GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

SEWER REFUNDING REVENUE BONDS, SERIES 2010 A
(Branch Banking and Trust Company)

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GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

SEWER REFUNDING REVENUE BONDS, SERIES 2010 A

BOND RESOLUTION

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GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE REFUNDING OF THE SEWER REFUNDING REVENUE BONDS, SERIES 2003 A OF THE GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT THROUGH THE ISSUANCE BY THE GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT OF NOT MORE THAN $1,290,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REFUNDING REVENUE BONDS, SERIES 2010 A; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

Section 1.02. Findings.

A. It is hereby found, determined and declared that: Green Valley-Glenwood Public Service District (the "Issuer") is a public service district and political subdivision of the State of West Virginia in Mercer County of said State.

B. The Issuer now owns and operates a public sewer system. The refunding of the Series 2003 A Bonds, as hereinafter defined, hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

C. The Issuer has heretofore issued its Sewer Refunding Revenue Bonds, Series 2003 A, dated October 1, 2003, issued in the original aggregate principal amount of $1,675,000 (the "Series 2003 A Bonds").

D. It is in the best interest of the Issuer that the Series 2003 A Bonds be currently refunded in order to allow the Issuer to take advantage of the interest savings.

E. It is deemed necessary for the Issuer to issue its Sewer Refunding Revenue Bonds, Series 2010 A (the "Series 2010 A Bonds") in the total aggregate principal amount of not more than $1,290,000 to pay in full the principal of and interest accrued on the Series 2003 A Bonds, to fund the Series 2010 A Bonds Reserve Account, as hereinafter defined, and to pay costs of issuance thereof and related costs.

F. It is in the best interest of the Issuer that the Series 2010 A Bonds be sold to the Purchaser (as hereinafter defined) pursuant to the terms and provisions of the commitment letter of the Purchaser.

G. The Issuer has complied with all requirements of West Virginia law relating to authorization of the refunding of the Series 2003 A Bonds, and the issuance of the Series 2010 A Bonds, or will have so complied prior to issuance of the Series 2010 A Bonds.

H. Upon the refunding of the Series 2003 A Bonds, there are outstanding obligations of the Issuer which will rank on a parity with the Series 2010 A Bonds as to liens, pledge and source of and security for payment, being the Issuer's: (i) Sewer Revenue Bonds, Series 1998 A (United States Department of Agriculture), dated March 24, 1998, issued in the original aggregate principal amount of $540,000 (the "Series 1998 A Bonds"); (ii) Sewer Revenue Bonds, Series 1998 B (West Virginia Infrastructure Fund), dated November 25, 1998, issued in the original aggregate principal amount of $317,500 (the "Series 1998 B Bonds"); (iii) Sewer Revenue Bonds, Series 2002 A (United States Department of Agriculture), dated January 4, 2002, issued in the original aggregate principal amount of $2,800,000 (the "Series 2002 A Bonds"); and (iv) Sewer Revenue Bonds, Series 2002 B (United States Department of Agriculture), dated January 4, 2002, issued in the original aggregate principal amount of $950,000 (the "Series 2002 B Bonds"), (collectively, the "Prior Bonds")

The Issuer has complied with all requirements of West Virginia law relating to authorization of the Project, and issuance of the Series 2010 A Bonds, including, among other things and without limitation, the approval of the Project and the financing thereof by the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2010 A Bonds or such final order will not be subject to appeal.

Prior to the issuance of the Series 2010 A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests, if any, of the Prior Bonds are met and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2010 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no Outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all covenants of the Prior Bonds and the Prior Resolution.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2010 A Bonds by those who shall be the Registered Owner of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Series 2010 A Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds, and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

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

"Authorized Officer" means the Chairman of the Issuer or any other officer of the Issuer specifically designated by resolution of the Governing Body.

"Board" or "Governing Body" means the Board of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Board as presently constituted.

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

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

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

"Bonds" means, collectively, the Series 2010 A Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder of by another resolution of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Bonds for all or a portion of the proceeds thereof representing the purchase price of the Bonds by the Purchaser.

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

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

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

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

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

"Governing Body" means the Board of the Issuer as it may now or hereafter be constituted.

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

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts.

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

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

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

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

"Net Proceeds" means the face amount of the Series 2010 A Bonds, plus accrued interest and premium, if any, and less original issue discount, if any. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2010 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

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

"Operating Expenses" means the reasonable, proper and necessary costs of repair, maintenance and operation of the System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, fees and expenses of fiscal agents, the Depository Bank, the Registrar and the Paying Agent (all as hereinafter defined), payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Series 2010 A Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

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

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

"Prior Bonds" means the Series 1998 A Bonds, Series 1998 B Bonds, Series 2002 A Bonds and Series 2002 B Bonds.

"Prior Resolution" means, collectively, the resolutions authorizing the Prior Bonds.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

"Purchaser" means the purchaser or purchasers of the Series 2010 A Bonds directly from the Issuer designated as such in the Supplemental Resolution and its successors and assigns.

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

(a) Government Obligations;

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

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

(d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government

National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

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

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

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

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by Prior Resolution.

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

"Series 1998 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 1998 A (United States Department of Agriculture), dated March 24, 1998, issued in the original aggregate principal amount of $540,000.

"Series 1998 B Bonds" means the Issuer's Sewer Revenue Bonds, Series 1998 B (West Virginia Infrastructure Fund), dated November 25, 1998, issued in the original aggregate principal amount of $317,500.

"Series 2002 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 2002 A (United States Department of Agriculture), dated January 4, 2002, issued in the original aggregate principal amount of $2,800,000.

"Series 2002 B Bonds" means the Issuer's Sewer Revenue Bonds, Series 2002 B (United States Department of Agriculture), dated January 4, 2002, issued in the original aggregate principal amount of $950,000.

"Series 2003 A Bonds" means the Issuer's Sewer Refunding Revenue Bonds, Series 2003 A, dated October 1, 2003, issued in the original aggregate principal amount of $1,675,000.

"Series 2003 A Resolution" means collectively the resolutions of the Issuer authorizing the Series 2003 A Bonds.

"Series 2010 A Bonds" means the Sewer Refunding Revenue Bonds, Series 2010 A, authorized hereby to be issued pursuant to this Resolution.

"Series 2010 A Bonds Reserve Account" means the Series 2010 A Bonds Reserve Account created by Section 4.02 hereof.

"Series 2010 A Bonds Reserve Requirement" means the maximum annual debt service on the Series 2010 A Bonds.

"Series 2010 A Bonds Sinking Fund" means the Series 2010 A Bonds Sinking Fund created by Section 4.02 hereof.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the Supplemental Resolution authorizing the sale of the Series 2010 A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2010 A Bonds and not so included may be included in another Supplemental Resolution.

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

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

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

ARTICLE II

AUTHORIZATION OF REFUNDING

Section 2.01. Authorization of Refunding. All Series 2003 A Bonds Outstanding as of the date of issuance of the Series 2010 A Bonds and all unpaid interest accrued thereon, if any, are hereby ordered to be refunded and paid in full and the pledge of Net Revenues in favor of the Holders of the Series 2003 A Bonds imposed by the Series 2003 A Resolution, the monies in the funds and accounts created by the Series 2003 A Resolution pledged to payment of the Series 2003 A Bonds, and any other funds pledged by the Series 2003 A Resolution to payment of the Series 2003 A Bonds are hereby ordered terminated, discharged and released upon such payment to the Holders of the Series 2003 A Bonds. Contemporaneously with the payment in full of the Series 2003 A Bonds, the amounts on deposit in the sinking fund, and all other funds and accounts created and maintained on behalf of the Series 2003 A Bonds, shall be released from the lien created by the Series 2003 A Resolution. The portion of the proceeds of the Series 2010 A Bonds hereby authorized to be applied towards the refunding of the Series 2003 A Bonds shall be applied as provided in Article III hereof.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS

Section 3.01. Authorization of Bonds. For the purpose of refunding the Series 2003 A Bonds, funding the Series 2010 A Bonds Reserve Account and paying certain costs of issuance and related costs not otherwise provided for, or any all of such purposes, there is hereby authorized to be issued the Sewer Refunding Revenue Bonds, Series 2010 A, of the Issuer, in the aggregate principal amount of not more than $1,290,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution.

Section 3.02. Terms of Bonds. The Series 2010 A Bonds shall be issued in single form, numbered AR-1, and only as a fully registered Bond. The Series 2010 A Bonds shall be dated such date; shall be in such principal amount, not to exceed $1,290,000; shall bear interest at such rate or rates, not exceeding the then legally permissible limit on such dates; shall mature on such dates and in such amounts; and shall be subject to such repayment or redemption, prepayment penalty all as the Issuer shall prescribe in a Supplemental Resolution. The Series 2010 A Bonds shall be payable as to principal and interest at the office of the Paying Agent in any coin or currency which, on the dates of payment is legal tender for the payment of public or private debts under the laws of the United States of America.

Section 3.03. Execution of Bonds. The Series 2010 A Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 2010 A Bonds shall cease to be such officer of the Issuer before the Series 2010 A Bonds so signed and sealed have been actually sold and delivered, the Series 2010 A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. The Series 2010 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual

time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2010 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.09 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2010 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2010 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of the Series 2010 A Bonds, shall be conclusively deemed to have agreed that such Bond shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bond shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2010 A Bonds remain outstanding, the Issuer, through the Bond Registrar, shall keep and maintain books for the registration and transfer of the Series 2010 A Bonds.

The registered Series 2010 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging the Series 2010 A Bonds or transferring the registered Bonds are exercised, the Bonds shall be delivered in accordance with the provisions of this Bond Legislation. Any Series 2010 A Bond surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of the Series 2010 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each such new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the person requesting such exchange or transfer, as a condition precedent to the exercise of the privilege of making such transfer. The Bond Registrar shall not be obliged to make any such exchange or transfer of the Series 2010 A Bonds during the 15 days preceding a scheduled payment date on such Bonds or after notice of any prepayment of such Bonds has been given.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 2010 A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Series 2010 A Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Series 2010 A Bond destroyed, stolen or lost, and upon the Holder's furnishing

satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such reasonable expenses as the Issuer and the Bond Registrar may incur. The Series 2010 A Bond so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Series 2010 A Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds Not to Be Indebtedness of the Issuer. The Series 2010 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No Holder or Holders of the Series 2010 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2010 A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of the Series 2010 A Bonds shall be secured forthwith by a lien on the Net Revenues derived from the System, in addition to the statutory mortgage lien on the System hereinafter provided, on a parity with the Prior Bonds. The Net Revenues derived from the System in an amount sufficient to pay the principal of and interest on the Series 2010 A Bonds, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2010 A Bonds as the same become due.

Section 3.09. Form of Bond. The text of the Series 2010 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Remainder of Page Intentionally Blank]

[FORM OF BOND]

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT
SEWER REFUNDING REVENUE BONDS, SERIES 2010 A

No. AR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That on this the _____ day of _____, 2010, GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT, a public service district and political subdivision of the State of West Virginia in Mercer County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the order of

BRANCH BANKING AND TRUST COMPANY

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

A. Interest on this Bond shall be payable at a rate of ____% per annum (hereinafter sometimes called the "Tax-Exempt Rate"). Interest shall be computed on the basis of a year of 360 days and 30 days in a month.

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

C. This Bond shall be payable in ____ installments commencing on the 1st day of _____, 20___ and on the 1st day of each month thereafter, to and including _____, 20____. The monthly installments shall consist of principal and interest as listed on the attached debt service schedule attached hereto as EXHIBIT A.

D. All payments received by the Paying Agent on account of the Bond shall be applied first to payment of interest accrued on the Bond and next to payment of principal of the Bond. If not sooner paid, the entire principal amount of this Bond unpaid on _____, 20___ together with all accrued interest and any other sums due and owing upon this Bond shall be due and payable on such date.

The principal of and interest on this Bond is payable in any coin or currency which on the date of payment thereof is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond is subject to prepayment of the principal balance in whole on a scheduled payment date with a 1.0 % prepayment premium.

This Bond is issued to (i) refund the Issuer's Sewer Refunding Revenue Bonds, Series 2003 A; (ii) funding the Series 2010 A Bonds Reserve Account; and (iii) to pay costs of issuance and related costs. The existing public sewer facilities of the Issuer, and any further additions, improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a Resolution duly adopted by the Issuer on _____, 2010, and a Supplemental Resolution, duly adopted by the Issuer on _____, 2010 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof.

THE PRINCIPAL OF AND INTEREST ON THIS BOND IS PAYABLE ONLY FROM AND SECURED BY A PLEDGE OF THE NET REVENUES TO BE DERIVED FROM THE OPERATION OF THE SYSTEM, ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S (I) SEWER REVENUE BONDS, SERIES 1998 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 24, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $540,000 (THE "SERIES 1998 A BONDS"); (II) SEWER REVENUE BONDS, SERIES 1998 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED NOVEMBER 25, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $317,500 (THE "SERIES 1998 B BONDS"); (III) SEWER REVENUE BONDS, SERIES 2002 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JANUARY 4, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,800,000 (THE "SERIES 2002 A BONDS"); AND (IV) SEWER REVENUE BONDS, SERIES 2002 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JANUARY 4, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $950,000 (THE "SERIES 2002 B BONDS"), (COLLECTIVELY, THE "PRIOR BONDS").

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

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of Branch Banking and Trust Company, Charleston, West Virginia, as Registrar (the "Registrar") by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

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

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

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

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

[Remainder of Page Intentionally Blank]

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

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

[SEAL]

By: _____
Its: Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

Date: _____, 2010

BRANCH BANKING AND TRUST COMPANY,
as Registrar

By: _____
Its: Authorized Officer

[Form of Assignment]

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

Dated: _____, 20___.

_____

In the presence of:

_____

Section 3.10. Sale of Bonds. The Series 2010 A Bonds shall be sold to the Purchaser contemporaneously with, or as soon as practicable and authorized and permitted by applicable law after, the adoption of the Supplemental Resolution; provided, that the Purchaser and the Issuer shall have agreed to the purchase thereof.

Section 3.11. Disposition of Bond Proceeds. From the monies received from the sale of the Series 2010 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2010 A Bonds, the Issuer shall forthwith wire from the proceeds of the Series 2010 A Bonds an amount as specified in supplemental resolution which is equal to the amount necessary to pay in full the entire principal of and interest accrued on the Series 2003 A Bonds directly to the Holders of the Series 2003 A Bonds.

B. Next, the Purchaser shall pay to the Municipal Bond Commission an amount as specified in the supplemental resolution which is equal to the amount necessary to fully fund the Series 2010 A Bonds Reserve Account.

C. Next, the Purchaser shall pay the costs of issuance of the Series 2010 A Bonds.

Section 3.12. Designation of Bonds "Qualified Tax-Exempt Obligations." The Issuer hereby designates the Series 2010 A Bonds as "qualified tax-exempt obligations" for the purpose of Section 265(b)(3)(B) of the Code and covenants that the Bond does not constitute private activity bonds as defined in Section 141 of the Code, and that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation and private activity bonds, other than 501(c)3 Bonds, as defined in Section 141 of the Code), including the Series 2010 A Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during calendar year 2010.

ARTICLE IV

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund (established by Prior Resolution and hereby continued);

(2) Series 1987 Bonds Reserve Fund (established by Prior Resolution);

(3) Series 1998 A Bonds Reserve Fund (established by Prior Resolution);

(4) Renewal and Replacement Fund (established in Prior Resolution); and

(5) Series 2010 A Bonds Proceeds Fund.

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

(1) Series 1998 B Bonds Sinking Fund (established by Prior Resolution);

(2) Within the Series 1998 B Bonds Sinking Fund, the Series 1998 B Bonds Reserve Account (established by the Prior Resolutions);

(3) Series 2002 A Bonds Reserve Account (established by the Prior Resolutions);

(4) Series 2002 B Bonds Reserve Account (established by the Prior Resolutions);

(5) Series 2010 A Bonds Sinking Fund; and

(6) Series 2010 A Bonds Reserve Account.

Section 4.03. Covenants of the Issuer as to System Revenues and Funds. So long as the Series 2010 A Bonds shall be outstanding and unpaid, or until there shall have been set apart, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2010 A Bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the holder of the Series 2010 A Bonds as follows:

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

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

(1) The Issuer shall first, each month, pay from the monies in the Revenue Fund all current Operating Expenses.

(2) The Issuer shall next, on the first of each month, transfer from the Revenue Account and simultaneously (i) remit to the National Finance Office the amount required by Prior Resolution to pay interest on the Series 1998 A Bonds, the Series 2002 A Bonds and the Series 2002 B Bonds; and (ii) remit to the Commission the amounts required to pay the interest on the Series 2010 A Bonds.

