement was authorized and executed. Such adoption of the Resolution and the execution of said loan agreement are hereby ratified, confirmed and approved.

There being no further business to come before the meeting, on motion by Mr. ~~Bower~~ Hunt seconded by Mr. McLaughlin, and upon a unanimous vote in favor thereof, it was ordered that the meeting adjourn.

Dated as of this 15th day of August, 1980.

Chairman

Secretary

CERTIFICATE

I, Phillip L. McLaughlin, Secretary of the Public Service Board of Greenbrier Public Service District No. 1, Greenbrier County, West Virginia, certify that the foregoing document is a true and correct copy of the minutes of a special meeting of said Board held on August 15, 1980.

Given under my hand and the seal of Greenbrier Public Service District No. 1 this 15th day of August, 1980.

Secretary, Public Service Board

[SEAL]

NOTICE TO BOARD MEMBERS

NOTICE OF PUBLIC MEETING
PUBLIC SERVICE BOARD
GREENBRIER PUBLIC SERVICE DISTRICT NO. 1

A special meeting of the Public Service Board of the Greenbrier Public Service District No. 1 will be held at 1:00 o'clock p.m., Eastern Daylight Savings Time, on Friday, the 15th day of August, 1980, at Offices of WDA, 1201 Dunbar Avenue, Dunbar, West Virginia. The purposes of such meeting are to appoint officers of the Public Service Board; to consider and act upon proposed Rules of Procedure for the Bond; to move on, discuss and adopt or reject a resolution authorizing the issuance of not in excess of $3,900,000 in aggregate principal amount of sewer revenue bonds and not in excess of $3,620,000 bond anticipation notes and other matters relating to authorization and financing of a new sewerage system of the District, and a supplemental resolution as to such notes; to provide for the sale of such notes of the District to the West Virginia Water Development Authority; and to address other matters related to the said bonds and notes.

Dated this 15th day of August, 1980.

/s/ JOSEPH M. HOLT, JR.
Joseph M. Holt, Jr.

08/14/80

NOTICE TO PUBLIC

NOTICE OF PUBLIC MEETING
PUBLIC SERVICE BOARD
GREENBRIER PUBLIC SERVICE DISTRICT NO. 1

A special meeting of the Public Service Board of the Greenbrier Public Service District No. 1 will be held at 1:00 o'clock p.m., Eastern Daylight Savings Time, on Friday, the 15th day of August, 1980, at Offices of WDA, 1201 Dunbar Avenue, Dunbar, West Virginia. The purposes of such meeting are to appoint officers of the Public Service Board; to consider and act upon proposed Rules of Procedure for the Bond; to move on, discuss and adopt or reject a resolution authorizing the issuance of not in excess of $3,900,000 in aggregate principal amount of sewer revenue bonds and not in excess of $3,620,000 bond anticipation notes and other matters relating to authorization and financing of improvements, extensions and additions to the sewerage system of the District, and a supplemental resolution as to such notes; to provide for the sale of such notes of the District to the West Virginia Water Development Authority; and to address other matters related to the said bonds and notes.

Dated this 15th day of August, 1980.

/s/ JOSEPH M. HOLT, JR.
Joseph M. Holt, Jr.

08/14/80

GREENBRIER PUBLIC SERVICE DISTRICT NO. 1

RESOLUTION

Table of Contents

Subject		Page
ARTICLE I - STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS		
Section 1.01.	Authority of this Resolution	1
Section 1.02.	Findings	1
Section 1.03.	Bond Legislation Constitutes Contract	3
Section 1.04	Definitions	4
Section 1.05.	Exhibits	6
ARTICLE II - AUTHORIZATION OF CONSTRUCTION AND ACQUISITION OF THE PROJECT		
Section 2.01.	Authorization of Construction and Acquisition	6
ARTICLE III - AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT		
Section 3.01.	Authorization and Terms of Bonds	7
Section 3.02.	Execution of Bonds and Coupons	8
Section 3.03.	Negotiability, Transfer and Registration	8
Section 3.04.	Bonds Mutilated, Destroyed, Stolen, or Lost	9
Section 3.05.	Form of Bonds and Coupons	10
	FORM OF COUPON BONDS	11
	FORM OF COUPON	15
	FORM OF FULLY REGISTERED BOND WITH PAYMENT RECORD	16
	FORM OF PAYMENT RECORD	20
	FORM OF ASSIGNMENT	21
ARTICLE IIIA - BOND ANTICIPATION NOTES		
Section 3.01 A.	Authorization and General	21
Section 3.02 A.	Deposit of Note Proceeds	22
Section 3.03 A.	Security for the Notes	22
Section 3.04 A.	Payment of Notes	23
Section 3.05 A.	Notes Are Limited Obligations	23

Section 3.06 A.	Paying Agent	23
Section 3.07 A.	Covenants	23
Section 3.08 A.	Events of Default and Enforcement	23
Section 3.09 A.	Supplemental Note Legislation	24
Section 3.10 A.	Form of Notes	24
	FORM OF BOND ANTICIPATION NOTE	25
	FORM OF PAYMENT RECORD	28
	FORM OF ASSIGNMENT	29

ARTICLE IV - SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01.	System Revenues and Application Thereof	29

ARTICLE V - APPLICATION OF BOND AND NOTE PROCEEDS

Section 5.01	Construction Trust Fund	34

ARTICLE VI - ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01.	General Covenants of the Issuer	35
Section 6.02.	Bonds not to be Indebtedness of the Issuer	35
Section 6.03.	Bonds Secured by Pledge of Net Revenues; Statutory Mortgage Lien	35
Section 6.04.	Rates	36
Section 6.05.	Completion, Operation and Maintenance	36
Section 6.06.	Sale of the System	36
Section 6.07.	Issuance of Other Obligations Payable Out of Revenues and General Covenant Agains Encumbrances	37
Section 6.08.	Additional Parity Bonds	38
Section 6.09.	Insurance	41
Section 6.10.	Services Rendered to the Issuer	41
Section 6.11.	Remedies and Appointment of Receiver	41
Section 6.12.	Enforcement of Collections	43
Section 6.13.	No Competing Franchise	43
Section 6.14.	Books and Records	43
Section 6.15.	Operating Budget	44
Section 6.16.	Mandatory Connections	44

ARTICLE VII - MISCELLANEOUS

Section 7.01.	Modification or Amendment	45
Section 7.02.	Severability of Invalid Provisions	45
Section 7.03.	Repeal of Conflicting Resolutions; 1972 Resolution	46
Section 7.04.	Covenant of Due Procedure, Etc.	46

Section 7.05. Defeasance 46
Section 7.06. Restrictions as to Arbitrage Bonds 47
Section 7.07. Effective Date 47

GREENBRIER PUBLIC SERVICE DISTRICT NO. 1

RESOLUTION

A RESOLUTION AUTHORIZING THE CONSTRUCTION AND ACQUISITION OF CERTAIN SEWAGE FACILITIES OF GREENBRIER PUBLIC SERVICE DISTRICT NO. 1, GREENBRIER COUNTY, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $3,900,000 IN PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1980, AND BOND ANTICIPATION NOTES; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH BONDS AND NOTES; AUTHORIZING THE SALE OF SUCH BONDS AND NOTES TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY PURSUANT TO THE TERMS OF A LOAN AGREEMENT BETWEEN THE DISTRICT AND SAID AUTHORITY AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE BOARD OF THE GREENBRIER PUBLIC SERVICE DISTRICT NO. 1, GREENBRIER COUNTY, WEST VIRGINIA:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority of this Resolution. This Resolution (the "Bond Legislation") is adopted pursuant to the provisions of Article 13A of Chapter 16 of the Code of West Virginia 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. Greenbrier Public Service District No. 1 (the "Issuer") was established by order of The County Commission of Greenbrier County, West Virginia, dated March 17, 1967.

B. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed certain sewer facilities (the "Project") of the Issuer, which along with the sewer facilities previously acquired and constructed by the Issuer, shall constitute public service properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (the

"System") in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed in the office of the Issuer.

C. The estimated revenues to be derived in each year after the adoption hereof from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on the Bonds and all Sinking Fund, Reserve Account and other payments provided for herein.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds in the principal amount of not more than $3,900,000 to finance costs of the construction and acquisition of the Project. Said costs shall be deemed to include the cost of all property rights, easements and francises deemed necessary or convenient therefor and for the improvements and extensions thereto; interest upon the Bonds prior to and during construction or acquisition and for six months after completion of construction or of acquisition of the improvements and extensions; engineering, fiscal agents and legal expenses; expenses for estimates of cost and of revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, and such other expenses as may be necessary or incident to the financing herein authorized, and the construction or acquisition of the properties and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof.

E. The estimated maximum cost of construction of the Project is $11,184,969, of which $_____ will be obtained from the proceeds of sale of the Bond herein authorized, $7,109,550 will be provided by a grant by the United States Environmental Protection Agency, $700,000 will be provided by grants from West Virginia Water Development Authority (the "Authority") and $204,400 will be provided by connection fees.

F. It is in the best interests of the Issuer that its Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement to be entered into between the Issuer and the Authority (the form of which agreement is attached hereto as Exhibit A, which Exhibit, by this reference, is incorporated herein and made a part hereof) (the "Loan Agreement").

G. The Issuer now owns certain public service properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage, or industrial wastes, and the Project constitutes certain improvements and extensions thereto.

H. There are outstanding obligations of the Issuer which will rank on a parity with the Bonds and the Notes as to lien and source of and security for payment, as follows:

> The Sewer Revenue Bonds, Series A, of the Issuer dated May 1, 1972, issued in the aggregate principal amount of $670,000, the last maturity of which in May 1, 2012, bearing interest at the rate of 5 5/8% per annum (the "1972 Bonds"), sold to and held by United States Department of Housing and Urban Development ("HUD").
>
> HUD has consented to issuance of the Bonds and the Notes on a parity with the 1972 Bonds, and to the flow of funds herein provided. Such consent, in accordance with HUD policy, requires priority for the 1972 Bonds as to optional redemption prior to maturity and prepayment, and requires segregation of moneys in the Sinking Fund and the Reserve Account therein for the respective bond issues in order to preserve the identity of the 1972 Bonds.

I. Pending issuance of the Bonds, it is necessary for the Issuer to issue its bond anticipation notes (the "Notes") in the principal amount of $3,620,000 to provide interim financing for the Project, in accordance with the Loan Agreement.

J. The Issuer has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Bonds and the Notes, or will have so complied prior to issuance of any thereof, including, among other things, the consent and approval, pursuant to the Act, of the issuance of the Bonds by the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired. The Issuer is not required by the Loan Agreement to have approval of increased sewer rates prior to issuance of the Notes, but shall have obtained approval of necessary sewer rates prior to issuance of the Bonds.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Bonds by those who shall hold the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal holders of any and all of such Bonds and the coupons attached thereto, all which shall be of equal rank and

without preference, priority or distinction between any one Bond and the coupons appertaining thereto and any other Bonds and the coupons appertaining thereto 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" shall mean Article 13A of Chapter 16 of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"Authority" shall mean the West Virginia Water Development Authority, which shall be the original purchaser of the Bonds or any other Agency of the State of West Virginia that succeeds to the functions of the Authority.

"Board" shall mean the Public Service Board of the Issuer which is the governing body of the Issuer pursuant to the Act.

"Bonds" shall mean not in excess of the $3,900,000 Sewer Revenue Bonds, Series 1980, originally authorized to be issued pursuant hereto, and any additional parity bonds hereafter issued within the terms, restrictions and conditions contained herein, and the interest coupons appertaining to said Bonds; and shall also mean until issuance of the Bonds, the Notes with reference to the provisions of Articles IV, V, VI and VII hereof except as expressly provided otherwise in Article III A hereof.

"1972 Bonds" shall have the meaning set forth in Section 1.02 H.

"Bondholder" or "Holder of the Bonds" or any similar term shall mean any person who shall be the bearer or owner of any outstanding Bond or Bonds or 1972 Bonds registered to bearer or not registered, or the registered owner of any outstanding Bond or Bonds or 1972 Bonds which shall at the time be registered other than to the bearer or of any coupons representing interest accrued or to accrue on the Bonds or the 1972 Bonds; and shall also mean, until issuance of the Bonds, the holder or owner of the Notes.

"Bond Legislation" shall mean this Resolution and all resolutions supplemental hereto or amendatory hereof.

"Chairman" shall mean the Chairman of the Board.

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

"Consulting Engineers" shall mean Weston, consulting engineers, West Chester, Pennsylvania, or any engineer or firm of engineers that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System.

"Cost of Works" shall mean those costs described in Section 1.02(D) hereof to be a part of the cost of construction and acquisition of the Project.

"Fiscal Year" shall mean each twelve-month period beginning on July 1 and ending on the succeeding June 30.

"Gross Revenues" shall mean all rates, rents, fees, charges or other income (including, without limitation, sale proceeds) received by or accrued to the District from the operation of the System, as calculated in accordance with generally accepted accounting practices.

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

"Independent Certified Public Accountants" shall mean Arnett and Foster, certified public accountants, Charleston, West Virginia, or any other 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.

"Issuer" shall mean the Greenbrier Public Service District No. 1, Greenbrier County, West Virginia, and where appropriate the Board thereof.

"Loan Agreement" shall mean the Loan Agreement between the Authority and the Issuer providing as to purchase of the Bonds and the Notes from the Issuer by the Authority.

"Notes" shall mean the Sewerage System Bond Anticipation Notes, Series 1980, of the Issuer authorized hereby in the principal amount of $3,620,000.

"Operating Expenses," unless qualified, shall mean the current expenses, paid or accrued, of repair, operation and maintenance of the System and includes, without limiting the generality of the foregoing, insurance premiums, supplies, labor, wages, the cost of materials and supplies used for current operations, administrative expenses of the Board relating and chargeable to the System and such other reasonable operating costs

and expenses as should normally and regularly be included under generally accepted accounting practices.

"Project" shall mean the sewer facilities described in Exhibit B attached hereto.

"1972 Resolution" means the resolution of the Issuer authorizing the 1972 Bonds, adopted October 7, 1975.

"Secretary" shall mean the Secretary of the Board.

"Supplemental Resolution" shall mean any resolution which is amendatory hereof or supplemental hereto.

"System" shall mean the complete public service properties of the Issuer for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, in its entirety or any integral part thereof, and shall include any additions, betterments and improvements thereto hereafter constructed or acquired for said system from any sources whatsoever.

Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

Section 1.05. Exhibits. Exhibits attached hereto as parts hereof are as follows:

Exhibit A - Loan Agreement
Exhibit B - Project

ARTICLE II

AUTHORIZATION OF CONSTRUCTION AND ACQUISITION OF THE PROJECT

Section 2.01. Authorization of Construction and Acquisition. There is hereby authorized the construction and acquisition of the Project, plans and specifications for which have been prepared by the Consulting Engineers, and heretofore filed in the office of the Board. The proceeds of the Bonds hereby authorized shall be applied as provided in Article V hereof.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT

Section 3.01. Authorization and Terms of Bonds. For the purpose of financing the cost of construction and acquisition of the Project, there shall be issued negotiable Sewer Revenue Bonds, Series 1980, of the Issuer, in the aggregate principal amount of not in excess of $3,900,000. Said Bonds shall be designated "Sewer Revenue Bonds, Series 1980"; and shall bear interest at such rate or rates, not exceeding the maximum rate authorized by the Act, and shall mature as the Issuer shall prescribe in the Supplemental Resolution. Interest on the Bonds shall be payable semiannually and shall commence as prescribed in the Supplemental Resolution. The Bonds shall be payable as to both principal and interest at the office of the Commission or through a paying agent or agents selected by the original purchaser or purchasers thereof, in any coin or currency that is legal tender for the payment of public or private debts under the laws of the United States of America, and shall be redeemable, in whole or in part, as set forth in the Supplemental Resolution.

The Bonds shall be issued in the form of coupon Bonds, registrable as to principal only, or in the form of one fully registered Bond with payment record attached (the "Registered Bond").

Coupon Bonds shall be in the denomination of $5,000 each and shall be dated as of the date which is six months preceeding the first interest payment date of the Bonds. Coupon Bonds shall bear interest from their date, payable in accordance with, and upon surrender of, the appurtenant interest coupons as they severally mature. The Registered Bond shall be dated as of the date of its delivery to the original purchaser thereof and shall bear interest from such date.

Except as otherwise provided in Section 3.04, before the delivery of any coupon Bonds, all matured coupons thereto attached, except matured coupons for which payment in full has not been provided, shall be cut off, cancelled and destroyed; provided, however, that if coupon Bonds are issued in exchange for the Registered Bond upon which interest is in default, as shown by the records of the Treasurer of the State, such coupon Bonds shall have attached thereto all coupons maturing after the date to which interest has been paid in full, as shown by such records, and in case any interest installments shall have been paid in part, appropriate notation shall be made on the coupons to evidence such fact.

Section 3.02. Execution of Bonds and Coupons. Said Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or a facsimile of the seal shall be imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such 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. Any 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.

The coupons to be attached to the Bonds shall be authenticated with the facsimile signature of the present or future Chairman and Secretary of the Issuer.

Section 3.03. Negotiability, Transfer and Registration. The 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 said Bonds or the coupons appertaining thereto, shall be conclusively deemed to have agreed that such 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 shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value in the manner provided hereinafter in the form of said Bonds.

So long as any of the Bonds remain outstanding, the Treasurer of the State of West Virginia shall keep and maintain books for the registration and transfer of the Bonds. Coupon Bonds may be registered at the option of the Holder as to principal only at the office of the Treasurer of the State of West Virginia, such registration to be noted on the back of said Bonds in the space provided therefor. After such registration as to principal only, no transfer of the Bonds shall be valid unless made at said office by the registered owner, or by his duly authorized agent or representative, and similarly noted on the Bonds, but the Bonds may be discharged from registration by being in like manner transferred to bearer, and thereupon transferability by delivery shall be restored. At the option of the Holder the Bonds may thereafter again from time to time be registered or transferred as before. Such registration as to principal only shall not affect the negotiability of the coupons, which shall continue to pass by delivery.

The Registered Bond shall be transferable only upon the books of the Issuer, which shall be kept for the purpose at the office of the aforesaid Treasurer, 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 Treasurer of the State duly executed by the registered owner or his duly authorized attorney. Upon transfer of the Registered Bond, there shall be issued in the name of the transferee, coupon Bonds, with appropriate coupons attached, of the same aggregate principal amount equal to the unpaid principal amount of the Registered Bond, and having maturities corresponding to the principal installments of such Registered Bond then unpaid.

In all cases in which the privilege of exchanging Bonds or transferring the Registered Bond is exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds and coupons surrendered in any such exchanges or transfers shall forthwith be cancelled by the Treasurer. For every such exchange or transfer of Bonds, the Treasurer 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 new coupon Bond upon each exchange or transfer, and any other expenses of the said Treasurer 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 exchange or transfer; provided, however, that in the event the Authority is the Bondholder requesting such exchange or transfer, the Issuer shall pay all such taxes, fees, governmental charges or other expenses incurred in making such exchange or transfer. The Treasurer shall not be obliged to make any such exchange or transfer of Bonds during the ten (10) days preceeding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed.

Section 3.04. Bonds Mutilated, Destroyed, Stolen, or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond with all unmatured coupons, if any, so mutilated, destroyed, stolen or lost in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond, and attached coupons, if any, or in lieu of and substitution for the Bond and coupons, if any, destroyed, stolen or lost and upon the Holder's furnishing the Issuer proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur. All Bonds and coupons so surrendered shall be cancelled by the Secretary and held for the

account of the Issuer. If such Bond or coupons shall have matured or be about to mature, instead of issuing a substitute Bond or coupon, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond or coupons be lost, stolen, or destroyed, without surrender therefor.

Any such duplicate Bond and coupons issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer, whether or not the lost, stolen or destroyed Bond or coupons be at any time found by any one, and such duplicate Bond and coupons shall be entitled to equal and proportionate benefits and rights as to lien and source of security for payment from the revenues pledged herein with all other Bonds and coupons issued hereunder.

Section 3.05. Form of Bonds and Coupons. The text of the Bonds, and of the coupons, shall be of substantially the following tenor, 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 Coupon Bonds)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF GREENBRIER
GREENBRIER PUBLIC SERVICE DISTRICT NO. 1
SEWER REVENUE BOND, SERIES 1980

NO. _____ $5,000

KNOW ALL MEN BY THESE PRESENTS: That GREENBRIER PUBLIC SERVICE DISTRICT NO. 1, a public corporation, organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay solely from the special funds provided therefor, as hereinafter set forth, to the bearer or, if this Bond be registered as to principal to the registered holder thereof, on the first day of _____, 19___, the sum of Five Thousand Dollars ($5,000) and solely from such special funds also to pay interest on said sum from the date hereof at the rate of _____ per centum (_____%) per annum semiannually, on the first day of _____ and the first day of _____ in each year beginning _____ 1, 19___, all such interest as may accrue on and prior to the maturity date hereof to be payable only upon presentation and surrender of the annexed coupons as they severally become due, both principal of, and interest on, this Bond being payable in any coin or currency which, on the respective dates of payment of principal and interest, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, or at the option of the holder at the _____.

This Bond is subject to redemption prior to its stated date of maturity in whole or in part in inverse order of maturities (by lot if less than all the Bonds of the same maturity) only on or after the date on which all outstanding bonds issued by West Virginia Water Development Authority (the "Authority") to provide funds for the purchase of the Bonds of the issue of which this Bond is one are redeemable and at a price equal to the aggregate of (i) the corresponding principal amount of the bonds of the Authority to be redeemed by the Authority as a consequence of the redemption by the Issuer of all or a part of its Bonds outstanding (ii) the interest to accrue on the bonds of the Authority so to be redeemed to the next redemption date thereof and not previously paid, (iii) the applicable premium, if any, payable on the bonds of the Authority so to be redeemed, (iv) the applicable premium, if any,

payable on additional bonds of the Authority which also become redeemable by virtue of such redemption, (v) the costs and expenses of the Authority in effecting redemption of the bonds of the Authority so to be redeemed, and (vi) at the direction of the Authority, an amount equal to the proportionate amount of the additional bonds of the Authority so to be redeemed, if any, less other moneys of the Authority available therefor; provided, however, that in the event that the bonds of the Authority have been refunded and the refunding bonds were issued by the Authority in a principal amount in excess of or less than such bonds remaining unpaid at the date of issuance of such refunding bonds, the Issuer shall be obligated to pay under item (i) above the principal amount of such refunding bonds outstanding, and, in the event the interest the Authority is required to pay on said refunding bonds is less than the Authority was required to pay on its bonds, the Issuer shall be obligated to pay under item (ii) above the amount of interest to accrue on such outstanding refunding bonds of the Authority.

This Bond is one of an authorized issue of Bonds (the "Bonds") in the aggregate principal amount of $_____, of like date and of like tenor and effect, except as to principal amount, number, date of maturity, and interest rate, issued to finance the cost of construction and acquisition of certain improvements and extensions to the existing public service facilities for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes in the territory served by the Issuer (the "System") of the Issuer under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Article 13A of Chapter 16 of the West Virginia Code of 1931, as amended (the "Act"), a Resolution duly adopted by the Public Service Board of the Issuer on the _____ day of _____, 19___, and a Supplemental Resolution adopted by said Board on the _____ day of _____, 19____ (collectively called the "Bond Legislation"), and is subject to all the terms and conditions of the Bond Legislation. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

The Bonds are on a parity with the Sewer Revenue Bonds, Series A, of the Issuer dated May 1, 1972, now outstanding as to source of and security for payment and in all other respects, except that the moneys in the Sinking Fund for payment of debt service and in the Reserve Accounts in the Sinking Fund are segregated respectively for the Bonds and said Sewer Reserve Bonds, Series A, and except that such Series A Bonds shall have priority for redemption prior to maturity and for prepayment.

The Bonds are payable only from and secured by a pledge of the net revenues to be derived from the operation of the System, which net revenues shall be sufficient to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. The Bonds are additionally secured by a statutory mortgage lien pursuant to the Act. 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 thereon except from said special fund provided from the net revenues from the operation of the System. By the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates of charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 130% of the amount required to pay the maximum amount due in any ensuing year of principal of and interest on all obligations payable from such revenues. The Issuer has entered into certain further covenants with the holders of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the holders of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

This Bond is fully negotiable but may be registered as to principal only in the name of the holder on the books in the office of the Treasurer of the State of West Virginia, at Charleston, West Virginia, such registration to be evidenced by notation on the back hereof by the Treasurer, after which no transfer shall be valid unless made on said books and similarly noted hereon, but it may be discharged from such registration by being transferred to bearer, after which it shall be transferable by delivery, but it may be registered again as before. The registration of this Bond as to principal shall not restrain the negotiability of the coupons by delivery merely.

This Bond shall be exempt from all taxation by the State of West Virginia and the other taxing bodies of said State.

All money received from the sale of this Bond or other Bonds of the issue of which this Bond is one, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the cost of the Project described in the Bond Legislation, including payment of the Notes authorized and issued pursuant to the Bond Legislation and any other indebtedness incurred by the Issuer for such purposes which is required to be paid from the moneys received from the sale of such Bonds, or to the appurtenant sinking fund, and there shall

be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder or holders of said Bonds.

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 revenues of the System has been pleged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on the Bonds.

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.

IN WITNESS WHEREOF, Greenbrier Public Service District No. 1 has caused this Bond to be signed by the Chairman of said Board, and its corporate seal to be hereunto affixed and attested by its Secretary, and the coupons hereto attached to be executed with the facsimile signatures of said Chairman and Secretary, which officials by the execution of this Bond do adopt as their own proper signatures their facsimile signatures appearing on said coupons, and this Bond, all as of the first day of _____, 19___.

_____
Chairman

[SEAL]

ATTEST:

_____
Secretary

(Form of Coupon)

NO. _____ $_____

On the first day of _____, 19___, Greenbrier Public Service District No. 1, Greenbrier County, West Virginia, will pay to bearer upon presentation of and surrender of this coupon the sum shown hereon, out of the special fund provided therefor, at the office of the West Virginia Municipal Bond Commission or at the _____, at the option of the holder hereof, said payment to be made in any coin or currency which on said date of payment is legal tender for the payment of public and private debts under the laws of the United State of America, as provided in, and for interest then due on, the Sewer Revenue Bond, Series 1980, dated _____ 1, 19___, to which this coupon is attached.

_____
Chairman

_____
Secretary

(No writing on this Bond except by the Treasurer of the State of West Virginia as Registrar)

Date of Registration	In Whose Name Registered	Signature of Registrar
_____	_____	_____
_____	_____	_____

[Form of Fully Registered Bond With Payment Record]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF GREENBRIER
GREENBRIER PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1980

NO. R-1

$_____

KNOW ALL MEN BY THESE PRESENTS: That GREENBRIER PUBLIC SERVICE DISTRICT NO. 1, a public corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to _____, (the "Payee") or registered assigns (the "Alternate Payee"), the sum of $_____, in installments on _____ 1 of each year as set forth below, with interest on each installment at the rate per annum set forth below opposite the year in which the installment becomes due:

Year	Installment	Interest Rate

The interest rate on each installment shall run from the original date of delivery of this Bond to the Payee and payment therefor and until payment of such installment, and such interest shall be payable on the first day of _____, and the first day of _____ in each year beginning _____ 1, 19___. Both principal of and interest on this Bond are payable in any coin or currency which, on the respective dates of payment of principal and interest, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, or at the option of the Payee at the _____.

This Bond is subject to redemption prior to its stated date of maturity in whole or in part in inverse order of maturities only on or after the date on which all outstanding bonds issued by the West Virginia Water Development Authority (the "Authority") to

provide funds for the purchase of this Bond are redeemable and at a price equal to the aggregate of (i) the corresponding principal amount of the bonds of the Authority to be redeemed by the Authority as a consequence of the redemption by the Issuer of all or a part of its Bond outstanding, (ii) the interest to accrue on the bonds of the Authority so to be redeemed to the next redemption date thereof and not previously paid, (iii) the applicable premium, if any, payable on the bonds of the Authority so to be redeemed, (iv) the applicable premium, if any, payable on additional bonds of the Authority which also become redeemable by virtue of such redemption, (v) the costs and expenses of the Authority in effecting redemption of the bonds of the Authority so to be redeemed, and (vi) at the direction of the Authority, an amount equal to the proportionate amount of the additional bonds of the Authority so to be redeemed, if any, less other moneys of the Authority available therefor; provided, however, that in the event the bonds of the Authority have been refunded and the refunding bonds were issued by the Authority in a principal amount in excess of or less than such bonds remaining unpaid at the date of issuance of such refunding bonds, the Issuer shall be obligated to pay under item (i) above the principal amount of such refunding bonds outstanding, and, in the event the interest the Authority is required to pay on said refunding bonds is less than the Authority was required to pay on the bonds of the Authority, the Issuer shall be obligated to pay under item (ii) above the amount of interest to accrue on such outstanding bonds of the Authority.