(3) The Issuer shall next, on the first of each month, transfer from the Revenue Account and simultaneously (i) remit to the National Finance Office the amount required by Prior Resolution to pay principal on the Series 1998 A Bonds, the Series 2002 A Bonds and the Series 2002 B Bonds; and (ii) remit to the Commission the amount required to pay the principal on the Series 1998 B Bonds and the Series 2010 A Bonds. All payments with respect to principal of and interest on the Prior Bonds and the Series 2010 A Bonds shall be made on an equal pro rata basis in accordance with the respective aggregate principal amounts thereof outstanding and on a parity with each other.

(4) The Issuer shall next, on the first of each month, transfer from the Revenue Account and simultaneously (i) remit to the Depository Bank the amount required for deposit into the Reserve Fund for the Series 1998 A Bonds, the Series 2002 A Bonds and the Series 2002 B Bonds; (ii) remit to the Commission the amount required for deposit into the Reserve Fund for the Series 1998 B Bonds; and (ii) remit to the Commission for deposit into the Series 2010 A Bonds Reserve Account the amount required to have on deposit therein the Series 2010 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2010 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2010 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, from the monies remaining in the Revenue Fund, transfer to the Renewal and Replacement Fund, a sum equal to 2 ½% of the Gross Revenues each month (as previously set forth in the Prior Resolution and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) After all the foregoing provisions for use of monies in the Revenue Fund have been fully complied with, any monies remaining therein and not permitted to be retained therein may be used to prepay installments of the Prior Bonds and the Series 2010 A Bonds, pro rata, or for any lawful purpose of the System.

Monies in the Series 2010 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2010 A Bonds as the same shall become due. Monies in the Series 2010 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2010 A Bonds as the same shall come due, when other monies in the Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2010 A Bonds Sinking Fund shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2010 A Bonds.

Any withdrawals from the Series 2010 A Bonds Reserve Account, which result in a reduction in the balance of such account to below the Reserve Requirement thereof, shall be restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2010 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective Reserve Accounts in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2010 A Bonds Sinking Fund, or the Series 2010 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2010 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2010 A Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2010 A Bonds Sinking Fund, and the Series 2010 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2010 A Bonds, under the conditions and restrictions set forth herein.

C. CHANGE OF DEPOSITORY BANK. The Issuer may designate another bank or trust company insured by FDIC as Depository Bank if the Depository Bank should cease for

any reason to serve or if the Governing Body determines by resolution that the Depository Bank or its successor should no longer serve as Depository Bank. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchaser.

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

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

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

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

ARTICLE V

GENERAL COVENANTS

Section 5.01. General Statement. So long as the Series 2010 A Bonds shall be outstanding and unpaid, or until there shall have been set apart a sum sufficient to prepay the entire principal of the Series 2010 A Bonds remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Bondholder.

Section 5.02. Rates. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the annual debt service on the Series 2010 A Bonds and other Bonds and sufficient to make the payments required herein into all funds and accounts and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes.

Section 5.03. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System or any part thereof, except as provided in the Prior Resolution. So long as the Series 2010 A Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System or any part thereof, without permission of the Purchaser unless the Series 2010 A Bonds are prepaid in full.

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

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2010 A Bonds.

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

No Parity Bonds shall be issued at any time, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

(1) The Bonds Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

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

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

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holder of the Series 2010 A Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond. The

Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the Revenues of the System is subject to the prior and superior liens of the Bonds on such Revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Bond.

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

Section 5.05. Insurance and Bonds.

A. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Series 2010 A Bonds remain outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

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

(ii) Public Liability Insurance, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Series 2010 A Bonds.

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

(iv) Workers' Compensation Coverage for All Employees of the Issuer Eligible Therefor and Performance and Payment Bonds, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds have been or will be filed with the

Clerk of the County Commission of said County prior to commencement of construction in compliance with West Virginia Code Section 38-2-39. Workers' compensation coverage shall be maintained as required by the laws of the State of West Virginia.

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

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

(vii) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, so long as the Series 2010 A Bonds are outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer with insurance carriers or bonding companies acceptable to Purchaser.

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

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holder of the Bond, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Series 2010 A Bonds, on a parity with the Prior Bonds.

Section 5.07. Fiscal Year; Budget. While the Series 2010 A Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than 30 days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

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

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

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

The Issuer shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants and shall mail a copy of such audit report to the Purchaser within 60 days of completion. The Issuer shall further comply with the Act with respect to such books, records and accounts.

Section 5.10. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Series 2010 A Bonds are outstanding.

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

Section 5.12. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy 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 or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Bureau for Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Bureau for Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or water borne waste matter and which is 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 VI

RATES, ETC.

Section 6.01. Initial Schedule of Rates and Charges; Rules.

A. The initial schedule of rates and charges for the services and facilities of the System, subject to change consonant with the provisions hereof, shall be as set forth in the Commission Order of the Public Service Commission of West Virginia, dated June 4, 2009, which was corrected by Commission Order dated June 10, 2009 to include the attachment of the Approved Tariff, and by Commission Order dated September 3, 2009, which are incorporated herein by reference as a part hereof.

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

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

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

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

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

ARTICLE VII

TAX COVENANTS

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

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2010 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the

Series 2010 A Bonds during the term thereof is, under the terms of the Series 2010 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2010 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2010 A Bonds during the term thereof is, under the terms of the Series 2010 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2010 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the project, or if the Series 2010 A Bonds is for the purpose of financing more than one project, a portion of the project, and shall not exceed the proceeds used for the governmental use of that portion of the project to which such Private Business Use is related. All of the foregoing shall be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2010 A Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2010 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2010 A Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the Series 2010 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions which would adversely affect such exclusion.

Section 7.02. Arbitrage and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2010 A Bonds which would cause the Series 2010 A Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to the Series 2010 A Bonds) so that the interest on the Series 2010 A Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 7.03. Tax Certificate and Rebate. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of

the Series 2010 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2010 A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

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

ARTICLE VIII

DEFAULT AND REMEDIES

Section 8.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2010 A Bonds:

1. If default occurs in the due and punctual payment of the principal of or interest on the Series 2010 A Bonds; or

2. If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2010 A Bonds set forth in this Bond Legislation, any supplemental resolution, or in the Series 2010 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Paying Agent, Depository Bank, any other bank or banking association holding any fund or account hereunder or a Holder of a Series 2010 A Bonds; or

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

4. If default occurs with respect to the Prior Bonds or the Prior Resolution.

Section 8.02. Remedies. Upon the happening and continuance of any Event of Default, the Registered Owner of the Series 2010 A Bonds may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owner including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2010 A

Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owner of the Series 2010 A Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2010 A Bonds, or the rights of such Registered Owner.

No remedy by the terms of this Resolution conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute. All rights and remedies of the Holders of the Series 2010 A Bonds shall be on a parity with those of the Holders of the Prior Bonds.

ARTICLE IX

DEFEASANCE

Section 9.01. Defeasance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holder of the Series 2010 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then this Bond Legislation and the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2010 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 2010 A Bonds from gross income for federal income tax purposes.

The payment of the Series 2010 A Bonds with either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the principal installments of and interest on the Series 2010 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. The Series 2010 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Paying Agent, either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with other monies, if any, deposited with the Paying Agent at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on the Series 2010 A Bonds on and prior to the maturity dates thereof. Neither securities nor monies deposited with the Paying Agent pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on the Series 2010 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Paying Agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on the Series 2010 A Bonds on and prior to the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Paying Agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment or Modification of Bond Legislation. This Bond Legislation may not be amended or modified after final passage without the prior written consent of the Registered Owner; provided, however, that this Bond Legislation may be amended without the consent of the Registered Owner as may be necessary to assure the exclusion of interest on the Series 2010 A Bonds from gross income of the Registered Owner for federal income tax purposes.

Section 10.02 Resolution Constitutes Contract. The provisions of the Resolution shall constitute a contract between the Issuer and the Holders of the Bonds, and no change, variation or alteration of any kind of the provisions of the Resolution shall be made in any manner, except as in this Resolution provided.

Section 10.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution, or the Series 2010 A Bonds.

Section 10.04. Table of Contents and Headings. The table of contents and headings of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 10.05. Conflicting Provisions Repealed. All orders, indentures, or resolutions and or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed; provided that, in the event of any conflict between this Resolution and the Prior Resolution, the Prior Resolution shall control, unless less restrictive, so long as the Prior Bonds are Outstanding.

Section 10.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 10.07. Effective Date. This Resolution shall take effect immediately upon adoption.

[Remainder of Page Intentionally Blank]

Adopted this 23rd of December, 2010.

Chairman

CERTIFICATION

Certified a true copy of a Bond Resolution duly adopted by the Board of the Green Valley-Glenwood Public Service District on the 23rd day of December, 2010.

Date: December 29, 2010.

[SEAL]

Secretary

640480.00001

5610985

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

Sewer Refunding Revenue Bonds, Series 2010 A

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO DATE, MATURITY, INTEREST RATE AND OTHER TERMS OF THE SEWER REFUNDING REVENUE BONDS, SERIES 2010 A, OF THE GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO THE BRANCH BANKING AND TRUST COMPANY; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Council (the "Governing Body") of the Green Valley-Glenwood Public Service District (the "Issuer") has duly and officially adopted a resolution on December 23, 2010 (the "Bond Resolution"), entitled:

RESOLUTION AUTHORIZING THE REFUNDING OF THE SEWER REVENUE BONDS, SERIES 2003 A OF THE GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT THROUGH THE ISSUANCE BY THE GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT OF NOT MORE THAN $1,290,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REFUNDING REVENUE BONDS, SERIES 2010 A; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Bond Resolution provides for the issuance of Sewer Refunding Revenue Bonds, Series 2010 A, of the Issuer (the "Bonds" or the "Series 2010 A Bonds"), in an aggregate principal amount of not more than $1,290,000, all in accordance with Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"); and in the Bond Resolution, it is provided that the date, the maturity date, interest rate and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

WHEREAS, the Bonds are proposed to be purchased by the Branch Banking and Trust Company, Charleston, West Virginia (the "Purchaser"), pursuant to the terms of the commitment letter dated September 30, 2010, a copy of which is attached hereto and made a part hereof (the "Commitment Letter"); and

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

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

Section 1. Pursuant to the Bond Resolution and the Act, this Supplemental Resolution is adopted and there is hereby authorized and ordered to be issued the Sewer Refunding Revenue Bonds, Series 2010 A, of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $1,290,000. The Series 2010 A Bonds shall be dated December 29, 2010, shall mature on May 1, 2025 and shall bear interest as follows:

A. Interest on the Bonds shall be payable at a rate of 3.63% per annum (hereinafter sometimes called the "Tax-Exempt Rate"). Interest shall be computed on the basis of a year of 360 days, and 30 days in a month.

B. Notwithstanding any other provision herein, in the event the interest on the Bonds is declared to be includible in gross income for federal income tax purposes by the Internal Revenue Service ("Determination of Taxability"), interest on the Bonds shall be payable at a rate of 5.57% per annum (hereinafter sometimes called the "Taxable Rate"). Interest at the Taxable Rate shall commence to accrue on the date of Determination of Taxability and such interest rate shall be charged retroactively and prospectively for all periods in which interest paid on the Bonds is asserted, declared or determined to be includible in gross income for federal income tax purposes, and shall continue until the entire principal of and interest on the Bonds are paid, notwithstanding that the entire principal amount of the Bonds may have been paid in full prior to the Determination of Taxability. Any interest being past due on the Bonds by reason of such increase shall become immediately due and payable.

C. The Bond shall be payable in 172 monthly installments, commencing February 1, 2011, and continuing on the tenth day of each month thereafter to and including May 1, 2025. The monthly installments shall consist of principal and interest and shall be as listed on the debt service schedule attached hereto as Exhibit A.

D. This Bond is subject to prepayment of the principal balance in whole only on a scheduled payment date with a 1.0 % prepayment premium.

E. All payments received by the Paying Agent on account of this Bond shall be applied first to payment of interest accrued on the Bond and next to payment of principal of this Bond. If not sooner paid, the entire principal amount of this Bond unpaid on May 1, 2025, together with all accrued interest and any other sums due and owing upon this Bond shall be due and payable on such date.

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

Section 3. The Issuer does hereby approve the terms of the Commitment Letter dated September 30, 2010.

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

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

Section 6. The Issuer does hereby appoint and designate the Municipal Bond Commission (the "Commission") as Paying Agent for the Bonds.

Section 7. Series 2010 A Bonds Proceeds in the amount of $1,290,000 shall be deposited with Municipal Bond Commission to net pay the outstanding balance of and all accrued interest on the Issuer's Sewer Refunding Revenue Bonds, Series 2003 A (the "Series 2003 A Bonds") at Closing.

Section 8. The payment of the Series 2003 A Bonds with the proceeds of the Series 2010 A Bonds is in the public interest, serves a public purpose of the Issuer and will promote health, welfare and safety of the residents of the Issuer.

Section 9. The Issuer hereby designates the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

Section 10. The Chairman and Secretary are hereby authorized and directed to execute and deliver the Bonds and such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Resolution approved and provided for, to the end that the Bonds may be delivered to the Purchaser on or about December 29, 2010.

Section 11. The proceeds of the Series 2010 A Bonds shall be disbursed as shown on the Closing Memorandum attached hereto as Exhibit B.

Section 12. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Blank]

Adopted this 23rd day of December, 2010.

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

5611016

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT on the 23rd day of December, 2010.

Date: December 29, 2010

[SEAL]

Marty M. Marnatti
Secretary

5611016

EXHIBIT A

Debt Service Schedule

Green Valley / Glenwood Public Service District, West Virginia
Sewer revenue bond refunding

Compound Period: Monthly

Nominal Annual Rate: 3.630 %

CASH FLOW DATA

	Event	Date	Amount	Number	Period	End Date
1	Loan	12/29/2010	1,290,000.00	1		
2	Payment	02/01/2011	9,633.56	172	Monthly	05/01/2025

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	12/29/2010				1,290,000.00
1	02/01/2011	9,633.56	4,293.66	5,339.90	1,284,660.10
2	03/01/2011	9,633.56	3,886.10	5,747.46	1,278,912.64
3	04/01/2011	9,633.56	3,868.71	5,764.85	1,273,147.79
4	05/01/2011	9,633.56	3,851.27	5,782.29	1,267,365.50
5	06/01/2011	9,633.56	3,833.78	5,799.78	1,261,565.72
2011 Totals		48,167.80	19,733.52	28,434.28	
6	07/01/2011	9,633.56	3,816.24	5,817.32	1,255,748.40
7	08/01/2011	9,633.56	3,798.64	5,834.92	1,249,913.48
8	09/01/2011	9,633.56	3,780.99	5,852.57	1,244,060.91
9	10/01/2011	9,633.56	3,763.28	5,870.28	1,238,190.63
10	11/01/2011	9,633.56	3,745.53	5,888.03	1,232,302.60
11	12/01/2011	9,633.56	3,727.72	5,905.84	1,226,396.76
12	01/01/2012	9,633.56	3,709.85	5,923.71	1,220,473.05
13	02/01/2012	9,633.56	3,691.93	5,941.63	1,214,531.42
14	03/01/2012	9,633.56	3,673.96	5,959.60	1,208,571.82
15	04/01/2012	9,633.56	3,655.93	5,977.63	1,202,594.19
16	05/01/2012	9,633.56	3,637.85	5,995.71	1,196,598.48
17	06/01/2012	9,633.56	3,619.71	6,013.85	1,190,584.63
2012 Totals		115,602.72	44,621.63	70,981.09	
18	07/01/2012	9,633.56	3,601.52	6,032.04	1,184,552.59
19	08/01/2012	9,633.56	3,583.27	6,050.29	1,178,502.30
20	09/01/2012	9,633.56	3,564.97	6,068.59	1,172,433.71
21	10/01/2012	9,633.56	3,546.61	6,086.95	1,166,346.76
22	11/01/2012	9,633.56	3,528.20	6,105.36	1,160,241.40
23	12/01/2012	9,633.56	3,509.73	6,123.83	1,154,117.57
24	01/01/2013	9,633.56	3,491.21	6,142.35	1,147,975.22
25	02/01/2013	9,633.56	3,472.63	6,160.93	1,141,814.29
26	03/01/2013	9,633.56	3,453.99	6,179.57	1,135,634.72

27	04/01/2013	9,633.56	3,435.30	6,198.26	1,129,436.46
28	05/01/2013	9,633.56	3,416.55	6,217.01	1,123,219.45
29	06/01/2013	9,633.56	3,397.74	6,235.82	1,116,983.63
2013 Totals		115,602.72	42,001.72	73,601.00	
30	07/01/2013	9,633.56	3,378.88	6,254.68	1,110,728.95
31	08/01/2013	9,633.56	3,359.96	6,273.60	1,104,455.35
32	09/01/2013	9,633.56	3,340.98	6,292.58	1,098,162.77
33	10/01/2013	9,633.56	3,321.94	6,311.62	1,091,851.15
34	11/01/2013	9,633.56	3,302.85	6,330.71	1,085,520.44
35	12/01/2013	9,633.56	3,283.70	6,349.86	1,079,170.58
36	01/01/2014	9,633.56	3,264.49	6,369.07	1,072,801.51
37	02/01/2014	9,633.56	3,245.22	6,388.34	1,066,413.17
38	03/01/2014	9,633.56	3,225.90	6,407.66	1,060,005.51
39	04/01/2014	9,633.56	3,206.52	6,427.04	1,053,578.47
40	05/01/2014	9,633.56	3,187.07	6,446.49	1,047,131.98
41	06/01/2014	9,633.56	3,167.57	6,465.99	1,040,665.99
2014 Totals		115,602.72	39,285.08	76,317.64	
42	07/01/2014	9,633.56	3,148.01	6,485.55	1,034,180.44
43	08/01/2014	9,633.56	3,128.40	6,505.16	1,027,675.28
44	09/01/2014	9,633.56	3,108.72	6,524.84	1,021,150.44
45	10/01/2014	9,633.56	3,088.98	6,544.58	1,014,605.86
46	11/01/2014	9,633.56	3,069.18	6,564.38	1,008,041.48
47	12/01/2014	9,633.56	3,049.33	6,584.23	1,001,457.25
48	01/01/2015	9,633.56	3,029.41	6,604.15	994,853.10
49	02/01/2015	9,633.56	3,009.43	6,624.13	988,228.97
50	03/01/2015	9,633.56	2,989.39	6,644.17	981,584.80
51	04/01/2015	9,633.56	2,969.29	6,664.27	974,920.53
52	05/01/2015	9,633.56	2,949.13	6,684.43	968,236.10
53	06/01/2015	9,633.56	2,928.91	6,704.65	961,531.45
2015 Totals		115,602.72	36,468.18	79,134.54	
54	07/01/2015	9,633.56	2,908.63	6,724.93	954,806.52
55	08/01/2015	9,633.56	2,888.29	6,745.27	948,061.25
56	09/01/2015	9,633.56	2,867.89	6,765.67	941,295.58
57	10/01/2015	9,633.56	2,847.42	6,786.14	934,509.44
58	11/01/2015	9,633.56	2,826.89	6,806.67	927,702.77
59	12/01/2015	9,633.56	2,806.30	6,827.26	920,875.51
60	01/01/2016	9,633.56	2,785.65	6,847.91	914,027.60
61	02/01/2016	9,633.56	2,764.93	6,868.63	907,158.97
62	03/01/2016	9,633.56	2,744.16	6,889.40	900,269.57
63	04/01/2016	9,633.56	2,723.32	6,910.24	893,359.33
64	05/01/2016	9,633.56	2,702.41	6,931.15	886,428.18
65	06/01/2016	9,633.56	2,681.45	6,952.11	879,476.07
2016 Totals		115,602.72	33,547.34	82,055.38	
66	07/01/2016	9,633.56	2,660.42	6,973.14	872,502.93
67	08/01/2016	9,633.56	2,639.32	6,994.24	865,508.69
68	09/01/2016	9,633.56	2,618.16	7,015.40	858,493.29

69	10/01/2016	9,633.56	2,596.94	7,036.62	851,456.67
70	11/01/2016	9,633.56	2,575.66	7,057.90	844,398.77
71	12/01/2016	9,633.56	2,554.31	7,079.25	837,319.52
72	01/01/2017	9,633.56	2,532.89	7,100.67	830,218.85
73	02/01/2017	9,633.56	2,511.41	7,122.15	823,096.70
74	03/01/2017	9,633.56	2,489.87	7,143.69	815,953.01
75	04/01/2017	9,633.56	2,468.26	7,165.30	808,787.71
76	05/01/2017	9,633.56	2,446.58	7,186.98	801,600.73
77	06/01/2017	9,633.56	2,424.84	7,208.72	794,392.01
2017 Totals		115,602.72	30,518.66	85,084.06	
78	07/01/2017	9,633.56	2,403.04	7,230.52	787,161.49
79	08/01/2017	9,633.56	2,381.16	7,252.40	779,909.09
80	09/01/2017	9,633.56	2,359.22	7,274.34	772,634.75
81	10/01/2017	9,633.56	2,337.22	7,296.34	765,338.41
82	11/01/2017	9,633.56	2,315.15	7,318.41	758,020.00
83	12/01/2017	9,633.56	2,293.01	7,340.55	750,679.45
84	01/01/2018	9,633.56	2,270.81	7,362.75	743,316.70
85	02/01/2018	9,633.56	2,248.53	7,385.03	735,931.67
86	03/01/2018	9,633.56	2,226.19	7,407.37	728,524.30
87	04/01/2018	9,633.56	2,203.79	7,429.77	721,094.53
88	05/01/2018	9,633.56	2,181.31	7,452.25	713,642.28
89	06/01/2018	9,633.56	2,158.77	7,474.79	706,167.49
2018 Totals		115,602.72	27,378.20	88,224.52	
90	07/01/2018	9,633.56	2,136.16	7,497.40	698,670.09
91	08/01/2018	9,633.56	2,113.48	7,520.08	691,150.01
92	09/01/2018	9,633.56	2,090.73	7,542.83	683,607.18
93	10/01/2018	9,633.56	2,067.91	7,565.65	676,041.53
94	11/01/2018	9,633.56	2,045.03	7,588.53	668,453.00
95	12/01/2018	9,633.56	2,022.07	7,611.49	660,841.51
96	01/01/2019	9,633.56	1,999.05	7,634.51	653,207.00
97	02/01/2019	9,633.56	1,975.95	7,657.61	645,549.39
98	03/01/2019	9,633.56	1,952.79	7,680.77	637,868.62
99	04/01/2019	9,633.56	1,929.55	7,704.01	630,164.61
100	05/01/2019	9,633.56	1,906.25	7,727.31	622,437.30
101	06/01/2019	9,633.56	1,882.87	7,750.69	614,686.61
2019 Totals		115,602.72	24,121.84	91,480.88	
102	07/01/2019	9,633.56	1,859.43	7,774.13	606,912.48
103	08/01/2019	9,633.56	1,835.91	7,797.65	599,114.83
104	09/01/2019	9,633.56	1,812.32	7,821.24	591,293.59
105	10/01/2019	9,633.56	1,788.66	7,844.90	583,448.69
106	11/01/2019	9,633.56	1,764.93	7,868.63	575,580.06
107	12/01/2019	9,633.56	1,741.13	7,892.43	567,687.63
108	01/01/2020	9,633.56	1,717.26	7,916.30	559,771.33
109	02/01/2020	9,633.56	1,693.31	7,940.25	551,831.08
110	03/01/2020	9,633.56	1,669.29	7,964.27	543,866.81
111	04/01/2020	9,633.56	1,645.20	7,988.36	535,878.45
112	05/01/2020	9,633.56	1,621.03	8,012.53	527,865.92

113	06/01/2020	9,633.56	1,596.79	8,036.77	519,829.15
2020 Totals		115,602.72	20,745.26	94,857.46	
114	07/01/2020	9,633.56	1,572.48	8,061.08	511,768.07
115	08/01/2020	9,633.56	1,548.10	8,085.46	503,682.61
116	09/01/2020	9,633.56	1,523.64	8,109.92	495,572.69
117	10/01/2020	9,633.56	1,499.11	8,134.45	487,438.24
118	11/01/2020	9,633.56	1,474.50	8,159.06	479,279.18
119	12/01/2020	9,633.56	1,449.82	8,183.74	471,095.44
120	01/01/2021	9,633.56	1,425.06	8,208.50	462,886.94
121	02/01/2021	9,633.56	1,400.23	8,233.33	454,653.61
122	03/01/2021	9,633.56	1,375.33	8,258.23	446,395.38
123	04/01/2021	9,633.56	1,350.35	8,283.21	438,112.17
124	05/01/2021	9,633.56	1,325.29	8,308.27	429,803.90
125	06/01/2021	9,633.56	1,300.16	8,333.40	421,470.50
2021 Totals		115,602.72	17,244.07	98,358.65	
126	07/01/2021	9,633.56	1,274.95	8,358.61	413,111.89
127	08/01/2021	9,633.56	1,249.66	8,383.90	404,727.99
128	09/01/2021	9,633.56	1,224.30	8,409.26	396,318.73
129	10/01/2021	9,633.56	1,198.86	8,434.70	387,884.03
130	11/01/2021	9,633.56	1,173.35	8,460.21	379,423.82
131	12/01/2021	9,633.56	1,147.76	8,485.80	370,938.02
132	01/01/2022	9,633.56	1,122.09	8,511.47	362,426.55
133	02/01/2022	9,633.56	1,096.34	8,537.22	353,889.33
134	03/01/2022	9,633.56	1,070.52	8,563.04	345,326.29
135	04/01/2022	9,633.56	1,044.61	8,588.95	336,737.34
136	05/01/2022	9,633.56	1,018.63	8,614.93	328,122.41
137	06/01/2022	9,633.56	992.57	8,640.99	319,481.42
2022 Totals		115,602.72	13,613.64	101,989.08	
138	07/01/2022	9,633.56	966.43	8,667.13	310,814.29
139	08/01/2022	9,633.56	940.21	8,693.35	302,120.94
140	09/01/2022	9,633.56	913.92	8,719.64	293,401.30
141	10/01/2022	9,633.56	887.54	8,746.02	284,655.28
142	11/01/2022	9,633.56	861.08	8,772.48	275,882.80
143	12/01/2022	9,633.56	834.55	8,799.01	267,083.79
144	01/01/2023	9,633.56	807.93	8,825.63	258,258.16
145	02/01/2023	9,633.56	781.23	8,852.33	249,405.83
146	03/01/2023	9,633.56	754.45	8,879.11	240,526.72
147	04/01/2023	9,633.56	727.59	8,905.97	231,620.75
148	05/01/2023	9,633.56	700.65	8,932.91	222,687.84
149	06/01/2023	9,633.56	673.63	8,959.93	213,727.91
2023 Totals		115,602.72	9,849.21	105,753.51	
150	07/01/2023	9,633.56	646.53	8,987.03	204,740.88
151	08/01/2023	9,633.56	619.34	9,014.22	195,726.66
152	09/01/2023	9,633.56	592.07	9,041.49	186,685.17
153	10/01/2023	9,633.56	564.72	9,068.84	177,616.33
154	11/01/2023	9,633.56	537.29	9,096.27	168,520.06

155	12/01/2023	9,633.56	509.77	9,123.79	159,396.27
156	01/01/2024	9,633.56	482.17	9,151.39	150,244.88
157	02/01/2024	9,633.56	454.49	9,179.07	141,065.81
158	03/01/2024	9,633.56	426.72	9,206.84	131,858.97
159	04/01/2024	9,633.56	398.87	9,234.69	122,624.28
160	05/01/2024	9,633.56	370.94	9,262.62	113,361.66
161	06/01/2024	9,633.56	342.92	9,290.64	104,071.02
2024 Totals		115,602.72	5,945.83	109,656.89	
162	07/01/2024	9,633.56	314.81	9,318.75	94,752.27
163	08/01/2024	9,633.56	286.63	9,346.93	85,405.34
164	09/01/2024	9,633.56	258.35	9,375.21	76,030.13
165	10/01/2024	9,633.56	229.99	9,403.57	66,626.56
166	11/01/2024	9,633.56	201.55	9,432.01	57,194.55
167	12/01/2024	9,633.56	173.01	9,460.55	47,734.00
168	01/01/2025	9,633.56	144.40	9,489.16	38,244.84
169	02/01/2025	9,633.56	115.69	9,517.87	28,726.97
170	03/01/2025	9,633.56	86.90	9,546.66	19,180.31
171	04/01/2025	9,633.56	58.02	9,575.54	9,604.77
172	05/01/2025	9,633.56	28.79	9,604.77	0.00
2025 Totals		105,969.16	1,898.14	104,071.02	
Grand Totals		1,656,972.32	366,972.32	1,290,000.00	

EXHIBIT B

Closing Memorandum

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

Chase Tower, Eighth Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.steptoe-johnson.com

Writer's Contact Information

CLOSING MEMORANDUM

To: Financing Team

From: John C. Stump, Esquire

Date: December 29, 2010

Re: Green Valley-Glenwood Public Service District
Sewer Refunding Revenue Bonds, Series 2010 A

DISBURSEMENTS BY INTERNAL BANK TRANSFER BB&T

1.	BB&T Bank fee	$4,250.00

DISBURSEMENTS BY CHECK FROM BB&T

1.	Steptoe & Johnson PLLC (Bond Counsel)	$16,000.00
2.	William Winfrey, Esquire (PSC & Legal)	$8,000.00
3.	Green Valley Glenwood PSD (Registrar notice fees)	$1,125.67

DISBURSEMENTS BY WIRE BY BB&T $1,260,624.33

Payor:	BB&T
Source:	Series 2010 A Bonds Proceeds
Amount:	$1,260,624.33
Form:	Wire Transfer
Payee:	Green Valley-Glenwood Public Service District
Bank	Municipal Bond Commission
Routing No.	051503394
Account No:	5270517317
Contact:	Sara Boardman, 304.558.3971
Purpose:	Defease the Series 2003 A Bonds ($1,133,472.67) Fund Series 2010 A Bonds Reserve Account ($115,603.00) Series 2010 A Sinking Fund ($9,633.36) MBC Fees ($1,915.30)

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GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

Sewer Refunding Revenue Bonds, Series 2010 A

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

On this 29th day of December, 2010, the undersigned authorized representative of Branch Banking and Trust Company, Charleston, West Virginia (the "Purchaser"), and the undersigned Chairman of the Green Valley-Glenwood Public Service District (the "Issuer"), hereby certify as follows:

1. On December 29, 2010, at Bluefield, West Virginia, the Purchaser received the Green Valley-Glenwood Public Service District Sewer Refunding Revenue Bonds, Series 2010 A, No. AR-1 (the "Bonds"), issued as a single Bond in the principal amount of $1,290,000, dated December 29, 2010. The Bonds represent the entire above-captioned Bond issue.

2. At the time of such receipt, the Bonds had been executed and sealed by the designated officials of the Issuer.

3. The Issuer has received and hereby acknowledges receipt from the Purchaser of the sum of $1,290,000, being the entire principal amount of the Bonds, there being no interest accrued thereon.

WITNESS our respective signatures dated as of the day and year first written above.

BRANCH BANKING AND TRUST COMPANY

By: Russell R. Abers
Its: Authorized Officer

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

By: J. W. Welch
Its: Chairman

54550.00007

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

Sewer Refunding Revenue Bonds, Series 2010 A

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

Branch Banking and Trust Company,
as Registrar
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith on this 29th day of December, 2010:

1. Bond No. AR-1, constituting the entire original issue of the Green Valley-Glenwood Public Service District Sewer Refunding Revenue Bonds, Series 2010 A, dated December 29, 2010, in the principal amount of $1,290,000 (the "Bonds"), executed by the Chairman and the Secretary of the Green Valley-Glenwood Public Service District (the "Issuer") and bearing the official seal of the Issuer. The Bonds are authorized to be issued under and pursuant to a Bond Resolution adopted by the Issuer on December 23, 2010, and a Supplemental Resolution adopted by the Issuer on December 23, 2010 (collectively, the "Bond Legislation").

2. A copy of the Bond Legislation duly certified by the Secretary.

3. A signed, unqualified approving opinion of nationally recognized bond counsel designated by the Issuer and acceptable to the Purchaser.

You are hereby requested and authorized to authenticate, register and deliver the Bonds to Branch Banking and Trust Company, Charleston, West Virginia, as the Purchaser thereof.

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Dated this as of the day and year first written above.

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

354550.00007

5611028

SPECIMEN

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT
SEWER REFUNDING REVENUE BONDS, SERIES 2010 A

No. AR-1 $1,290,000

KNOW ALL MEN BY THESE PRESENTS: That on this the 29th day of December, 2010, GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT, a public service district and political subdivision of the State of West Virginia in Mercer County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the order of

BRANCH BANKING AND TRUST COMPANY

or registered assigns (the "Payee"), the principal sum of ONE MILLION TWO HUNDRED NINETY THOUSAND DOLLARS ($1,290,000), plus interest as follows:

A. Interest on this Bond shall be payable at a rate of 3.63% per annum (hereinafter sometimes called the "Tax-Exempt Rate"). Interest shall be computed on the basis of a year of 360 days and 30 days in a month.