This Bond is issued to finance the cost of construction and acquisition of certain improvements and extensions to the existing public service facilities for the collection, treatment, purification or disposal of liquid or solid wastes in the territory served by the Issuer (the "System") of the Issuer under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Article 13A of Chapter 16 of the West Virginia Code of 1931, as amended (the "Act"), a Resolution duly adopted by the Public Service Board of the Issuer on the ____ day of _____, 19___, and a Supplemental Resolution adopted by said Board on the _____ day of _____, 19____ (collectively called the ""Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

This Bond is on a parity with the Sewer Revenue Bonds, Series A, of the Issuer dated May 1, 1972, now outstanding as to source of and security for payment and in all other respects, except

that the moneys in the Sinking Fund for payment of debt service and in the Reserve Accounts in the Sinking Fund are segregated respectively for the Bonds and said Sewer Revenue Bonds, Series A, and except that such Series A Bonds shall have priority for redemption prior to maturity and for prepayment.

This Bond is payable only from and secured by a pledge of the net revenues to be derived from the operation of the System, which net revenues shall be sufficient to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond is additionally secured by a statutory mortgage lien pursuant to the Act. 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 thereon except from said special fund provided, and the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 130% of the amount required to pay the maximum amount due in any ensuing year of principal of and interest on all obligations payable from such revenues. The Issuer has entered into certain further covenants with the holders of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the holders of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Bond Legislation, only upon the books of the Issuer kept for that purpose at the office of the Treasurer of the State of West Virginia, by the Payee, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Treasurer of the State of West Virginia, duly executed by the Payee or its attorney duly authorized in writing. This Bond may be exchanged for an aggregate principal amount of coupon Bonds equal to the unpaid principal amount of this Bond, and having maturities corresponding with the principal installments of this Bond then unpaid.

This Bond shall be exempt from all taxation by the State of West Virginia and the other taxing bodies of said State.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment

of the cost of the Project described in the Bond Legislation, including payment of the Notes authorized and issued pursuant to the Bond Legislation and any other indebtedness incurred by the Issuer for such purposes which is required to be paid from the moneys received from the sale of this Bond, or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder of this Bond.

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 revenues of the System has been pledged to and will be set aside into said special fund 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.

IN WITNESS WHEREOF, Greenbrier Public Service District No. 1 has caused this Bond to be signed by the Chairman of said Board and its corporate seal to be hereunto affixed and attested by its Secretary, all as of the _____ day of _____, 19___.

_____
Chairman

[SEAL]

ATTEST:

_____
Secretary

[Form of Payment Record]

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due After Payment	Interest Payment (%)	Date Paid	Name of Paying Agent Authorized Officer And Title
	$	$	$		

SCHEDULE "A"

Principal installments on which payments have been made prior to maturity

Principal Due Date	Principal Due Amount	Principal Payment	Balance	Date Paid	Name of Paying Agent Authorized Officer and Title
	$	$	$		

[Form of Assignment]

FOR VALUE RECEIVED the undersigned sells, assigns, and transfer unto

the within Bond of Greenbrier Public Service District No. 1, and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books of the said Public Service District with full power of substitution in the premises.

Dated:

_____

In the presence of:

_____

Section 3.06. Sale of Notes and Bonds; Execution of Loan Agreement with Authority. The Notes and the Bonds shall be sold to the West Virginia Water Development Authority, Charleston, West Virginia, pursuant to the terms and conditions of the Loan Agreement to be entered into between the Issuer and the Authority, all the provisions of which are hereby ratified and confirmed herein and made a part hereof. The Chairman is specifically authorized and directed to execute the Loan Agreement in substantially the form of Exhibit A and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority.

ARTICLE IIIA

BOND ANTICIPATION NOTES

Section 3.01 A. Authorization and General. In order to pay certain costs of the construction of the Project pending the delivery of the Bonds to the Authority, bond anticipation notes ("Notes") of the Issuer shall be issued and sold in the amount of $3,620,000. The entire issue of Notes shall be represented by one Note.

The Note shall be designated "Sewerage System Bond Anticipation Note, Series 1980," shall bear such date, shall be numbered NR-1, and shall be in the denomination of $3,620,000, shall

be in fully registered single form, shall bear interest from date at the rate of 8% per annum, payable on such dates, shall mature, shall have such paying agents and shall have such other provisions as are not set forth herein as provided in supplemental Note Legislation to be adopted by the Governing Body prior to delivery of the Notes. The Note No. NR-1 shall contain substantially the provisions shown in the form set forth in Section 3.12 A below.

The Notes shall be executed for the Issuer by the Chairman, and the seal of the Issuer shall be impressed thereon and attested by the signature of the Secretary.

The Notes shall be sold pursuant to the Loan Agreement and to such supplemental Note Legislation.

The Notes shall be payable on demand of the Authority upon at least fourteen days written notice to the Issuer.

The Notes shall be renewed at the option of the Authority for a period not to exceed 1 year at lawful interest rates to be established by the Authority.

Section 3.02 A. Deposit of Note Proceeds. The amount received upon the sale of the Notes, less interest to become due until the maturity thereof, shall be deposited on receipt by or for the Issuer with a bank which is a member of the Federal Deposit Insurance Corporation ("FDIC"), in the Project Construction Account established hereby.

The balance received from the proceeds from the sale of the Notes shall be for payment of the interest on the Notes as such interest becomes due, and shall be directly deposited on receipt by or for the Issuer with the Commission in the Sinking Fund - 1980 Bond Account hereby established.

Section 3.03 A. Security for the Notes. The Notes shall be secured by the pledge by the Issuer of and by a first lien on (i) the proceeds of the sale of the Bonds issued to refund the Notes; (ii) all moneys and securities in the Sinking Fund - 1980 Bond Account, (iii) the proceeds from the sale of the Notes until expended as herein authorized, and (iv) the Net Revenues of the System until payment of the Notes, but on a parity with the 1972 Bonds, and said pledge by the Issuer for the benefit of the holders of the Notes, to the extent of the aggregate principal amount of the Notes and the interest thereon, is hereby made and granted. The Issuer will execute such documents as may be required, if any, to perfect such pledge and lien. The Notes shall also be secured by a statutory mortgage lien on the System as provided in the Act, on a parity with the 1972 Bonds.

Section 3.04 A. Payment of Notes. At the maturity, or call prior to maturity, of the Notes, as provided in Section 3.01 A hereof, the Bonds originally issued pursuant hereto shall be used to defease the Notes and pay issuing expenses required by the Authority. The Issuer hereby assigns its right to receive funds as proceeds of said Bonds to the Authority, and there shall be no transfer of funds by the Authority to the Issuer as payment for said Bonds, except to the extent Bonds are issued in a principal amount in excess of the amount required to refund the Notes and pay costs of issuance of the Bonds and related costs.

Section 3.05 A. Notes Are Limited Obligations. The Notes shall be limited obligations of the Issuer, the interest of which is payable solely from certain of the proceeds from the sale of the Notes, the principal of which is payable from the sources described in Section 3.03 A above.

Section 3.06 A. Paying Agent. The Issuer with approval of the Authority may appoint as Paying Agent any bank, trust company or national banking association, but the Commission shall be the only Paying Agent unless the Issuer designates additional Paying Agents.

Section 3.07 A. Covenants. The Issuer agrees that until payment in full of the principal and interest owing on the Notes when due, the covenants contained in this Resolution for the benefit of the Bondholders shall inure to the benefit of the holders of the Notes.

In addition, the Issuer covenants to issue and sell the Bonds to the Authority and to take all actions necessary to cause the Authority to purchase the Bonds to refund the Notes in accordance with the Loan Agreement.

Section 3.08 A. Events of Default and Enforcement. Each of the following events is hereby declared an "Event of Default": (a) failure to make timely payment of all principal and interest owing on the Notes at due date or maturity; and (b) failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer for the benefit of the holders of the Notes and the Bonds as herein provided.

On the happening of any Event of Default, then, and in each such case, the holders of the Notes or any one or more of such holders shall be entitled to proceed against all assets pledged for payment of the Notes, and shall have and are hereby given all further rights and remedies as are granted hereby to the Authority. Each holder of a Note shall be deemed to be a holder of a Bond upon such default.

Section 3.09 A. Supplemental Note Legislation. Following adoption hereof, and upon receipt of the Loan Agreement, the Issuer, if it be so advised, will adopt supplemental Note Legislation, which supplemental Note Legislation will provide, among other things, the interest payment dates, the maturity date and the sale price of the Notes and such other matters as shall be required or desired in connection with issuance of the Notes.

Section 3.10 A. Form of Notes. The Notes shall be in the following form, subject to such changes, insertions and deletions as the Chairman shall agree to by execution thereof:

(Form of Bond Anticipation Note)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
GREENBRIER PUBLIC SERVICE DISTRICT NO. 1
SEWERAGE SYSTEM BOND ANTICIPATION NOTE
SERIES 1980

No. NR-1

$3,620,000

GREENBRIER PUBLIC SERVICE DISTRICT NO. 1, a public service district in Greenbrier County of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay to the order of West Virginia Water Development Authority the sum of THREE MILLION SIX HUNDRED-TWENTY THOUSAND DOLLARS ($3,620,000), subject to prior demand as provided in the below mentioned Resolution, on June 1, 1981, with interest at the rate of eight per cent (8%) per year payable on _____ 1, 19___, and _____ 1, 19___. Both principal and interest are payable in lawful money of the United States of America at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia.

This Note represents the entire issue of Series 1980 Notes in the aggregate principal amount of $3,620,000 duly authorized by the Issuer and issued in anticipation of the issuance of the Sewer Revenue Bond, Series 1980 (the "Bond"), of the Issuer in the principal sum of not to exceed $3,900,000 for aiding in the construction of additions, extensions and improvements for the existing public sewerage system (the "System") of the Issuer.

West Virginia Water Development Authority ("WDA") has agreed to purchase the Bond on the due date of this Note unless called prior to maturity or unless this Note has been renewed as provided below. The Bond has been authorized by the Issuer pursuant to a Resolution of the Public Service Board of the Issuer.

This Note is subject to renewal and to call prior to maturity upon the terms and conditions provided in the Resolution mentioned below.

The principal of this Note is payable solely and only from the proceeds of sale of the Bond and, if WDA should not purchase the Bond, the principal of and interest on this Note is payable from the net revenues of the System defined in the Resolution mentioned below on a parity with the below-mentioned Series A Bonds. The proceeds of sale of the Bond have been pledged to the owner hereof to secure payment of the principal of this Note. The Note is additionally secured by a statutory mortgage lien pursuant to the Act on a parity with the Series A Bonds.

Moneys from the proceeds of sale of the Note to pay the interest on the Note to maturity have been deposited with the West Virginia Municipal Bond Commission.

This Note is on a parity in all respects as to the said net revenues with the Sewer Revenue Bonds, Series A, of the Issuer dated May 1, 1972, except that the Series A Bonds shall have priority for redemption prior to maturity and for optional prepayment.

This Note is a limited and special obligation of the Issuer, and does not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory limitations or provisions, and the Issuer shall not be obligated to pay this Note or the interest hereon except from the proceeds of the Note and the Bond and any other sources which may be provided by the Resolution referred to below.

This Note has been duly authorized by a Resolution and a Supplemental Resolution of the Issuer pursuant to West Virginia Code, Chapter 16, Article 13A (the "Act").

The Act provides that this Note is exempt as to principal and interest from taxation by the State of West Virginia and the other taxing bodies of said State.

Reference is made to the said Resolution and Supplemental Resolution for further description of the security for payment hereof, the rights of the owner hereof and the rights and obligations of the Issuer.

Every requirement of law relating to the issuance hereof has been duly complied with.

IN WITNESS WHEREOF, GREENBRIER PUBLIC SERVICE DISTRICT NO. 1 has caused this Note to be signed by the Chairman of its Public Service Board and has caused its seal to be hereto affixed

and attested by the Secretary of said Public Service Board, all as of the date below written.

Dated: _____

GREENBRIER PUBLIC SERVICE DISTRICT NO.1

[SEAL]

By _____
Chairman

ATTEST:

_____
Secretary

[Form of Payment Record]

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due After Payment	Interest Payment (%)	Date Paid	Name of Paying Agent Authorized Officer And Title
	$	$	$		

SCHEDULE "A"

Principal installments on which payments have been made prior to maturity

Principal Due Date	Principal Due Amount	Principal Payment	Balance	Date Paid	Name of Paying Agent Authorized Officer and Title
	$	$	$		

[Form of Assignment]

FOR VALUE RECEIVED the undersigned sells, assigns, and transfer unto

the within Note of Greenbrier Public Service District No. 1, and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Note on the books of the said Public Service District with full power of substitution in the premises.

Dated:

_____

In the presence of:

_____

ARTICLE IV

SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01. System Revenues and Application Thereof. So long as any of the Bonds shall be outstanding and unpaid, the Issuer covenants with the Holders of the Bonds as follows:

A. Establishment of System Revenue Fund and Disposition of System Revenues. The entire gross revenues derived from the operation of the System and all parts thereof shall be deposited by the Issuer in a special fund in a bank in the State of West Virginia which is eligible under the laws of West Virginia to receive deposits of state and municipal funds, which fund (herein called the "Revenue Fund") is hereby established. 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 used only for the purposes and in the manner herein provided. All revenues at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first each month, from the moneys in the Revenue Fund, pay all reasonable operating expenses of the System.

(2) Thereafter, from the moneys in the Revenue Fund, the Issuer shall, on the first day of each month, commencing with and including the month of July 1, 1981, apportion and set apart out of the Revenue Fund and remit to the Commission, for deposit in a fund to be known as the "Sinking Fund," which is hereby created and established in two accounts, one designated "1972 Bond Account" and one designated "1980 Bond Account", a sum equal to one-sixth (1/6) of the amount of interest which will become due on the 1972 Bonds on the next interest payment date, for deposit in the 1972 Bond Account and a sum equal to one-sixth (1/6) of the amount of interest which will become due on the Bonds on the next interest payment date, for deposit in the 1980 Bond Account; provided, however, that in the event that the period to elapse between said initial payment date and the next semiannual interest payment date for the Bonds is less than six (6) months, then such monthly payments shall be increased proportionately to provide the required amount of interest maturing on the next semiannual interest payment date.

The Issuer shall also, from the Revenue Fund, remit to the Commission, on such dates or at such other times as the Commission shall require, such additional sums as shall be necessary to pay the fiscal agency charges due for paying the Bonds and the 1972 Bonds and the interest thereon.

The Issuer shall also apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in said Sinking Fund, as below provided, on the first day of each month, beginning on the first day of that month which is twelve (12) months prior to the next principal payment date of the 1972 Bonds and the first principal payment date of the Bonds, a sum equal to one-twelfth (1/12) of the amount of principal which will mature and become due on the 1972 Bonds on the next ensuing principal payment date, to be deposited in the 1972 Bond Account, and a sum equal to one-twelfth (1/12) of the amount of principal which will mature and become due on the Bonds on the next ensuing principal payment date, to be deposited in the 1980 Bond Account.

The Commission is hereby designated as the fiscal agent for the administration of the Sinking Fund created hereunder, and all amounts required for said Sinking Fund shall be remitted to the Commission from said Revenue Fund and from the proceeds of the sale of the Bonds as provided in Article V hereof by the Issuer at the times provided herein.

Moneys in the Sinking Fund in the 1972 Bond Account and the 1980 Bond Account shall be used respectively only for the purposes of paying principal of and interest on the 1972 Bonds and the Bonds as the same shall become due.

The Issuer shall next, from the Revenue Fund, remit to the Commission for deposit respectively in the 1972 Reserve Account and the 1980 Reserve Account hereby established in said Sinking Fund, on the first day of each month of each year, beginning with and including the month in which payments from the Revenue Fund for semiannual interest are commenced, as to the Bonds, and, as to the 1972 Bonds, each month with break in payments previously made under the 1972 Resolution, amounts equal to twenty per centum (20%) of all amounts required to be deposited for maturing principal and interest into the 1972 Bond Account and the 1980 Bond Account in the Sinking Fund, as provided above, on said dates: Provided, however, that no further payments shall be made into the Reserve Accounts when there shall have been deposited into each, and as long as there shall remain on deposit in each, an amount equal to the maximum amount of principal and interest that will mature and become due respectively on the 1972 Bonds and the Bonds in any succeeding fiscal year.

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Moneys in the Reserve Accounts shall be used respectively only for the purpose of payment of maturing principal of or interest on the 1972 Bonds and the Bonds when other moneys respectively in the 1972 Bond Account and the 1980 Bond Account in the Sinking Fund are insufficient therefor and for no other purpose.

Any withdrawals from the Reserve Accounts shall be subsequently restored from the first revenues available after all required payments to the Sinking Fund and Reserve Accounts, including any deficiencies for prior payments, have been made in full, such restoration of withdrawals to be made pro rata into the 1972 Reserve Account and the 1980 Reserve Account, based upon the original amounts of the 1972 Bonds and Bonds issued.

The Issuer shall not be required to make any further payments into said Sinking Fund or into the Reserve Accounts when the aggregate amount of funds in both said Sinking Fund and said Reserve Accounts are at least equal to the aggregate principal amount of the Bonds and the 1972 Bonds then outstanding, plus the amount of interest due or thereafter to become due on the Bonds and the 1972 Bonds then outstanding.

As and when additional bonds ranking on a parity with the Bonds herein authorized are issued, provision shall be made for additional payments into said Sinking Fund sufficient to pay the interest on such additional parity bonds and accomplish retirement thereof at maturity and to accumulate a balance in the Reserve Account in an amount equal to the maximum provided and required to be paid into the Sinking Fund in any calendar year for account of all the Bonds and the 1972 Bonds, including such additional bonds which by their terms are payable from said Sinking Fund.

The payments into the Sinking Fund shall be made on the first day of each month, except that when the first day of any month shall be a Sunday or legal holiday then such payments shall be made on the next succeeding business day, and all such payments shall be remitted to the Commission with appropriate instructions as to the Account in which to be deposited and the custody, use and application thereof consistent with the provisions hereof.

Moneys in the 1972 Bond Account and the 1980 Bond Account in the Sinking Fund shall be used, respectively, solely and only and are hereby pledged for the purpose of servicing the 1972 Bonds and the Bonds.

Moneys in the Bond Fund under the 1972 Resolution shall, upon delivery of the Bonds, be transferred by the Commission from said Bond Fund to the 1972 Bond Account in the Sinking Fund and at the same time moneys in the Debt Service Reserve and the Redemption Fund under the 1972 Resolution shall be transferred by the Commission to the 1972 Reserve Account. Upon such transfers, the Bond Fund, the Debt Service Reserve and the Redemption Fund shall be terminated.

(3) Thereafter, from the moneys remaining in said Revenue Fund, the Issuer shall next, on the first day of each month, commencing with the first month in which interest shall be first payable from the Revenue Fund, remit to a bank which is eligible under the laws of West Virginia to receive deposits of public funds for deposit in a special account to be designated "Renewal and Replacement Fund," which account is hereby established and created, a sum equal to two and one-half per centum of the gross revenues each month, exclusive of any payments for account of the Reserve Accounts. All funds in said Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer, and all or any part of said Fund may be invested in bonds or other direct or fully guaranteed obligations of the United States of America maturing or being subject to retirement at the option of the holder within not more than ten (10) years from the date of such investment. Withdrawals and disbursements may be made from said Renewal and Replacement Fund for replacements, emergency repairs, additions, betterments or improvements to the System; provided, however, that any deficiency in the 1972 and 1980 Reserve Accounts (except to the extent such deficiency exists because the required payments into the Reserve Accounts have not as of the date of determination of a deficiency not funded such Reserve Accounts to the maximum extent required by Section 4.01(A)(2)), shall be promptly eliminated with moneys from the Renewal and Replacement Fund, pro rata based upon the original amounts of 1972 Bonds and Bonds issued, in amounts sufficient to eliminate such deficiency.

Moneys in the General Reserve under the 1972 Resolution, upon delivery of the Bonds, shall be transferred by the Issuer to the Renewal and Replacement Fund, and the General Reserve shall thereupon be terminated.

(4) Whenever all of the required and provided transfers and payments from said Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid for operating expenses and into the Sinking Fund and the Renewal and Replacement Fund during the next succeeding three (3) months, such excess shall be considered as surplus revenues. Said surplus revenues shall be first used for the construction and acquisition of improvements and extensions to the System, and, thereafter, to the extent not needed for such purposes, said surplus revenues and any surplus moneys in the Sinking Fund, exclusive of the Reserve Accounts, in excess of the amount of interest to become due on the next interest payment date and the amount of principal to become due within the next succeeding twelve (12) months, may be used to purchase or prepay Bonds or 1972 Bonds, with priority for the 1972 Bonds as to such prepayment, any such purchase upon the open market to be at a price not exceeding the par value thereof plus three per centum (3%) of such par value, or to redeem Bonds or 1972 Bonds, with priority for the 1972 Bonds, at a price not in excess of the redemption price thereof, or for debt service on obligations not on a parity with the Bonds and the 1972 Bonds, the proceeds of which obligations were used to finance such additions, betterments or improvements.

(5) The moneys in excess of the sum insured by the Federal Deposit Insurance Corporation ("FDIC") in the Revenue Fund and for the Renewal and Replacement Fund (unless remitted to the Commission) shall at all times be secured, to the full extent thereof in excess of such insured sum, by direct obligations of the United States of America or such other obligations as shall be eligible as security for deposits of state and municipal funds under the laws of the State of West Virginia.

(6) If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds on the subsequent payment dates.

(7) Moneys in the Reserve Accounts shall be invested and reinvested by the Commission in direct obligations of the United States of America having maturities not longer than two (2) years from the date of purchase. Moneys in the Reserve Accounts in excess

of the maximum amount required to be therein shall, at least annually, be deposited in the 1972 Bond Account and the 1980 Bond Account, respectively, in the Sinking Fund by the Commission, pro rata based upon the original amounts of the 1972 Bonds and Bonds issued.

(8) All remittances made by the Issuer to the Commission shall clearly identify the funds or accounts into which each amount is to be deposited.

ARTICLE V

APPLICATON OF BOND AND NOTE PROCEEDS

Section 5.01. Construction Trust Fund. From the moneys received from the sale of any or all the Notes, the following amounts shall be first deducted and deposited:

A. The sum required to pay interest on the Notes to maturity shall be deposited in the Sinking Fund - 1980 Bond Account and used to pay interest on the Notes as the same becomes due.

B. Upon issuance of the Bonds and exchange of the Bonds for the Notes and payment of allocated issuance expenses of the Bonds of the Authority as provided in the Loan Agreement, any balance remaining from the sale of the Bonds shall be deposited in the Construction Trust Fund.

The remaining moneys derived from the sale of the Notes shall be deposited by the Issuer in a fund to be known as the "Construction Trust Fund," which is hereby created, which fund shall be kept separate and apart from all other funds of the Issuer and shall be drawn out, used and applied by the Issuer solely for the payments of the cost of the construction and acquisition of the Project, and purposes incidental thereto, and for no other purposes whatsoever. The moneys in said fund shall be secured at all times by the deposit of such bonds in direct obligations of the United States of America having a fair market value at least equal to the balance in excess of the amount insured by FDIC in said fund. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to, such purposes, then such unapplied proceeds shall be deposited by the Issuer in the 1980 Bond Account in the Sinking Fund and shall be used only as provided herein. All such proceeds shall be and constitute a trust fund for such purposes, and there is hereby created a lien upon such moneys until so applied in favor of the Holders of the Bonds.

Expenditures or disbursements from said Construction Trust Fund, except for legal, fiscal and engineering expenses and expenses in connection with the issuance and sale of the Bonds shall be made only after such expenditures or disbursements shall have been approved in writing by the Consulting Engineers.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. General Covenants of the Issuer. All the covenants, agreements and provisions hereof shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds or the 1972 Bonds. In addition to the other covenants, agreements and provisions hereof, the Issuer hereby covenants and agrees with the Holders of the Bonds and the 1972 Bonds as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Bonds and the 1972 Bonds or the interest thereon are outstanding and unpaid.

Section 6.02. Bonds not to be Indebtedness of the Issuer. Neither the Bonds nor coupons appertaining thereto shall be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the revenues of the System, as herein provided.

Section 6.03. Bonds Secured by Pledge of Net Revenues; Statutory Mortgage Lien. The payment of the debt service of all the Bonds shall be secured forthwith equally and ratably by a first lien on the net revenues derived from the operation of the System, to the extent necessary to make the payments required under Section 4.01 hereof, all on a parity in all respects with the 1972 Bonds. The revenues derived from the System, in an amount sufficent to pay the principal of and interest on the Bonds and the 1972 Bonds and to make the payments into the Sinking Fund, including the Reserve Accounts therein, and all other payments provided for herein are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Bonds and the 1972 Bonds as the same become due, and for the other purposes provided herein.

The Bonds and the 1972 Bonds are additionally secured by a statutory mortgage lien pursuant to the Act.

Section 6.04. Rates. Prior to the issuance of the Bonds, equitable rates or charges for the use of and service rendered by the System will be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file in the office of the Board, each of which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce gross revenues from said System to pay operating expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient to provide for all reasonable expenses of operation, repair and maintenance of the System and to leave a balance each year equal to at least 130% of the maximum amount required in any ensuing year to pay the interest on and the principal of the Bonds and the 1972 Bonds as the same become due and accomplish retirement of all obligations for the payment of which such revenues have or shall have been pledged, charged or otherwise encumbered.

Section 6.05. Completion, Operation and Maintenance. The Issuer will expeditiously complete and maintain in good condition said System and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the revenues of the System in the manner provided herein.

Section 6.06. Sale of the System. The System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds and the 1972 Bonds outstanding, The proceeds from such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Commission for deposit in the Sinking Fund, and, in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest on the Bonds and the 1972 Bonds as they become due or in accordance with redemption provisions hereof and of the 1972 Resolution, as the case may be. Any balance remaining after the payment of all the Bonds and the 1972 Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, unless otherwise prohibited by law, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of Ten Thousand Dollars ($10,000), the Board shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of Ten Thousand Dollars ($10,000) but not in excess of Fifty Thousand Dollars ($50,000), the Board shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and then authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $10,000 and not in excess of $50,000, shall be remitted by the Issuer to the Commission for deposit in the Sinking Fund and shall be applied only to the purchase or prepayment, first of the 1972 Bonds, then of Bonds of the last maturities then outstanding at prices not greater than the par value thereof plus three per centum (3%) of such par value. Such payments of such proceeds into the Sinking Fund or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions hereof.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of $50,000 and insufficient to pay all the Bonds and the 1972 Bonds then outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of sixty-six and two-thirds percentum (66-2/3%) in amount of Bonds and of the 1972 Bonds then outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds and the 1972 Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer will not issue any other obligations whatsoever, except additional parity bonds provided for in Section 6.08 hereof payable from the revenues of the System which rank prior to or equally, as to lien on and source of and security for payment from such revenues with the Bonds and the 1972 Bonds; and all obligations hereafter issued by

the Issuer payable from the revenues of the System, except such additional parity bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Bonds and the 1972 Bonds; provided, however that no such subordinate obligations shall be issued unless the Reserve Accounts in the Sinking Fund are funded to the extent that no further payments are required therefor as provided in Section 4.01(A)(2).

Except as provided in Section 6.08 below, the Issuer will not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Bonds and the 1972 Bonds and the interest thereon, upon any of the income and revenues of the System pledged hereby for payment of the Bonds and the 1972 Bonds and the interest thereon or upon the System or any part thereof.

Section 6.08. Additional Parity Bonds. No additional parity bonds, as in this section defined, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant hereto, except under the conditions and in the manner herein provided.

No such additional parity bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of additions, betterments and improvements to the System or refunding the entirety of one or more series of Bonds issued pursuant hereto and the 1972 Bonds, or both such purposes.

No such additional parity bonds shall be issued at any time, however, unless and until there has been procured and filed with the Board a written statement by a certified public accountant not in the regular employ of the Issuer based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the net revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any twelve (12) consecutive months, within the eighteen (18) months immediately preceding the date of the actual issuance of such additional parity bonds, plus the estimated average increased annual net revenues to be received in each of the three (3) succeeding years after the completion of the improvements to be financed by such additional parity bonds shall not be less than one hundred thirty per centum (130%) of the largest aggregate amount that will mature and become due in any succeeding fiscal year for principal of and interest on the following:

(1) The Bonds originally issued pursuant hereto and the 1972 Bonds then outstanding;

(2) Any additional parity bonds theretofore issued pursuant to the provisions contained herein then outstanding; and

(3) The additional parity bonds then proposed to be issued.

The "estimated average increased annual net revenues to be received in each of the three (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 additional parity bonds and (b) any increase in rates approved by the Public Service Commission of West Virginia prior to the date of delivery of such additional parity bonds and shall not exceed the amount stated in a certificate of the Consulting Engineer which shall be filed in the office of the Board prior to the issuance of such additional parity bonds.

The net revenues actually derived from the System during the twelve-consecutive-month period hereinabove referred to may be adjusted by adding to such net revenues such additional net revenues which would have been received, in the opinion of the Consulting Engineers and the said certified public accountant as stated in a certificate jointly made and signed by the Consulting Engineers and said certified public accountant, on account of increased rates, rentals, fees and charges for the System approved by the Public Service Commission of West Virginia prior to issuance of such additional parity bonds.

Not later than simultaneously with the delivery of such additional parity bonds, the Issuer shall have entered into written contracts for the immediate construction or acquisition of such additions, betterments or improvements to the System that are to be financed by such additional parity bonds.

The term "additional parity bonds," as used in this section, shall be deemed to mean additional bonds issued under the provisions and within the limitations of this section, payable from the revenues of the System on a parity with the Sewer Revenue Bonds, Series 1980, and the 1972 Bonds and all the covenants and other provisions hereof (except as to details of such additional parity bonds inconsistent herewith) shall be for equal benefit, protection and security of the Holders of the Sewer Revenue Bonds, Series 1980, and the 1972 Bonds and the holders of any additional parity bonds subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times or their issuance, shall, together with the 1972

Bonds, 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 or coupon over any other. The Commission shall comply fully with all the increased payments into the various funds created hereby required for and on account of such additional bonds, in addition to the payments required for Bonds theretofore issued pursuant hereto.

All additional parity bonds shall have the same monthly maturity date and the same semiannual interest payment dates as the Bonds originally issued hereunder.

The term "additional parity bonds," as used in this section, 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 lien of the Bonds and the 1972 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 equally, as to lien and source of and security for payment from such revenues, with the Bonds and the 1972 Bonds, except in the manner and under the conditions provided in this section.

No additional parity bonds, as in this section defined, shall be created at any time, however, unless all the payments into the respective funds and accounts provided for herein on the Bonds and the 1972 Bonds then outstanding, and any other payments provided for herein, shall have been made in full as required to the date of delivery of the additional bonds and the Issuer shall then be in full compliance with all the covenants, agreements and terms hereof.

Notwithstanding any of the foregoing provisions, with the written consent in advance of the Authority and upon compliance with the terms, limitations and conditions contained herein, additional parity Bonds may be authorized and issued by the Issuer pursuant to supplemental resolution solely to complete the Project in accordance with the plans and specifications therefor now on file with the Board in the event that the Bonds issued hereunder should be insufficient, together with other funds lawfully available therefor, to pay all costs of construction and acquisition of the Project; provided, however, that prior to the issuance of such additional parity bonds under the provisions of this paragraph, the Consulting Engineers shall file with the Board a statement to the effect that additional funds are needed and shall state the amount thereof deemed to be adequate for such purpose. All such additional parity bonds authorized and issued under the provisions of this paragraph shall be limited to the aggregate principal amount required to make up any deficiency in funds for payment of the construction costs to complete the Project and the maturities of any such additional

parity bonds shall be in years and amounts suggested by the Authority.

Section 6.09. Insurance. The Issuer will carry, with a reputable insurance carrier or carriers, such insurance as is customarily carried with respect to works and properties similar to the System, against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks, which insurance shall at all times be in an amount or amounts equal to the fair appraisal value of the buildings, properties, furniture, fixtures and equipment of the System. In time of war, the Issuer shall also carry in said amount such insurance as may be available against loss or damage by the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for said Renewal and Replacement Fund. The Issuer will also carry liability insurance for damage or injury to persons or property in amounts adequate for such purposes and customarily carried with respect to works and properties similar to the System.

Section 6.10. Services Rendered to the Issuer. The Issuer will not render or cause to be rendered any free services of any nature by its System; and in the event the Issuer or any officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such officer or employee.

Section 6.11. Remedies and Appointment of Receiver. Any Bondholder may, by proper legal action, compel the performance of the duties of the Issuer hereunder and under the Act, including the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any default in the payment of interest on any Bonds or 1972 Bonds when the same shall become due, or in the payment of the principal of any Bond or Bonds or 1972 Bonds at the specified date of maturity thereof, or otherwise in the performance of any covenant contained herein other than as to such payment and such default shall continue for a period of thirty (30) days after written notice to the Issuer of such default, any Bondholder shall, in addition to all other remedies or rights, including, but not limited to, the right of foreclosure provided in the Act, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Issuer with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the Bonds and the

1972 Bonds and interest thereon, the deposits into the funds and accounts hereby established as herein provided and the payment of operating expenses of the System, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions hereof and of the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of said System and shall hold, operate and maintain, manage and control such facilities, and each and every part thereof, and in the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might do.

Whenever all principal due upon the Bonds and the 1972 Bonds and interest thereon and under any covenants hereof for Reserve, Sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions hereof shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Bondholder shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers hereinabove conferred upon him, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby, and a successor receiver may be appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Holders of Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Bondholders, and the curing and making good of any default under the provisions hereof, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the System.

Section 6.12. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rates, rentals or other charges for the services and facilities of the System and take all steps, actions and proceedings for the enforcement and collection of such fees, rates, rentals or other charges that shall become delinquent to the full extent permitted or authorized by the laws of the State of West Virginia. All such fees, rates and charges, if not paid when due, shall become a lien on the premises served by the System. When such fees, rates and charges have been delinquent for thirty (30) days, the Issuer shall have the power to forthwith foreclose the lien on the premises served in the manner provided for the foreclosure of mortgages on real property by the laws of West Virginia, as provided by the Act.

Whenever any rates, rentals or charges for services or facilities of the System shall remain unpaid for a period of thirty days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. The Issuer further convenants and agrees that in the event it owns a waterworks system (the "Water System"), it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services and facilities of the System and the Water System to all delinquent users of services and facilities of the System and will not restore such services of either System until all delinquent charges for the services and facilities of the System, plus reasonable interest penalty charges for the restoration of service, have been fully paid.

Section 6.13. No Competing Franchise. The Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services that would compete with services provided by the System.

Section 6.14. Books and Records. The Board 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 any Holder of a Bond or Bonds shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow currently accepted accounting practices and safeguards. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner

and on the forms, books and other bookkeeping records as prescribed by the Board. The Board shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Board shall be reported to such agent of the Issuer as the Board shall direct.

The Issuer shall file with the Consulting Engineers and the Authority, and shall mail in each year to any Holder or Holders of Bonds requesting the same, an annual report containing the following:

A. A statement of gross revenues, operating expenses and net revenues derived from the System.

B. A balance sheet statement showing all deposits in all the funds provided for herein and the status of all said funds.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by a certified public accountant and shall mail upon request, and make available generally, the report of said certified public accountant or a summary thereof to any Holder or Holders of Bonds and shall file said report with the Authority and HUD.

Section 6.15. Operating Budget. The Board shall annually, at least thirty (30) days preceding the beginning of each fiscal year, prepare and adopt by resolution a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year. No expenditures for the operation and maintenance of the System shall be made in any fiscal year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Board shall have unanimously authorized the same. The Board shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to any Bondholder who shall file his address with the Board and request in writing that copies of all such budgets and resolutions be furnished him and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Bondholder or anyone acting for and in behalf of such Bondholder.

Section 6.16. Mandatory Connections. The mandatory use of the sewer facilities of the System is essential and necessary for the protection and preservation of the public health, comfort,

safety, convenience and welfare and the economy of the inhabitants of the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant and occupant of every lot, parcel and tract of land that abuts on a street, alley or other public way in which any sewer line, main or facility is located, or which is located within a reasonable distance thereof, not exceeding 300 feet, and is reasonably accessible thereto, and upon which lot, parcel or tract a building or other habitable structure has been or shall be erected for residential, commercial or industrial use, shall connect the waste or sewage lines of such building or structure with the facilities of the System if sewage will flow by gravity from such building or structure into the facilities of the System and shall thereupon and thereafter refrain from using and shall cease to use any other method for the disposal of sewage or water-borne waste matter and shall pay all charges, fees and rates lawfully provided for use of the sewer facilities.

Any such building or structure from which emanates sewage or water-borne waste matter and not so connected with the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Modification or Amendment. No material modification or amendment hereof or of any resolution amendatory hereof or supplemental hereto that would materially and adversely affect the rights of Bondholders shall be made without the consent in writing of the Holders of two-thirds (2/3) or more in principal amount of the Bonds and of the 1972 Bonds then outstanding; provided, however, that no change shall be made in the maturity of any Bond or Bonds or the 1972 Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the revenues of the System without the consent of the Holder thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds and 1972 Bonds required for consent to the above permitted amendments or modifications.

Section 7.02. Severability of Invalid Provisions. If any section, paragraph, clause or provision hereof shall be held

invalid, such invalidity shall not affect any of the remaining provisions hereof.

Section 7.03. Repeal of Conflicting Resolutions; 1972 Resolution. All resolutions and orders, or parts thereof, in conflict herewith are to the extent of such conflict repealed, including the 1972 Resolution to the extent of conflict herewith.

The 1972 Resolution, with the consent of HUD heretofore given, is hereby amended to conform with the provisions hereof as to flow of funds and the Funds, Reserves and Accounts, as herein provided.

Section 7.04. 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 final enactment and passage hereof 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, the Secretary and members of the Board were at all times when any actions in connection herewith occurred, and are, duly in office and duly qualified for such offices.

Section 7.05. Defeasance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds and all 1972 Bonds and coupons the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and herein, then the pledge of any revenues, and other moneys and securities pledged hereby and all covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds and 1972 Bonds or coupons or interest installments for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the paying agent at the same or earlier time, shall be sufficient, to pay as and when due the principal of and interest on such Bonds and 1972 Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Bonds and 1972 Bonds and all coupons appertaining to such Bonds and 1972 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 Commission either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due,

will provide moneys which, together with the moneys, if any, deposited with the Commission at the same time, shall be sufficient, to pay when due the principal of and interest due and to become due on the Bonds and 1972 Bonds on and prior to the maturity dates thereof as the case may be. Neither securities or moneys deposited with the Commission 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 of and interest on said Bonds and 1972 Bonds; provided that any cash received from such principal or interest payments on such securities deposited with the Commission, 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 of and interest to become due on said Bonds and 1972 Bonds on and prior to such maturity dates thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Issuer, as received by the Commission, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only obligations of, or obligations guaranteed by, the United States of America.

Section 7.06. Restrictions as to Arbitrage Bonds. 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 to acquire any securities or obligations the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in Section 103(c)(2) of the Internal Revenue Code, and the Chairman of the Board shall deliver his certificate, based upon this covenant, with regard thereto to the Authority.

Section 7.07. Effective Date. This Bond Legislation shall take effect upon passage, in the manner prescribed by law; provided, however, that the Bonds shall not be delivered to the Authority until the West Virginia Public Service Commission has given its approval of the sale of the Bonds thereto.

Adopted August 15, 1980.

Chairman of Public Service Board

Member

Member

GREENBRIER PUBLIC SERVICE DISTRICT NO. 1

$3,620,000 Sewerage System Bond Anticipation Notes,
Series 1980

Supplemental Note Legislation

SUPPLEMENTAL NOTE LEGISLATION SUPPLEMENTING A RESOLUTION ENTITLED "A RESOLUTION AUTHORIZING THE CONSTRUCTION AND ACQUISITION OF CERTAIN SEWAGE FACILITIES OF GREENBRIER PUBLIC SERVICE DISTRICT NO. 1, GREENBRIER COUNTY, WEST VIRGINIA, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $3,900,000 IN PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1980, AND BOND ANTICIPATION NOTES; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH BONDS AND NOTES; AUTHORIZING THE SALE OF SUCH BONDS AND NOTES TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY PURSUANT TO THE TERMS OF A LOAN AGREEMENT BETWEEN THE DISTRICT AND SAID AUTHORITY AND ADOPTING OTHER PROVISIONS RELATING THERETO"; SETTING THE AGGREGATE PRINCIPAL AMOUNT OF SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 1980, TO BE ISSUED AT $3,620,000 AND CONFIRMING THE SALE THEREOF TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; AND ADOPTING OTHER PROVISIONS RELATING TO SUCH NOTES.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF GREENBRIER PUBLIC SERVICE DISTRICT NO. 1, GREENBRIER COUNTY, WEST VIRGINIA:

ARTICLE I

STATUTORY AUTHORITY
FINDINGS AND DEFINITIONS

Section 1.01. Authority for This Supplemental Note Legislation. This Supplemental Note Legislation is adopted pursuant to the provisions of Article 13A of Chapter 16 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law and in accordance with Section 3.09A of a resolution adopted by the Public Service Board of Greenbrier Public Service District No. 1 (the "District") on August 15, 1980, entitled "A Resolution authorizing the construction and acquisition of certain sewage facilities of Greenbrier Public Service District No. 1, Greenbrier County, and the financing of the cost, not otherwise provided, thereof through the issuance by the District of not more than $3,900,000 in principal amount of Sewer Revenue Bonds, Series 1980, and Bond Anticipation Notes; providing for the rights and remedies of and security for the holders of such bonds and notes; authorizing the sale of such bonds and notes to the West Virginia Water Development Authority pursuant to the terms of a Loan

Agreement between the District and said Authority and adopting other provisions relating thereto" (the "Resolution").

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

A. By loan application dated August 6, 1979, as revised and supplemented, the District applied for a loan from the West Virginia Water Development Authority (the "Authority") for the purpose of financing part of the cost of construction and acquisition of certain sewer facilities in the District, which loan application was approved by the Authority.

B. On August 15, 1980, the Public Service Board of the District adopted the Resolution, authorizing the issuance of not more than $3,900,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1980 (the "Bonds") and not more than $3,620,000 Sewerage System Bond Anticipation Notes, Series 1980 (the "Notes"), and the execution of a loan agreement with the Authority.

C. The District and the Authority entered into a loan agreement dated August 15, 1980, which provided for a loan to the District by the Authority through the purchase by the Authority of $3,620,000 in aggregate principal amount of Notes of the District at a price of not less than $3,583,800, pending issuance of the Bonds.

D. It is in the best interest of the inhabitants of the District that the District confirm the sale of its Notes to the Authority and supplement the Resolution by providing for certain terms and conditions of the issuance and sale of the Notes.

Section 1.03. Definitions. The terms used in this Supplemental Note Legislation shall have the meanings set forth in Section 1.04 of the Resolution unless the context expressly requires otherwise.

ARTICLE II

FORM, AMOUNT, CONFIRMATION OF SALE AND DELIVERY OF NOTES

Section 2.01. Details of Notes. The Notes shall be issued in the form of one fully registered Note, numbered NR-1, in the principal amount of Three Million Six Hundred Twenty Thousand Dollars ($3,620,000). The Note, No. NR-1, shall be dated on date of delivery, shall mature June 1, 1981, subject to renewal for one year by the Authority, and interest payment dates shall be August 29 and November 28, 1980, and February 27 and May 29, 1981.

Section 2.02. Confirmation of Sale of Notes. The entire issue of the Notes was previously, and is hereby confirmed to be, awarded to the West Virginia Water Development Authority, being sold to the Authority for a purchase price of Three Million Five Hundred Eighty-Three Thousand Eight Hundred Dollars ($3,583,800), all pursuant to Section 3.09A of the Resolution, the Loan Agreement and a letter dated June 17, 1980, from the Authority to the District.

Section 2.03. Delivery of Note No. NR-1. Note No. NR-1, representing the entire issue of the Sewerage System Bond Anticipation Notes, Series 1980, of the District, shall be delivered to the West Virginia Water Development Authority as soon as the Authority is ready to accept deliverance and pay for the same.

ARTICLE III

OTHER TERMS OF THE NOTES

Section 3.01. Alternate Paying Agent. There shall not be any alternate paying agent for the Notes.

Section 3.02. Payments into Sinking Fund. The District shall begin its monthly payments into the Sinking Fund on July 1, 1981, and Section 4.01(A)(2) of the Resolution is hereby supplemented to reflect such date.

ARTICLE IV

MISCELLANEOUS

Section 4.01. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Supplemental Note Legislation shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Supplemental Resolution.

Section 4.02. Repeal of Conflicting Resolutions. All resolutions and orders, or parts thereof, in conflict with this Supplemental Note Legislation are to the extent of such conflict repealed.

Section 4.03. Effective Date. This Supplemental Note Legislation shall take effect immediately upon adoption.

Date: August 15, 1980

Chairman

Member

Member

CERTIFICATE

I, PHILLIP L. McLAUGHLIN, Secretary of the Public Service Board of Greenbrier Public Service District No. 1, Greenbrier County, West Virginia, certify that the foregoing document is a true and correct copy of the Supplemental Note Legislation adopted by the Public Service Board of Greenbrier Public Service District No. 1 on August 15, 1980.

Given under my hand and the seal of Greenbrier Public Service District No. 1 this 15th day of August, 1980.

Secretary, Public Service Board

[SEAL]

RESOLUTION

A Resolution supplementing a resolution entitled:

A RESOLUTION AUTHORIZING THE CONSTRUCTION AND ACQUISITION OF CERTAIN SEWAGE FACILITIES OF GREENBRIER COUNTY, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $3,900,000 IN PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1980, AND BOND ANTICIPATION NOTES; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH BONDS AND NOTES; AUTHORIZING THE SALE OF SUCH BONDS AND NOTES TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY PURSUANT TO THE TERMS OF A LOAN AGREEMENT BETWEEN THE DISTRICT AND SAID AUTHORITY AND ADOPTING OTHER PROVISIONS RELATING THERETO.

adopted by the Public Service Board of Greenbrier Public Service District No. 1 on August 15, 1980, (the "Resolution"), as amended on August 28, 1981, by an amendatory resolution (the "Renewal Note Resolution") accepting the Water Development Authority's extension of the stated maturity of the District's Sewerage System Bond Anticipation Renewal Note, 1981 Series A, from May 31, 1981 to May 31, 1982.

WHEREAS, by adoption of the Renewal Note Resolution, as described above, there was authorized and issued to the West Virginia Water Development Authority (the "Authority"), the District's Sewer System Bond Anticipation Renewal Note, 1981 Series A (the "Renewal Note");

WHEREAS, said Renewal Note was issued in accordance with Subsection 4.1(b)(iii) of the Loan Agreement, dated August 15, 1980, between the District and the Authority (the "Loan Agreement"), and Section 3.01A of the said Resolution adopted by the Public Service Board of the District on August 15, 1980, as amended by the Renewal Note Resolution (collectively, the "Local Act");

WHEREAS, the Renewal Note, outstanding in the principal amount of $3,620,000, matures on May 31, 1982;

WHEREAS, the Authority, by letter dated May 24, 1982, a copy of which is attached as Exhibit A hereto and incorporated herein by reference (the "Extension Letter"), has extended the stated maturity of the Renewal Note to November 30, 1982, and has expressly waived any event of default under the Local Act, the Loan Agreement or the Renewal Note for nonpayment of the Renewal Note on May 31, 1982, upon the terms set forth in the Extension Letter; and

WHEREAS, it is in the best interests of the District and the inhabitants thereof to accept said extension and waiver, and the terms thereof;

NOW, THEREFORE, Be It Resolved by the Public Service Board of the Greenbrier Public Service District No. 1, as follows:

1. The Authority's extension of the stated maturity of the Renewal Note from May 31, 1982, to November 30, 1982, its waiver of an event of default under the Local Act, the Loan Agreement and the Renewal Note and the terms thereof, all as set forth in the Extension Letter, are hereby accepted.

2. The Chairman of the Public Service Board is hereby authorized and directed to execute the duplicate of the Extension Letter, and the Secretary of the Public Service Board is hereby authorized and directed to return such executed duplicate, together with a certified copy of this resolution, to the Authority and to cause an opinion of Bond Counsel, in requisite form, to be delivered to the Authority, all prior to May 31, 1982, or as soon thereafter as this resolution is adopted, but in any event prior to June 8, 1982.

3. This resolution shall take effect immediately upon adoption.

Adopted this 28th day of May, 1982.

Chairman, Public Service Board

Certified a true copy as of this 7th day of June, 1982.

[SEAL]

Secretary, Public Service Board

06/04/82
WDA

LOAN AGREEMENT

THIS LOAN AGREEMENT, Made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), and GREENBRIER PUBLIC SERVICE DISTRICT NO. 1, a public service district created and existing under Chapter 16, Article 13A, of the Code of West Virginia, 1931, as amended, and a public corporation and political subdivision of the State of West Virginia (the "Governmental Agency").

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Chapter 20, Article 5C, of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered to make loans to governmental agencies for the acquisition or construction of water development projects by such governmental agencies and to issue water development revenue bonds of the State of West Virginia to finance, in whole or in part, by loans to governmental agencies, one or more water development projects, all subject to such provisions and limitations as are contained in the Act; and

WHEREAS, the Governmental Agency is authorized and empowered by the statutes of the State of West Virginia to construct, own and operate such a water development project and to finance the cost of constructing or acquiring the same by borrowing money to be evidenced by revenue bonds and bond anticipation notes or other short-term indebtedness issued by such Governmental Agency; and

WHEREAS, the United States Environmental Protection Agency (the "EPA") has awarded a "Step III" grant offer pursuant to the provisions of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended, for the construction of a water development project by the Governmental Agency (the "Project") at the location and as more particularly described and set forth in the Application for Loan with attachments and exhibits, dated _____, 19__, completed by the Governmental Agency and filed with the Authority, as revised and supplemented (the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, the Governmental Agency has also received commitments for such other grants, loans and other financial assistance with respect to such water development project as are described and set forth in Schedule A of the Application; and

WHEREAS, the Authority intends to issue its Water Development Revenue Bonds (Sewage Systems Loan Program), 1982 Series A (the "1982 Series A Bonds"), in accordance with the provisions of the Act and the resolution of the Authority duly adopted on November 29, 1978 (the "Bond Resolution"), as supplemented by a series resolution authorizing the 1982 Series A Bonds, the proceeds of such 1982 Series A Bonds to be used by the Authority to purchase the bonds of certain municipalities and public service districts, including the Governmental Agency, which comply with the requirements established by the Authority, subject, however, to the ability of the Authority to sell the 1982 Series A Bonds and to the extent of the availability of the proceeds of such 1982 Series A Bonds; and

WHEREAS, the Governmental Agency has requested a loan from the Authority to be evidenced by revenue bonds issued by the Governmental Agency and purchased by the Authority, the proceeds of such loan to be used by the Governmental Agency to pay the portion of the cost of the Project which is not paid from the sources stated in the Application or to refund certain bond anticipation notes or other short-term indebtedness issued in anticipation of said revenue bonds and any additional costs of the Project not so paid; and

WHEREAS, the Authority has made all findings required by Section 5 of the Act with respect to the Project and is willing to make said loan to the Governmental Agency, subject to the terms and provisions hereinafter contai:ed;

THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Governmental Agency and the Authority hereby agree as follows:

ARTICLE I

Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "water development revenue bond," "cost," "governmental agency," and "water development project" have the definitions and meanings ascribed to them in the Act; provided, that "water development project" means only a "wastewater facility," as also defined in the Act.

1.2 "Consulting Engineers" means the consulting engineer designated in the Application and any successor thereto.

1.3 "Governmental Agency Bonds" means, collectively, the Local Bonds and the Supplemental Bonds, both as hereinafter defined.

1.4 "Loan" means the loan to be made by the Authority to the Governmental Agency through the purchase of Local Bonds, as hereinafter defined, pursuant to this Loan Agreement.

1.5 "Local Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of Chapter 16, Article 13A, of the Code of West Virginia, 1931, as amended, to evidence the Loan, and which will be purchased by the Authority with a portion of the proceeds of its 1982 Series A Bonds, in accordance with the provisions of this Loan Agreement.

1.6 "Project" means the water development project hereinabove referred to, to be or being constructed by the Governmental Agency with, among other funds, the proceeds of the WDA Loans as hereinafter defined, or with the proceeds of the bond anticipation notes or other short-term indebtedness refunded with the proceeds of the WDA Loans, as hereinafter defined.

1.7 "Supplemental Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of Chapter 16, Article 13A, of the Code of West Virginia, 1931, as amended, to evidence the Supplemental Loan, as hereinafter defined, and which will be purchased by the Authority with funds other than the proceeds of its 1982 Series A Bonds, in accordance with the provisions of this Loan Agreement.

1.8 "Supplemental Loan" means the loan to be made by the Authority to the Governmental Agency through the purchase of Supplemental Bonds, pursuant to this Loan Agreement.

1.9 "System" means the complete sewage system and works owned by the Governmental Agency and any additions, betterments and improvements thereto hereafter constructed or acquired from any sources whatsoever and includes the Project.

1.10 "WDA Loans" means, collectively, the Loan and the Supplemental Loan.

1.11 Additional terms and phrases are defined in this Loan Agreement as they are used.

ARTICLE II

Identification of Project; Ownership of Project; Rights of Access Thereto; Governmental Agency Financing

2.1 The Project undertaken by the Governmental Agency shall generally consist of the acquisition, construction and

installation of the facilities described in the Application constructed in accordance with plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers, the Authority having found that the Project is consistent with the applicable comprehensive plan of water management approved by the Director of the West Virginia Department of Natural Resources (or in the process of preparation by such Director) and consistent with the standards set by the West Virginia Water Resources Board for the waters of the State of West Virginia affected thereby.

2.2 The Governmental Agency agrees that the Authority and its duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Governmental Agency further agrees that the Authority and its duly authorized agents shall have such rights of access to the Project site and Project facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority in respect of the Project pursuant to the pertinent provisions of the Act.

2.3 All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Governmental Agency, subject to such mortgage lien or other security interest as is provided for in the statute authorizing the issuance of the Governmental Agency Bonds.

ARTICLE III

Conditions to WDA Loans; Issuance of Governmental Agency Bonds

3.1 The agreement of the Authority to make the Loan is subject to the Authority's issuing and delivering the 1982 Series A Bonds and subject to the requirements of Section 3.4 hereof and to the fulfillment, to the satisfaction of the Authority, of each and all of those certain conditions precedent on or before the delivery date for the Local Bonds, which shall be a date mutually agreed upon by the Authority and the Governmental Agency and which date shall not be prior to one (1) business day before the scheduled maturity of the Governmental Agency's bond anticipation notes or other short-term indebtedness issued in anticipation of the Governmental Agency Bonds, if any (or earlier redeption date thereof if such notes or other short-term indebtedness are in fact called for redemption), nor later than twenty-seven (27) months from the date the 1982 Series A Bonds are delivered to the initial purchasers thereof; provided that, if such Local Bonds are not

delivered on or before the date so mutually agreed upon, the Authority may use monies for the purchase of local bonds of other governmental agencies in accordance with Section 3.4 hereof. Said conditions precedent are as follows:

(a) The Governmental Agency shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Loan Agreement;

(b) The Governmental Agency shall have authorized the issuance of and delivered to the Authority for purchase the Governmental Agency Bonds described in Section 3.2 hereof;

(c) The Governmental Agency shall have received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application;

(d) The Governmental Agency shall have obtained all requisite orders of and approvals from the West Virginia Public Service Commission necessary for the issuance of the Governmental Agency Bonds, construction of the Project and imposition of the rates required to comply with the provisions of Subsection 4.1(b)(iii) hereof and shall have taken any other action required for the imposition of such rates;

(e) The Governmental Agency shall have obtained all requisite permits necessary for the construction of the Project from the EPA and the West Virginia Department of Natural Resources;

(f) The Governmental Agency shall have obtained a Step III grant offer from the EPA; and

(g) The Governmental Agency shall have received a certificate, in form and substance satisfactory to the Authority, from the consulting engineer designated by the Authority, regarding the engineering report for the Project.