B. Notwithstanding any other provision herein, in the event the interest on this Bond is declared to be includible in gross income for federal income tax purposes by the Internal Revenue Service ("Determination of Taxability"), interest on this Bond shall be payable at a rate of 5.57% per annum (hereinafter sometimes called the "Taxable Rate"). Interest at the Taxable Rate shall commence to accrue on the date of Determination of Taxability and such interest rate shall be charged retroactively and prospectively for all periods in which interest paid on this Bond is asserted, declared or determined to be includible in gross income for federal income tax purposes, and shall continue until the entire principal of and interest on this Bond are paid, notwithstanding that the entire principal amount of this Bond may have been paid in full prior to the Determination of Taxability. Any interest being past due on this Bond by reason of such increase shall become immediately due and payable.

C. This Bond shall be payable in 172 installments commencing on the 1st day of February, 2011 and on the 1st day of each month thereafter, to and including May 1, 2025. The monthly installments shall consist of principal and interest as listed on the attached debt service schedule attached hereto as EXHIBIT A.

D. All payments received by the Paying Agent on account of the Bond shall be applied first to payment of interest accrued on the Bond and next to payment of principal of the Bond. If not sooner paid, the entire principal amount of this Bond unpaid on May 1, 2025 together with all accrued interest and any other sums due and owing upon this Bond shall be due and payable on such date.

The principal of and interest on this Bond is payable in any coin or currency which on the date of payment thereof is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond is subject to prepayment of the principal balance only in whole on a scheduled payment date with a 1.0 % prepayment premium.

This Bond is issued to (i) refund the Issuer's Sewer Refunding Revenue Bonds, Series 2003 A; (ii) funding the Series 2010 A Bonds Reserve Account; and (iii) to pay costs of issuance and related costs. The existing public sewer facilities of the Issuer, and any further additions, improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a Resolution duly adopted by the Issuer on December 23, 2010, and a Supplemental Resolution, duly adopted by the Issuer on December 23, 2010 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof.

THE PRINCIPAL OF AND INTEREST ON THIS BOND IS PAYABLE ONLY FROM AND SECURED BY A PLEDGE OF THE NET REVENUES TO BE DERIVED FROM THE OPERATION OF THE SYSTEM, ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S (I) SEWER REVENUE BONDS, SERIES 1998 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 24, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $540,000 (THE "SERIES 1998 A BONDS"); (II) SEWER REVENUE BONDS, SERIES 1998 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED NOVEMBER 25, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $317,500 (THE "SERIES 1998 B BONDS"); (III) SEWER REVENUE BONDS, SERIES 2002 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JANUARY 4, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,800,000 (THE "SERIES 2002 A BONDS"); AND (IV) SEWER REVENUE BONDS, SERIES 2002 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JANUARY 4, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $950,000 (THE "SERIES 2002 B BONDS"), (COLLECTIVELY, THE "PRIOR BONDS").

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

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of Branch Banking and Trust Company, Charleston, West Virginia, as Registrar (the "Registrar") by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

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

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

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

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

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

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

[SEAL]

By: _____
Its: Chairman

SPECIMEN

ATTEST:

_____
Secretary

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

Date: December 29, 2010

BRANCH BANKING AND TRUST COMPANY,
as Registrar

By: _____
Its: Authorized Officer

SPECIMEN

[Form of Assignment]

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

Dated: _____, 20___.

_____

In the presence of:

_____

EXHIBIT A
Debt Service Schedule

Green Valley / Glenwood Public Service District, West Virginia
Sewer revenue bond refunding

Compound Period: Monthly

Nominal Annual Rate: 3.630 %

CASH FLOW DATA

	Event	Date	Amount	Number	Period	End Date
1	Loan	12/29/2010	1,290,000.00	1		
2	Payment	02/01/2011	9,633.56	172	Monthly	05/01/2025

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	12/29/2010				1,290,000.00
1	02/01/2011	9,633.56	4,293.66	5,339.90	1,284,660.10
2	03/01/2011	9,633.56	3,886.10	5,747.46	1,278,912.64
3	04/01/2011	9,633.56	3,868.71	5,764.85	1,273,147.79
4	05/01/2011	9,633.56	3,851.27	5,782.29	1,267,365.50
5	06/01/2011	9,633.56	3,833.78	5,799.78	1,261,565.72
2011 Totals		48,167.80	19,733.52	28,434.28	
6	07/01/2011	9,633.56	3,816.24	5,817.32	1,255,748.40
7	08/01/2011	9,633.56	3,798.64	5,834.92	1,249,913.48
8	09/01/2011	9,633.56	3,780.99	5,852.57	1,244,060.91
9	10/01/2011	9,633.56	3,763.28	5,870.28	1,238,190.63
10	11/01/2011	9,633.56	3,745.53	5,888.03	1,232,302.60
11	12/01/2011	9,633.56	3,727.72	5,905.84	1,226,396.76
12	01/01/2012	9,633.56	3,709.85	5,923.71	1,220,473.05
13	02/01/2012	9,633.56	3,691.93	5,941.63	1,214,531.42
14	03/01/2012	9,633.56	3,673.96	5,959.60	1,208,571.82
15	04/01/2012	9,633.56	3,655.93	5,977.63	1,202,594.19
16	05/01/2012	9,633.56	3,637.85	5,995.71	1,196,598.48
17	06/01/2012	9,633.56	3,619.71	6,013.85	1,190,584.63
2012 Totals		115,602.72	44,621.63	70,981.09	
18	07/01/2012	9,633.56	3,601.52	6,032.04	1,184,552.59
19	08/01/2012	9,633.56	3,583.27	6,050.29	1,178,502.30
20	09/01/2012	9,633.56	3,564.97	6,068.59	1,172,433.71
21	10/01/2012	9,633.56	3,546.61	6,086.95	1,166,346.76
22	11/01/2012	9,633.56	3,528.20	6,105.36	1,160,241.40
23	12/01/2012	9,633.56	3,509.73	6,123.83	1,154,117.57
24	01/01/2013	9,633.56	3,491.21	6,142.35	1,147,975.22
25	02/01/2013	9,633.56	3,472.63	6,160.93	1,141,814.29
26	03/01/2013	9,633.56	3,453.99	6,179.57	1,135,634.72

27	04/01/2013	9,633.56	3,435.30	6,198.26	1,129,436.46
28	05/01/2013	9,633.56	3,416.55	6,217.01	1,123,219.45
29	06/01/2013	9,633.56	3,397.74	6,235.82	1,116,983.63
2013 Totals		115,602.72	42,001.72	73,601.00	
30	07/01/2013	9,633.56	3,378.88	6,254.68	1,110,728.95
31	08/01/2013	9,633.56	3,359.96	6,273.60	1,104,455.35
32	09/01/2013	9,633.56	3,340.98	6,292.58	1,098,162.77
33	10/01/2013	9,633.56	3,321.94	6,311.62	1,091,851.15
34	11/01/2013	9,633.56	3,302.85	6,330.71	1,085,520.44
35	12/01/2013	9,633.56	3,283.70	6,349.86	1,079,170.58
36	01/01/2014	9,633.56	3,264.49	6,369.07	1,072,801.51
37	02/01/2014	9,633.56	3,245.22	6,388.34	1,066,413.17
38	03/01/2014	9,633.56	3,225.90	6,407.66	1,060,005.51
39	04/01/2014	9,633.56	3,206.52	6,427.04	1,053,578.47
40	05/01/2014	9,633.56	3,187.07	6,446.49	1,047,131.98
41	06/01/2014	9,633.56	3,167.57	6,465.99	1,040,665.99
2014 Totals		115,602.72	39,285.08	76,317.64	
42	07/01/2014	9,633.56	3,148.01	6,485.55	1,034,180.44
43	08/01/2014	9,633.56	3,128.40	6,505.16	1,027,675.28
44	09/01/2014	9,633.56	3,108.72	6,524.84	1,021,150.44
45	10/01/2014	9,633.56	3,088.98	6,544.58	1,014,605.86
46	11/01/2014	9,633.56	3,069.18	6,564.38	1,008,041.48
47	12/01/2014	9,633.56	3,049.33	6,584.23	1,001,457.25
48	01/01/2015	9,633.56	3,029.41	6,604.15	994,853.10
49	02/01/2015	9,633.56	3,009.43	6,624.13	988,228.97
50	03/01/2015	9,633.56	2,989.39	6,644.17	981,584.80
51	04/01/2015	9,633.56	2,969.29	6,664.27	974,920.53
52	05/01/2015	9,633.56	2,949.13	6,684.43	968,236.10
53	06/01/2015	9,633.56	2,928.91	6,704.65	961,531.45
2015 Totals		115,602.72	36,468.18	79,134.54	
54	07/01/2015	9,633.56	2,908.63	6,724.93	954,806.52
55	08/01/2015	9,633.56	2,888.29	6,745.27	948,061.25
56	09/01/2015	9,633.56	2,867.89	6,765.67	941,295.58
57	10/01/2015	9,633.56	2,847.42	6,786.14	934,509.44
58	11/01/2015	9,633.56	2,826.89	6,806.67	927,702.77
59	12/01/2015	9,633.56	2,806.30	6,827.26	920,875.51
60	01/01/2016	9,633.56	2,785.65	6,847.91	914,027.60
61	02/01/2016	9,633.56	2,764.93	6,868.63	907,158.97
62	03/01/2016	9,633.56	2,744.16	6,889.40	900,269.57
63	04/01/2016	9,633.56	2,723.32	6,910.24	893,359.33
64	05/01/2016	9,633.56	2,702.41	6,931.15	886,428.18
65	06/01/2016	9,633.56	2,681.45	6,952.11	879,476.07
2016 Totals		115,602.72	33,547.34	82,055.38	
66	07/01/2016	9,633.56	2,660.42	6,973.14	872,502.93
67	08/01/2016	9,633.56	2,639.32	6,994.24	865,508.69
68	09/01/2016	9,633.56	2,618.16	7,015.40	858,493.29

69	10/01/2016	9,633.56	2,596.94	7,036.62	851,456.67
70	11/01/2016	9,633.56	2,575.66	7,057.90	844,398.77
71	12/01/2016	9,633.56	2,554.31	7,079.25	837,319.52
72	01/01/2017	9,633.56	2,532.89	7,100.67	830,218.85
73	02/01/2017	9,633.56	2,511.41	7,122.15	823,096.70
74	03/01/2017	9,633.56	2,489.87	7,143.69	815,953.01
75	04/01/2017	9,633.56	2,468.26	7,165.30	808,787.71
76	05/01/2017	9,633.56	2,446.58	7,186.98	801,600.73
77	06/01/2017	9,633.56	2,424.84	7,208.72	794,392.01
2017 Totals		115,602.72	30,518.66	85,084.06	
78	07/01/2017	9,633.56	2,403.04	7,230.52	787,161.49
79	08/01/2017	9,633.56	2,381.16	7,252.40	779,909.09
80	09/01/2017	9,633.56	2,359.22	7,274.34	772,634.75
81	10/01/2017	9,633.56	2,337.22	7,296.34	765,338.41
82	11/01/2017	9,633.56	2,315.15	7,318.41	758,020.00
83	12/01/2017	9,633.56	2,293.01	7,340.55	750,679.45
84	01/01/2018	9,633.56	2,270.81	7,362.75	743,316.70
85	02/01/2018	9,633.56	2,248.53	7,385.03	735,931.67
86	03/01/2018	9,633.56	2,226.19	7,407.37	728,524.30
87	04/01/2018	9,633.56	2,203.79	7,429.77	721,094.53
88	05/01/2018	9,633.56	2,181.31	7,452.25	713,642.28
89	06/01/2018	9,633.56	2,158.77	7,474.79	706,167.49
2018 Totals		115,602.72	27,378.20	88,224.52	
90	07/01/2018	9,633.56	2,136.16	7,497.40	698,670.09
91	08/01/2018	9,633.56	2,113.48	7,520.08	691,150.01
92	09/01/2018	9,633.56	2,090.73	7,542.83	683,607.18
93	10/01/2018	9,633.56	2,067.91	7,565.65	676,041.53
94	11/01/2018	9,633.56	2,045.03	7,588.53	668,453.00
95	12/01/2018	9,633.56	2,022.07	7,611.49	660,841.51
96	01/01/2019	9,633.56	1,999.05	7,634.51	653,207.00
97	02/01/2019	9,633.56	1,975.95	7,657.61	645,549.39
98	03/01/2019	9,633.56	1,952.79	7,680.77	637,868.62
99	04/01/2019	9,633.56	1,929.55	7,704.01	630,164.61
100	05/01/2019	9,633.56	1,906.25	7,727.31	622,437.30
101	06/01/2019	9,633.56	1,882.87	7,750.69	614,686.61
2019 Totals		115,602.72	24,121.84	91,480.88	
102	07/01/2019	9,633.56	1,859.43	7,774.13	606,912.48
103	08/01/2019	9,633.56	1,835.91	7,797.65	599,114.83
104	09/01/2019	9,633.56	1,812.32	7,821.24	591,293.59
105	10/01/2019	9,633.56	1,788.66	7,844.90	583,448.69
106	11/01/2019	9,633.56	1,764.93	7,868.63	575,580.06
107	12/01/2019	9,633.56	1,741.13	7,892.43	567,687.63
108	01/01/2020	9,633.56	1,717.26	7,916.30	559,771.33
109	02/01/2020	9,633.56	1,693.31	7,940.25	551,831.08
110	03/01/2020	9,633.56	1,669.29	7,964.27	543,866.81
111	04/01/2020	9,633.56	1,645.20	7,988.36	535,878.45
112	05/01/2020	9,633.56	1,621.03	8,012.53	527,865.92

113	06/01/2020	9,633.56	1,596.79	8,036.77	519,829.15
2020 Totals		115,602.72	20,745.26	94,857.46	
114	07/01/2020	9,633.56	1,572.48	8,061.08	511,768.07
115	08/01/2020	9,633.56	1,548.10	8,085.46	503,682.61
116	09/01/2020	9,633.56	1,523.64	8,109.92	495,572.69
117	10/01/2020	9,633.56	1,499.11	8,134.45	487,438.24
118	11/01/2020	9,633.56	1,474.50	8,159.06	479,279.18
119	12/01/2020	9,633.56	1,449.82	8,183.74	471,095.44
120	01/01/2021	9,633.56	1,425.06	8,208.50	462,886.94
121	02/01/2021	9,633.56	1,400.23	8,233.33	454,653.61
122	03/01/2021	9,633.56	1,375.33	8,258.23	446,395.38
123	04/01/2021	9,633.56	1,350.35	8,283.21	438,112.17
124	05/01/2021	9,633.56	1,325.29	8,308.27	429,803.90
125	06/01/2021	9,633.56	1,300.16	8,333.40	421,470.50
2021 Totals		115,602.72	17,244.07	98,358.65	
126	07/01/2021	9,633.56	1,274.95	8,358.61	413,111.89
127	08/01/2021	9,633.56	1,249.66	8,383.90	404,727.99
128	09/01/2021	9,633.56	1,224.30	8,409.26	396,318.73
129	10/01/2021	9,633.56	1,198.86	8,434.70	387,884.03
130	11/01/2021	9,633.56	1,173.35	8,460.21	379,423.82
131	12/01/2021	9,633.56	1,147.76	8,485.80	370,938.02
132	01/01/2022	9,633.56	1,122.09	8,511.47	362,426.55
133	02/01/2022	9,633.56	1,096.34	8,537.22	353,889.33
134	03/01/2022	9,633.56	1,070.52	8,563.04	345,326.29
135	04/01/2022	9,633.56	1,044.61	8,588.95	336,737.34
136	05/01/2022	9,633.56	1,018.63	8,614.93	328,122.41
137	06/01/2022	9,633.56	992.57	8,640.99	319,481.42
2022 Totals		115,602.72	13,613.64	101,989.08	
138	07/01/2022	9,633.56	966.43	8,667.13	310,814.29
139	08/01/2022	9,633.56	940.21	8,693.35	302,120.94
140	09/01/2022	9,633.56	913.92	8,719.64	293,401.30
141	10/01/2022	9,633.56	887.54	8,746.02	284,655.28
142	11/01/2022	9,633.56	861.08	8,772.48	275,882.80
143	12/01/2022	9,633.56	834.55	8,799.01	267,083.79
144	01/01/2023	9,633.56	807.93	8,825.63	258,258.16
145	02/01/2023	9,633.56	781.23	8,852.33	249,405.83
146	03/01/2023	9,633.56	754.45	8,879.11	240,526.72
147	04/01/2023	9,633.56	727.59	8,905.97	231,620.75
148	05/01/2023	9,633.56	700.65	8,932.91	222,687.84
149	06/01/2023	9,633.56	673.63	8,959.93	213,727.91
2023 Totals		115,602.72	9,849.21	105,753.51	
150	07/01/2023	9,633.56	646.53	8,987.03	204,740.88
151	08/01/2023	9,633.56	619.34	9,014.22	195,726.66
152	09/01/2023	9,633.56	592.07	9,041.49	186,685.17
153	10/01/2023	9,633.56	564.72	9,068.84	177,616.33
154	11/01/2023	9,633.56	537.29	9,096.27	168,520.06