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority and the rules, regulations and procedures promulgated from time to time by EPA, it is hereby agreed that the Authority shall make the WDA Loans to the Governmental Agency and the Governmental Agency shall accept the WDA Loans from the Authority, and in furtherance thereof it is agreed that the Governmental Agency shall sell to the Authority and the Authority shall make the WDA Loans by purchasing the Governmental Agency Bonds in the principal amount set forth in Schedule X hereto and provide proceeds of not less than $405,000.00 ~~$738,000~~, such Governmental Agency Bonds to consist of a mix of Local Bonds and Supplemental Bonds as will result in annual debt service on the Governmental Agency Bonds of not in excess of ~~$385,000~~ $415.000. The Local Bonds will be

purchased by the Authority at a price of not less than seventy percent (70%) of the principal amount thereof, and the Supplemental Bonds will be purchased by the Authority at a price equal to one hundred percent (100%) of the principal amount thereof, all as more particularly set forth on Schedule X hereto. The Local Bonds and the Supplemental Bonds shall be issued and sold to the Authority simultaneously. The Governmental Agency represents that the proceeds of the Governmental Agency Bonds will, together with the funds from the sources set forth in the Application, including any bond anticipation notes or other short-term indebtedness issued in anticipation of the Governmental Agency Bonds, and any other funds available to the Governmental Agency and approved by the Authority, pay the entire cost of the Project and refund said bond anticipation notes or other short-term indebtedness.

3.3 The WDA Loans shall be secured and shall be repaid in the manner hereinafter provided in this Loan Agreement.

3.4 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Authority for loans to finance water development projects and that the obligation of the Authority to make any such loan is subject to the sale and the availability of proceeds of the 1982 Series A Bonds at the time the Governmental Agency has fulfilled all of the terms and conditions of this Loan Agreement and to the right of the Authority to make such loans to other governmental agencies as in the aggregate shall permit the fullest and most timely utilization of such proceeds to enable the Authority to pay debt service on the 1982 Series A Bonds.

3.5 In the event the earnings on that portion of the proceeds of the 1982 Series A Bonds issued to purchase the Local Bonds are not sufficient to pay the interest accruing on said portion of the 1982 Series A Bonds pending issuance and delivery of the Local Bonds, the Governmental Agency agrees to issue additional Supplemental Bonds in principal amount equal to such deficiency (as determined by the Authority) and sell such additional Supplemental Bonds to the Authority and assign the proceeds thereof to the Authority, which shall use such proceeds to reimburse itself for such deficiency.

ARTICLE IV

Governmental Agency Bonds; Security for WDA Loans; Repayment of WDA Loans; Interest on WDA Loans; Fees and Charges

4.1 The Governmental Agency shall, as one of the conditions of the Authority to make the WDA Loans, authorize

the issuance of and issue the Governmental Agency Bonds pursuant to an official action of the Governmental Agency in accordance with the applicable statute of the State of West Virginia (the "Local Act"), which shall, as adopted, contain provisions and covenants in substantially the form as follows:

(a) That the revenues generated from the operation of the System will be used monthly first to pay operation and maintenance expenses of the System; second, to the extent not otherwise limited by an outstanding local resolution, to provide debt service on the Local Bonds, which shall include the establishment of a reserve account for the payment of the Local Bonds into which shall be deposited an amount equal to 20% of all amounts required to be deposited for debt service until such reserve account equals the maximum amount of principal and interest which will come due on such Local Bonds in any year; third, to create a renewal and replacement, or similar, fund in an amount equal to 2-1/2% of the gross revenues from the System, exclusive of the payments into the reserve account, for the purpose of improving or making emergency repairs or replacements to the System, or eliminating any deficiencies in the aforesaid reserve account; and, fourth, to pay debt service on the Supplemental Bonds or to purchase Local Bonds on the open market, or to redeem Local Bonds, or to pay debt service on obligations junior and subordinate to the Local Bonds (other than the Supplemental Bonds). The gross revenues of the System shall always be used for purposes of the System.

(b) Covenants substantially as follows:

(i) That the Governmental Agency Bonds shall be secured by the net revenues from the System;

(ii) That the Supplemental Bonds shall be subordinate to the Local Bonds as to lien and source of payment.

(iii) That the schedule of rates or charges for the services of the System shall be sufficient to provide funds which along with other revenues of the System will pay all reasonable expenses of operation, repair and maintenance of the System and leave a balance each year equal to at least 130% of the maximum amount required for debt service on all obligations, including the Governmental Agency Bonds, payable from the revenues of the System;

(iv) That the Governmental Agency will complete, operate and maintain the System in good condition;

(v) That the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Governmental Agency Bonds outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

(vi) That the Governmental Agency shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements financed by such parity bonds, shall not be less than 130% of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued; provided, however, that additional parity bonds may be issued to complete the Project without regard to the foregoing;

(vii) That the Governmental Agency will carry such insurance as is customarily carried with respect to works and properties similar to the System;

(viii) That the Governmental Agency will not render any free services of the System;

(ix) That any bondholder may, by proper legal action, compel the performance of the duties of the Governmental Agency under the Local Act, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal of or interest on the Governmental Agency Bonds, the right to obtain the appointment of a receiver to administer the System as provided by law;

(x) That all delinquent rates and charges, if not paid when due, shall become a lien on the premises served by the System;

(xi) That, in the event the Governmental Agency owns a waterworks system (the "Water System"), it will, to the full extent permitted by law, discontinue and shut off the services and facilities of the System and the Water System to all delinquent users of services of the System and will not restore the services of either system until all delinquent charges for the services of the System have been fully paid;

(xii) That the Governmental Agency will not grant any franchise to provide any services which would compete with the System;

(xiii) That the Governmental Agency shall annually cause the records of the System to be audited by a certified public accountant;

(xiv) That the Governmental Agency shall annually adopt a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year;

(xv) That, to the extent authorized by the laws of the State, prospective users of the System shall be required to connect thereto;

(xvi) That, except to the extend used to refund notes or other short-term indebtedness issued in anticipation thereof, the proceeds of Governmental Agency Bonds, except for accrued interest, must be deposited in a construction fund on which the holder of the Government Agency Bonds shall have a lien until such proceeds are applied to the construction of a water development project.

The Governmental Agency hereby represents and warrants that the Local Act has been or shall be duly adopted in compliance with all necessary corporate and other action and in accordance with applicable provisions of law. All legal matters incident to the authorization, issuance, sale and delivery of the Local Bonds shall be approved without qualification by recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit A.

4.2 The WDA Loans shall be secured by the pledge and assignment by the Governmental Agency, as effected by the Local Act, of all the fees, charges and other revenues of the Governmental Agency from the System remaining after the payment of operation and maintenance expenses and as otherwise provided in the Local Act, subject only to such reservations and exceptions as are described in Schedule X hereto or are otherwise expressly permitted in writing by the Authority.

4.3 The principal of the WDA Loans shall be repaid by the Governmental Agency annually on the day and in the years provided in Schedule X hereto, and interest payments on the Loan shall be made by the Governmental Agency on a semi-annual basis as provided in said Schedule X.

4.4 The Loan shall bear interest from the date of the delivery to the Authority of the Local Bonds, at a coupon rate or rates per annum which shall be equal to the coupon rate or

rates per annum borne by the 1982 Series A Bonds for corresponding maturities issued to provide the funds to make the Loan; provided, however, that in no event shall the coupon interest rate or the interest cost exceed any statutory limitation with regard to the issuance of the Local Bonds. The Supplemental Loan will not bear interest.

4.5 The Governmental Agency Bonds shall be delivered to the Authority in fully registered form, exchangeable as provided in the Local Act at the expense of the Governmental Agency.

4.6 The Governmental Agency agrees to pay from time to time, as required by the Authority, the Governmental Agency's allocable share of the administrative expenses (based on the percentage of the Governmental Agency's Local Bonds to all other local bonds purchased by the Authority and then outstanding) of the Authority relating to all loans to be made by the Authority to governmental agencies with the proceeds of the 1982 Series A Bonds. Such administrative expenses shall be as determined by the Authority and shall include without limitation program expenses and fees paid to the trustee and paying agents for such revenue bonds.

4.7 As long as the Authority is the registered owner of all of the Governmental Agency Bonds outstanding, the Governmental Agency will not redeem such Governmental Agency Bonds outstanding without the written consent of the Authority, and any such redemption of Local Bonds authorized by the Authority shall provide for the payment of interest to the first allowable redemption date for the Authority's 1982 Series A Bonds and the redemption premium payable on the 1982 Series A Bonds redeemable as a consequence of such redemption of Local Bonds. Nothing in this Loan Agreement shall be construed to prohibit the Authority from refunding its 1982 Series A Bonds, and such refunding need not be based upon or result in any benefit to the Governmental Agency.

ARTICLE V

Acquisition of Site of Eligible Project; Certain Construction Requirements

5.1 Subject to the terms, conditions and provisions of this Loan Agreement and of the Local Act, the Governmental Agency shall do all things necessary to acquire the proposed site of the Project and to construct the Project in accordance with the plans, designs and specifications prepared for the Governmental Agency by the Consulting Engineers.

5.2 The Governmental Agency shall keep complete and accurate records of the cost of acquiring the Project site and the costs of constructing, acquiring and installing the Project. The Governmental Agency shall permit the Authority, acting by and through its Director or his duly authorized representatives, to inspect all books, documents, papers and records relating to the Project at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority such documents and information as it may reasonably require in connection with the administration of the WDA Loans or of Federal and State grants or other sources of financing for the Project.

5.3 The Governmental Agency shall require that each construction contractor furnish a performance bond and a payment bond each in an amount at least equal to one hundred percent (100%) of the contract price of the portion of the Project covered by the particular contract, as security for the faithful performance of such contract.

5.4 The Governmental Agency shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workmen's compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority. Until the Project facilities are completed and accepted by the Governmental Agency, the Governmental Agency or (at the option of the Governmental Agency) the contractor shall maintain builders risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor and all subcontractors, as their interests may appear.

5.5 The Governmental Agency shall provide and maintain competent and adequate resident engineering services satisfactory to the Authority covering the supervision and inspection of the development and construction of the Project, and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such resident engineer shall certify to the Authority, EPA and the Governmental Agency at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

ARTICLE VI

Certain Covenants of the Governmental Agency; Imposition and Collection of User Charges; Payments to be Made by Governmental Agency to the Authority

6.1 The Governmental Agency hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Governmental Agency hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to make the WDA Loans, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System, of which the Project constitutes a whole or a part, as set forth in the Local Act and in compliance with the provisions of Subsection 4.1(b)(iii) hereof.

6.2 In the event the Governmental Agency defaults in the payment of any of said fees and charges to the Authority, the amount of such default shall bear interest at the coupon rate of the Local Bonds, from the date of the default until the date of the payment thereof.

6.3 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Governmental Agency Bonds shall prove to be insufficient to produce the minimum sums set forth in the Local Act, the Governmental Agency hereby covenants and agrees that it will, upon notice by the Authority, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges so as to provide funds sufficient to produce the minimum sums set forth in the Local Act.

6.4 The Governmental Agency hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Governmental Agency, the Authority may exercise any or all of the rights and powers granted under Section 6a of the Act, including without limitation the right to directly impose, enforce and collect charges upon users of the System of which the Project constitutes a whole or a part.

ARTICLE VII

Other Agreements of the Governmental Agency

7.1 The Governmental Agency hereby acknowledges to the Authority its understanding of the provisions of the Act,

vesting in the Authority certain powers, rights and privileges in respect of water development projects in the event of default by governmental agencies in the terms and covenants of loan agreements, and the Governmental Agency hereby covenants and agrees that, if the Authority should in futuro have recourse to said rights and powers, the Governmental Agency shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Loan Agreement.

7.2 To the extent required by law, the Governmental Agency hereby covenants and agrees to secure approval of the Authority and all other State agencies having jurisdiction before applying for Federal financial assistance for pollution abatement in order to maximize the amounts of such Federal financial assistance received or to be received for all water development projects in the State of West Virginia.

7.3 The Governmental Agency hereby covenants and agrees to comply with all applicable laws, rules and regulations issued by the Authority or other State, Federal or local bodies in regard to the construction, operation, maintenance and use of the Project.

7.4 The Governmental Agency hereby warrants and represents that all information provided to the Authority in this Loan Agreement, in its Application for the WDA Loans or in any other application or documentation with respect to financing the Project was at the time provided, and now is, true, correct and complete, and such information does not omit any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Prior to the Authority's making the WDA Loans and receiving the Governmental Agency Bonds, the Authority shall have the right to cancel all or any of its obligations under this Loan Agreement if (a) any representation made to the Authority by the Governmental Agency in connection with the WDA Loans shall be incorrect or incomplete in any material respect or (b) the Governmental Agency has violated any commitment made by it in its Application for the WDA Loans or in any supporting documentation or has violated any of the terms of this Loan Agreement.

7.5 The Governmental Agency hereby covenants that, to the extent the proceeds of the Governmental Agency Bonds are used to refund notes or other short-term indebtedness of the Governmental Agency issued in anticipation of the issuance of the Governmental Agency Bonds (the "refunding proceeds"), the yield to the Governmental Agency upon any investment of the refunding proceeds shall be restricted and may in no event exceed the yield on the Governmental Agency Bonds. "Yield" shall be calculated in the manner provided in Treasury Regulations §§ 1.103-13 and 1.103-14.

ARTICLE VIII

Maintenance and Operation

8.1 The Governmental Agency agrees that it will at all times provide operation and maintenance of the Project to comply with the water quality standards established by the West Virginia Department of Natural Resources and EPA. The Governmental Agency agrees that qualified operating personnel properly certified by the State of West Virginia will be retained to operate the Project during the entire term of this Loan Agreement.

8.2 The Governmental Agency agrees that it will permit the Authority and EPA and their respective agents to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the Project at any reasonable time following completion of construction of the Project and commencement of operation thereof.

ARTICLE IX

Miscellaneous

9.1 Schedule X shall be attached to this Loan Agreement at the time of execution hereof by the Authority and shall be approved by an official action of the Governmental Agency supplementing the Local Act.

9.2 If any provision of this Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Loan Agreement, and this Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

9.3 This Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all documents or other instruments and take such other actions as may be necessary to give effect to the terms of this Loan Agreement.

9.4 No waiver by either party of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different

section, subsection, paragraph, clause, phrase or other provision of this Loan Agreement.

9.5 This Loan Agreement merges and supersedes all prior negotiations, representations and agreements between the parties hereto relating to the WDA Loans and constitutes the entire agreement between the parties hereto in respect thereof.

9.6 The Governmental Agency hereby agrees to cooperate with the Authority in amending this Loan Agreement as required by the terms of sale of the 1982 Series A Bonds: provided, that the maximum annual debt service set forth in Section 3.2 shall not be increased by more than five percent (5%).

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed by their respective duly authorized officers as of the date executed below by the Governmental Agency, but this Loan Agreement shall not be binding on the Authority until executed by it.

GREENBRIER PUBLIC SERVICE DISTRICT NO. 1

(SEAL)

By _____

Its Chairman

Attest:

Date: May 31, 1982

_____

Its Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By _____

Its Director

Attest:

Date: _____

_____

Its Secretary-Treasurer

EXHIBIT A

[Opinion of Bond Counsel for Governmental Agency]

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

Gentlemen:

We are bond counsel to _____ (the "Governmental Agency"), a public service district and a public corporation and political subdivision of the State of West Virginia, created and existing under Chapter 16, Article 13A, of the Code of West Virginia, 1931, as amended.

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement (the "Loan Agreement"), dated _____, 19__, between the Governmental Agency and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of two separate series of revenue bonds of the Governmental Agency, dated _____, 19__ (the "Governmental Agency Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The series of Governmental Agency Bonds described in the Loan Agreement as Local Bonds is in the principal amount of $_____, issued in the form of one bond registered as to principal and interest to the Authority, interest payable April 1 and October 1 of each year, beginning _____, 19__, at the respective rate or rates and with principal payable in installments on October 1 in each of the years, all as follows:

Year	Installment	Interest Rate

The series of Governmental Agency Bonds described in the Loan Agreement as the Supplemental Bonds is in the principal amount of $_____, issued in the form of one bond registered as to principal to the Authority, without interest thereon, with principal payable in installments on October 1 in each of the years, as follows:

Year	Installment

The Governmental Agency Bonds are issued for the purpose of _____ and paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of Chapter 16, Article 13A, of the West Virginia Code of 1931, as amended (the "Code Provision"), under which the Governmental Agency Bonds are issued and the Loan Agreement that has been undertaken, including all schedules and exhibits to the Loan Agreement. The Governmental Agency Bonds have been authorized by a bond resolution (the "Local Act") duly adopted by the Governmental Agency, which contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement. The Governmental Agency Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

Based upon the foregoing and upon our examination of such other documents as we have deemed necessary, we are of the opinion that:

1. The Loan Agreement has been duly authorized by and executed on behalf of the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with the terms thereof.

2. The Loan Agreement inures to the benefit of the Authority and cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Governmental Agency without the consent of the Authority.

3. The Governmental Agency is a duly organized and presently existing public service district and political subdivison of the State of West Virginia, with full power and authority to construct, acquire, operate and maintain the project referred to in the Loan Agreement and to issue and sell the Governmental Agency Bonds, all under the Code Provision and other applicable provisions of law.

4. The Governmental Agency has legally and effectively adopted the Local Act and all other necessary resolutions in connection with the issuance and sale of the Governmental Agency Bonds.

5. The Governmental Agency Bonds are valid and legally enforceable special obligations of the Governmental Agency, payable from the net revenues of the system referred to in the Local Act and secured by a lien on and pledge of the net revenues of the system referred to in the Local Act, all in accordance with the terms of the Local Bond and the Local Act, and have been duly issued and delivered to the Authority.

6. The Governmental Agency has reserved the right to issue additional bonds ranking on a parity with the Local Bond, as provided in the Local Act.

7. The Governmental Agency Bonds are, by statute, exempt from taxation by the State of West Virginia and the other taxing bodies of the State, and under the laws, regulations, rulings and decisions of the United States of America, as presently written and applied, the interest on the Local Bond is exempt from Federal income taxation.

No opinion is given herein as to the enforceability of remedies with respect to the Governmental Agency Bonds under any applicable bankruptcy, insolvency, moratorium or other laws affecting creditors' rights.

We have examined executed Local Bond numbered R-1 and Supplemental Bond numbered S-1, and in our opinion the form of said bonds and their execution are regular and proper.

Very truly yours,

SUPPLEMENTAL
RESOLUTION

WHEREAS, GREENBRIER PUBLIC SERVICE DISTRICT NO. 1 (the "Governmental Agency") acting through its governing body, has heretofore, on August 15, 1980, adopted a bond and notes resolution authorizing issuance of the Governmental Agency's Sewer Revenue Bonds, and said resolution has been amended by amendatory and supplemental resolutions regarding extension of maturity of the Governmental Agency's interim financing as represented by a bond anticipation note;

WHEREAS, West Virginia Water Development Authority ("WDA") has informed the Governmental Agency that permanent financing for the sewer system will be available shortly, and in anticipation thereof, the Governmental Agency has heretofore executed and delivered to WDA a revised Loan Agreement dated May 31, 1982 (the "Loan Agreement") setting forth certain provisions in connection with the permanent bonds;

WHEREAS, it is in the best interest of the Governmental Agency to accept the terms for permanent financing as set forth in the Loan Agreement and "Schedule X", attached thereto, as presented to this meeting.

NOW THEREFORE, BE IT RESOLVED, by the Public Service Board of Greenbrier Public Service District No. 1, that the Loan Agreement and the execution and delivery thereof be ratified and approved and that "Schedule X" thereto, as presented to this meeting, be hereby approved in the form so presented.

BE IT FURTHER RESOLVED that issuance of the Governmental Agency's Bonds in the aggregate principal amount and with interest rates and payment dates and other provisions as set forth in said Schedule X is hereby authorized and approved.

This resolution shall be supplemental to the original resolution adopted by the Governmental Agency on August 15, 1980 and shall take effect immediately.

Adopted this 23rd day of June, 1982.

Chairman

Secretary

06/21/82
WDA

GREENBRIER PUBLIC SERVICE DISTRICT NO. 1

Sewer Revenue Bonds,
Series 1983 A and Series 1983 B

RESOLUTION PROVIDING AS TO DATE, MATURITY, INTEREST RATE AND SALE PRICE OF THE SEWER REVENUE BONDS, SERIES 1983, OF GREENBRIER PUBLIC SERVICE DISTRICT NO. 1; CHANGING SERIES DESIGNATION; AUTHORIZING ISSUANCE OF SUCH BONDS IN TWO SEPARATE SERIES AND AMENDING, AUTHORIZING, APPROVING AND RATIFYING A LOAN AGREEMENT AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, Greenbrier Public Service District No. 1 (the "Issuer") is a public service district of the State of West Virginia, the governing body of which is its public service board (the "Governing Body"); and

WHEREAS, the Governing Body has duly and officially adopted on August 15,1980, a Resolution (the "Bond and Notes Resolution") entitled:

A RESOLUTION AUTHORIZING THE CONSTRUCTION AND ACQUISITION OF CERTAIN SEWAGE FACILITIES OF GREENBRIER PUBLIC SERVICE DISTRICT NO. 1, GREENBRIER COUNTY, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $3,900,000 IN PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1980, AND BOND ANTICIPATION NOTES; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH BONDS AND NOTES; AUTHORIZING THE SALE OF SUCH BONDS AND NOTES TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY PURSUANT TO THE TERMS OF A LOAN AGREEMENT BETWEEN THE DISTRICT AND SAID AUTHORITY AND ADOPTING OTHER PROVISIONS RELATING THERETO.

providing for the issuance of Sewer Revenue Bonds, Series 1980, of the Issuer in the principal amount not to exceed $3,900,000 (the "1980 Bonds), and providing for the issuance of Sewerage System Bond Anticipation Notes of the Issuer (the "BAN") in the aggregate

principal amount of $3,620,000, all in accordance with West Virginia Code, Chapter 16, Article 13A (the "Act") and the Issuer has, on August 28, 1981, May 28, 1982, and June 23, 1982, adopted Resolutions supplementing the Bond and Notes Resolution (such supplemental Resolutions, together with the Bond and Notes Resolution, and this Supplemental Resolution collectively called herein the "Bond Legislation") and in the Bond and Notes Resolution it is provided that the actual principal amount, maturity date, interest rate, interest payment dates, sale price and other provisions relating to the 1980 Bonds should be established by a Supplemental Resolution; and

WHEREAS, in order for the 1980 Bonds to be sold by the Issuer to West Virginia Water Development Authority ("WDA") pursuant to the Bond Legislation, it is necessary for such bond issue to be issued in two series, one subordinate to the other, for the series designation to be changed from "Series 1980" to "Series 1983" and with such other changes in the proposed issue as are set forth in a Loan Agreement, dated May 31, 1982 as amended hereby (the "Loan Agreement"), heretofore entered into by and between the Issuer and WDA.

WHEREAS, the Governing Body deems it essential and desirable that this Resolution (the "Bond Resolution") be adopted and that the Loan Agreement be amended, authorized, approved and ratified by the Issuer, that the denominations, principal amounts, prices, maturity dates, interest rates, interest payment dates and series designation of the 1980 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 GREENBRIER PUBLIC SERVICE DISTRICT NO. 1:

Section 1. Pursuant to the Bond and Notes Resolution and the Act, this Bond Resolution is adopted and the bonds heretofore authorized as "Series 1980 Bonds" shall be redesignated as "Series 1983 A Bonds" and "Series 1983 B Bonds" (collectively the "Bonds"). Accordingly, there are hereby authorized and ordered to be issued the Sewer Revenue Bonds, Series 1983 A (the "Series 1983 A Bonds") of the Issuer in the aggregate principal amount of Two Million Nine Hundred Fifty Thousand Dollars ($2,950,000), and the Sewer Revenue Bonds, Series 1983 B (the "Series 1983 B Bonds"), of the Issuer in the aggregate principal amount of Nine Hundred Ten Thousand Dollars ($910,000).

The Series 1983 A Bonds shall be dated June 23, 1983, shall bear interest at the rates, payable on the respective principal installments on April 1 and October 1 of the years and shall have principal installments payable on October 1 of such years and in such amounts as are set forth in "Schedule X" to the Loan Agreement, which Loan Agreement and said Schedule X are attached hereto as a part hereof and fully incorporated herein.

The Series 1983 B Bonds shall be dated June 23, 1983, shall not bear interest and shall have principal installments payable on October 1, of such years and in such amounts as are set forth in said Schedule X.

Section 2. The Issuer hereby directs the Bonds to be sold to WDA and does hereby authorize, approve and ratify the Loan Agreement, as amended hereby, and the execution and delivery thereof, a copy of which is incorporated herein by reference. The purchase price of the Series 1983 A and Series 1983 B Bonds, pursuant to the Loan Agreement shall be $2,492,750 (84.5%) and $910,000 (100%), respectively.

Section 3. The Bonds shall be secured in the manner and payable solely from the Net Revenues derived from operation of the System (as defined in the Bond and Notes Resolution). The Series 1983 A Bonds shall be on a parity with respect to sources of and security for payment with the outstanding Sewer Revenue Bonds, Series A, of the Issuer, dated May 1, 1972, issued in the aggregate principal amount of $670,000 (the "HUD Bonds"), sold to and held by the United States Department of Housing and Urban Development ("HUD"), consent to which has been obtained by the Issuer from HUD. The Series 1983 B Bonds shall be junior and subordinate with respect to sources and security for payment to the Series 1983 A Bonds and the HUD Bonds.

The text of the Series 1983 A Bond shall be of substantially the following form, with such omissions, insertions and variations as may be approved by the Chairman as evidenced by his execution thereof:

[Form of Series 1983 A Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
GREENBRIER PUBLIC SERVICE DISTRICT NO. 1
SEWER REVENUE BOND, SERIES 1983 A

No. R-1 $2,950,000

KNOW ALL MEN BY THESE PRESENTS: That GREENBRIER PUBLIC SERVICE DISTRICT NO. 1, a public service district and political subdivision of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Payee"), or its registered assigns (the "Alternate Payee"), the sum of Two Million Nine Hundred Fifty Thousand Dollars ($2,950,000), in installments on October 1 of each year, with interest on the outstanding balance hereof at the rates per annum set forth in the Schedule of Payments attached hereto opposite the year in which the installment becomes due.

The interest rate on each installment shall run from the original date of delivery of this Bond to the Payee and payment therefor, and until payment of such installment, and such interest shall be payable on the first day of April and the first day of October in each year, beginning October 1, 1983. Both principal of and interest on this Bond are payable in any coin or currency which, on the respective dates of payment of principal and interest, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, through Kanawha Valley Bank, N.A., Charleston, West Virginia.

This Bond is subject to redemption prior to its stated date of maturity in whole or in part in inverse order of maturities only on or after the date on which all outstanding bonds issued by the West Virginia Water Development Authority (the "Authority") to provide funds for the purchase of this Bond are redeemable and at a price equal to the aggregate of (i) the corresponding principal amount of the bonds of the Authority to be redeemed by the Authority as a consequence of the redemption by the Issuer of all or a part of its Bond outstanding, (ii) the interest to accrue on the bonds of the Authority so to be redeemed to the next redemption date thereof and not previously paid, (iii) the applicable premium, if any, payable on the bonds of the Authority so to be redeemed, (iv) the applicable premium, if any, payable on additional bonds of the Authority which also become redeemable by virtue of such redemption,

(v) the costs and expenses of the Authority in effecting redemption of the bonds of the Authority so to be redeemed, and (vi) at the direction of the Authority, an amount equal to the proportionate amount of the additional bonds of the Authority so to be redeemed, if any, less other moneys of the Authority available therefor; provided, however, that in the event the bonds of the Authority have been refunded and the refunding bonds were issued by the Authority in a principal amount in excess of or less than such bonds remaining unpaid at the date of issuance of such refunding bonds, the Issuer shall be obligated to pay under item (i) above the principal amount of such refunding bonds outstanding, and, in the event the interest the Authority is required to pay on said refunding bonds is less than the Authority was required to pay on the bonds of the Authority, the Issuer shall be obligated to pay under item (ii) above the amount of interest to accrue on such outstanding bonds of the Authority; PROVIDED THAT the outstanding Sewer Revenue Bonds, Series A of this Issuer, dated May 1, 1972, issued in the original principal amount of $670,000 (the "HUD Bonds") sold to and held by the United States Department of Housing and Urban Development ("HUD") shall have priority for redemption prior to maturity.