155	12/01/2023	9,633.56	509.77	9,123.79	159,396.27
156	01/01/2024	9,633.56	482.17	9,151.39	150,244.88
157	02/01/2024	9,633.56	454.49	9,179.07	141,065.81
158	03/01/2024	9,633.56	426.72	9,206.84	131,858.97
159	04/01/2024	9,633.56	398.87	9,234.69	122,624.28
160	05/01/2024	9,633.56	370.94	9,262.62	113,361.66
161	06/01/2024	9,633.56	342.92	9,290.64	104,071.02
2024 Totals		115,602.72	5,945.83	109,656.89	
162	07/01/2024	9,633.56	314.81	9,318.75	94,752.27
163	08/01/2024	9,633.56	286.63	9,346.93	85,405.34
164	09/01/2024	9,633.56	258.35	9,375.21	76,030.13
165	10/01/2024	9,633.56	229.99	9,403.57	66,626.56
166	11/01/2024	9,633.56	201.55	9,432.01	57,194.55
167	12/01/2024	9,633.56	173.01	9,460.55	47,734.00
168	01/01/2025	9,633.56	144.40	9,489.16	38,244.84
169	02/01/2025	9,633.56	115.69	9,517.87	28,726.97
170	03/01/2025	9,633.56	86.90	9,546.66	19,180.31
171	04/01/2025	9,633.56	58.02	9,575.54	9,604.77
172	05/01/2025	9,633.56	28.79	9,604.77	0.00
2025 Totals		105,969.16	1,898.14	104,071.02	
Grand Totals		1,656,972.32	366,972.32	1,290,000.00	

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December 29, 2010

Green Valley-Glenwood Public Service District
Sewer Refunding Revenue Bonds, Series 2010 A

Green Valley-Glenwood Public Service District
Bluefield, West Virginia

Branch Banking and Trust Company
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the Green Valley-Glenwood Public Service District (the "Issuer") of its $1,290,000 Sewer Refunding Revenue Bonds, Series 2010 A (the "Bonds"), dated the date hereof.

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, Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Resolution duly adopted by the Issuer on December 23, 2010, as supplemented by a Supplemental Resolution duly adopted by the Issuer on December 23, 2010 (collectively, the "Bond Resolution"), and are subject to all the terms and conditions of the Bond Resolution. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Resolution when used herein.

The Bonds are originally issued in the form of one bond, numbered AR-1, in fully registered form and bear interest on the principal amount thereof at the rate of 3.63% per annum, payable in monthly installments of principal and interest as set forth therein.

This Bond is subject to prepayment of the principal balance only in whole on a scheduled payment date with a 1.0 % prepayment premium.

The Bonds are issued for the purposes of (i) refunding the Issuer's Sewer Refunding Revenue Bonds, Series 2003 A; (ii) funding the Series 2010 A Bonds Reserve Account; and (iii) paying costs of issuance and related costs thereof.

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The Bonds have been sold to Branch Banking and Trust Company, Charleston, West Virginia (the "Purchaser"), pursuant to a commitment letter dated September 30, 2010.

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Bond Resolution and in the certified proceedings and other certifications of certain public officials furnished to us without undertaking to verify the same by independent investigation.

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

Based upon the foregoing, and assuming compliance with the covenants of the Issuer set forth in the Bond Resolution and in certain certificates delivered in connection with the issuance of the Bonds, we are of the opinion, under existing law, that:

1. The Issuer is a duly created and validly existing public service district under and pursuant to the laws of the State of West Virginia, with full power and authority to adopt the Bond Resolution and to issue and sell the Bonds, all under the provisions of the Act and other applicable provisions of law.

2. The Bond Resolution has been duly adopted by the Issuer, is in full force and effect as of the date hereof and constitutes a valid and binding obligation of the Issuer enforceable in accordance with its terms.

3. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Purchaser and are valid, legally enforceable and binding special obligations of the Issuer, payable only from and secured by a lien on the Net Revenues of the System, on a parity with the Issuer's: (i) Sewer Revenue Bonds, Series 1998 A (United States Department of Agriculture), dated March 24, 1998, issued in the original aggregate principal amount of $540,000 (the "Series 1998 A Bonds"); (ii) Sewer Revenue Bonds, Series 1998 B (West Virginia Infrastructure Fund), dated November 25, 1998, issued in the original aggregate principal amount of $317,500 (the "Series 1998 B Bonds"); (iii) Sewer Revenue Bonds, Series 2002 A (United States Department of Agriculture), dated January 4, 2002, issued in the original aggregate principal amount of $2,800,000 (the "Series 2002 A Bonds"); and (iv) Sewer Revenue Bonds, Series 2002 B (United States Department of Agriculture), dated January 4, 2002, issued in the original aggregate principal amount of $950,000 (the "Series 2002 B Bonds"). with respect to liens, pledge and source of and security for payment.

4. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (a) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder (the "Code") and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code. It should be noted, however, that interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth in the Bond Resolution, and in certain certificates delivered in connection with the issuance of the Bonds. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds except as expressly set forth in paragraphs 4 and 6.

5. Under the Act, the Bonds are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof and the interest on the Bonds is exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia.

6. The Issuer has designated the Bonds as "qualified tax-exempt obligations" for purposes of the Code, and has covenanted that it does not reasonably expect to issue more than $30,000,000 of tax-exempt obligations (other than private activity bonds and obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligations) during the calendar year 2010. Therefore, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code.

7. The Series 2003 A Bonds have been defeased within the meaning and with the effect expressed in the resolutions authorizing the issuance of the Series 2003 A Bonds, and the covenants, agreements and other obligations of the Issuer to the holders and owners of the Series 2003 A Bonds have been satisfied and discharged. In rendering the opinion set forth in this paragraph, we have relied upon the Receipt and Release of the Municipal Bond Commission to the sufficiency of the monies on deposit to provide for the payment of the principal of, interest on, and premium, if any, of the Series 2003 A Bonds.

It is to be understood that the rights of the holders of the Bonds and the enforceability of liens, pledges, rights or remedies with respect to the Bonds and the Bond Resolution may be

subject to and limited by any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond No. AR-1 of said issue, and in our opinion, said Bond is in proper form and has been duly executed and authenticated.

Very truly yours,

STEPTOE & JOHNSON PLLC

354550.00007

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December 29, 2010

Green Valley-Glenwood Public Service District
Sewer Refunding Revenue Bonds, Series 2010 A

Green Valley-Glenwood Public Service District
Bluefield, West Virginia

Branch Banking and Trust Company
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to the Green Valley-Glenwood Public Service District, in Mercer County, West Virginia (the "Issuer"), in connection with the issuance and sale of the above-captioned bonds (the "Bonds"). As such counsel, I have reviewed copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, the commitment letter dated September 30, 2010, from Branch Banking and Trust Company, Charleston, West Virginia (the "Purchaser"), the Bonds Resolution of the Issuer duly adopted December 23 , 2010, as supplemented by the Supplemental Resolution of the Issuer duly adopted December 23, 2010 (collectively, the "Resolution"), and other documents relating to the Bonds. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Resolution when used herein.

I am of the opinion that:

1. The Issuer has been duly created and is validly existing as a public service district and political subdivision of the State of West Virginia.

2. The Chairman, Secretary, and members of the Board of the Issuer have been duly, lawfully and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.

3. The Resolution has been duly adopted and enacted by the Issuer, is in full force and effect as of the date hereof and constitutes a valid and binding obligation of the Issuer enforceable in accordance with its terms.

4. The execution and delivery of the Bonds and the consummation of the transactions contemplated by the Bonds and the Resolution, and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any ordinance, order, resolution, agreement or other instrument to which the Issuer is a party or any existing law, regulation, court order or consent decree to which the Issuer is subject.

5. It is to be understood that the rights of the holders of the Bonds and the enforceability of liens, pledges, rights or remedies with respect to the Bonds and the Resolution are subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

6. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bonds, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders, certificates and approvals from The County Commission of Mercer County and the Commission Order of the Public Service Commission of West Virginia entered December 2, 2010 in Case No. 10-1531-PSD-PC among other things, granting to the Issuer approval of the refunding of the Series 2003 A Bonds. The time for appeal of such Order has not expired prior to the date hereof; however, but the Issuer has indicated that it does not intend to appeal the Order. The Order remains in full force and effect.

7. To the best of my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bonds and the Resolution, the operation of the System, the validity of the Bonds or pledge of the funds set forth in the Resolution.

Very truly yours,

William S. Winfrey, II
(WVSB #4093)

354550.00007

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

Sewer Refunding Revenue Bonds, Series 2010 A

GENERAL CERTIFICATE OF THE GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS
4. SALE, DELIVERY AND PAYMENT OF BONDS; SIGNATURES
5. CERTIFICATION OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME, ETC
7. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
8. DESIGNATION OF REGISTRAR, DEPOSITORY BANK AND PAYING AGENT
9. SPECIMEN BOND
10. CONFLICT OF INTEREST
11. RATES

We, the undersigned CHAIRMAN and SECRETARY of the Green Valley-Glenwood Public Service District (the "Issuer"), hereby certify this 29th day of December, 2010 in connection with the Sewer Refunding Revenue Bonds, Series 2010 A (the "Bonds"), dated the date hereof, as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meanings set forth in the Bonds Resolution of the Issuer duly adopted on December 23, 2010, as supplemented by a Supplemental Resolution duly adopted on December 23, 2010 (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining, or affecting in any manner the issuance, sale and delivery of the Bonds, nor in any way questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Bonds nor in any manner affecting the validity or enforceability of the Bonds or the Bond Legislation; nor in any manner questioning the valid existence of the Issuer or the authority or titles of the Chairman, Secretary or members of the Board of the Issuer to their respective offices; nor in any manner questioning any proceeding, procedure, action or thing followed, taken or done in connection with the Bonds.

3. GOVERNMENTAL APPROVALS: All applicable and necessary approvals, permits, licenses, orders, exemptions, consents, authorizations, registrations and certificates required by

law for the issuance of the Bonds, the refunding of the Series 2003 A Bonds and the operation of the System have been duly and timely obtained and remain in full force and effect.

The Issuer has received the Commission Order of the Public Service Commission of West Virginia entered on December 2, 2010, in Case No. 10-1531-PSD-PC, approving the financing and the refunding of the Series 2003 A Bonds. The time for appeal of the Commission Order has not expired prior to the date hereof; however, the Issuer will not appeal such order.

4. SALE, DELIVERY AND PAYMENT OF BONDS; SIGNATURES: On the date hereof, the Bonds were sold and delivered to Branch Banking and Trust Company, Charleston, West Virginia (the "Purchaser"), pursuant to a commitment letter dated September 30, 2010, at the price of $1,290,000 (100% of par value), there being no interest accrued thereon. On the date hereof, the Bonds were duly signed by the manual signature of the Chairman, and the official seal of the Issuer, which seal is impressed upon this Certificate, was impressed or imprinted thereon and attested by the manual signature of the Secretary, and the Registrar did officially authenticate, register and deliver the Bonds to the Purchaser. At the time of delivery of the Bonds, the Issuer received $1,290,000 from the Purchaser being the entire principal amount of the Bonds, of which $1,260,624.33 was directly wired to the Municipal Bond Commission to defease the Issuer's Sewer Refunding Revenue Bonds, Series 2003 A.

5. 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, supplemented or changed in any way unless modification appears from later documents also listed below:

Bond Resolution

Prior Bond Resolutions

Consent of RUS to Issuance of Parity Bonds

Consent of WDA to Issuance of Parity Bonds

Public Service Commission Order

Bank Commitment Letter

County Commission Orders Regarding Creation of the District

County Commission Orders of Appointment of Current Boardmembers

Oaths of Office of Current Boardmembers

Rules of Procedure

Minutes of Current Year Organizational Meeting

Minutes on Adoption of Bond Resolution

6. INCUMBENCY AND OFFICIAL NAME, ETC.: The proper corporate title of the Issuer is "Green Valley-Glenwood Public Service District" and its principal office and place of business are in Mercer County, West Virginia. The Issuer is a public service district and public corporation and political subdivision of the State of West Virginia. The governing body of the Issuer is its Public Service Board consisting of three duly appointed, qualified and acting members, whose names and dates of commencement and termination of current terms of office are as follows:

Name	Date of Commencement of Office	Date of Termination of Office
Jimmy Welch	11/01/2005	10/31/2011
Greg Wimmer	11/01/2010	10/31/2016
James Carter	11/01/2007	10/31/2013

The names of the duly elected, appointed, qualified and acting officers of said Public Service Board of said Issuer for the calendar year 2010 are as follows:

Chairman	-	Jimmy Welch
Secretary	-	Marty Mariotti

The duly appointed and acting Attorney for the Issuer is William Winfrey, Esquire, Princeton, West Virginia.

7. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the Purchaser offered to purchase the Bonds. The Bonds shall be payable only from and secured by a lien on the Net Revenues of the System (as defined in the Bond Legislation), on a parity with the Issuer's: (i) Sewer Revenue Bonds, Series 1998 A (United States Department of Agriculture), dated March 24, 1998, issued in the original aggregate principal amount of $540,000 (the "Series 1998 A Bonds"); (ii) Sewer Revenue Bonds, Series 1998 B (West Virginia Infrastructure Fund), dated November 25, 1998, issued in the original aggregate principal amount of $317,500 (the "Series 1998 B Bonds"); (iii) Sewer Revenue Bonds, Series 2002 A (United States Department of Agriculture), dated January 4, 2002, issued in the original aggregate principal amount of $2,800,000 (the "Series 2002 A Bonds"); and (iv) Sewer Revenue Bonds, Series 2002 B (United States Department of Agriculture), dated January 4, 2002, issued in the original aggregate principal amount of $950,000 (the "Series 2002 B Bonds").

The Issuer is current on all Prior Bond payments and is in compliance with all covenants and requirements of the Prior Resolution.

8. DESIGNATION OF REGISTRAR, DEPOSITORY BANK AND PAYING AGENT: The Issuer hereby confirms the appointment of Branch Banking and Trust Company, Charleston, West Virginia, as Registrar and the West Virginia Municipal Bond Commission as Paying Agent.

9. SPECIMEN BOND: Delivered concurrently herewith is a true and accurate specimen of the Bond.

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

11. RATES: The Issuer has received the Commission Order of the Public Service Commission of West Virginia, dated June 4, 2009, which was corrected by Commission Order dated June 10, 2009 to include the attachment of the Approved Tariff, and by Commission Order dated September 3, 2009, approving the rates and charges. The time for appeal has expired prior to the date hereof.