This Bond is issued to finance a portion of the costs of construction and acquisition of new public service facilities for the collection, treatment, purification or disposal of liquid or solid wastes (the "System") in the territory to be served by the Issuer under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Article 13 A of Chapter 16 of the West Virginia Code of 1931, as amended (the "Act"), a Resolution duly adopted by the public service board of the Issuer on August 15, 1980, as supplemented by resolutions duly adopted by the public service board of the Issuer on August 28, 1981, May 28, 1982, June 23, 1982, and June 21, 1983 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond and the HUD Bonds under the Bond Legislation.

This Bond is payable only from and secured by a pledge of the Net Revenues to be derived from the operation of the System (as defined in the Bond Legislation), on a parity in all respects with the HUD Bonds, which Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose and a statutory mortgage lien pursuant to the Act on a parity with the aforesaid HUD 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 thereon except from said special fund provided, and the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 130% of the amount required to pay the maximum amount due in any ensuing year of principal of and interest on all obligations payable from such revenues. The Issuer has entered into certain further covenants with the holders of this Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the holders of this Bond are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Bond Legislation, only upon the books of the Issuer kept for that purpose at the office of the Treasurer of the State of West Virginia, by the Payee, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Treasurer of the State of West Virginia, duly executed by the Payee or its attorney duly authorized in writing. This Bond may be exchanged for an aggregate principal amount of coupon Bonds equal to the unpaid principal amount of this Bond, and having maturities corresponding with the principal installments of this Bond then unpaid.

This Bond is issued on a parity with respect to sources of and security for payment with the outstanding HUD Bonds of the Issuer, all as described in the Bond Legislation.

This Bond shall be exempt from all taxation by the State of West Virginia and the other taxing bodies of said State.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the cost of the Project described in the Bond Legislation, including payment of the Notes authorized and issued pursuant to the Bond Legislation and any other indebtedness incurred by the Issuer for such purposes which is required to be paid from the moneys received from the sale of this Bond, or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder of this Bond.

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 revenues of the System has been pledged to and will be set aside into said special fund 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.

IN WITNESS WHEREOF, GREENBRIER PUBLIC SERVICE DISTRICT NO. 1 has caused this Bond to be signed by the Chairman of its public service board and its corporate seal to be hereunto affixed and attested by the Secretary of its public service board, all as of the _____ day of _____, 1983.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

SCHEDULE OF PAYMENTS

Year	Principal Installment	Interest Rate
1983	$ 5,000	10.00%
1984	5,000	10.00
1985	5,000	10.00
1986	5,000	10.00
1987	10,000	10.00
1988	10,000	10.50
1989	10,000	10.75
1990	15,000	11.00
1991	10,000	11.25
1992	15,000	11.50
1993	15,000	11.60
1994	20,000	11.70
1995	20,000	11.80
1996	25,000	11.90
1997	20,000	12.00
1998	25,000	12.00
1999	30,000	12.00
2000	35,000	12.00
2001	35,000	12.00
2002	40,000	12.00
2003	45,000	12.00
2004	55,000	12.00
2005	55,000	12.00
2006	65,000	12.00
2007	75,000	12.00
2008	80,000	12.00
2009	90,000	12.00
2010	105,000	12.00
2011	115,000	12.00
2012	130,000	12.00
2013	190,000	10.00
2014	205,000	10.00
2015	225,000	10.00
2016	250,000	10.00
2017	275,000	10.00
2018	300,000	10.00
2019	335,000	10.00

[Form of Payment Record]

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due After Payment	Interest Payment Rate	Date Paid	Name of Paying Agent Authorized Officer And Title
	$	$	$		

[Form of Assignment]

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond of Greenbrier Public Service District No. 1, and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books of the said District with full power of substitution in the premises.

Dated:

_____

In the presence of:

_____

The text of the Series 1983 B Bond shall be of substantially the following form, with such omissions, insertions and variations as may be approved by the Chairman as evidenced by his execution thereof:

[Form of Series 1983 B Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
GREENBRIER PUBLIC SERVICE DISTRICT NO. 1
SEWER REVENUE BOND, SERIES 1983 B

No. R-1 $910,000

KNOW ALL MEN BY THESE PRESENTS: That GREENBRIER PUBLIC SERVICE DISTRICT NO. 1, a public service district and political subdivision of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Payee"), or its registered assigns (the "Alternate Payee"), the sum of Nine Hundred Ten Thousand Dollars ($910,000), in 37 equal annual installments of $24,594.60 each, commencing October 1, 1983, and continuing on the first day of each October thereafter, to and including October 1, 2019, without interest.

The principal payments of this Bond are payable in any coin or currency which, on the respective dates of payment is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, through Kanawha Valley Bank, N.A., Charleston, West Virginia.

This Bond is subject to redemption prior to its stated date of maturity in whole or in part in inverse order of maturities at any time, at the price of the par value hereof or principal installments remaining to be paid, without premium, but only with the written consent of the West Virginia Water Development Authority (the "Authority") and subject to the condition that the outstanding Sewer Revenue Bonds, Series A, of the Issuer, dated May 1, 1972, issued in the original principal amount of $670,000 (the "HUD Bonds") sold to and held by the United States Department of Housing and Urban Development ("HUD") shall have priority for redemption prior to maturity.

This Bond is issued to finance a portion of the costs of construction and acquisition of new public service facilities for the collection, treatment, purification or disposal of liquid or solid wastes (the "System") in the territory to be served by the Issuer under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Article 13 A of Chapter 16 of the West Virginia Code of

1931, as amended (the "Act"), a Resolution duly adopted by the public service board of the Issuer on August 15, 1980, as supplemented by resolutions duly adopted by the public service board on August 28, 1981, May 28, 1982, June 23, 1982, and June 21, 1983 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds may be entitled to be paid and secured prior to this Bond from the funds and revenues and other security provided for this Bond under the Bond Legislation.

This Bond is payable only from and secured by a pledge of the Net Revenues to be derived from the operation of the System (as defined in the Bond Legislation) after there has first been paid from said Net Revenues all payments then due and owing on the HUD Bonds and the Series 1983 A Bond herein described, which Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. 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 except from said special fund provided, and the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 130% of the amount required to pay the maximum amount due in any ensuing year of principal of and interest on all obligations payable from such revenues. The Issuer has entered into certain further covenants with the holders of this Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the holders of this Bond are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Bond Legislation, only upon the books of the Issuer kept for that purpose at the office of the Treasurer of the State of West Virginia, by the Payee, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Treasurer of the State of West Virginia, duly executed by the Payee or its attorney duly authorized in writing.

This Bond shall be exempt from all taxation by the State of West Virginia and the other taxing bodies of said State.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the cost of the Project described in the Bond Legislation, including payment of the Notes authorized and issued pursuant to the Bond Legislation and any other indebtedness incurred by the Issuer for such purposes which is required to be paid from the moneys received from the sale of this Bond, or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder of this Bond.

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO SOURCES OF AND SECURITY FOR PAYMENT TO THE OUTSTANDING SEWER REVENUE BOND, SERIES 1983 A, OF THE ISSUER, ISSUED CONCURRENTLY HEREWITH AND DESCRIBED IN THE BOND LEGISLATION, AND THE OUTSTANDING HUD BONDS.

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 revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of 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.

IN WITNESS WHEREOF, GREENBRIER PUBLIC SERVICE DISTRICT NO. 1 has caused this Bond to be signed by the Chairman of its public service board and its corporate seal to be hereunto affixed and attested by the Secretary of its public service board, all as of the _____ day of _____, 1983.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

[Form of Payment Record]

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due After Payment	Name of Paying Agent Authorized Officer And Title
	$	$	

[Form of Assignment]

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond of Greenbrier Public Service District No. 1, and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books of the said District with full power of substitution in the premises.

Dated:

_____

In the presence of:

_____

Section 4. The Issuer does hereby expressly approve and ratify all modifications pertaining to the Bonds, the sources of and security for payment therefor and the establishment of funds as set forth in the Loan Agreement. The System Revenues and application thereof shall be as provided in Article IV of the Bond and Notes Resolution, except that debt service on the Series 1983 B Bonds shall not be paid from System Revenues until and unless, there is first paid by the Issuer:

(a) all reasonable operating expenses of the System;

(b) debt service on the Series 1982 A Bonds;

(c) debt service on the HUD Bonds;

(d) required deposits into the Reserve Account as provided in the Bond and Notes Resolution; and

(e) required deposits into the Renewal and Replacement Account as provided in the Bond and Notes Resolution.

All other provisions of the Bond and Notes Resolution shall apply equally to the Series 1983 A Bonds and the Series 1983 B Bonds, unless expressly modified in the Loan Agreement or this Bond Resolution.

Section 5. So long as any of the Bonds are outstanding, the Issuer covenants that:

(i) the Bonds shall be secured by the Net Revenues from the System;

(ii) the Series 1983 B Bonds shall be subordinate to the Series 1983 A Bonds and the HUD Bonds as to lien and source of payment.

(iii) the schedule of rates or charges for the services of the System shall be sufficient to provide funds which along with other revenues of the System will pay all reasonable expenses of operation, repair and maintenance of the System and leave a balance each year equal to at least 130% of the maximum amount required for debt service on all obligations, including the Series 1983 A Bonds, Series 1983 B Bonds and the

HUD Bonds, payable from the revenues of the System;

(iv) the Issuer will complete, operate and maintain the System in good condition;

(v) the System will not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully the Bonds outstanding and are applied for such purpose, or, if such condition cannot be met, only upon receipt of the prior written consent of WDA to such sale;

(vi) the Issuer shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Series 1983 A Bonds and the HUD Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements financed by such parity bonds, shall not be less than 130% of the maximum debt service in any succeeding year on the Series 1983 A Bonds and parity bonds theretofore and then being issued; provided, however, that additional parity bonds may be issued to complete the Project without regard to the foregoing, and further provided that the Issuer may issue obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Series 1983 B Bonds, with the written consent of the Authority; provided further, however, that no parity bonds may be issued without the written consent of HUD, so long as any of the HUD Bonds are outstanding;

(vii) the Issuer will carry such insurance as is customarily carried with respect to works and properties similar to the System;

(viii) the Issuer will not render any free services of the System;

(ix) any bondholder may, be proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal of or interest on the Bonds, the right to obtain the appointment of a receiver to administer the System as provided by law;

(x) all delinquent rates and charges, if not paid when due, shall become a lien on the premises served by the System;

(xi) in the event the Issuer owns a waterworks system (the "Water System"), it will, to the full extent permitted by law, discontinue and shut off the services and facilities of the System and the Water System to all delinquent users of services of the System and will not restore the services of either system until all delinquent charges for the services of the System have been fully paid, to the extent such action is permitted by law;

(xii) the Issuer will not grant any franchise to provide any services which would compete with the System;

(xiii) the Issuer shall annually cause the records of the System to be audited by a certified public accountant;

(xiv) the Issuer shall annually adopt a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year;

(xv) to the extent authorized by the laws of the State, prospective users of the System shall be required to connect thereto;

(xvi) except to the extent used to refund notes or other short-term indebtedness issued in anticipation thereof, the proceeds of the Bonds, except for accrued interest, shall be deposited in a construction fund on which the holder of the Bonds shall have a lien until such proceeds

are applied to the construction of a water development project; and

(xvii) that the Bond Legislation has been duly enacted in compliance with all necessary corporate and other action and in accordance with applicable provisions of law.

Section 6. The Chairman and the Secretary of the public service board are hereby authorized and directed to execute and deliver the Bonds and such certificates and other documents required or desirable in connection with the issuance and delivery of the Bonds, and to take all other actions required by the Loan Agreement.

Section 7. The Paying Agent for the Bonds is hereby designated to be Kanawha Valley Bank, N.A., a national banking association with principal office in Charleston, West Virginia.

Section 8. The financing of the Project by the Bond issue is in the public interest, serves a public purpose and will promote the health, welfare and safety of the residents of the Issuer.

Section 9. The following amendment to the Loan Agreement is hereby authorized, adopted and approved, and the Secretary is hereby authorized to substitute a corrected page or pages in the Loan Agreement attached hereto, reflecting said amendment: Section 3.5 of the Loan Agreement is hereby amended to delete the existing Section 3.5 in its entirety and substitute therefor the following:

3.5 In the event the earnings on that portion of the proceeds of the 1982 Series A Bonds issued to purchase the Local Bonds are not sufficient to pay the interest accruing on said portion of the 1982 Series A Bonds pending issuance and delivery of the Local Bonds, the Governmental Agency agrees to pay to the Authority the amount of such deficiency.

Section 10. The following amendment to the Loan Agreement is hereby authorized, adopted and approved, and the Secretary is hereby authorized to substitute a corrected page or pages in the Loan Agreement attached hereto, reflecting said amendment: Schedule X to the Loan Agreement is hereby amended to delete the existing Schedule X in its entirety and substitute therefor the Schedule X attached hereto, as a part hereof as "Exhibit A" hereto.

The Chairman and Secretary are hereby authorized to execute and deliver such agreement or agreements with the Authority

as may be required by the Authority in connection with the amendment set forth herein and in Section 9 hereof.

Section 11. In order to clarify the transfer of obligations and moneys at the Closing for the Series 1983 Bonds, the following transactions will occur, all of which are hereby authorized, adopted and approved, notwithstanding any previous provision of the Bond Legislation to the contrary:

A. Upon closing, the Issuer shall deliver to the Authority:

(1) Its Series 1983 A and Series 1983 B Bonds, fully executed;

(2) A check in the amount of $35,333.91 for payment of "negative arbitrage" incurred by the Authority; and

(3) By wire transfer to Kanawha Valley Bank, N.A., for deposit in the Note Payment Fund for payment of a portion of the BAN, the sum of $337,697.78.

B. Upon closing, the Authority shall deliver to the Issuer:

(1) The sum of $2,390,000 as partial payment for the 1983 Series A Bond, which sum shall be and hereby is immediately assigned to the Authority for payment of a portion of the BAN.

(2) The sum of $910,000 as full payment for the 1983 Series B Bond, which sum shall be and hereby is immediately assigned to the Authority for payment of a portion of the BAN.

(3) A check in the amount of $102,750 for payment of the balance of the purchase price of the 1983 Series A Bond, all of which shall be applied to "Cost of Works," as defined in the Bond and Notes Resolution.

Section 12. This Supplemental Resolution shall be effective immediately.

Adopted June 21, 1983.

[SEAL]

Chairman

ATTEST:

Secretary

06/22/83
GNPSD1-B

LOAN AGREEMENT

THIS LOAN AGREEMENT, Made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), and GREENBRIER PUBLIC SERVICE DISTRICT NO. 1, a public service district created and existing under Chapter 16, Article 13A, of the Code of West Virginia, 1931, as amended, and a public corporation and political subdivision of the State of West Virginia (the "Governmental Agency").

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Chapter 20, Article 5C, of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered to make loans to governmental agencies for the acquisition or construction of water development projects by such governmental agencies and to issue water development revenue bonds of the State of West Virginia to finance, in whole or in part, by loans to governmental agencies, one or more water development projects, all subject to such provisions and limitations as are contained in the Act; and

WHEREAS, the Governmental Agency is authorized and empowered by the statutes of the State of West Virginia to construct, own and operate such a water development project and to finance the cost of constructing or acquiring the same by borrowing money to be evidenced by revenue bonds and bond anticipation notes or other short-term indebtedness issued by such Governmental Agency; and

WHEREAS, the United States Environmental Protection Agency (the "EPA") has awarded a "Step III" grant offer pursuant to the provisions of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended, for the construction of a water development project by the Governmental Agency (the "Project") at the location and as more particularly described and set forth in the Application for Loan with attachments and exhibits, dated _____, 19__, completed by the Governmental Agency and filed with the Authority, as revised and supplemented (the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, the Governmental Agency has also received commitments for such other grants, loans and other financial assistance with respect to such water development project as are described and set forth in Schedule A of the Application; and

WHEREAS, the Authority intends to issue its Water Development Revenue Bonds (Sewage Systems Loan Program), 1982 Series A (the "1982 Series A Bonds"), in accordance with the provisions of the Act and the resolution of the Authority duly adopted on November 29, 1978 (the "Bond Resolution"), as supplemented by a series resolution authorizing the 1982 Series A Bonds, the proceeds of such 1982 Series A Bonds to be used by the Authority to purchase the bonds of certain municipalities and public service districts, including the Governmental Agency, which comply with the requirements established by the Authority, subject, however, to the ability of the Authority to sell the 1982 Series A Bonds and to the extent of the availability of the proceeds of such 1982 Series A Bonds; and

WHEREAS, the Governmental Agency has requested a loan from the Authority to be evidenced by revenue bonds issued by the Governmental Agency and purchased by the Authority, the proceeds of such loan to be used by the Governmental Agency to pay the portion of the cost of the Project which is not paid from the sources stated in the Application or to refund certain bond anticipation notes or other short-term indebtedness issued in anticipation of said revenue bonds and any additional costs of the Project not so paid; and

WHEREAS, the Authority has made all findings required by Section 5 of the Act with respect to the Project and is willing to make said loan to the Governmental Agency, subject to the terms and provisions hereinafter contai:ed;

THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Governmental Agency and the Authority hereby agree as follows:

ARTICLE I

Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "water development revenue bond," "cost," "governmental agency," and "water development project" have the definitions and meanings ascribed to them in the Act; provided, that "water development project" means only a "wastewater facility," as also defined in the Act.

1.2 "Consulting Engineers" means the consulting engineer designated in the Application and any successor thereto.

1.3 "Governmental Agency Bonds" means, collectively, the Local Bonds and the Supplemental Bonds, both as hereinafter defined.

1.4 "Loan" means the loan to be made by the Authority to the Governmental Agency through the purchase of Local Bonds, as hereinafter defined, pursuant to this Loan Agreement.

1.5 "Local Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of Chapter 16, Article 13A, of the Code of West Virginia, 1931, as amended, to evidence the Loan, and which will be purchased by the Authority with a portion of the proceeds of its 1982 Series A Bonds, in accordance with the provisions of this Loan Agreement.

1.6 "Project" means the water development project hereinabove referred to, to be or being constructed by the Governmental Agency with, among other funds, the proceeds of the WDA Loans as hereinafter defined, or with the proceeds of the bond anticipation notes or other short-term indebtedness refunded with the proceeds of the WDA Loans, as hereinafter defined.

1.7 "Supplemental Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of Chapter 16, Article 13A, of the Code of West Virginia, 1931, as amended, to evidence the Supplemental Loan, as hereinafter defined, and which will be purchased by the Authority with funds other than the proceeds of its 1982 Series A Bonds, in accordance with the provisions of this Loan Agreement.

1.8 "Supplemental Loan" means the loan to be made by the Authority to the Governmental Agency through the purchase of Supplemental Bonds, pursuant to this Loan Agreement.

1.9 "System" means the complete sewage system and works owned by the Governmental Agency and any additions, betterments and improvements thereto hereafter constructed or acquired from any sources whatsoever and includes the Project.

1.10 "WDA Loans" means, collectively, the Loan and the Supplemental Loan.

1.11 Additional terms and phrases are defined in this Loan Agreement as they are used.

ARTICLE II

Identification of Project; Ownership of Project; Rights of Access Thereto; Governmental Agency Financing

2.1 The Project undertaken by the Governmental Agency shall generally consist of the acquisition, construction and

installation of the facilities described in the Application constructed in accordance with plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers, the Authority having found that the Project is consistent with the applicable comprehensive plan of water management approved by the Director of the West Virginia Department of Natural Resources (or in the process of preparation by such Director) and consistent with the standards set by the West Virginia Water Resources Board for the waters of the State of West Virginia affected thereby.

2.2 The Governmental Agency agrees that the Authority and its duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Governmental Agency further agrees that the Authority and its duly authorized agents shall have such rights of access to the Project site and Project facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority in respect of the Project pursuant to the pertinent provisions of the Act.

2.3 All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Governmental Agency, subject to such mortgage lien or other security interest as is provided for in the statute authorizing the issuance of the Governmental Agency Bonds.

ARTICLE III

Conditions to WDA Loans; Issuance of Governmental Agency Bonds

3.1 The agreement of the Authority to make the Loan is subject to the Authority's issuing and delivering the 1982 Series A Bonds and subject to the requirements of Section 3.4 hereof and to the fulfillment, to the satisfaction of the Authority, of each and all of those certain conditions precedent on or before the delivery date for the Local Bonds, which shall be a date mutually agreed upon by the Authority and the Governmental Agency and which date shall not be prior to one (1) business day before the scheduled maturity of the Governmental Agency's bond anticipation notes or other short-term indebtedness issued in anticipation of the Governmental Agency Bonds, if any (or earlier redeption date thereof if such notes or other short-term indebtedness are in fact called for redemption), nor later than twenty-seven (27) months from the date the 1982 Series A Bonds are delivered to the initial purchasers thereof; provided that, if such Local Bonds are not

delivered on or before the date so mutually agreed upon, the Authority may use monies for the purchase of local bonds of other governmental agencies in accordance with Section 3.4 hereof. Said conditions precedent are as follows:

(a) The Governmental Agency shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Loan Agreement;

(b) The Governmental Agency shall have authorized the issuance of and delivered to the Authority for purchase the Governmental Agency Bonds described in Section 3.2 hereof;

(c) The Governmental Agency shall have received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application;

(d) The Governmental Agency shall have obtained all requisite orders of and approvals from the West Virginia Public Service Commission necessary for the issuance of the Governmental Agency Bonds, construction of the Project and imposition of the rates required to comply with the provisions of Subsection 4.1(b)(iii) hereof and shall have taken any other action required for the imposition of such rates;

(e) The Governmental Agency shall have obtained all requisite permits necessary for the construction of the Project from the EPA and the West Virginia Department of Natural Resources;

(f) The Governmental Agency shall have obtained a Step III grant offer from the EPA; and

(g) The Governmental Agency shall have received a certificate, in form and substance satisfactory to the Authority, from the consulting engineer designated by the Authority, regarding the engineering report for the Project.

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority and the rules, regulations and procedures promulgated from time to time by EPA, it is hereby agreed that the Authority shall make the WDA Loans to the Governmental Agency and the Governmental Agency shall accept the WDA Loans from the Authority, and in furtherance thereof it is agreed that the Governmental Agency shall sell to the Authority and the Authority shall make the WDA Loans by purchasing the Governmental Agency Bonds in the principal amount set forth in Schedule X hereto and provide proceeds of not less than ~~$738,000~~ #415,000.00, such Governmental Agency Bonds to consist of a mix of Local Bonds and Supplemental Bonds as will result in annual debt service on the Governmental Agency Bonds of not in excess of ~~$85,000~~. The Local Bonds will be

purchased by the Authority at a price of not less than seventy percent (70%) of the principal amount thereof, and the Supplemental Bonds will be purchased by the Authority at a price equal to one hundred percent (100%) of the principal amount thereof, all as more particularly set forth on Schedule X hereto. The Local Bonds and the Supplemental Bonds shall be issued and sold to the Authority simultaneously. The Governmental Agency represents that the proceeds of the Governmental Agency Bonds will, together with the funds from the sources set forth in the Application, including any bond anticipation notes or other short-term indebtedness issued in anticipation of the Governmental Agency Bonds, and any other funds available to the Governmental Agency and approved by the Authority, pay the entire cost of the Project and refund said bond anticipation notes or other short-term indebtedness.

3.3 The WDA Loans shall be secured and shall be repaid in the manner hereinafter provided in this Loan Agreement.

3.4 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Authority for loans to finance water development projects and that the obligation of the Authority to make any such loan is subject to the sale and the availability of proceeds of the 1982 Series A Bonds at the time the Governmental Agency has fulfilled all of the terms and conditions of this Loan Agreement and to the right of the Authority to make such loans to other governmental agencies as in the aggregate shall permit the fullest and most timely utilization of such proceeds to enable the Authority to pay debt service on the 1982 Series A Bonds.

3.5 In the event the earnings on that portion of the proceeds of the 1982 Series A Bonds issued to purchase the Local Bonds are not sufficient to pay the interest accruing on said portion of the 1982 Series A Bonds pending issuance and delivery of the Local Bonds, the Governmental Agency agrees to pay to the Authority the amount of such deficiency.

ARTICLE IV

Governmental Agency Bonds; Security for WDA Loans; Repayment of WDA Loans; Interest on WDA Loans; Fees and Charges

4.1 The Governmental Agency shall, as one of the conditions of the Authority to make the WDA Loans, authorize

purchased by the Authority at a price of not less than seventy percent (70%) of the principal amount thereof, and the Supplemental Bonds will be purchased by the Authority at a price equal to one hundred percent (100%) of the principal amount thereof, all as more particularly set forth on Schedule X hereto. The Local Bonds and the Supplemental Bonds shall be issued and sold to the Authority simultaneously. The Governmental Agency represents that the proceeds of the Governmental Agency Bonds will, together with the funds from the sources set forth in the Application, including any bond anticipation notes or other short-term indebtedness issued in anticipation of the Governmental Agency Bonds, and any other funds available to the Governmental Agency and approved by the Authority, pay the entire cost of the Project and refund said bond anticipation notes or other short-term indebtedness.

3.3 The WDA Loans shall be secured and shall be repaid in the manner hereinafter provided in this Loan Agreement.

3.4 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Authority for loans to finance water development projects and that the obligation of the Authority to make any such loan is subject to the sale and the availability of proceeds of the 1982 Series A Bonds at the time the Governmental Agency has fulfilled all of the terms and conditions of this Loan Agreement and to the right of the Authority to make such loans to other governmental agencies as in the aggregate shall permit the fullest and most timely utilization of such proceeds to enable the Authority to pay debt service on the 1982 Series A Bonds.

3.5 In the event the earnings on that portion of the proceeds of the 1982 Series A Bonds issued to purchase the Local Bonds are not sufficient to pay the interest accruing on said portion of the 1982 Series A Bonds pending issuance and delivery of the Local Bonds, the Governmental Agency agrees to issue additional Supplemental Bonds in principal amount equal to such deficiency (as determined by the Authority) and sell such additional Supplemental Bonds to the Authority and assign the proceeds thereof to the Authority, which shall use such proceeds to reimburse itself for such deficiency.

ARTICLE IV

Governmental Agency Bonds; Security for WDA Loans; Repayment of WDA Loans; Interest on WDA Loans; Fees and Charges

4.1 The Governmental Agency shall, as one of the conditions of the Authority to make the WDA Loans, authorize

the issuance of and issue the Governmental Agency Bonds pursuant to an official action of the Governmental Agency in accordance with the applicable statute of the State of West Virginia (the "Local Act"), which shall, as adopted, contain provisions and covenants in substantially the form as follows:

(a) That the revenues generated from the operation of the System will be used monthly first to pay operation and maintenance expenses of the System; second, to the extent not otherwise limited by an outstanding local resolution, to provide debt service on the Local Bonds, which shall include the establishment of a reserve account for the payment of the Local Bonds into which shall be deposited an amount equal to 20% of all amounts required to be deposited for debt service until such reserve account equals the maximum amount of principal and interest which will come due on such Local Bonds in any year; third, to create a renewal and replacement, or similar, fund in an amount equal to 2-1/2% of the gross revenues from the System, exclusive of the payments into the reserve account, for the purpose of improving or making emergency repairs or replacements to the System, or eliminating any deficiencies in the aforesaid reserve account; and, fourth, to pay debt service on the Supplemental Bonds or to purchase Local Bonds on the open market, or to redeem Local Bonds, or to pay debt service on obligations junior and subordinate to the Local Bonds (other than the Supplemental Bonds). The gross revenues of the System shall always be used for purposes of the System.