[Remainder of Page Intentionally Blank]

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

[CORPORATE SEAL]

Signature	Official Title
	Chairman
	Secretary

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5611057

106 Park Avenue
Princeton, WV 24740

Jeffery S. Hollifield
Certified Public Accountant PLLC

Phone: (304) 425-4001
Fax: (304) 425-4029

December 29, 2010

Green Valley-Glenwood Public Service District
Sewer Refunding Revenue Bonds, Series 2010 A
(Branch Banking and Trust Company)

Green Valley-Glenwood Public Service District
Bluefield, West Virginia

West Virginia Sewer Development Authority
Charleston, West Virginia

United States Department of Agriculture
Morgantown, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges in Tariff No. 20 of the Green Valley-Glenwood Public Service District (the "Issuer"), set forth in the Commission Order dated June 4, 2009, Commission Order dated June 10, 2009 and Commission Order dated September 3, 2009 of the Public Service Commission of West Virginia in Case No. 09-0196-PSD-30B and the current operation and maintenance expenses and customer usage as furnished to me by the Issuer, it is my opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewer system (the "System") of the Issuer, will pay all repair, operation and maintenance expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Issuer's Sewer Refunding Revenue Bonds, Series 2010 A (the "Bonds"), to be issued to the Branch Banking and Trust Company in the original aggregate principal amount of $1,290,000, and all other obligations secured by a lien on or payable from the revenues of the System, on a parity with the Bonds, including the Issuer's: (i) Sewer Revenue Bonds, Series 1998 A (United States Department of Agriculture), dated March 24, 1998, issued in the original aggregate principal amount of $540,000 (the "Series 1998 A Bonds"); (ii) Sewer Revenue Bonds, Series 1998 B (West Virginia Infrastructure Fund), dated November 25, 1998, issued in the original aggregate principal amount of $317,500 (the "Series 1998 B Bonds"); (iii) Sewer Revenue Bonds, Series 2002 A (United States Department of Agriculture), dated January 4, 2002, issued in the original aggregate principal amount of $2,800,000 (the "Series 2002 A Bonds"); and (iv) Sewer Revenue Bonds, Series 2002 B (United States Department of Agriculture), dated January 4, 2002, issued in the original aggregate principal amount of $950,000 (the "Series 2002 B Bonds"), (collectively, the "Prior Bonds").

It is further our opinion that (i) the Net Revenues for the Fiscal Year following the year in which the Series 2010 A Bonds are issued will be at least 120% of the average annual debt service on the Prior Bonds and the Series 2010 A Bonds and that (ii) the Net Revenues actually

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derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Series 2010 A Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Series 2010 A Bonds, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Prior Bonds and the Series 2010 A Bonds.

In addition, the respective Reserve Accounts for the Prior Bonds are funded in accordance with the Prior Bonds Resolutions.

Sincerely,

Jeffrey S. Hollifield, CPA

jefferyshollifieldcpa@frontiernet.net

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

Sewer Refunding Revenue Bonds, Series 2010 A

CERTIFICATE AS TO ARBITRAGE

On this 29th day of December, 2010, the undersigned Chairman of the Green Valley-Glenwood Public Service District, Mercer County, West Virginia (the "Issuer"), being the official of the Issuer charged with the responsibility for issuing the above-referenced bonds (the "Bonds") of the Issuer, and acting for the Issuer and in its name, hereby certifies as follows with regard to the Bonds and use of the proceeds thereof, all capitalized terms used herein and not otherwise defined herein to have the same meanings set forth in the Bonds Resolution duly enacted by the Issuer on December 23, 2010, as supplemented by a Supplemental Resolution duly adopted by the Issuer on December 23, 2010 (collectively, the "Bond Legislation"):

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

2. This certificate may be relied upon as the certificate of the Issuer.

3. The Issuer has not been notified by the Internal Revenue Service of any listing or proposed listing of it as an issuer that may not certify its obligations or the certification of which may not be relied upon by holders of obligations of the Issuer or that there is any disqualification of the Issuer by the Internal Revenue Service because a certification made by the Issuer contains a material misrepresentation.

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on December 29, 2010, the date on which the Bonds are to be physically delivered in exchange for more than a de minimus amount of the principal of the Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. In the Bond Legislation pursuant to which the Bonds are issued, the Issuer has covenanted to not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Bonds which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The Issuer has, therefore, covenanted to not intentionally use any portion of the proceeds of the Bonds to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except as otherwise allowed under Section 148 of the Code. The Issuer, in the Bond Legislation, has further covenanted that it will take all actions that may be

required of it so that the interest on the Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

6. The Bonds were sold on December 29, 2010, to Branch Banking and Trust Company, Charleston, West Virginia (the "Purchaser"), for a purchase price of $1,290,000, being the par value thereof, there being no interest accrued thereon.

7. The principal of the Bonds in the amount of $1,290,000 will be paid to the Issuer on the Closing Date, for the purposes of (i) refunding the Issuer's Sewer Refunding Revenue Bonds, Series 2003 A (the "Series 2003 A Bonds"); (ii) funding the Series 2010 A Bonds Reserve Account; and (iii) paying costs of issuance and related costs thereof. None of such monies will be deposited in a renewal or replacement fund, and all of such monies are necessary for such purpose.

8. All proceeds from the sale of the Bonds, together with any investment earnings thereon, if any, will be expended for payment of such refunding the Series 2003 A Bonds and costs of issuance of the Bonds on or before May 1, 2011.

9. Sources and uses of the proceeds of the Bonds are as follows:

SOURCES

Gross Proceeds of the Bonds	$1,290,000.00
Series 2003 A Bonds Reserve Account	133,335.48
Series 2003 A Sinking Fund	55,765.85
Total Sources	$1,479,102.33

USES

Refunding Series 2003 A Bonds	$1,324,490.30
Fund Series 2010 A Bonds Reserve Account	115,603.00
Capitalized Interest	9,633.36
Costs of Issuance*	29,375.67
**costs of issuance includes bond counsel; local counsel; bank fee and registrar fees*	
Total Uses	$1,479,102.33

The costs of refunding the Series 2003 A Bonds, funding the Series 2010 A Bonds Reserve Account and the costs of issuance of the Bonds is estimated to be at least equal to the gross proceeds of the Bonds. Except for the proceeds of the Bonds, no other funds of the Issuer will be available to meet such costs, which would constitute "replacement proceeds" within the meaning of Treas. Reg. § 1.148-1(c), inasmuch as (i) the Issuer does not reasonably expect that the term of the Bonds is longer than is reasonably necessary for the governmental purposes of the Issuer, (ii) the weighted average maturity of the Bonds does not exceed 120% of the average expected economic life of the betterments and improvements for the System, and (iii) there are no amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the proceeds of the Bonds were not used or to be used for that governmental purpose.

10. Pursuant to Article IV of the Bond Resolution, the following special funds have been created or continued relative to the Series 2010 A Bonds:

(1) Revenue Fund (established by Prior Resolution);

(2) Renewal and Replacement Fund (established by Prior Resolution);

(3) Series 2010 A Bonds Proceeds Fund;

(4) Series 2010 A Bonds Sinking Fund; and

(5) Series 2010 A Bonds Reserve Account.

11. Pursuant to Article III of the Bond Resolution, the proceeds of the Bonds will be paid by the Issuer to the holder of the Series 2003 A Bonds. The remainder will be disbursed by the Purchaser to pay costs of issuance of the Bonds and related costs.

Except for "preliminary expenditures" as defined in Treas. Reg. §1.150-2(f)(2), none of the proceeds of the Bonds will be used to reimburse the Issuer for costs of operating and other expenses of the System previously incurred and paid by the Issuer with its own or other funds.

12. Monies held in the Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account will be used solely to pay the principal of and interest on the Bonds and will not be available to meet costs of operating and other expenses of the System.

13. Except for the Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account, there are no other funds or accounts established or held by the Issuer which are reasonably expected to be used to pay the principal and interest on the Bonds, or which are pledged as collateral for the Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Bonds if the Issuer encounters financial difficulties. None of the monies received from the Bonds will be deposited in any reserve or replacement fund.

14. Except for a reasonable temporary period until such proceeds are needed for the purpose for which such Bonds were issued or as otherwise allowed, no portion of the proceeds of the Bonds will be used, directly or indirectly, to acquire higher yielding investments, or to replace funds which were used, directly or indirectly, to acquire higher yielding investments, all within the meaning of Section 148 of the Code.

15. The Issuer will comply with the provisions of the Code, for which the effective date precedes the date of delivery of its Bonds to the Purchaser.

16. The Issuer acknowledges that pursuant to Section 149(d)(3)(A)(iv)(II) of the Code, any temporary period under Section 148(c) of the Code for the proceeds of the Series 2003 A Bonds will end on the date hereof, and thus the yield on such proceeds will be restricted to a yield not materially higher than the yield on the Series 2003 A Bonds.

Proceeds of the Series 2003 A Bonds will become transferred proceeds of the Series 2010 A Bonds when proceeds of the Series 2010 A Bonds discharge the Series 2003 A on May 1, 2011. When proceeds of the Series 2003 A Bonds become transferred proceeds of the Series 2010 A Bonds, the yield on such proceeds will be restricted to a yield not materially higher than the yield on the Series 2010 A Bonds or the Issuer will make timely yield reduction payments to reduce the yield on such proceeds to a yield not materially higher than the yield on the Series 2010 A Bonds.

17. The original proceeds of the Series 2010 A Bonds, plus investment proceeds thereon, other than amounts used for one or more of the purposes listed below, will not exceed one percent (1%) of the original proceeds of the Series 2010 A Bonds:

(i) Proceeds that will be used to pay principal, interest, or call premiums on the Series 2010 A Bonds;

(ii) Proceeds that will be used to pay pre-issuance accrued interest on the Series 2010 A Bonds, if any, and interest on the Series 2003 A Bonds for a period up to the completion date of the facilities for which the Series 2003 A Bonds were issued, plus one year;

(iii) Proceeds that will be used to fund a reserve fund, if any, or investment proceeds thereon;

(iv) Proceeds that will be used to pay costs of issuance of the Series 2010 A Bonds;

(v) Proceeds that will be used to pay administrative costs allocable to (A) repaying the Series 2003 A Bonds, (B) carrying and repaying the Series 2010 A Bonds, or (C) investments acquired with proceeds of the Series 2010 A Bonds;

(vi) Transferred proceeds, if any, allocable to expenditure for the governmental purposes of the Series 2003 A Bonds;

(vii) Proceeds that will be used to pay interest on purpose investments, if any; (there will be no purpose investments);

(viii) Replacement proceeds in the Sinking Fund;

(ix) Proceeds that will be used to pay the fees for any qualified guarantees for the Series 2010 A Bonds or the Series 2003 Bonds; and

(x) Proceeds that will be used to pay the fees for a qualified hedge for the Series 2010 A Bonds; (there will be no qualified hedges).

18. The amount designated as cost of issuance of the Bonds consists only of costs which are directly related to and necessary for the issuance of the Bonds.

19. All property financed with the proceeds of the Bonds will be held for federal income tax purposes by (or on behalf of) a qualified governmental unit.

20. No more than 10% of the proceeds of the Bonds will be used (directly or indirectly) in any trade or business carried on by any person who is not a governmental unit. Less than 5%

of the proceeds of the Bonds have been or will be used to make or finance loans to any person who is not a governmental unit. The covenants of the Issuer set forth above shall not, in any way, limit or restrict the ability of the Issuer to pay the costs of design and other preliminary costs of the Project, specifically including, but not limited to, engineering fees, from the proceeds of the Bonds.

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

22. The Issuer shall use the Bonds proceeds solely for refunding the Series 2003 A Bonds, funding the Series 2010 A Reserve Account and costs of issuance and the System is and will be operated solely for a public purpose as a local governmental activity of the Issuer.

23. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions and refrain from taking such actions as shall be necessary to comply with the Code in order to ensure the interest on the Bonds is excludable from gross income for federal income tax purposes.

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

25. The Issuer has retained the right to amend or supplement its authorizing documents if such amendment or supplement is necessary to preserve the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

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

27. There are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Bonds, (b) are to be sold pursuant to a common plan of financing together with any of the Bonds and (c) will be paid out of substantially the same source of funds or will have substantially the same claim to be paid out of substantially the same source of funds as any of the Bonds.

28. The transactions contemplated herein do not represent an exploitation of the difference between taxable and tax-exempt interest rates and the execution and delivery of the Bonds is not occurring sooner than otherwise necessary, nor are the Bonds in principal amounts greater than otherwise necessary or to be outstanding longer than otherwise necessary.

29. The Issuer covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom, and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exempt status of the Bonds.

30. The Issuer shall file Form 8038-G in a timely fashion with the Internal Revenue Service.

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

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

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

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

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WITNESS my signature, dated as of the day and year first written above.

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

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GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

Sewer Refunding Revenue Bonds, Series 2010 A

CERTIFICATE OF REGISTRAR

Branch Banking and Trust Company, Charleston, West Virginia (the "Bank"), as Registrar for the above-captioned Bonds (the "Bonds"), hereby certifies this 29th day of December, 2010 as follows, all capitalized terms used herein to have the same meanings set forth in the Bond Resolution of the Green Valley-Glenwood Public Service District (the "Issuer") enacted December 23, 2010, as supplemented by Supplemental Resolution duly adopted by the Issuer on December 23, 2010 (collectively, the "Bond Legislation"):

1. The Bank is a state banking corporation duly organized, validly existing, and in good standing under the laws of the State of North Carolina, may lawfully conduct business in West Virginia, and is lawfully empowered, pursuant to such laws, to accept the duties and obligations contemplated and as provided under the Bond Legislation and to serve in the capacity of Registrar under the Bond Legislation.

2. The Bank has duly authorized, by all necessary action, the authentication of the Bonds and the execution and delivery of this Certificate and the acceptance of all duties of Registrar under the Bond Legislation, and any and all other documents and agreements as may be required to be executed, delivered and received by the Bank in order to carry out, give effect to, and consummate the transactions contemplated thereby.

3. The person indicated in paragraph 4 below was at the time of the authentication of the Bonds, and is now, a duly elected, qualified and acting incumbent in his or her office; and, pursuant to authorization from the Board of Directors of the Bank, such person, in his or her official capacity, was and is authorized to authenticate the Bonds for and on behalf of the Bank.

4. Appearing opposite the name and title of the person indicated below is a true and correct specimen of his or her signature.

Name	Title	Signature
Russell R. Akers, II	Assistant Vice President	Russell R. Akers II

5. The Bonds have been duly authenticated, registered and delivered to the Purchaser, and the advance of the principal of the Bonds have been deposited as required by the Bond Legislation.

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IN WITNESS WHEREOF, BRANCH BANKING AND TRUST COMPANY has caused this Certificate to be executed by its duly authorized officer, the day and year first written above.

BRANCH BANKING AND TRUST COMPANY

By: Russell R. Ober III
Its: Authorized Officer

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GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

Sewer Refunding Revenue Bonds, Series 2010 A

CERTIFICATE OF PURCHASER

BRANCH BANKING AND TRUST COMPANY, Charleston, West Virginia (the "Purchaser"), as original purchaser from the Green Valley-Glenwood Public Service District (the "Issuer") of the above-captioned Bonds (the "Bonds"), hereby certifies that we are purchasing the Bonds for our own portfolio and none of the Bonds have been the subject of an initial offering to the public. We do not intend to divide the Bonds purchased by us nor to resell or otherwise dispose of all or any part of the Bonds purchased by us, except as permitted by law on a basis of full disclosure to any subsequent holder of the Bonds and subject to applicable securities laws and regulations thereunder.

1. The weighted average maturity of the Bonds is 7.84309 years.

2. The interest rate on the Bonds is 3.63%.

3. This certificate may be relied upon by the Issuer with respect to its Certificate as to Arbitrage relating to the Bonds, and by Steptoe & Johnson PLLC in rendering their tax opinion with respect to the Bonds.

IN WITNESS WHEREOF, BRANCH BANKING AND TRUST COMPANY has caused this Certificate to be executed by its duly authorized officer, this 29th day of December, 2010.

BRANCH BANKING AND TRUST COMPANY

By: Russell R. Akers II
Its: Authorized Officer

354550.00007

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WEST VIRGINIA:

At an adjourned session of the County Commission, continued and held for the County of Mercer, at the Courthouse thereof, on Tuesday, November 5th, 1963.

Present:	Frank Gibson,	Commissioner.
Present:	Daniel T. Carr, Jr.	Commissioner,

This being the date fixed by prior action of the Count Court for conducting the public hearing on the creation of the proposed Green Valley-Glenwood Public Service District, as contemplated and provided for in a resolution and order adopted by the County Court on October 14, 1963, the presiding Commissioner announced that all persons residing in or owning or having any interest in property in such proposed public service district desiring to be heard for or against the creation of said district would be heard and all such interested persons desiring to be heard were given full opportunity.

The County Court then further discussed the creation of said public service district, whereupon Frank Gibson introduced and caused to be read a proposed resolution and order entitled:

"A RESOLUTION AND ORDER creating Green Valley Glenwood Public Service District in Mercer County, West Virginia"

and moved that all rules otherwise requiring deferred consideration or several readings be suspended and said proposed resoluti

WILLIAM S. WINFREY
ATTORNEY AT LAW
CETON, WEST VIRGINIA

and order be adopted. Daniel T. Carr Jr. seconded the motion and after due consideration the Presiding Commissioner put the questio on the motion and the roll being called the following voted:

Aye: Frank Gibson

Daniel T. Carr Jr.

Nay: None

Whereupon the Presiding Commissioner declared the motion duly carried and said resolution and order duly adopted.