(b) Covenants substantially as follows:

(i) That the Governmental Agency Bonds shall be secured by the net revenues from the System;

(ii) That the Supplemental Bonds shall be subordinate to the Local Bonds as to lien and source of payment.

(iii) That the schedule of rates or charges for the services of the System shall be sufficient to provide funds which along with other revenues of the System will pay all reasonable expenses of operation, repair and maintenance of the System and leave a balance each year equal to at least 130% of the maximum amount required for debt service on all obligations, including the Governmental Agency Bonds, payable from the revenues of the System;

(iv) That the Governmental Agency will complete, operate and maintain the System in good condition;

(v) That the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Governmental Agency Bonds outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

(vi) That the Governmental Agency shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements financed by such parity bonds, shall not be less than 130% of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued; provided, however, that additional parity bonds may be issued to complete the Project without regard to the foregoing;

(vii) That the Governmental Agency will carry such insurance as is customarily carried with respect to works and properties similar to the System;

(viii) That the Governmental Agency will not render any free services of the System;

(ix) That any bondholder may, by proper legal action, compel the performance of the duties of the Governmental Agency under the Local Act, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal of or interest on the Governmental Agency Bonds, the right to obtain the appointment of a receiver to administer the System as provided by law;

(x) That all delinquent rates and charges, if not paid when due, shall become a lien on the premises served by the System;

(xi) That, in the event the Governmental Agency owns a waterworks system (the "Water System"), it will, to the full extent permitted by law, discontinue and shut off the services and facilities of the System and the Water System to all delinquent users of services of the System and will not restore the services of either system until all delinquent charges for the services of the System have been fully paid;

(xii) That the Governmental Agency will not grant any franchise to provide any services which would compete with the System;

(xiii) That the Governmental Agency shall annually cause the records of the System to be audited by a certified public accountant;

(xiv) That the Governmental Agency shall annually adopt a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year;

(xv) That, to the extent authorized by the laws of the State, prospective users of the System shall be required to connect thereto;

(xvi) That, except to the extend used to refund notes or other short-term indebtedness issued in anticipation thereof, the proceeds of Governmental Agency Bonds, except for accrued interest, must be deposited in a construction fund on which the holder of the Government Agency Bonds shall have a lien until such proceeds are applied to the construction of a water development project.

The Governmental Agency hereby represents and warrants that the Local Act has been or shall be duly adopted in compliance with all necessary corporate and other action and in accordance with applicable provisions of law. All legal matters incident to the authorization, issuance, sale and delivery of the Local Bonds shall be approved without qualification by recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit A.

4.2 The WDA Loans shall be secured by the pledge and assignment by the Governmental Agency, as effected by the Local Act, of all the fees, charges and other revenues of the Governmental Agency from the System remaining after the payment of operation and maintenance expenses and as otherwise provided in the Local Act, subject only to such reservations and exceptions as are described in Schedule X hereto or are otherwise expressly permitted in writing by the Authority.

4.3 The principal of the WDA Loans shall be repaid by the Governmental Agency annually on the day and in the years provided in Schedule X hereto, and interest payments on the Loan shall be made by the Governmental Agency on a semi-annual basis as provided in said Schedule X.

4.4 The Loan shall bear interest from the date of the delivery to the Authority of the Local Bonds, at a coupon rate or rates per annum which shall be equal to the coupon rate or

rates per annum borne by the 1982 Series A Bonds for corresponding maturities issued to provide the funds to make the Loan; provided, however, that in no event shall the coupon interest rate or the interest cost exceed any statutory limitation with regard to the issuance of the Local Bonds. The Supplemental Loan will not bear interest.

4.5 The Governmental Agency Bonds shall be delivered to the Authority in fully registered form, exchangeable as provided in the Local Act at the expense of the Governmental Agency.

4.6 The Governmental Agency agrees to pay from time to time, as required by the Authority, the Governmental Agency's allocable share of the administrative expenses (based on the percentage of the Governmental Agency's Local Bonds to all other local bonds purchased by the Authority and then outstanding) of the Authority relating to all loans to be made by the Authority to governmental agencies with the proceeds of the 1982 Series A Bonds. Such administrative expenses shall be as determined by the Authority and shall include without limitation program expenses and fees paid to the trustee and paying agents for such revenue bonds.

4.7 As long as the Authority is the registered owner of all of the Governmental Agency Bonds outstanding, the Governmental Agency will not redeem such Governmental Agency Bonds outstanding without the written consent of the Authority, and any such redemption of Local Bonds authorized by the Authority shall provide for the payment of interest to the first allowable redemption date for the Authority's 1982 Series A Bonds and the redemption premium payable on the 1982 Series A Bonds redeemable as a consequence of such redemption of Local Bonds. Nothing in this Loan Agreement shall be construed to prohibit the Authority from refunding its 1982 Series A Bonds, and such refunding need not be based upon or result in any benefit to the Governmental Agency.

ARTICLE V

Acquisition of Site of Eligible Project; Certain Construction Requirements

5.1 Subject to the terms, conditions and provisions of this Loan Agreement and of the Local Act, the Governmental Agency shall do all things necessary to acquire the proposed site of the Project and to construct the Project in accordance with the plans, designs and specifications prepared for the Governmental Agency by the Consulting Engineers.

5.2 The Governmental Agency shall keep complete and accurate records of the cost of acquiring the Project site and the costs of constructing, acquiring and installing the Project. The Governmental Agency shall permit the Authority, acting by and through its Director or his duly authorized representatives, to inspect all books, documents, papers and records relating to the Project at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority such documents and information as it may reasonably require in connection with the administration of the WDA Loans or of Federal and State grants or other sources of financing for the Project.

5.3 The Governmental Agency shall require that each construction contractor furnish a performance bond and a payment bond each in an amount at least equal to one hundred percent (100%) of the contract price of the portion of the Project covered by the particular contract, as security for the faithful performance of such contract.

5.4 The Governmental Agency shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workmen's compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority. Until the Project facilities are completed and accepted by the Governmental Agency, the Governmental Agency or (at the option of the Governmental Agency) the contractor shall maintain builders risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor and all subcontractors, as their interests may appear.

5.5 The Governmental Agency shall provide and maintain competent and adequate resident engineering services satisfactory to the Authority covering the supervision and inspection of the development and construction of the Project, and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such resident engineer shall certify to the Authority, EPA and the Governmental Agency at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

ARTICLE VI

Certain Covenants of the Governmental Agency; Imposition and Collection of User Charges; Payments to be Made by Governmental Agency to the Authority

6.1 The Governmental Agency hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Governmental Agency hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to make the WDA Loans, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System, of which the Project constitutes a whole or a part, as set forth in the Local Act and in compliance with the provisions of Subsection 4.1(b)(iii) hereof.

6.2 In the event the Governmental Agency defaults in the payment of any of said fees and charges to the Authority, the amount of such default shall bear interest at the coupon rate of the Local Bonds, from the date of the default until the date of the payment thereof.

6.3 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Governmental Agency Bonds shall prove to be insufficient to produce the minimum sums set forth in the Local Act, the Governmental Agency hereby covenants and agrees that it will, upon notice by the Authority, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges so as to provide funds sufficient to produce the minimum sums set forth in the Local Act.

6.4 The Governmental Agency hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Governmental Agency, the Authority may exercise any or all of the rights and powers granted under Section 6a of the Act, including without limitation the right to directly impose, enforce and collect charges upon users of the System of which the Project constitutes a whole or a part.

ARTICLE VII

Other Agreements of the Governmental Agency

7.1 The Governmental Agency hereby acknowledges to the Authority its understanding of the provisions of the Act,

vesting in the Authority certain powers, rights and privileges in respect of water development projects in the event of default by governmental agencies in the terms and covenants of loan agreements, and the Governmental Agency hereby covenants and agrees that, if the Authority should in futuro have recourse to said rights and powers, the Governmental Agency shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Loan Agreement.

7.2 To the extent required by law, the Governmental Agency hereby covenants and agrees to secure approval of the Authority and all other State agencies having jurisdiction before applying for Federal financial assistance for pollution abatement in order to maximize the amounts of such Federal financial assistance received or to be received for all water development projects in the State of West Virginia.

7.3 The Governmental Agency hereby covenants and agrees to comply with all applicable laws, rules and regulations issued by the Authority or other State, Federal or local bodies in regard to the construction, operation, maintenance and use of the Project.

7.4 The Governmental Agency hereby warrants and represents that all information provided to the Authority in this Loan Agreement, in its Application for the WDA Loans or in any other application or documentation with respect to financing the Project was at the time provided, and now is, true, correct and complete, and such information does not omit any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Prior to the Authority's making the WDA Loans and receiving the Governmental Agency Bonds, the Authority shall have the right to cancel all or any of its obligations under this Loan Agreement if (a) any representation made to the Authority by the Governmental Agency in connection with the WDA Loans shall be incorrect or incomplete in any material respect or (b) the Governmental Agency has violated any commitment made by it in its Application for the WDA Loans or in any supporting documentation or has violated any of the terms of this Loan Agreement.

7.5 The Governmental Agency hereby covenants that, to the extent the proceeds of the Governmental Agency Bonds are used to refund notes or other short-term indebtedness of the Governmental Agency issued in anticipation of the issuance of the Governmental Agency Bonds (the "refunding proceeds"), the yield to the Governmental Agency upon any investment of the refunding proceeds shall be restricted and may in no event exceed the yield on the Governmental Agency Bonds. "Yield" shall be calculated in the manner provided in Treasury Regulations §§ 1.103-13 and 1.103-14.

ARTICLE VIII

Maintenance and Operation

8.1 The Governmental Agency agrees that it will at all times provide operation and maintenance of the Project to comply with the water quality standards established by the West Virginia Department of Natural Resources and EPA. The Governmental Agency agrees that qualified operating personnel properly certified by the State of West Virginia will be retained to operate the Project during the entire term of this Loan Agreement.

8.2 The Governmental Agency agrees that it will permit the Authority and EPA and their respective agents to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the Project at any reasonable time following completion of construction of the Project and commencement of operation thereof.

ARTICLE IX

Miscellaneous

9.1 Schedule X shall be attached to this Loan Agreement at the time of execution hereof by the Authority and shall be approved by an official action of the Governmental Agency supplementing the Local Act.

9.2 If any provision of this Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Loan Agreement, and this Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

9.3 This Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all documents or other instruments and take such other actions as may be necessary to give effect to the terms of this Loan Agreement.

9.4 No waiver by either party of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different

section, subsection, paragraph, clause, phrase or other provision of this Loan Agreement.

9.5 This Loan Agreement merges and supersedes all prior negotiations, representations and agreements between the parties hereto relating to the WDA Loans and constitutes the entire agreement between the parties hereto in respect thereof.

9.6 The Governmental Agency hereby agrees to co-operate with the Authority in amending this Loan Agreement as required by the terms of sale of the 1982 Series A Bonds: provided, that the maximum annual debt service set forth in Section 3.2 shall not be increased by more than five per-cent (5%).

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed by their respective duly authorized officers as of the date executed below by the Governmental Agency, but this Loan Agreement shall not be binding on the Authority until executed by it.

GREENBRIER PUBLIC SERVICE DISTRICT NO. 1

(SEAL)

By _____

Its Chairman

Attest:

Date: May 31, 1982

_____

Its Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By _____

Its Director

Attest:

Date: _____

_____

Its Secretary-Treasurer

EXHIBIT A

[Opinion of Bond Counsel for Governmental Agency]

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

Gentlemen:

We are bond counsel to _____ (the "Governmental Agency"), a public service district and a public corporation and political subdivision of the State of West Virginia, created and existing under Chapter 16, Article 13A, of the Code of West Virginia, 1931, as amended.

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement (the "Loan Agreement"), dated _____, 19__, between the Governmental Agency and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of two separate series of revenue bonds of the Governmental Agency, dated _____, 19__ (the "Governmental Agency Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The series of Governmental Agency Bonds described in the Loan Agreement as Local Bonds is in the principal amount of $_____, issued in the form of one bond registered as to principal and interest to the Authority, interest payable April 1 and October 1 of each year, beginning _____, 19__, at the respective rate or rates and with principal payable in installments on October 1 in each of the years, all as follows:

Year	Installment	Interest Rate

The series of Governmental Agency Bonds described in the Loan Agreement as the Supplemental Bonds is in the principal amount of $_____, issued in the form of one bond registered as to principal to the Authority, without interest thereon, with principal payable in installments on October 1 in each of the years, as follows:

Year	Installment

The Governmental Agency Bonds are issued for the purpose of _____ and paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of Chapter 16, Article 13A, of the West Virginia Code of 1931, as amended (the "Code Provision"), under which the Governmental Agency Bonds are issued and the Loan Agreement that has been undertaken, including all schedules and exhibits to the Loan Agreement. The Governmental Agency Bonds have been authorized by a bond resolution (the "Local Act") duly adopted by the Governmental Agency, which contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement. The Governmental Agency Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

Based upon the foregoing and upon our examination of such other documents as we have deemed necessary, we are of the opinion that:

1. The Loan Agreement has been duly authorized by and executed on behalf of the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with the terms thereof.

2. The Loan Agreement inures to the benefit of the Authority and cannot be amended so as to affect adversely the rights of the Authority or diminish the obligations of the Governmental Agency without the consent of the Authority.

3. The Governmental Agency is a duly organized and presently existing public service district and political subdivison of the State of West Virginia, with full power and authority to construct, acquire, operate and maintain the project referred to in the Loan Agreement and to issue and sell the Governmental Agency Bonds, all under the Code Provision and other applicable provisions of law.

4. The Governmental Agency has legally and effectively adopted the Local Act and all other necessary resolutions in connection with the issuance and sale of the Governmental Agency Bonds.

5. The Governmental Agency Bonds are valid and legally enforceable special obligations of the Governmental Agency, payable from the net revenues of the system referred to in the Local Act and secured by a lien on and pledge of the net revenues of the system referred to in the Local Act, all in accordance with the terms of the Local Bond and the Local Act, and have been duly issued and delivered to the Authority.

6. The Governmental Agency has reserved the right to issue additional bonds ranking on a parity with the Local Bond, as provided in the Local Act.

7. The Governmental Agency Bonds are, by statute, exempt from taxation by the State of West Virginia and the other taxing bodies of the State, and under the laws, regulations, rulings and decisions of the United States of America, as presently written and applied, the interest on the Local Bond is exempt from Federal income taxation.

No opinion is given herein as to the enforceability of remedies with respect to the Governmental Agency Bonds under any applicable bankruptcy, insolvency, moratorium or other laws affecting creditors' rights.

We have examined executed Local Bond numbered R-1 and Supplemental Bond numbered S-1, and in our opinion the form of said bonds and their execution are regular and proper.

Very truly yours,

GREENBRIER PUBLIC SERVICE DISTRICT NO. 1

$670,000 Sewer Revenue Bonds,
Series A

BOND RESOLUTION

Table of Contents

Subject		Page
ARTICLE I - STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS		
Section 1.01.	Authority for this Resolution	1
Section 1.02.	Findings and Determinations	1
Section 1.03.	Use of Sewer Facilities Mandatory	3
Section 1.04.	Resolution to Constitute Contract	4
Section 1.05.	Definitions	4
ARTICLE II - AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS		
Section 2.01.	Authorization of Bonds	8
Section 2.02.	Description of Bonds	8
Section 2.03.	Execution of Bonds and Coupons	10
Section 2.04.	Negotiability and Registration	10
Section 2.05.	Bonds Mutilated, Destroyed, Stolen or Lost	11
Section 2.06.	Bonds Not to be Indebtedness of the District	12
Section 2.07.	Security for Bonds	12
Section 2.08.	Form of Bonds and Coupons	12
	(Form of Coupon Bond)	14
	(Form of Coupon)	18
	(Provision for Registration)	19
	(Form of Fully Registered Bond)	20
	(Form of Assignment)	25
	(Form of Payment Record)	25
	(Form of Record of Advance Payments)	25
ARTICLE III - BOND PROCEEDS; REVENUES AND APPLICATION THEREOF		
Section 3.01.	Disposition of Bond Proceeds; Construction Fund	26
Section 3.02.	Covenants as to Revenues and Funds	26

ARTICLE IV - GENERAL COVENANTS

Section 4.01. General Statement 33
Section 4.02. Rates 33
Section 4.03. Sale of the System 33
Section 4.04. Covenant Against Encumbrances 35
Section 4.05. Issuance of Additional Parity Bonds 35
Section 4.06. Covenant to Proceed 38
Section 4.07. Enforcement of Collections 38
Section 4.08. Insurance and Fidelity Bonds 39
Section 4.09. Statutory Mortgage 40
Section 4.10. Events of Default 41
Section 4.11. Enforcement 41
Section 4.12. No Priority Between Bonds 42
Section 4.13. Fiscal year; Budget 42
Section 4.14. Books and Records 43
Section 4.15. No Competition 44
Section 4.16. Consulting Engineer 44
Section 4.17. Maintenance of System 44
Section 4.18. Concerning Arbitrage 44

ARTICLE V - RATES, ETC.

Section 5.01. Initial Schedule of Rates and Charges; Rules 45

ARTICLE VI - MISCELLANEOUS

Section 6.01. Filing Under Uniform Commercial Code 48
Section 6.02. Modification or Amendment 48
Section 6.03. Compensation of Board Members 48
Section 6.04. Sale of Bonds 49
Section 6.05. Refunding of Bonds Permitted 49
Section 6.06. Severability of Invalid Provision 50
Section 6.07. Table of Contents and Headings 51
Section 6.08. Effective Time 51

GREENBRIER PUBLIC SERVICE DISTRICT NO. 1

RESOLUTION AUTHORIZING THE ISSUANCE OF $670,000 SEWER REVENUE BONDS, SERIES A, OF GREENBRIER PUBLIC SERVICE DISTRICT NO. 1 TO FINANCE PART OF THE COSTS OF CONSTRUCTION AND ACQUISITION OF A COMPLETE SEWER SYSTEM FOR THE DISTRICT; PROVIDING FOR MANDATORY USE OF THE SEWER FACILITIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING FOR THE FIXING, ESTABLISHING AND COLLECTING OF RATES AND CHARGES FOR THE SERVICES AND FACILITIES OF THE SYSTEM; PROVIDING FOR THE RIGHTS, REMEDIES AND SECURITIES OF THE BONDHOLDERS; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF GREENBRIER PUBLIC SERVICE DISTRICT NO. 1:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of Article 13A, Chapter 16 of the West Virginia Code (herein called the "Act"), and other applicable provisions of law.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

(A) Greenbrier Public Service District No. 1, in Greenbrier County, State of West Virginia (herein called the "District") is a public corporation and a political subdivision of the said State created by the County Court of said County in accordance with the provisions of the Act. The District does not now have any sanitary sewers or sewage disposal system and the inhabitants of the District urgently need such facilities.

(B) It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the District, and it is accordingly hereby ordered, that there be constructed or acquired a complete sewer

system (herein called the "System"), consisting of sanitary and interceptor sewers and lift stations, together with all necessary appurtenances as described in and in accordance with the plans and specifications prepared by Roy F. Weston, Environmental Scientists and Engineers, West Chester, Pennsylvania (herein called the "Consulting Engineer"), and on file with the Secretary of the District's Public Service Board. Sewage is to be treated at the treatment plant of the City of Ronceverte pursuant to agreement.

(C) It is necessary for the District to issue its revenue bonds in the principal amount of $670,000 to finance part of the costs of the construction of the Project as hereinafter provided.

(D) The estimated maximum cost of the construction hereinabove mentioned is the sum of $2,894,590, of which $670,000 will be obtained from the proceeds of sale of the Bonds herein authorized and the balance from the proceeds of Federal grants:

$1,320,000 for Project EDA 01-01-00803.3;

$ 517,000 for Project EDA c-54-155;

$ 387,590 for Project WPC - W.Va. - 155;

(E) The cost of such construction shall, subject to the provisions of the Loan and Grant Agreements, be deemed to include, without being limited to, the construction or acquisition of the System; the acquisition of any necessary property, real or personal, tangible or intangible or interest therein, and any other purposes necessary, incidental, desirable or appurtenant to the construction of the System; interest on the Bonds prior to, during and for six months after completion of such construction to the extent that the revenues of the System are not sufficient therefor; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; expenses for financial services and fiscal

or other agents in connection with the issuance of the Bonds; and such other costs and expenses as may be necessary or incidental to the construction of the System and the financing authorized by this Resolution.

(F) The period of usefulness of the System after completion of construction is not less than forty years.

(G) There are not outstanding any unpaid obligations of the District which will have priority over or rank on a parity with the Bonds authorized to be issued hereunder.

(H) Prior to issuance of the Series A Bonds, the District will have complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Series A Bonds, including, among other things, the consent and approval, pursuant to Section 25 of the Act, of the issuance of the Series A Bonds by the Public Service Commission of West Virginia by final order as to which the time for rehearing and appeal shall have expired.

Section 1.03. Use of Sewer Facilities Mandatory. The mandatory use of the facilities of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare and the economy of the inhabitants of the District and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the sewer facilities. Accordingly, every owner, tenant and occupant of every lot, parcel and tract of land which abuts on a street, road, alley or other public way in which any sewer line, main or facility is located, or which is located

within a reasonable distance thereof, not exceeding 300 feet, and reasonably accessible thereto, and upon which lot, parcel or tract a building or other habitable structure has been or shall be erected, from which emanates sewage or water-borne waste matter, shall connect the waste or sewage lines of such building or structure with the sewer facilities of the System immediately upon completion of the System if sewage will flow by gravity from such building or structure into such sewer facilities, and shall thereupon and thereafter refrain from using and shall cease to use any other method for the disposal of sewage or water-borne waste matter and shall pay all charges, fees and rates provided herein.

Any such building or structure from which emanates sewage or water-borne waste matter and not so connected with the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the District and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in the Circuit Court of said County or other court of competent jurisdiction.

Section 1.04. Resolution to Constitute Contract. In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the District and such Bondholders, and the covenants and agreements herein set forth to be performed by the District shall be for the equal benefit, protection and security of the legal holders of any and all such Bonds, and the coupons appertaining thereto, all which shall be of equal rank without preference, priority or distinction of any of the Bonds or coupons over any other thereof, except as expressly provided therein and herein.

Section 1.05. Definitions. The following terms

shall have the following meanings in this Resolution unless the text otherwise expressly requires:

"Act" shall mean Article 13A, Chapter 16 of the West Virginia Code.

"Board" shall mean the Public Service Board of the Greenbrier Public Service District No. One.

"Bonds" shall collectively mean the $670,000 Sewer Revenue Bonds, Series A, originally authorized to be issued pursuant to this Resolution and shall also be deemed to include, where appropriate, the interest coupons originally attached to said Bonds; and shall also include any additional parity Bonds hereafter issued within the terms, restrictions and conditions contained in this Resolution, and the interest coupons appertaining to such additional parity Bonds.

"Chairman" shall mean the Chairman of the Board.

"Consulting Engineer" shall mean Roy F. Weston, Environmental Scientists and Engineers, West Chester, Pennsylvania , or any engineer or firm of engineers which shall at any time hereafter be retained by the District as Consulting Engineer for the System.

"District" shall mean the Greenbrier Public Service District No. 1 in Greenbrier County, West Virginia, and, where appropriate, shall also mean the Public Service Board thereof.

"Facilities" shall mean all the facilities of the System and also any facilities which may hereafter be added to the System by any additions, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"Fiscal year" shall mean each year beginning on July 1 and ending on the succeeding June 30.

"Government" shall mean the United States Department

of Housing and Urban Development, and any successor thereof, and any other appropriate Federal governmental agency.

"Grant Agreement" shall mean collectively any Grant Agreements between the District and the Department of Housing and Urban Development, or Economic Development Administration of the Department of Commerce or the Department of the Interior or other governmental agencies and all amendments pertaining thereto.

"Holder of the Bonds" or "Bondholder" or any similar term shall mean any person who shall be the bearer or owner of any outstanding Bond or Bonds registered to bearer or not registered, or the registered owner of any outstanding Bond or Bonds which shall at the time be registered other than to the bearer or of any coupon representing interest accrued or to accrue on said Bonds.

"Loan Agreement" shall mean the Loan Agreement between the District and the Government for Project No. PFL-WVA-53, the offer date for which is September 21, 1972 , and shall include all amendments and waivers thereof.

"Net Operating Income" shall mean the balance of the gross revenues, as defined herein, remaining after deduction only of operating expenses, as defined herein.

"Operating Expenses" shall mean the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and shall include, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the District relating and chargeable solely to the System, retention of a sum not to exceed $11,000 as working capital, and such other reasonable operating costs, excepting depreciation, as are normally and regularly included under recognized accounting practices.

"Project" shall mean the initial System to be constructed as herein provided and financed in part with the proceeds of the $670,000 Bonds as in this Resolution provided.

"Revenues" or "gross revenues" shall mean all rates, rents, fees, charges or other income received by the District directly or indirectly from the operation of the System, and all parts thereof, all as calculated in accordance with sound accounting practices.

"Secretary" shall mean the Secretary of the Board.

"Series A Bonds" shall mean the bonds authorized by this Resolution to be issued initially.

"System" shall mean the complete sewerage system of the District, including all sewer facilities and other property of every nature, real or personal, tangible or intangible, now or hereafter owned, held or used in connection with the sewerage facilities of the District, and shall also include any and all additions, extensions, improvements, properties or other facilities hereafter at any time acquired or constructed for the facilities.

Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS

Section 2.01. Authorization of Bonds. Subject and pursuant to the provisions of this Resolution, Bonds of the District, to be known as "Sewer Revenue Bonds, Series A," in the aggregate principal amount of not to exceed $670,000, are hereby authorized and ordered to be issued for the purpose of financing part of the costs of the Project, as authorized by this Resolution.

Section 2.02. Description of Bonds. The Bonds in coupon form issued pursuant hereto shall be dated the first day of May, 1972, shall be in the denomination of $5,000 each, shall be numbered in order of maturities, lowest numbers first, from A1 to A134, inclusive, and shall bear interest payable semi-annually on May 1 and November 1 of each year at a rate or rates not exceeding the rate of 8% per annum and shall be sold at a net interest cost not exceeding 5-5/8% per annum.

The Series A Bonds shall mature serially in numerical order on the first day of May in years and amounts as follows:

Year	Amount	Year	Amount	Year	Amount
1976	$ 5,000	1988	$10,000	2000	$20,000
1977	5,000	1989	10,000	2001	25,000
1978	5,000	1990	10,000	2002	25,000
1979	5,000	1991	15,000	2003	25,000
1980	5,000	1992	15,000	2004	25,000
1981	10,000	1993	15,000	2005	30,000
1982	10,000	1994	15,000	2006	30,000
1983	10,000	1995	15,000	2007	30,000
1984	10,000	1996	15,000	2008	35,000
1985	10,000	1997	20,000	2009	35,000
1986	10,000	1998	20,000	2010	35,000
1987	10,000	1999	20,000	2011	40,000
				2012	40,000

The Series A Bonds maturing in the years 1983 to 2012, both inclusive, shall be redeemable prior to their respective stated dates of maturity, at the option of the

District, in whole, or in part in inverse numerical order, on May 1, 1982, or on any interest payment date thereafter, at the price of par value thereof and accrued interest to the date fixed for redemption, plus a premium for each of the Bonds called for redemption equal to 1/4 of 1% for year or fraction thereof from the date fixed for redemption to the maturity date of the Bond, such premium not to exceed 3%.

Redemption of Bonds, in the event of more than one Series being outstanding, shall be, as nearly as feasible, on an equal pro rata basis reflecting the original aggregate amount of each Series.

A notice of the redemption of any of the Bonds shall be published at least once not less than thirty nor more than sixty days prior to the date of redemption in a financial newspaper published in the City of New York, New York; or actual notice in writing shall be given by registered or certified mail not less than thirty days prior to the date fixed for redemption. Interest shall cease upon any of the Bonds so called for prior redemption on the date fixed for redemption, provided payment in full of the redemption price thereof has been duly made or provided for.

The Bonds may be issued in coupon or single, fully registered form without coupons. The Bonds shall be payable with respect to both principal and interest in lawful money of the United States of America at the office of the State Sinking Fund Commission, Charleston, West Virginia, or at First National City Bank, New York, New York, at the option of the holder and otherwise as provided in fully registered Bonds, and shall bear interest from their date, payable in accordance with and upon the surrender of the appurtenant interest coupons as they severally mature. Fully registered Bonds issued to the Government, if any, shall be exchangeable

on ninety days' written notice to, and at the expense of, the District, and shall be in the form herein provided.

Section 2.03. Execution of Bonds and Coupons. The Bonds shall be executed in the name of the District by the Chairman and its corporate seal shall be affixed thereto and attested by the Secretary. In case any one or more of the officials who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been actually sold and delivered, such 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. Any Bond may be signed and sealed on behalf of the District by such person as at the actual time of the execution of such Bonds shall hold the proper office on the Board, although at the date of such Bond such person may not have held such office or may not have been so authorized.

The coupons to be attached to the Bonds shall be authenticated with the facsimile signatures of the present or any future Chairmen and Secretary of the Board, and the District may adopt and use for that purpose the facsimile signature of any person who shall have been such Chairman or Secretary at any time on or after the date of the Bonds, notwithstanding that he may have ceased to be such Chairman or Secretary at the time when said Bonds shall be actually sold and delivered.

Section 2.04. Negotiability and Registration. The Bonds in coupon form shall be and have all the qualities and incidents of negotiable instruments under the laws of the State of West Virginia, and shall pass by delivery except when registered as hereinafter provided.

The Bonds in coupon form may be registered at the option of the holder as to principal only in the Bond Register

of the Treasurer of the State of West Virginia, Charleston, West Virginia, such registration to be noted on the Bonds in the space provided therefor and thereafter no transfer of any Bond so registered shall be valid unless made at said office by the registered owner, or by his duly authorized agent or representative, and similarly noted on such Bond, but any Bond may be discharged from registration by being in like manner transferred to bearer and thereupon transferability by delivery shall be restored. At the option of the holder any such Bond may thereafter again from time to time be registered or transferred to bearer as before. Such registration shall not affect the negotiability of the coupons which shall continue to pass by delivery.

Section 2.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the District may in its discretion issue and deliver a new Bond with all unmatured coupons attached of like tenor as the Bond and attached coupons, if any, so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond and attached coupons, if any, or in lieu of and substitution for the Bond and attached coupons, if any, destroyed, stolen or lost, and upon the holder's furnishing to the District proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the District may prescribe and paying such expenses as the District may incur. All Bonds and coupons so surrendered shall be canceled and held for the account of the District. If any such Bond or coupon shall have matured or be about to mature, instead of issuing a substitute Bond or coupon, the District may pay

the same, upon being indemnified as aforesaid, and, if such Bond or coupon be destroyed, stolen or lost, without surrender thereof.

Any such duplicate Bonds and coupons issued pursuant to this Section shall constitute original, additional contractual obligations on the part of the District, whether or not the lost, stolen or destroyed Bonds or coupons be at any time found by anyone, and such duplicate Bonds and coupons shall be entitled to equal and proportionate benefits with all other Bonds and coupons issued hereunder.

Section 2.06. Bonds Not to be Indebtedness of the District. Neither the Bonds nor coupons shall, in any event, be or constitute an indebtedness of the District within the meaning of any constitutional or statutory limitation of indebtedness, but shall be payable solely from the net revenues derived from the operation of the System as herein provided.

Section 2.07. Security for Bonds. The payment of the debt service of all the Bonds shall be secured forthwith equally and ratably by a first lien on and pledge of the Net Operating Income in addition to the statutory mortgage lien hereinafter provided for. The lien on the Net Operating Income shall be and apply in an amount sufficient to pay the principal of and interest on the Bonds, and to make the payments into the funds and reserves as hereinafter provided, and such Net Operating Income is hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due and for the making of such payments into such funds and reserves.

Section 2.08. Form of Bonds and Coupons. Subject to the provisions of this Resolution, the text of the Bonds, of the provision for registration to be endorsed thereon,

of the coupons and of other provisions shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted by this Resolution or any subsequent resolution adopted prior to the issuance thereof:

(Form of Coupon Bond)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF GREENBRIER
GREENBRIER PUBLIC SERVICE DISTRICT NO. 1
SEWER REVENUE BOND,
SERIES A

No. ____ $5,000

GREENBRIER PUBLIC SERVICE DISTRICT NO. 1, in the County of Greenbrier, State of West Virginia, a public corporation and political subdivision of the State of West Virginia (herein called the "District"), for value received, hereby promises to pay to the bearer, or, if this Bond be registered, to the registered holder as herein provided, on the first day of May, 19 , from the net revenues hereinafter mentioned, the principal sum of

FIVE THOUSAND DOLLARS

with interest thereon at the rate of per centum (%) per annum, payable semiannually on the first day of May and the first day of November of each year, upon the presentation and surrender of the annexed coupons as they severally fall due. Both principal of and interest on this Bond are payable in lawful money of the United States of America at the office of the State Sinking Fund Commission, Charleston, West Virginia, or, at the option of the holder, at First National City Bank, New York, New York.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of Six Hundred Seventy Thousand Dollars ($670,000), of like date, tenor and effect, except as to number, interest rate and date of maturity. The Bonds are issued to finance part of the costs of the acquisition and construction of a complete sewerage system of the District under the authority of and in full compliance with the

Constitution and statutes of the State of West Virginia, including particularly Article 13A, Chapter 16 of the West Virginia Code (herein called the "Act") and other applicable statutes, and a Resolution duly adopted by the Public Service Board of the District.

The Bonds of this issue maturing in the years 1983 to 2012, both inclusive, are redeemable prior to their stated dates of maturity, at the option of the District, in whole, or in part in inverse numerical order, on May 1, 1982, or on any interest payment date thereafter, at the price of par and accrued interest to the date fixed for redemption, plus a premium for each Bond called for redemption equal to 1/4 of 1% for each year or fraction thereof from the date fixed for redemption to the maturity of the Bond, such premium not to exceed 3%; provided, however, that a notice of such redemption shall be published at least once not less than thirty nor more than sixty days prior to the redemption date in a financial newspaper published in the City of New York, New York, or actual notice in writing shall be given by registered or certified mail not less than thirty days prior to the date fixed for redemption. Interest shall cease upon this Bond after the date fixed for redemption if it shall be duly called for prior redemption and payment thereof duly provided for.

The Bonds of the issue of which this Bond is one and the coupons appertaining hereto are payable, equally and ratably, solely from, and secured by a first lien upon and pledge of, the Net Operating Income derived from the operation of the System, with monthly payments from such Net Operating Income to be made into the Bond Fund with the State Sinking Fund Commission for payment of the principal hereof and interest hereon, in the manner provided in said

Resolution, and do not and shall not in any event constitute an indebtedness of the District within the meaning of any constitutional or statutory provisions or limitations, and the District shall not be obligated to pay this Bond or the interest hereon except from the Net Operating Income of the System, as provided in the Resolution. The District covenants with the holders of the Bonds of the issue of which this Bond is one to establish and at all times maintain such rates and collect such charges for the services and facilities of the System, and to revise the same from time to time, whenever necessary, as will always provide revenues in each fiscal year sufficient to pay the amount of principal and interest on said Bonds maturing and becoming due in such fiscal year and the necessary expenses of operating and maintaining the System during such fiscal year and to accumulate the reserves as provided in said Resolution, and the District has entered into certain other covenants with the holders of the Bonds of the issue of which this Bond is one, for the terms of which reference is made to the Resolution.

Additional parity Bonds of equal rank with this Bond and the Bonds of the issue of which this Bond is one as to lien and source of and security for payment may be issued under the provisions and restrictions contained in the Resolution.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in regular and due form, time and manner as required by the laws and Constitution of the State of West Virginia applicable thereto, and that the issuance of this Bond and of the issue of Bonds

of which this Bond is one is not in violation of any constitutional or statutory limitation of indebtedness.

This Bond, under the provisions of the Act is, and has all the qualities and incidents of, a negotiable instrument.

This Bond may be registered as to principal only in accordance with the provisions endorsed hereon.

This Bond and the interest hereon are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

IN WITNESS WHEREOF, Greenbrier Public Service District No. 1 has caused this Bond to be signed by the Chairman of its Public Service Board and its corporate seal to be affixed hereto or impressed hereon and attested by the Secretary of said Board, and the annexed interest coupons to be executed with the facsimile signatures of said Chairman and said Secretary, all as of the first day of May, 1972.

GREENBRIER PUBLIC SERVICE
DISTRICT NO. 1

By_____
Chairman of its Public
Service Board

ATTEST:

(SEAL)

_____
Secretary of its Public
Service Board

(Form of Coupon)

No.

$

On the first day of , 19 , unless the Bond to which this coupon was originally attached shall be redeemable prior to maturity and shall have been duly called for prior redemption and payment of the redemption price duly made or provided for, Greenbrier Public Service District No. 1 in Greenbrier County, West Virginia, will pay to the bearer at the office of the State Sinking Fund Commission, Charleston, West Virginia, or, at the option of the holder, at First National City Bank, New York, New York, solely from the net revenues described in the Bond to which this coupon is attached, the sum of

Dollars ($) in lawful money of the United States of America, upon presentation and surrender of this coupon, being six months' interest then due on its Sewer Revenue Bond, Series A, dated May 1, 1972, No. .

GREENBRIER PUBLIC SERVICE DISTRICT NO. 1

By (facsimile signature)
Chairman, Public Service Board

ATTEST:

(facsimile signature)
Secretary, Public Service Board

(Note to Printer: Line up numbers, dates and amounts in right column)

(Provision for Registration)

This Bond may be registered in the name of the holder as to principal only on books kept by the Treasurer of the State of West Virginia, such registration being noted hereon in the registration blank below, after which no transfer shall be valid unless made on said books by the registered holder or his agent or representative duly authorized, and similarly noted in said registration blank below, but it may be discharged from registration by being transferred to bearer, after which it shall be transferable by delivery. At the option of the holder, this Bond shall again be subject to successive registrations and transfers as before. The principal of this Bond, if registered, shall be payable only to the registered owner or his legal representative. Notwithstanding the registration of this Bond, the coupons shall remain payable to bearer and shall continue to be transferable by delivery merely.

(No writing on this Bond except by the Treasurer of the State of West Virginia as Registrar.)

Date of Registration	In Whose Name Registered	Registrar

(Form of Fully Registered Bond)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF GREENBRIER
GREENBRIER PUBLIC SERVICE DISTRICT NO. 1
SEWER REVENUE BOND,
SERIES A

No. AR-1 $670,000

GREENBRIER PUBLIC SERVICE DISTRICT NO. 1, in the County of Greenbrier, State of West Virginia (herein called the "District"), a public corporation and political subdivision of the State of West Virginia, for value received, hereby promises to pay to the UNITED STATES OF AMERICA, SECRETARY OF HOUSING AND URBAN DEVELOPMENT, or his successor (herein sometimes called the "Payee"), or his registered assigns (herein sometimes called the "Alternate Payee"), the principal sum of Six Hundred Seventy Thousand Dollars ($670,000) on the 1st day of May in years and amounts as follows:

Year	Amount	Year	Amount	Year	Amount
1976	$ 5,000	1988	$10,000	2000	$20,000
1977	5,000	1989	10,000	2001	25,000
1978	5,000	1990	10,000	2002	25,000
1979	5,000	1991	15,000	2003	25,000
1980	5,000	1992	15,000	2004	25,000
1981	10,000	1993	15,000	2005	30,000
1982	10,000	1994	15,000	2006	30,000
1983	10,000	1995	15,000	2007	30,000
1984	10,000	1996	15,000	2008	35,000
1985	10,000	1997	20,000	2009	35,000
1986	10,000	1998	20,000	2010	35,000
1987	10,000	1999	20,000	2011	40,000
				2012	40,000

in lawful money of the United States of America, and to pay interest on the balance of said principal sum from time to time remaining unpaid, in like lawful money, at the rate of five and five-eighths per centum (5-5/8%) per annum, semiannually on May 1 and November 1 of each year, commencing November 1, 1972, until the principal amount hereof has been paid. During the time the Payee is the registered owner of this Bond, payment of the principal installments and interest due shall

be made at Federal Reserve Bank of Richmond, Richmond, Virginia, or such other fiscal agent as the Payee shall designate (herein sometimes called the "Fiscal Agent"). During such time as an Alternate Payee is the registered owner hereof said payments shall be made at the office of the State Sinking Fund Commission of West Virginia, Charleston, West Virginia, or, at the option of the Alternate Payee, at the principal office of First National City Bank, New York, New York (herein sometimes called the "Alternate Paying Agent"). Payments of principal and interest, including prepayments of installments of principal as hereinafter provided, shall be noted on the Payment Record made a part of this Bond and such payment shall fully discharge the obligation of the District herein to the extent of the payments so made. Upon final payment of the principal and interest, this Bond shall be surrendered to the District for cancellation.

This Bond, designated as the "Greenbrier Public Service District No. 1 Sewer Revenue Bond, Series A" (herein called the "Bond") representing the entire Series A of the issue of Sewer Revenue Bonds of Greenbrier Public Service District No. 1, together with any additional Bonds ranking on a parity herewith which may be issued and outstanding under the provisions, conditions and restrictions set forth in a Resolution adopted by the Public Service Board of the District to finance part of the costs of the construction of a sewerage system of the District, is payable, equally and ratably, solely from and secured by a first lien on and pledge of the Net Operating Income derived from the operation of the System, with monthly payments from the Net Operating Income to be made into the Bond Fund with the State Sinking Fund Commission for payment of the principal hereof and interest hereon, in the manner provided in said Resolution, and does not and

shall not in any event constitute an indebtedness of the District within the meaning of any constitutional or statutory provisions or limitations, and the District shall not be obligated to pay this Bond or the interest hereon except from the Net Operating Income of the System, as provided in the Resolution. The District covenants with the holder of this Bond to establish and at all times maintain such rates and collect such charges for the services and facilities of the System, and to revise the same from time to time, whenever necessary, as will always provide revenues in each fiscal year sufficient to pay the amount of principal and interest hereon maturing and becoming due in such fiscal year and the necessary expenses of operating and maintaining the System during such fiscal year and to accumulate the reserves as provided in said Resolution, and the District has entered into certain other covenants with the holder of this Bond for the terms of which reference is made to the Resolution.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Article 13A, Chapter 16 of the West Virginia Code (herein called the "Act") and other applicable statutes, and a Resolution duly adopted by the Public Service Board of the District.

In addition to the installments of principal required to be paid as hereinabove set forth, the District shall have the right to prepay on any interest payment date commencing May 1, 1982, the entire principal amount hereof then remaining unpaid, or such lesser portion thereof as it may determine, in inverse chronological order of such installments and in multiples of $5,000, at the price of par and accrued interest

to date of prepayment, plus a premium equal to 1/4 of 1% of the amount of the prepaid installment from the date of prepayment to the due date of the installment, such premium not to exceed 3%; provided, however, that so long as the registered owner hereof shall be the Payee, the District may prepay on any interest payment date the entire unpaid principal amount hereof, or, from time to time, in inverse chronological order of such installments, such lesser portion thereof, in multiples of $5,000, as the District may determine at the principal amount thereof, plus accrued interest to the date of such prepayment.

Notice of any such optional prepayment shall be given at least thirty days prior to the prepayment date by sending to the registered owner of this Bond by registered or certified mail a notice fixing such prepayment date and stating the amount of principal to be prepaid and the premium, if any.

A statutory mortgage lien upon the System is created by the Act in favor of the Registered Holder of this Bond, which lien is hereby recognized as valid and binding and shall remain in effect until the payment in full of the principal of and interest on this Bond.

This Bond may be assigned, and upon such assignment the assignor shall promptly notify the District by registered mail and the Alternate Payee shall surrender the same to the District either in exchange for a new fully registered Bond, or for transfer on the Registration Records and verification of the endorsements made on the Payment Record attached hereto of the portion of the principal amount hereof and interest hereon paid or prepaid, and every such assignee shall take this Bond subject to such conditions.

This Bond is exchangeable at the expense of the District upon ninety days' written notice at the request of the registered owner hereof and upon surrender of this Bond to the District for negotiable, serial coupon Bonds in the form substantially as provided in said Resolution and in an aggregate principal amount equal to the unpaid principal amount hereof.

Additional parity Bonds of equal rank with this Bond as to lien and source of and security for payment may be issued under the provisions and restrictions contained in the Resolution.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in regular and due form, time and manner as required by the laws and Constitution of the State of West Virginia applicable thereto, and that the amount of this Bond, together with all other obligations of the District, is not in violation of any constitutional or statutory limitation of indebtedness.

This Bond and the interest hereon are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

IN WITNESS WHEREOF, Greenbrier Public Service District No. 1 has caused this Bond to be signed by the Chairman of its Public Service Board and its corporate seal to be impressed hereon and attested by the Secretary of said Board, all as of the 1st day of May, 1972.

GREENBRIER PUBLIC SERVICE DISTRICT NO. 1

By_____
Chairman of Public Service Board

ATTEST:

(SEAL)

_____
Secretary of Public Service Board

(Form of Assignment)

For value received, the undersigned hereby sells, assigns and transfers unto _____ all the right, title and interest of the undersigned in and to this Bond.

_____

Date: _____

In the presence of: _____ _____

(Form of Payment Record)

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due	Interest Payment (5-5/8%)	Date Paid	Name of Paying Agent, Authorized Official and Title
November 1, 1972					

(Show all installments of principal and all interest payment dates)

(Form of Record of Advance Payments)

Principal Due Date	Principal Due Amt.	Principal Payment	Balance	Date Paid	Name of Paying Agent, Authorized Official and Title

ARTICLE III

BOND PROCEEDS; REVENUES AND APPLICATION THEREOF

Section 3.01. Disposition of Bond Proceeds; Construction Fund. Except as otherwise provided in Section 3.02, subsection headed "Bond Fund," all moneys received from the sale of any or all the Bonds, the proceeds of the aforesaid grants and the proceeds of any temporary construction financing shall be deposited in a special fund in Greenbrier Valley Bank, Lewisburg, West Virginia, which is a member of the Federal Deposit Insurance Corporation (herein called "FDIC"), which fund is hereby created and designated as the "Greenbrier Public Service District No. 1 Construction Account-Sewer Project PFL-WVA-53" (herein called the "Construction Fund"). The moneys in the Construction Fund shall be secured at all times by the deposit, by such bank, of direct obligations of the United States of America having a market value at least equal to the amount of moneys in the Construction Fund in excess of the amount insured by FDIC. Moneys in the Construction Fund shall be expended by the District solely for the purposes provided in this Resolution. Any moneys in the Construction Fund not immediately needed for said purposes may, with the approval of the Consulting Engineer, be invested in direct obligations of the United States of America having a maturity of not more than one year. Any balance in the Construction Fund after the completion of the Project shall be disposed of in accordance with the Loan Agreement, and in the absence of provision therefor therein, shall be deposited in the Bond Fund.

Section 3.02. Covenants as to Revenues and Funds. So long as any of the Bonds shall be outstanding and unpaid,

or until there shall have been set apart in the Bond Fund and Redemption Fund hereinafter established, a sum sufficient to pay, when due, the entire principal of the Bonds remaining unpaid together with interest accrued and to accrue thereon, the District additionally covenants with the holders of any and all Bonds issued pursuant to this Resolution as follows:

Revenue Fund. There is hereby established with said Greenbrier Valley Bank at Lewisburg, West Virginia, a bank which is a member of the Federal Deposit Insurance Corporation, a separate bank account known as the Sewer System Revenue Fund (herein sometimes called the "Revenue Fund") which shall be maintained so long as any Bonds are outstanding and into which shall be deposited when received all the revenues and receipts derived directly or indirectly from the operation of the Sewer System including without limitation the receipts of charges for sewer service, connection fees, penalties for late payment of sewer bills and the interest, if any, earned on all Funds hereinafter established, except as provided in the Debt Service Reserve Fund hereinafter established. The funds in the Revenue Fund shall be used by the District only for the purposes and in the order described below.

Operating Expenses. The District covenants to pay from the Revenue Fund promptly when due the "Operating Expenses" of the System. The balance then remaining in the Revenue Fund shall be known as the "Net Operating Income" of the Sewer System.

Bond Fund. There is hereby established with the State Sinking Fund Commission a trust fund for the benefit of the holders of the Bonds, which shall be a separate account known as the Sewer Revenue Bond and Interest Sinking Fund Account (herein sometimes called the "Bond Fund") which shall

be maintained so long as Bonds of any series shall be outstanding, into which shall be deposited all accrued interest received from the sale of the Series A Bonds and, thereafter, by the close of each month, all the Net Operating Income in the Revenue Fund. After payment or provision for payment from the Bond Fund of the semiannual interest and one-half of the annual principal due on all outstanding Bonds within the next twelve months (herein sometimes called the "Current Semiannual Debt Service"), the balance in the Bond Fund shall be known as the "Surplus" and shall be used only as hereinafter provided.

Debt Service Reserve. There is hereby established with the State Sinking Fund Commission in the Bond Fund a separate account known as the Sewer Revenue Bonds Debt Service Reserve Fund (herein sometimes called the "Debt Service Reserve") and which shall be maintained so long as Bonds of any series are outstanding and into which, after payment or provisions for payment of the Current Semiannual Debt Service, there shall be deposited promptly each month at least one-half of the Surplus remaining in the Bond Fund. Funds in the Debt Service Reserve shall be continuously invested, as nearly as practical, in marketable direct obligations of or obligations the principal of and interest on which are guaranteed by the United States of America, selected by the State Sinking Fund Commission with a view to obtaining a liberal cash income from long-term securities purchasable at a discount. The securities in the Debt Service Reserve shall be liquidated to the extent required to pay promptly the debt service on the outstanding Bonds in the event that funds in the Bond Fund become insufficient to meet debt service, or to provide ratably the principal and interest payments on the outstanding Bonds declared due and payable by reason of any default under the terms of this Resolution. The total of the funds and securities (taken

at market value as determined by the State Sinking Fund Commission at least semiannually as of the last business day of each June and December) in the Debt Service Reserve shall be maintained at least equal to the Reserve Requirement (defined as the total of the average annual principal of and interest on each series of Bonds outstanding, rounded to the next higher multiple of $1,000, the amount for the Series A Bonds being $47,000). The interest earned on the securities in the Debt Service Reserve shall be retained therein until the Reserve Requirement has been completed. Thereafter, such interest to the extent not required to maintain the Reserve Requirement shall be transferred to and deposited, at least semiannually, in the Redemption Fund provided for hereinafter. The balance in the Debt Service Reserve in excess of the Reserve Requirement shall be transferred at least semiannually and used by the State Sinking Fund Commission only as provided below in connection with the Redemption Fund.

Redemption Fund. There is hereby established with the State Sinking Fund Commission as a trust fund for the benefit of the holders of all such Bonds, a separate account to be known as the Sewer Revenue Bond Redemption Fund (herein sometimes called the "Redemption Fund") which shall be maintained so long as Bonds of any series are outstanding and into which the State Sinking Fund Commission at least semiannually shall transfer and deposit the balance in the Debt Service Reserve in excess of the Reserve Requirement. Funds in the Redemption Fund shall be used first to make up any deficiency in the Debt Service Reserve and next to purchase, for cancellation, Bonds at or below their current redemption price or to redeem Bonds at the earliest practicable date

in accordance with the requirements of Section 2.02 hereof. Whenever the funds in the Redemption Fund together with other funds available therefor are sufficient to redeem all outstanding Bonds of all series, the same shall be redeemed at the earliest practicable date.

General Reserve. There is hereby established with said Greenbrier Valley Bank at Lewisburg, West Virginia, a bank which is a member of the Federal Deposit Insurance Corporation, a separate account known as the Sewer System General Reserve (herein sometimes called the "General Reserve") which shall be maintained so long as Bonds of any series are outstanding and into which, after payment or provision for payment of the Current Semiannual Debt Service, may be transferred as directed by the District not more than one-half of the Surplus remaining in the Bond Fund. Funds in the General Reserve may be used by the District only for the following purposes:

1. To pay the Current Expenses of the Sewer System or extraordinary repairs or replacements thereto for which funds in the Revenue Fund may be insufficient;

2. To pay the Current Semiannual Debt Service for which funds in the Bond Fund and Debt Service Reserve may be insufficient;

3. To make up any deficiencies in the Reserve Requirement;

4. To pay the capital outlay costs of minor additions, extensions and improvements to the Sewer System;

5. To pay the fees of engineering and other consultants in connection with proposed major additions, extensions and improvements of the Sewer System to be financed by issuance of additional series of parity Bonds as hereinafter provided; and

6. To redeem Bonds of any series. The Consulting Engineer shall, at the end of each fiscal year, state in writing his estimate of the funds needed for the next five years for making extraordinary repairs or replacements to the System or for making minor additions, extensions and improvements to the System. A copy of such written estimate shall be promptly sent by the Secretary to the Government. Funds on deposit in the General Reserve in excess of the amount shown in such written estimate shall be transferred to and deposited in the Redemption Fund.

The income from any investment in the General Reserve shall be transferred promptly after the close of each month and deposited in the Revenue Fund.

Any portion of the Surplus remaining after all the above deposits and transfers of money have been made as hereinabove provided shall be deposited in the Redemption Fund.

The State Sinking Fund Commission is hereby designated as the Fiscal Agent for the administration of the Bond Fund, the Debt Service Reserve and the Redemption Fund as herein provided, and all amounts required therefor will be remitted to the State Sinking Fund Commission from the Revenue Fund by the District at the times provided herein.

All the funds provided for in this Section shall constitute trust funds, shall each be kept separate and apart from all other funds, and shall be used only for the purposes and in the order provided herein, and until so used, the holders of the Bonds shall have liens thereon for further securing payment of the Bonds and the interest thereon. The moneys in excess of the amount insured by FDIC in the Revenue Fund and the General Reserve shall at all times be secured, to the full extent thereof in excess of such amount, in a

manner lawful for securing deposits of State and municipal funds under the laws of the State of West Virginia.

If on any payment date the gross revenues are insufficient to place the required amount in any of the funds or accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to those which would otherwise be required to be made into the funds or accounts on the subsequent payment dates.

The State Sinking Fund Commission shall keep the moneys in the Bond Fund, the Debt Service Reserve and the Redemption Fund invested and reinvested to the fullest extent practicable in direct obligations of, or obligations the payment of the principal of and interest on which are guaranteed by, the United States of America and having maturities not exceeding two years.

The District will monthly, with its check or checks sent to the State Sinking Fund Commission, state the amount to be deposited into the Bond Fund and the Redemption Fund in accordance with the provisions and requirements hereof. The District, by inquiries to the State Sinking Fund Commission, if necessary, will keep itself reasonably informed as to the respective amounts on deposit in the Bond Fund, the Debt Service Reserve therein and the Redemption Fund.

ARTICLE IV

GENERAL COVENANTS

Section 4.01. General Statement. So long as any of the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Bond Fund and the Redemption Fund a sum sufficient to pay when due, or to redeem or purchase prior to maturity, the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon and any applicable redemption premiums, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the District and the Bondholders.

Section 4.02. Rates. The District 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 Operating Income equal to not less than 130% of the average annual debt service on all Bonds outstanding and to make the payments required herein into all the Funds and Accounts described and provided for in Section 3.02 hereof, and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate revenues for such purposes.

Section 4.03. Sale of the System. The System may be sold, mortgaged, leased, or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient fully to pay all the Bonds and the interest thereon as herein provided. The proceeds from such sale, mortgage, lease or other disposition

of the System shall immediately be remitted to the State Sinking Fund Commission and the District shall direct said Commission to apply such proceeds to the payment of principal and interest of the Bonds at the redemption price, as herein provided, or upon purchase at the then current market price not exceeding the par value thereof plus accrued interest to the date of purchase. Any balance remaining after the redemption or payment of all the Bonds and the interest thereon shall be remitted to the District by the State Sinking Fund Commission unless necessary for the payment of other obligations issued by the District and payable out of the revenues of the System.