Frank Gibson introduced and caused to be read a proposed resolution and order, entitled:

"A RESOLUTION AND ORDER adopting the Actions of the Green Valley Glenwood Public Service District, "which has been operating de-facto"

and moved that all rules otherwise requiring deferred consideration or several readings be suspended and said proposed resoluti and order be adopted. Daniel T. Carr Jr. seconded the motion and after due consideration the Presiding Commissioner put the question on the motion and the roll being called the following voted:

Aye: Frank Gibson

Daniel T. Carr Jr.

Nay: None

Whereupon the Presiding Commissioner declared the motion duly carried and said resolution and order duly adopted.

"A RESOLUTION AND ORDER appointing members to the Public Service Board of the Green Valley Glenwood Public Service District,"

and moved that all rules otherwise requiring deferred consideration or several readings be suspended and said proposed resolution and order be adopted. Daniel T. Carr Jr. seconded the motion and after due consideration the Presiding Commissioner put the question on the motion and the roll being called, the following voted:

Aye: Frank Gibson Frank Gibson, Comm.

Daniel T. Carr Jr..

Nay: None

Whereupon the Presiding Commissioner declared the motion duly carried and said resolution and order duly adopted.

~~On motion and voted the meeting adjourned~~.

Frank Gibson, Comm

Daniel T. Carr Jr.
Comm

ATTEST:

Harold C. Farley
Clerk

A RESOLUTION AND ORDER creating Green Valley - Glenwood Public Service District in Mercer County, West Virginia

WHEREAS, THE County Court of Mercer County, West Virginia, did heretofore by a resolution and order adopted on October 14, 1963, and fix November 5, 1963 for a public hearing on the creation of the proposed Green Valley - Glenwood Public Service District and in and by said resolution and order provide that all persons residing in or owning or having any interest in property in the proposed public service district might appear before the County Court at this meeting and have the opportunity to be heard for and against the creation of said district; and

WHEREAS, notice of this hearing was duly given in the manner provided and required by said resolution and order and by Article 13-a of Chapter 16 of the West Virginia Code, and all interested persons have been afforded an opportunity of being heard for and against the creation of said district, but no written protest has been filed by the requisite number of qualified voters registered and residing within said proposed public service district and said County Court has given due consideratic to all matters for which such hearing was offered; and

WHEREAS, it is now deemed desirable by said County Court to adopt a resolution and order creating said district;

NOW, THEREFORE, Be It and It is Hereby Resolved and Ordered by the County Court of Mercer County, West Virginia, as follows:

Section 1. That a public service district within Merce County, West Virginia, is hereby created, and said district shall

WILLIAM S. WINFREY

Beginning at a point of latitude N. 37° 20' and longitude W. 81° 10', thence west o.18 miles to a point, thence north 1.00 miles crossing West Virginia State Route No. 20 to a point, thence N. 59° E. 3.09 miles to a point, thence S. 42° E. 0.95 miles crossing West Virginia State Route 20 to a point, thence N. 79° E. 0.60 miles crossing U. S. Route 21, 19 and 460 to a point, thence south 0.75 miles to a point, thence west 0.40 mile to a point, thence south 2.15 miles to a point, thence S. 54° W. 2.80 miles to a point, thence N. 82° W. 0.98 miles crossing U. S Route 21, 19 and 460 to a point of latitude N. 37° 17' 54" and longitude W. 81° 10', thence N. 2.38 miles to the beginning.

Containing an area of approximately 13.06 square miles and the Communities of Glenwood, Ceres, Edison and New Hope, all within Beaver Pond and East River Magisterial Districts of Mercer County, West Virginia, as shown upon map prepared by J. H. Milam Inc., 1214 Myers Avenue, Dunbar, West Virginia, dated July 22, 1959.

There is specifically excepted and excluded from this boundary any and all of the area belonging to the Princeton Municipal Airport.

There is a further excepted and excluded area, being an area contiguous with the northerly side of U. S. Routes 19 and 21, a distance of 0.75 miles south westerly along said highways from the corporate limites of the City of Princeton, and being a strip 0.15 miles wide.

Section 2. That said public service district so created shall have the name and corporate title of "Green Valley-Glenwood Public Service District" and shall constitute a public corp-

LIAM S. WINFREY
TORNEY AT LAW

having all of the rights and powers conferred on public service districts by the laws of the State of West Virginia, and particularly Article 13-a of Chapter 16 of the West Virginia Code.

Section 3. That the County Court of Mercer County, West Virginia, has determined that the territory within Mercer County, West Virginia, having the hereintoabove described boundaries, is so situated that the construction or acquisition by purchase or otherwise and the maintenance, operation, improvemen and extension of properties supplying water and sewerage service ~~[illegible]~~ within such territory by said public service district will be conducive to the preservation of public health, comfort and convenience of such area.

ADOPTED BY THE COUNTY COURT November 5, 19 63

Frank Gibson, Comm.
President

Daniel T. Carr Jr.
Comr

Attest:

Harold C. Farley
Clerk

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CERTIFICATE OF PUBLICATION

State of West Virginia, }
County of Mercer, } To-wit:–

I, Margaret W. Tiller of the Princeton Publishing Company Inc., a corporation, publisher of the Princeton Times, a daily newspaper, published every morning, except Saturday, in the City of Princeton, Mercer County, West Virginia, do certify that the notice attached hereto under the caption;

NOTICE OF PUBLIC HEARING ON CREATION OF GREEN VALL
GLENWOOD PUBLIC SERVICE DISTRICT
Signed: Harold C. Farley, County Court Clerk
Fred Thomason, President

was published in the said newspaper 2 times

on the following days, namely; October 15, 16

in the year 19 63

Publication Fee $33.28

Margaret W. Tiller

Subscribed and sworn to before me this 17th day of October, 19 63

My Commission expires 3-28, 19 73

Bonnie Sue Kalen

Notary Public

STATE OF WEST VIRGINIA,

COUNTY OF MERCER, TO WIT;

I, RUDOLPH D. JENNINGS, Clerk of the County Commission of the County and State aforesaid, do hereby certify that the foregoing writing is a true and correct copy of an Order, as taken from the records in my said office.

Given under my hand and Seal of said Commission, this the 26th day of March, 1998.

Rudolph D. Jennings CLERK
MERCER COUNTY COMMISSION

WEST VIRGINIA:

At an adjourned session of the County Court, continued and held for the County of Mercer, at the Courthouse thereof, on Tuesday, November 5th, 1963.

Present: Frank H. Gibson, Commissioner.

Present: Daniel T. Carr, Jr. Commissioner.

This being the date fixed by prior action of the County Court for conducting the public hearing on the creation of the proposed Green Valley-Glenwood Public Service District, as contemplated and provided for in a resolution and order adopted by the County Court on October 14, 1963, the presiding Commissioner announced that all persons residing in or owning or having any interest in property in such proposed public service district desiring to be heard for or against the creation of said district would be heard and all such interested persons desiring to be heard were given full opportunity.

The County Court then further discussed the creation of said public service district, whereupon Frank Gibson introduced and caused to be read a proposed resolution and order entitled:

"A RESOLUTION AND ORDER creating Green Valley-Glenwood Public Service District in Mercer County, West Virginia".

and moved that all rules otherwise requiring deferred consideration or several readings be suspended and said proposed resolution and order be adopted. Daniel T. Carr, Jr., seconded the motion and after due consideration the presiding Commissioner put the question on the motion and the roll being called the following voted:

Aye: Frank Gibson
Daniel T. Carr, Jr.

Nay: None

Whereupon the presiding Commissioner declared the motion duly carried and said resolution and order duly adopted.

Frank Gibson introduced and caused to be read a proposed resolution and order, entitled:

"A RESOLUTION AND ORDER adopting the Actions of the Green Valley-Glenwood Public Service District, "which has been operating de-facto"

and moved that all rules otherwise requiring deferred consideration or several readings be suspended and said proposed resolution and order be adopted. Daniel T. Carr, Jr. seconded the motion and after due consideration the presiding Commissioner put the question on the motion and the roll being called the following voted:

Aye: Frank Gibson
Daniel T. Carr, Jr.

Nay: None

Whereupon the presiding Commissioner declared the motion duly carried and said resolution and order duly adopted.

Frank Gibson introduced and caused to be read a proposed resolution and order, entitled:

"A RESOLUTION AND ORDER appointing members to the Public Service Board of the Green Valley-Glenwood Public Service District",

and moved that all rules otherwise requiring deferred consideration or several readings be suspended and said proposed resolution and order be adopted. Daniel T. Carr, Jr., seconded the motion and after due consideration the presiding Commissioner put the question on the

motion and the roll being called, the following voted:

Aye: Frank Gibson
Daniel T. Carr, Jr.,

Nay: None

Whereupon the presiding Commissioner declared the motion duly carried and said resolution and order duly adopted.

_ Frank Gibson, Comr

_ Daniel T. Carr, Jr. Comr

ATTEST:
Harold C. Farley,
CLERK.

A RESOLUTION AND ORDER CREATING GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT IN MERCER COUNTY, WEST VIRGINIA,

WHEREAS, the County Court of Mercer County, West Virginia, did heretofore by a resolution and order adopted on October 14, 1963, and fix November 5, 1963, for a public hearing on the creation of the proposed Green Valley-Glenwood Public Service District and in and by said resolution and order provide that all persons residing in or owning or having any interest in pooperty in the proposed public service district might appear before the County Court at this meeting and have the opportunity to be heard for and against the creation of said district; and

WHEREAS, notice of this hearing was duly given in the manner provided and required by said resolution and order and by Article 13-a of Chapter 16 of the West Virginia Code, and all interested persons have been afforded an opportunity of being heard for and against the creation of said district, but no written protest has been filed by the requisite number of qualified voters registered and residing within said proposed public service district and said County Court has given due consideration to all matters for which such hearing was offered; and

WHEREAS, it is now deemed desirable by said County Court to adopt a resolution and order creating said district;

NOW, THEREFORE, Be It and It is hereby Resolved and Ordered by the County Court of Mercer County, West Virginia, as follows:

Section 1. That a public service district within Mercer County, West Virginia, is hereby created, and said district shall have the following boundaries:

BEGINNING at a point of latitude N. 37° 20' and longitude W. 81° 10', thence West 0.18 miles to a point, thence North 1.00 miles crossing West Virginia State Route No. 20 to a point, thence N. 59° E. 3.09 miles to a point, thence S. 42° E. 0.95 miles crossing West Virginia State Route 20 to a point, thence N. 79° E. 0.60 miles crossing U. S. Route 21, 19 and 460 to a point, thence South 0.75 miles to a point, thence West 0.40 miles to a point, thence South 2.15 miles to a point; thence S. 54° W. 2.80 miles to a point, thence N. 82° W. 0.98 miles crossing U. S. Route 21, 19 and 460 to a point of latitude N. 37° 17' 54" and longitude W. 81° 10', thence N. 2.38 miles to the beginning.

Containing an area of approximately 13.06 square miles and the Communities of Glenwood, Carns, Edison and New Hope, all within Beaver Pond and East River Magisterial Districts of Mercer County, West Virginia, as shown upon map prepared by J. H. Milam, Inc., 1214 Myers Avenue, Dunbar, West Virginia, dated July 22, 1959.

There is specifically excepted and excluded from this boundary any

and all of the area belonging to the Princeton Municipal Airport.

There is a further excepted and excluded area, being an area contiguous with the northerly side of U. S. Routes 19 and 21, a distance of 0.75 miles southwesterly along said highways from the corporate limits of the City of Princeton, and being a strip 0.15 miles wide.

Section 2. That said public service district so created shall have the name and corporate title of "Green Valley-Glenwood Public Service District" and shall constitute a public corporation and political subdivision of the State of West Virginia having all of the rights and powers conferred on public service districts by the laws of the State of West Virginia, and particularly Article 13-a of Chapter 16 of the West Virginia Code.

Section 3. That the County Court of Mercer County, West Virginia, has determined that the territory within Mercer County, West Virginia, having the hereinto-above described boundaries, is so situated that the construction or acquisition by purchase or otherwise and the maintenance, operation, improvement and extension of properties supplying water and sewerage services within such territory by said public service district will be conducive to the preservation of public health, comfort and convenience of such area.

ADOPTED BY THE COUNTY COURT November 5, 1963.

Frank Gibson Comr
Daniel T. Carr, Jr. Comr

ATTEST:
Harold C. Farley, Clerk.

"A RESOLUTION AND ORDER ADOPTING THE ACTIONS OF THE GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT "which has been operating defacto"

WHEREAS, there has heretofore been filed in the Office of the Clerk of the County Court of Mercer County, West Virginia, a petition to this County Court, for the creation of a Public Service District within Mercer County, West Virginia; and,

WHEREAS, said County Court Clerk has presented such petition to this County Court at a meeting held on June 12, 1961, and the County Court did declare that a meeting would be held on July 10, 1961, for the purpose of having a public hearing to determine if there should be a Public Service District created; and

WHEREAS, the notice of said public hearing was erroneously published as June 30, 1961, when in fact it should have been published as July 10, 1961, and the Mercer County Court did decide that there should be a meeting on July 24, 1961, for the purpose of having a public hearing to determine if such a Public Service District should be created and such notice was published in the Sunset News Observer, a newspaper of general circulation in Mercer County, West Virginia, on the 14th day of July, 1961; and,

WHEREAS, the said meeting was held on the 24th day of July, 1961, and the County Court of Mercer County did determine that such a Public Service District should be formed; and,

WHEREAS, such meeting was held more than 40 days from the 12th day of June, 1961, which is not in compliance with West Virginia Code, Chapter 16, Article 13A, and the Green Valley-Glenwood Public Service District has since that time been operating as a defacto organization; and

WHEREAS, Green Valley-Glenwood Public Service District has now become legally formed according to West Virginia Code, Chapter 16, Article 13A, and it is now deemed desirable by said County Court for the Green Valley-Glenwood Public Service District to adopt a resolution and order adopting the acts and deeds of said defacto Green Valley-Glenwood Public Service District;

NOW, THEREFORE, Be It and It Is hereby Resolved that the said acts and deeds of the Green Valley-Glenwood Public Service District defacto be adopted by the Green Valley-Glenwood Public Service District.

ADOPTED BY THE COUNTY COURT November 5, 1963.

_ Frank Gibson Comr

Daniel T. Carr, Jr. Comr

ATTEST:

Harold C. Farley, Clerk.

STATE OF WEST VIRGINIA,

COUNTY OF MERCER, TO WIT:

I, RUDOLPH D. JENNINGS, Clerk of the County Commission of the County and State aforesaid, do hereby certify that the foregoing writing is a true and correct copy of an Order, as taken from the records in my said office.

Given under my hand and Seal of said Commission, this the 13th day of August, 1992.

Rudolph D. Jennings CLERK

MERCER COUNTY COMMISSION

WEST VIRGINIA:

At an adjourned session of the County Commission, continued and held for the County of Mercer, at the Courthouse thereof, on Monday, October 14th, 1963.

Present:	Fred Thompson,	President.
Present:	Frank Gibson,	Commissioner.
Present:	Daniel T. Carr, Jr.	Commissioner,

A RESOLUTION AND ORDER creating Green Valley - Glenwood Public Service District in Mercer County, West Virginia

WHEREAS, THE County Court of Mercer County, West Virginia, did heretofore by a resolution and order adopted on October 14, 1963, and fix November 5, 1963 for a public hearing on the creation of the proposed Green Valley - Glenwood Public Service District and in and by said resolution and order provide that all persons residing in or owning or having any interest in property in the proposed public service district might appear before the County Court at this meeting and have the opportunity to be heard for and against the creation of said district; and

WHEREAS, notice of this hearing was duly given in the manner provided and required by said resolution and order and by Article 13-a of Chapter 16 of the West Virginia Code, and all interested persons have been afforded an opportunity of being heard for and against the creation of said district, but no written protest has been filed by the requisite number of qualified voters registered and residing within said proposed public service district and said County Court has given due considerati to all matters for which such hearing was offered; and

WHEREAS, it is now deemed desirable by said County Court to adopt a resolution and order creating said district;

NOW, THEREFORE, Be It and It is Hereby Resolved and Ordered by the County Court of Mercer County, West Virginia, as follows:

Section 1. That a public service district within Merc County, West Virginia, is hereby created, and said district shal have the following boundaries:

WILLIAM S. WINFREY
AT AT LAW
WEST VIRGINIA

Beginning at a point of latitude N. 37° 20' and longitude W. 81° 10', thence west o.18 miles to a point, thence north 1.00 miles crossing West Virginia State Route No. 20 to a point, thence N. 59° E. 3.09 miles to a point, thence S. 42° E. 0.95 miles crossing West Virginia State Route 20 to a point, thence N. 79° E. 0.60 miles crossing U. S. Route 21, 19 and 460 to a point, thence south 0.75 miles to a point, thence west 0.40 mile to a point, thence south 2.15 miles to a point, thence S. 54° W. 2.80 miles to a point, thence N. 82° W. 0.98 miles crossing U. S Route 21, 19 and 460 to a point of latitude N. 37° 17' 54" and longitude W. 81° 10', thence N. 2.38 miles to the beginning.