The foregoing provision notwithstanding, the District shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation of the System, provided that not less than thirty days' notice in writing shall be given to the Government by the District prior to any such sale, lease or other disposition of any such property and provided that the aggregate net book value of any such property to be so sold, leased or disposed of in any fiscal year shall not exceed the sum of $5,000. Prior to any such sale, lease or other disposition of such property, the District shall make a finding in writing concurred in in writing by the Consulting Engineer determining that such property is no longer necessary, useful or profitable in the operation of the System. The proceeds of any such sale, lease or other disposition of such property shall be deposited in the Redemption Fund.

So long as the Government holds any of the Bonds, the System and any useful part thereof may not be sold without the written consent of the Government.

Section 4.04. Covenant Against Encumbrances. The District will not issue any obligations whatsoever, except additional parity Bonds hereinafter provided for, payable from the revenues of the System which rank prior to or equally as to lien and source of and security for payment from such revenues with the Bonds.

The District will not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge, having priority over or being on a parity with the lien of the Bonds, and the interest thereon, upon any of the income and revenues of the System pledged as security therefor herein, or upon the System, or any part thereof.

Section 4.05. Issuance of Additional Parity Bonds. Additional series of parity Bonds may be issued from time to time with the written consent of the holders of not less than 65% in principal amount of each series of Bonds then outstanding, or without such consent, only upon compliance with such restrictions as shall be satisfactory to the Government, for the purpose of making capital improvements to the System. Such restrictions shall provide, among other things, that:

(A) No such additional parity Bonds shall be issued except for the purposes of financing the costs of the construction or acquisition of extensions, additions and improvements to the System or refunding Bonds issued hereunder, except as provided in subsection (I) of this Section.

(B) Certified audit reports for at least 12 consecutive months out of the last 18 months prior to the proposed issue will establish that the Net Operating Income of the System has been at least 130% of the total of the average annual principal and interest requirements of each series of Bonds outstanding.

(C) The rates and charges imposed upon the users of the System served and to be served shall be at least sufficient

to assure that the Net Operating Income of the System, as established in accordance with the preceding paragraph, together with the proposed additional Net Operating Income of the System shall be equal to at least 130% of the total of the average annual principal and interest requirements of each series of Bonds outstanding and proposed to be issued.

(D) In the event that the rates, fees or other charges for the services of the System or any part thereof were actually increased and in efeect at any time during the first six months of the 12 consecutive months referred to in (B) above, the Net Operating Income actually derived from the System during such twelve months may, for the purposes of this Section, be adjusted by adding thereto any additional net revenues which would have been derived during such twelve months, such addition to be in the amount that such actual Net Operating Income would have been increased, if such increased rates, fees or other charges had been in effect during all such twelve months instead of a part thereof. Such actual Net Operating Income may be further so adjusted to reflect net revenues which would have been received from customers to be served by any extension of the System to be financed by additional parity Bonds, but only if buildings to be so served are in existence and binding service contracts have been entered into with the owners thereof for service by the System for a period of at least two years following availability of such service, and connection fees for such buildings have been paid.

(E) Prior to the issuance of any such additional parity Bonds, the District shall have entered into written contracts for the immediate acquisition or construction of such additions, extensions or improvements to the System which are to be financed by such additional parity Bonds.

(F) The term "additional parity Bonds", as used

in this Section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this Section, payable from the revenues of the System on a parity with Bonds originally authorized and issued pursuant hereto, and all the covenants and other provisions hereof (except as to details of such additional parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the holders of any Bonds originally authorized and issued pursuant hereto and the holders of any additional parity Bonds subsequently issued within the limitations of and in compliance with this Section. All such Bonds, 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 or coupon over any other. The District shall comply fully with all the increased payments into the various funds created in this Resolution required for such additional parity Bonds, in addition to the payments required for Bonds originally issued hereunder. Redemption of Bonds prior to maturity, in the event that Bonds originally issued hereunder and additional parity Bonds hereby authorized are outstanding, shall be, as nearly as practical, on an equal pro rata basis reflecting the original amounts of each issue.

(G) All additional parity Bonds issued pursuant to this Section shall mature on May 1 of each year of maturity, and the semiannual interest thereon shall be payable May 1 and November 1 of each year.

(H) No additional parity Bonds shall be issued at any time unless all the payments into the respective Funds provided for herein on Bonds then outstanding and all other payments provided for herein shall have been made as required

to the date of issuance of the additional parity Bonds and the District shall have fully complied with all the covenants, agreements and terms of this Ordinance and every ordinance supplemental hereto, or shall have fully corrected any delinquency or deficiency in such payments and compliance.

(I) With the written consent in advance of the person who originally purchased from the District the Bonds originally authorized by this Resolution, and anything to the contrary in subsections (A), (B), (C), (D) and (E) of this Section notwithstanding, additional parity Bonds may be authorized and issued by the District pursuant to supplemental resolution in the event that the Series A Bonds should be insufficient, together with other funds lawfully available therefor, to pay all costs of construction and acquisition of the Project. Any such additional parity Bonds authorized and issued under the provisions of this subsection shall be limited to the aggregate principal amount required to make up any deficiency in funds for payment of the construction costs of the Project, and the maturities of any such additional parity Bonds shall be in years and amounts suggested by such original purchaser.

Section 4.06. Covenant to Proceed. The District covenants and agrees to proceed promptly with the acquisition and construction of the Project in accordance with the plans and specifications of the Consulting Engineer heretofore filed with the District and covenants that no change in the work or scope of the work, nor any reduction of or addition to the Project as so planned, shall be made without the consent in writing of all the Bondholders, if the Bonds have been issued, or of all banks providing any interim construction funds if the Bonds have not been issued.

Section 4.07. Enforcement of Collections. The District will diligently enforce and collect all fees, rates

and other charges for the services and facilities of the System and will take all steps, actions and proceedings for the enforcement and collection of such fees, rates and other charges which shall become delinquent to the full extent permitted or authorized by law.

Section 4.08. Insurance and Fidelity Bonds. The District hereby covenants and agrees that so long as any of the Bonds remain outstanding it will, as an expense of operation and maintenance of the System, procure, carry and maintain insurance and fidelity bonds with a reputable insurance carrier or carriers or bonding company covering the following risks and in the following amounts:

(A) Builders Risk Insurance in the amount of 100% of the insurable value of the Project during construction.

(B) Fire and Extended Coverage Insurance upon completion of the Project, on all insurable portions of the System in the amount of the full insurable value thereof. In the event of any damage to or destruction of any portion of the System, the District will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion.

(C) Public Liability Insurance with limits of not less than $200,000 for one person and $500,000 for more than one person injured or killed in one accident to protect the District from claims for bodily injury or death and with a limit of not less than $100,000 to protect the District from claims for damage to property of others arising from the operation of the System, such insurance to be procured at commencement of the construction of the Project.

(D) Vehicular Public Liability Insurance with the same limits as for public liability insurance stated above to protect the District from claims arising out of operation of any vehicle of or for the District for the

benefit of the System, such insurance to be procured prior to acquisition or commencement of operation of any vehicle.

(E) Payment and Performance Bonds to be provided by each contractor and subcontractor working on the Project in the amount of 100% of the construction contract or subcontract, such payment bonds to be filed with the Clerk of the County Court of said County prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

(F) Fidelity Bonds to be provided as to every officer and employee of the District and of the System having custody of the Construction Fund and of any revenues or other funds of the District arising from ownership and operation of the System, with limits equal to the maximum amounts each such person will have in his custody or control at any one time.

(G) Provided, however, that in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Government holds any of the Bonds, the District will carry insurance and bonds or, during construction of the Project, will cause insurance and payment and performance bonds to be carried for the protection of the District by each prime contractor, of such types and in such amounts as the Government may specify, with insurance carriers or bonding companies acceptable to the Government, but such types and amounts shall not be less in amount or more restricted in scope than those hereinabove required unless the Government holds all the Bonds.

Section 4.09. Statutory Mortgage. For the further protection of the holders of the Bonds and the coupons appertaining thereto, 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 any of the Bonds.

Section 4.10. Events of Default. Each of the following events is hereby declared an "Event of Default":

(A) Failure to make payment of the principal and, if any premium be due, of such premium, of any of the Bonds either at the date therein specified for their payment or by proceedings for redemption or otherwise;

(B) Failure to make payment of any installment of interest due on any of the Bonds on the date specified for the payment of said interest;

(C) Failure duly and punctually to observe or perform any of the other covenants, conditions and agreements on the part of the District in the Bonds or herein, or violation of or failure to observe any provision of any pertinent law, provided any such failure or violation mentioned in this subsection (C) shall continue for a period of thirty days after written notice shall have been given to the District by any Bondholder specifying such failure or violation and requiring the same to be remedied.

Section 4.11. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, any Bondholder may proceed to protect and enforce the rights of the Bondholders by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights.

Upon application by such Bondholder, such court may, upon proof of such default, appoint a receiver for the System. The receiver so appointed shall administer the System on behalf

of the District, shall exercise all the rights and powers of the District with respect to its System and shall have the power to collect and receive all revenues and apply the same in such manner as the Court may direct.

Section 4.12. No Priority Between Bonds. The Bonds shall not be entitled to priority one over the other in the application of the revenues of the System or with respect to the security for their payment, regardless of the time or times of their issuance, it being the intention hereof that there shall be no priority among the Bonds, regardless of the fact that they may be actually issued and delivered at different times.

Section 4.13. Fiscal year; Budget. While any 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 forty-five days prior to the beginning of each fiscal year, the District will 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 authorized and directed by at least 2/3 of the members of the Public Service Board. Copies of each Annual Budget shall be mailed to the Government, to the original purchasers of the Bonds and to those Bondholders who shall have filed their names and addresses with the Recorder for such purpose.

If for any reason the District shall not have adopted the Annual Budget before the first 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 year next preceding by more than ten per centum; 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 District. Each such Budget of Current Expenses shall be mailed immediately as in the case of the Annual Budget.

Section 4.14. Books and Records. The District will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the System and as required by the Act, and any holder of a Bond or Bonds, his agents and representatives, shall have the right at all reasonable times to inspect the System and all records, accounts and data of the District relating thereto.

The District 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, shall mail a copy of such audit report to the Government and the original purchaser of the Bonds, and shall make available the report of said accountants at all reasonable times to any holder or holders of the Bonds or any customer receiving services from the System or any interested person, or anyone acting for and in behalf of such Bondholder, Bondholders, customer or person. The audit report shall be submitted within ninety days after the end of the fiscal year and shall show all receipts and disbursements, and reflect in reasonable detail the financial condition of the System, including the status of the several funds hereinbefore created, the status of insurance and fidelity bonding, the number and type of

connections, and the current rates and charges, with comments of the auditor concerning whether the books, records, and funds are being kept in compliance with this Resolution and in accordance with recognized accounting practices and the requirements of the Public Service Commission of West Virginia.

So long as the Government holds any of the Bonds, the District will furnish operating and other financial statements for the Project and the System in such form and for such periods as may be requested by the Government.

Section 4.15. No Competition. The District will not grant, or cause, consent to or allow the granting of, any franchise, permit or right to any person, firm, corporation, body, agency or instrumentality whatsoever for the services provided by the System to or within the District.

Section 4.16. Consulting Engineer. The District will retain the Consulting Engineer hereinabove designated or other qualified and recognized independent engineer or firm of engineers on an annual basis to supervise generally the operation, maintenance and renewal of the System.

Section 4.17. Maintenance of System. The District covenants that it will continuously operate, in an economical and efficient manner, and maintain the System in good working order as a revenue-producing utility as herein provided so long as any of the Bonds are outstanding.

Section 4.18. Concerning Arbitrage. It is not reasonably expected that any Bond proceeds will be so invested as to violate the operating rules and the regulations of the Internal Revenue Service or the Treasury Department in connection with arbitrage, as set forth in Section 103(d) of the Internal Revenue Code of 1954, as amended. The State Sinking Fund Commission is hereby directed to comply with such rules when investing moneys of the District.

ARTICLE V

RATES, ETC.

Section 5.01. Initial Schedule of Rates and Charges; Rules. A. The initial schedule of rates and charges for the services and facilities of the System shall be as follows:

AVAILABILITY OF SERVICE

Available for all domestic and commercial consumers within the service area of the District.

Sewer charges, based upon water consumption, shall be as follows per 1000 gallons of water used per month:

Gallons per Quarter Year		Monthly Charge per 1000 Gallons
First	10,000	$ 2.50
Next	20,000	2.15
Next	20,000	1.80
Next	20,000	1.55
Next	30,000	1.30
Next	50,000	1.10
Over	150,000	1.00

MINIMUM SEWER CHARGE

The minimum charge for sewer service shall be $25.per quarter and a flat rate for non-metered customers of $30 per quarter.

SEWER CONNECTION FEE

Connection fee to tap to main is $125 per customer.

DELAYED PAYMENT PENALTY

The charges provided above are net. For all accounts not paid in full within ten (10) days of date of bill, ten per cent (10%) will be added to net amount shown.

SEWER CUSTOMERS WHO DO NOT USE METERED WATER FROM A WATER SYSTEM

Customers using the sewer service who have wells or sources of water other than metered sales by a water utility shall pay the same charges as other customers in similar circumstances who obtain their water through a meter of a water utility.

MULTIPLE OCCUPANCY, ETC.

Each family unit in apartments shall be considered and charged as a separate residential unit or house.

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

C. The District 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 District 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.

D. The District 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.

E. No allowance or adjustment in any bill for use of the services and facilities of the System shall be made for any leakage occurring on the customer's side of any water meter.

F. The District shall not be liable to any customer as such for any damage resulting from bursting or breakage of any line, main, pipe, valve, equipment or part or from discontinuance of the operation of any part of the System or from failure of any part thereof for any cause whatsoever.

G. In case of emergency, the District shall have the right to restrict the use of any part of the System in any reasonable manner for the protection of the System and the inhabitants of the District.

H. The schedule of rates and charges provided above shall be and constitute the fees, rates and charges to be charged for the services and facilities of the System and shall take effect as stated above. Such fees, rates and charges will be increased whenever such increase is necessary in order to comply fully with all provisions of this Resolution and the District shall always be obligated to and shall fix, establish and collect fees, rates and charges for the services and facilities of the System which shall at all times be sufficient to provide Net Operating Income to meet its obligations hereunder, but not less than 130% of the average annual debt service on all Bonds outstanding. The initial schedule of rates and charges will not be reduced until the Reserve Requirement has been accumulated in the Debt Service Reserve and the Net Operating Income of the System for the previous fiscal year has been certified by an independent Public Accountant to be at least equal to 130% of the average annual debt service on all Bonds outstanding.

I. 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 District will have power to foreclose such lien when such fees, rates and charges have been delinquent for thirty days.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Filing Under Uniform Commercial Code. Contemporaneously with the delivery of the Bonds, the District shall execute Financing Statements meeting the requirements of the Uniform Commercial Code of West Virginia and promptly thereafter, shall file such a Financing Statement in the offices of the Secretary of State of the State of West Virginia and of the Clerk of the County Court of the said County.

Section 6.02. Modification or Amendment. No material modification or amendment of this Resolution, or of any resolution amendatory hereof or supplemental hereto, may be made without the consent in writing of the holders of two-thirds or more in principal amount of the Bonds then outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of any of the Bonds or a reduction in the rate of interest thereon, or in the amount of the principal obligation, or affecting the unconditional promise of the District to pay the principal of and interest on the Bonds as the same shall become due from the revenues of the System, without the consent of the holders of such Bonds. Notwithstanding the above, no amendment or modification shall be made which would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications.

Section 6.03. Compensation of Board Members. The Borrower covenants that no compensation for policy direction

shall be paid to the members of its Board until the Reserve Requirement has been accumulated in the Debt Service Reserve and the Net Operating Income of the System for the previous fiscal year has been certified by an independent Public Accountant to be at least equal to 130% of the total average annual principal of and interest on each series of outstanding Bonds. Payment of any such compensation shall in no event cause the Net Operating Income to fall below the 130% requirement.

Section 6.04. Sale of Bonds. As required by the Government, under the Loan Agreement, the Secretary is hereby authorized and directed to cause publication of notice for bids for the purchase of the Bonds to be made in The Daily Bond Buyer, a financial journal published in the City of New York, New York, such publication to be made at least once not less than fifteen days prior to the date specified in the notice for consideration of bids. Said notice shall be in form approved by the Government. If no such notice be required by the Government, or if no bid except that of the Government is received, the said Bonds shall be sold to the Government at the price of the par value thereof, plus accrued interest to date of delivery, all the said Bonds to bear interest at the rate of 5-5/8% per annum.

Section 6.05. Refunding of Bonds Permitted. The District reserves the right, subject to applicable provisions of law, to refund the Bonds when in its judgment it would be to the best interests of the District and of its inhabitants so to do. Upon payment of all the Bonds outstanding, prior to or simultaneously with the issuance of any refunding bonds or of an issue of bonds for the purposes of refunding the Bonds

then outstanding and providing funds for additions, extensions and improvements to the System, or upon provision for such payment by deposit irrevocably in trust, with the Fiscal Agent herein designated, of a sum equal to the principal amount of the Bonds outstanding, plus an amount equal to all interest accrued and to accrue to the date of payment of redemption and premiums required to call and redeem all callable Bonds at the earliest date provided for such redemption, the security, pledge and any lien applicable to the Bonds then outstanding shall, upon such deposit, immediately cease and determine. The sum so deposited in trust shall be used solely to pay at the earliest practical redemption date the principal amount of the Bonds and all interest thereon to the date of redemption and the applicable redemption premiums, or to purchase Bonds at not to exceed the redemption price of the Bonds. The moneys so deposited may be invested by the Fiscal Agent in direct obligations of the United States of America or obligations the payment of the principal of and interest on which is guaranteed by the United States of America, having maturities not later than the dates on which the moneys shall be required to be used for such redemption.

Section 6.06. Severability of Invalid Provision. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions, and shall in no way affect the validity of all

the other provisions hereof or of the Bonds or of the coupons appertaining thereto..

Section 6.07. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 6.08. Effective Time. This Resolution shall take effect immediately upon passage.

Adopted the 7th day of October, 1975.

Chairman, Public Service Board

Member

Member

(SPECIMEN SERIES 1983 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
GREENBRIER PUBLIC SERVICE DISTRICT NO. 1
SEWER REVENUE BOND, SERIES 1983 A

No. R-1 $2,950,000

KNOW ALL MEN BY THESE PRESENTS: That GREENBRIER PUBLIC SERVICE DISTRICT NO. 1, a public service district and political subdivision of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Payee"), or its registered assigns (the "Alternate Payee"), the sum of Two Million Nine Hundred Fifty Thousand Dollars ($2,950,000), in installments on October 1 of each year, with interest on the outstanding balance hereof at the rates per annum set forth in the Schedule of Payments attached hereto opposite the year in which the installment becomes due.

The interest rate on each installment shall run from the original date of delivery of this Bond to the Payee and payment therefor, and until payment of such installment, and such interest shall be payable on the first day of April and the first day of October in each year, beginning October 1, 1983. Both principal of and interest on this Bond are payable in any coin or currency which, on the respective dates of payment of principal and interest, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, through Kanawha Valley Bank, N.A., Charleston, West Virginia.

This Bond is subject to redemption prior to its stated date of maturity in whole or in part in inverse order of maturities only on or after the date on which all outstanding bonds issued by the West Virginia Water Development Authority (the "Authority") to provide funds for the purchase of this Bond are redeemable and at a price equal to the aggregate of (i) the corresponding principal amount of the bonds of the Authority to be redeemed by the Authority as a consequence of the redemption by the Issuer of all or a part of its Bond outstanding, (ii) the interest to accrue on the bonds of the Authority so to be redeemed to the next redemption date thereof and not previously paid, (iii) the applicable premium, if any, payable on the bonds of the Authority so to be redeemed, (iv) the applicable premium, if any, payable on additional bonds of the

Authority which also become redeemable by virtue of such redemption, (v) the costs and expenses of the Authority in effecting redemption of the bonds of the Authority so to be redeemed, and (vi) at the direction of the Authority, an amount equal to the proportionate amount of the additional bonds of the Authority so to be redeemed, if any, less other moneys of the Authority available therefor; provided, however, that in the event the bonds of the Authority have been refunded and the refunding bonds were issued by the Authority in a principal amount in excess of or less than such bonds remaining unpaid at the date of issuance of such refunding bonds, the Issuer shall be obligated to pay under item (i) above the principal amount of such refunding bonds outstanding, and, in the event the interest the Authority is required to pay on said refunding bonds is less than the Authority was required to pay on the bonds of the Authority, the Issuer shall be obligated to pay under item (ii) above the amount of interest to accrue on such outstanding bonds of the Authority; PROVIDED THAT the outstanding Sewer Revenue Bonds, Series A of this Issuer, dated May 1, 1972, issued in the original principal amount of $670,000 (the "HUD Bonds") sold to and held by the United States Department of Housing and Urban Development ("HUD") shall have priority for redemption prior to maturity.

This Bond is issued to finance a portion of the costs of construction and acquisition of new public service facilities for the collection, treatment, purification or disposal of liquid or solid wastes (the "System") in the territory to be served by the Issuer under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Article 13 A of Chapter 16 of the West Virginia Code of 1931, as amended (the "Act"), a Resolution duly adopted by the public service board of the Issuer on August 15, 1980, as supplemented by resolutions duly adopted by the public service board of the Issuer on August 28, 1981, May 28, 1982, June 23, 1982, and June 21, 1983 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond and the HUD Bonds under the Bond Legislation.

This Bond is payable only from and secured by a pledge of the Net Revenues to be derived from the operation of the System (as defined in the Bond Legislation), on a parity in all respects with the HUD Bonds, which Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose and a statutory mortgage lien pursuant to the Act on a parity with the aforesaid HUD Bonds. This Bond does

not constitute a corporate indebtedness of the Issuer within the meaning of any constitutiona' or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest thereon except from said special fund provided, and the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 130% of the amount required to pay the maximum amount due in any ensuing year of principal of and interest on all obligations payable from such revenues. The Issuer has entered into certain further covenants with the holders of this Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the holders of this Bond are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Bond Legislation, only upon the books of the Issuer kept for that purpose at the office of the Treasurer of the State of West Virginia, by the Payee, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Treasurer of the State of West Virginia, duly executed by the Payee or its attorney duly authorized in writing. This Bond may be exchanged for an aggregate principal amount of coupon Bonds equal to the unpaid principal amount of this Bond, and having maturities corresponding with the principal installments of this Bond then unpaid.

This Bond is issued on a parity with respect to sources of and security for payment with the outstanding HUD Bonds of the Issuer, all as described in the Bond Legislation.

This Bond shall be exempt from all taxation by the State of West Virginia and the other taxing bodies of said State.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the cost of the Project described in the Bond Legislation, including payment of the Notes authorized and issued pursuant to the Bond Legislation and any other indebtedness incurred by the Issuer for such purposes which is required to be paid from the moneys received from the sale of this Bond, or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder of this Bond.

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 revenues of the System has been pledged to and will be set aside into said special fund 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.

IN WITNESS WHEREOF, GREENBRIER PUBLIC SERVICE DISTRICT NO. 1 has caused this Bond to be signed by the Chairman of its public service board and its corporate seal to be hereunto affixed and attested by the Secretary of its public service board, all as of the 23rd day of June, 1983.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

SCHEDULE OF PAYMENTS

Year	Principal Installment	Interest Rate
1983	$ 5,000	10.00%
1984	5,000	10.00
1985	5,000	10.00
1986	5,000	10.00
1987	10,000	10.00
1988	10,000	10.50
1989	10,000	10.75
1990	15,000	11.00
1991	10,000	11.25
1992	15,000	11.50
1993	15,000	11.60
1994	20,000	11.70
1995	20,000	11.80
1996	25,000	11.90
1997	20,000	12.00
1998	25,000	12.00
1999	30,000	12.00
2000	35,000	12.00
2001	35,000	12.00
2002	40,000	12.00
2003	45,000	12.00
2004	55,000	12.00
2005	55,000	12.00
2006	65,000	12.00
2007	75,000	12.00
2008	80,000	12.00
2009	90,000	12.00
2010	105,000	12.00
2011	115,000	12.00
2012	130,000	12.00
2013	190,000	10.00
2014	205,000	10.00
2015	225,000	10.00
2016	250,000	10.00
2017	275,000	10.00
2018	300,000	10.00
2019	335,000	10.00

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due After Payment	Interest Payment Rate	Date Paid	Name of Paying Agent Authorized Officer And Title
	$	$	$		

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond of Greenbrier Public Service District No. 1, and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books of the said District with full power of substitution in the premises.

Dated:

_____

In the presence of:

_____

06/22/83
GNPSD1-H

(SPECIMEN SERIES 1983 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
GREENBRIER PUBLIC SERVICE DISTRICT NO. 1
SEWER REVENUE BOND, SERIES 1983 B

No. R-1 $910,000

KNOW ALL MEN BY THESE PRESENTS: That GREENBRIER PUBLIC SERVICE DISTRICT NO. 1, a public service district and political subdivision of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Payee"), or its registered assigns (the "Alternate Payee"), the sum of Nine Hundred Ten Thousand Dollars ($910,000), in 37 equal annual installments of $24,594.60 each, commencing October 1, 1983, and continuing on the first day of each October thereafter, to and including October 1, 2019, without interest.

The principal payments of this Bond are payable in any coin or currency which, on the respective dates of payment is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, through Kanawha Valley Bank, N.A., Charleston, West Virginia.

This Bond is subject to redemption prior to its stated date of maturity in whole or in part in inverse order of maturities at any time, at the price of the par value hereof or principal installments remaining to be paid, without premium, but only with the written consent of the West Virginia Water Development Authority (the "Authority") and subject to the condition that the outstanding Sewer Revenue Bonds, Series A, of the Issuer, dated May 1, 1972, issued in the original principal amount of $670,000 (the "HUD Bonds") sold to and held by the United States Department of Housing and Urban Development ("HUD") shall have priority for redemption prior to maturity.

This Bond is issued to finance a portion of the costs of construction and acquisition of new public service facilities for the collection, treatment, purification or disposal of liquid or solid wastes (the "System") in the territory to be served by the Issuer under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including

particularly Article 13 A of Chapter 16 of the West Virginia Code of 1931, as amended (the "Act"), a Resolution duly adopted by the public service board of the Issuer on August 15, 1980, as supplemented by resolutions duly adopted by the public service board on August 28, 1981, May 28, 1982, June 23, 1982, and June 21, 1983 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds may be entitled to be paid and secured prior to this Bond from the funds and revenues and other security provided for this Bond under the Bond Legislation.

This Bond is payable only from and secured by a pledge of the Net Revenues to be derived from the operation of the System (as defined in the Bond Legislation) after there has first been paid from said Net Revenues all payments then due and owing on the HUD Bonds and the Series 1983 A Bond herein described, which Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. 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 except from said special fund provided, and the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 130% of the amount required to pay the maximum amount due in any ensuing year of principal of and interest on all obligations payable from such revenues. The Issuer has entered into certain further covenants with the holders of this Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the holders of this Bond are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Bond Legislation, only upon the books of the Issuer kept for that purpose at the office of the Treasurer of the State of West Virginia, by the Payee, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Treasurer of the State of West Virginia, duly executed by the Payee or its attorney duly authorized in writing.

This Bond shall be exempt from all taxation by the State of West Virginia and the other taxing bodies of said State.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the cost of the Project described in the Bond Legislation, including payment of the Notes authorized and issued pursuant to the Bond Legislation and any other indebtedness incurred by the Issuer for such purposes which is required to be paid from the moneys received from the sale of this Bond, or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder of this Bond.

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO SOURCES OF AND SECURITY FOR PAYMENT TO THE OUTSTANDING SEWER REVENUE BOND, SERIES 1983 A, OF THE ISSUER, ISSUED CONCURRENTLY HEREWITH AND DESCRIBED IN THE BOND LEGISLATION, AND THE OUTSTANDING HUD BONDS.

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 revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of 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.

IN WITNESS WHEREOF, GREENBRIER PUBLIC SERVICE DISTRICT NO. 1 has caused this Bond to be signed by the Chairman of its public service board and its corporate seal to be hereunto affixed and attested by the Secretary of its public service board, all as of the 23rd day of June, 1983.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due After Payment	Name of Paying Agent Authorized Officer And Title
	$	$	

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond of Greenbrier Public Service District No. 1, and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books of the said District with full power of substitution in the premises.

Dated:

_____

In the presence of:

_____

06/22/83
GNPSD1-I