Containing an area of approximately 13.06 square miles and the Communities of Glenwood, Ceres, Edison and New Hope, all within Beaver Pond and East River Magisterial Districts of Mercer County, West Virginia, as shown upon map prepared by J. H. Milam Inc., 1214 Myers Avenue, Dunbar, West Virginia, dated July 22, 1959.

There is specifically excepted and excluded from this boundary any and all of the area belonging to the Princeton Municipal Airport.

There is a further excepted and excluded area, being an area contiguous with the northerly side of U. S. Routes 19 and 21, a distance of 0.75 miles south westerly along said highways from the corporate limites of the City of Princeton, and being a strip 0.15 miles wide.

Section 2. That said public service district so created shall have the name and corporate title of "Green Valley-Glenwood Public Service District" and shall constitute a public corp-

WILLIAM S. WINFREY
ATTORNEY AT LAW

having all of the rights and powers conferred on public service districts by the laws of the State of West Virginia, and particularly Article 13-a of Chapter 16 of the West Virginia Code.

Section 3. That the County Court of Mercer County, West Virginia, has determined that the territory within Mercer County, West Virginia, having the hereintoabove described boundaries, is so situated that the construction or acquisition by purchase or otherwise and the maintenance, operation, improvement and extension of properties supplying water and sewerage services within such territory by said public service district will be conducive to the preservation of public health, comfort and convenience of such area.

ADOPTED BY THE COUNTY COURT November 5, _____, 19 63.

Frank Gibson, Comr
~~President~~

Daniel T. Carr, Jr.,
Comr

Attest:

Harold C. Farley
Clerk

STATE OF WEST VIRGINIA,

COUNTY OF MERCER, TO WIT;

I, RUDOLPH D. JENNINGS, Clerk of the County Commission of the County and State aforesaid, do hereby certify that the foregoing writing is a true and correct copy of an Order, as taken from the records in my said office.

Given under my hand and Seal of said Commission, this the 26th day of March, 1998.

Rudolph D. Jennings CLERK
MERCER COUNTY COMMISSION

WEST VIRGINIA:

At an adjourned session of the County Court, continued and held for the County of Mercer, at the Courthouse thereof, on Monday, July 10th, 1961.

Present:	Fred Thomason,	President.
Present:	Frank H. Gibson,	Commissioner.
Present:	Daniel T. Carr, Jr.	Commissioner.

IN RE: PUBLIC HEARING ON THE CREATION OF THE PROPOSED GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

This day, July 10, 1961, being the date fixed by prior action of the County Court for conducting a public hearing on the creation of the proposed Green Valley - Glenwood Public Service District, the President of the County Court announced that due to an error in the newspaper publication notice on June 30, 1961, the date of hearing was erroneously published as June 30, 1961, when in fact it should have appeared as July 10, 1961. Therefore, the Mercer County Court shall meet in the County Court House at Princeton, West Virginia, on July 24, 1961, at the hour of 10:00 o'clock A. M., for the purpose of conducting a public hearing on the creation of the proposed public service district, at which time and place all persons residing in or owning or having any interest in property in the proposed public service district may appear before this County Court and shall have an opportunity to be heard for and against the creation of the proposed public service district.

The County Court Clerk is hereby authorized and directed to cause notice of such hearing to be published on July 14, 1961, in the Sunset News-Observer, a newspaper of general circulation in Mercer County:

NOTICE OF PUBLIC HEARING ON CREATION OF GREEN VALLEY - GLENWOOD PUBLIC SERVICE DISTRICT.

Notice is hereby given that a legally sufficient petition has been filed with the Clerk of the County Court of Mercer County, West Virginia, and has been presented to the County Court of Mercer for the creation of a Public Service District within Mercer County, for the purpose of constructing or acquiring by purchase or otherwise and the maintenance, operation, improvement and extension of public service properties supplying sewerage services and garbage collection within said District and also outside said District to the extent permitted by law; to be named "Green Valley - Glenwood Public Service District", and having the following described boundaries:

Beginning at a point of latitude N. 37° 20' and longitude W. 81° 10'; thence west 0.18 miles to a point, thence north 1.00 miles crossing West Virginia State Route No. 20 to a point; thence N. 59° E. 3.09 miles to a point; thence S. 42° E. 0.95 miles crossing West Virginia State Route 20 to a point, thence N. 79° E. 0.60 miles crossing U. S. Route 21, 19 and 460 to a point, thence south 0.75 miles to a point, thence west 0.40 miles to a point, thence south 2.15 miles to a point, thence S. 54° W. 2.80 miles to a point, thence N. 82° W. 0.98 miles crossing U. S. Route 21, 19 and 460 to a point of latitude N. 37° 17' 54" and longitude W. 81° 10', thence N. 2.38 miles to the beginning.

Containing an area of approximately 13.06 square miles and the Communities of Glenwood, Cares, Edison and New Hope, all with Beaver Pond and East River Magisterial Districts of Mercer County, West Virginia, as shown upon a map prepared by J. E. Milam, Inc., 1214 Myers Avenue, Dunbar, West Virginia, dated July 22, 1959.

There is specifically excepted and excluded from this boundary any and all of the area belonging to the Princeton Municipal Airport.

There is a further excepted and excluded area, being an area contiguous with the northerly side of U. S. Routes 19 and 21, a distance of 0.75 miles south westerly along said highways from the corporate limits of the City of Princeton, and being a strip 0.15 miles wide.

All persons residing in or owning or having any interest in property in said proposed Public Service District are hereby notified that the County Court

the County Court House at Princeton, West Virginia, at which time and place all interested persons may appear before the County Court and shall have an opportunity to be heard for and against the creation of the proposed public service district.

By order of the County Court this day July 10th, 1961.

Harold C. Farley, County Court Clerk.

Adopted by the County Court July 10th, 1961.

Fred Thomason, President.

ATTEST:

Harold C. Farley, Clerk.

STATE OF WEST VIRGINIA,

COUNTY OF MERCER, ss:

I, HAROLD C. FARLEY, hereby certify that I am the duly qualified and acting Clerk of the County Court of Mercer County, West Virginia, and that the foregoing constitutes a true, correct and complete transcript of the proceedings of said County Court as had under date of July 10th, 1961, and a resolution and order then adopted relating to the proposed creation of the Green Valley - Glenwood Public Service District, all as shown by the official records in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of said court at Princeton, West Virginia, this July 10th, 1961.

(SEAL) Harold C. Farley, County Court Clerk.

STATE OF WEST VIRGINIA,

COUNTY OF MERCER, TO WIT:

I, RUDOLPH D. JENNINGS, Clerk of the County Commission of the County and State aforesaid, do hereby certify that the foregoing writing is a true and correct copy of an Order, as taken from the records in my said office.

Given under my hand and Seal of said Commission, this the 13th day of August, 1992.

Rudolph D. Jennings CLERK

MERCER COUNTY COMMISSION

WEST VIRGINIA:

At an adjourned session of the County Court, continued and held for the County of Mercer, at the Courthouse thereof, on Monday, July 24th, 1961.

Present:	Fred Thomson,	President.
Present:	Daniel T. Carr, Jr.	Commissioner.

IN RE: GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT.

This being the date fixed by prior action of the County Court for conducting the public hearing on the creation of the proposed Green Valley-Glenwood Public Service District, as contemplated and provided for in a resolution and order adopted by the County Court on June 12, 1961, and July 10, 1961, the President announced that all persons residing in or owning or having any interest in property in such proposed public service district desiring to be heard for or against the creation of said district would be heard and all such interested persons desiring to be heard were given full opportunity.

The County Court then further discussed the creation of said public service district, whereupon Daniel T. Carr, Jr., introduced and caused to be read a proposed resol-

ution and order, entitled:

" A RESOLUTION AND ORDER creating Green Valley-Glenwood Public Service District in Mercer County, West Virginia."

and moved that all rules otherwise requiring deferred consideration or several readings be suspended and said proposed resolution and order be adopted. Fred Thomason seconded the motion and after due consideration the President put the question on the motion and the roll being called, the following voted:

Aye: Fred Thomason, Daniel T. Carrl, Jr.

Nay: None

Whereupon the President declared the motion duly carried and said resolution and order duly adopted.

Daniel T. Carr, Jr. introduced and caused to be read a proposed resolution and order, entitled:

" A RESOLUTION AND ORDER appointing members to the Public Service Board of the Green Valley-Glenwood Public Service District,"

and moved that all rules otherwise requiring deferred consideration or several readings be suspended and said proposed resolution and order be adopted. Fred Thomason seconded the motion and after due consideration the President put the question on the motion and the roll being called, the following voted:

Aye: Fred Thomason and Daniel T. Carr, Jr.

Nay: None

Whereupon the President declared the motion duly carried and said resolution and order duly adopted.

Fred Thomason,
President.

Attest:

Harold C. Farley, Clerk.

A RESOLUTION AND ORDER CREATING GREEN VALLEY - GLENWOOD PUBLIC SERVICE DISTRICT IN MERCER COUNTY, WEST VIRGINIA.

WHEREAS, the County Court of Mercer County, West Virginia, did heretofore by a resolution and order adopted June 12, 1961 and July 10, 1961, fix a date for a public hearing on the creation of the proposed Green Valley-Glenwood Public Service District and in and by said resolution and order provide that all persons residing in or owning or having any interest in property in the proposed public service district might appear before the County Court at this meeting and have the opportunity to be heard for and against the creation of said district; and

WHEREAS, notice of this hearing was duly given in the manner provided and required by said resolution and order and by Article 13-a of Chapter 16 of the West Virginia Code, and all interested persons have been afforded an opportunity of being heard for and against the creation of said district, but no written protest has been filed by the requisite number of qualified voters registered and residing within said proposed public service district and said County Court has given due consideration to all matters for which such hearing was offered; and

WHEREAS, it is now deemed desirable by said County Court to adopt

a resolution and order creating said district;

NOW, THEREFORE, Be It and It Is Hereby Resolved and Ordered by the County Court of Mercer County, West Virginia, as follows:

Section 1. That a public service district within Mercer County, West Virginia, is hereby created, and said district shall have the following boundaries:

BEGINNING at a point of latitude N. 37° 20' and longitude W. 81° 10', thence west 0.18 miles to a point, thence north 1.00 miles crossing West Virginia State Route No. 20 to a point, thence N. 59° E. 3.09 miles to a point, thence S. 42° E. 0.95 miles crossing West Virginia State Route 20 to a point, thence N. 79° E. 0.60 miles crossing U. S. Route 21, 19 and 460 to a point, thence south 0.75 miles to a point, thence west 0.40 miles to a point, thence south 2.15 miles to a point, thence S. 54° W. 2.80 miles to a point, thence N. 82° W. 0.98 miles crossing U S. Route 21, 19 and 460 to a point of latitude N. 37° 17' 54" and longitude W. 81° 10', thence N. 2.38 miles to the beginning.

Containing an area of approximately 13.06 square miles and the communities of Glenwood, Ceres, Edison and New Hope, all within Beaver Pond and East River Magisterial Districts of Mercer County, West Virginia, as shown upon map prepared by J. N. Kilsa, Inc., 1214 Myers Avenue, Dunbar, West Virginia, dated July 22, 1959.

There is specifically excepted and excluded from this boundary any and all of the area belonging to the Princeton Municipal Airport.

There is a further excepted and excluded area, being an area contiguous with the northerly side of U. S. Routes 19 and 21, a distance of 0.75 miles southwesterly along said highways from the corporate limits of the City of Princeton, and being a strip 0.15 miles wide.

Section 2. That said public service district so created shall have the name and corporate title of "Green Valley - Glenwood Public District" and shall constitute a public corporation and political subdivision of the State of West Virginia having all of the rights and powers conferred on public service districts by the laws of the State of West Virginia, and particularly Article 13-a of Chapter 16 of the West Virginia Code.

Section 3. That the County Court of Mercer County, West Virginia, has determined that the territory within Mercer County, West Virginia, having the hereinbefore described boundaries, is so situated that the construction or acquisition by purchase or otherwise and the maintenance, operation, improvement and extension of properties supplying sewerage services and garbage collection within such territory by said public service district will be conducive to the preservation of public health, comfort and convenience of such area.

ADOPTED BY THE COUNTY COURT July 24, 1961.

Fred Thomason President.

Attest:

Harold C. Farley, Clerk.

STATE OF WEST VIRGINIA,

COUNTY OF MERCER, TO WIT:

I, RUDOLPH D. JENNINGS, Clerk of the County Commission of the County and State aforesaid, do hereby certify that the foregoing writing is a true and correct copy of an Order, as taken from the records in my said office.

Given under my hand and Seal of said Commission, this the 13th day of August, 1992.

Rudolph D. Jennings CLERK.
MERCER COUNTY COMMISSION

WEST VIRGINIA;

At a regular session of the County Commission, held for the County of Mercer, at the Courthouse thereof, on Monday, September 14, 1992.

Present:	Charles E. Lohr,	President.
Present:	Ray Bragg,	Commissioner.
Present:	John K. Rapp,	Commissioner.

BEFORE
THE MERCER COUNTY COMMISSION OF WEST VIRGINIA

In re:

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT
INGLESIDE ROAD BOUNDARY EXPANSION

PETITION FOR BOUNDARY CHANGE
INGLESIDE ROAD AREA

Pursuant to the provisions of W. Va. Code § 16-13A-2 (1991 Replacement Vol.), the Green Valley-Glenwood Public Service District petitions the County Commission of Mercer County to enlarge the boundary of the Green Valley-Glenwood Public Service District, (PSD), a public service district providing water and sewer service to certain residents of Mercer County, West Virginia:

1. The area to be included within the PSD is described in an attachment to this Petition described as "Petition Attachment I".

2. The purpose for the geographical expansion of the PSD is to provide water and sewer service to residents of the affected area of Mercer County.

3. The expansion of the PSD is in the best interests of the affected citizens in the County and will in no way adversely affect the existing customers of the PSD.

4. The expansion of the PSD will provide increased services and eliminate the need for the creation of a new public service district in the affected area, which area is not currently served by a PSD.

Wherefore the Green Valley-Glenwood Public Service District prays that this Petition be filed, that a hearing be held on the Petition, and that the County Commission enlarge the boundaries of the Green Valley-Glenwood Public Service District

GREEN VALLEY-GLENWOOD
PUBLIC SERVICE DISTRICT

BY COUNSEL

William S. Winfrey, II
Attorney at Law

1608 West Main Street
P.O. Box 1159
Princeton, WV 24740

304-487-1887

PETITION ATTACHMENT 1

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT
INGLESIDE ROAD BOUNDARY EXPANSION
AUGUST 20, 1992

BEGINNING at a point of latitude N 37° 21' 21" and longitude W 81° 03'28" on the existing line of the Oakvale Road Public Service District; thence with said District's boundary line N 56° 05' W 0.89 miles to a point just south of US Route 460; thence leaving boundary line of Oakvale Road P.S.D. and running S 75° 40' W 1.52 miles crossing County Route 27/1 to a point; thence S 22° W 0.42 miles to a point in the existing boundary line of the Green Valley-Glenwood Public Service District; thence with District's boundary line S 90° W 0.4 miles to a point; thence S 0° E 2.15 miles; thence S 54° W 2.28 miles to a point on Stony Ridge; thence leaving said District's boundary line and running along Stony Ridge N 74° E 4.60 miles to a point just west of Interstate 77; thence N 4° W 1.77 miles crossing County Route 27/6 to a point just west of Interstate 77; thence N 23° 17' E 0.79 miles to the BEGINNING and containing 8.44 square miles.

STATE OF WEST VIRGINIA,

COUNTY OF MERCER, TO WIT;

I, RUDOLPH D. JENNINGS, Clerk of the County Commission of the County and State aforesaid, do hereby certify that the foregoing writing is a true and correct copy of an Order, as taken from the records in my said office.

Given under my hand and Seal of said Commission, this the 26th day of March, 1998.

Rudolph D. Jennings CLERK
MERCER COUNTY COMMISSION

Mercer County Commission

Courthouse Square
1501 West Main, Suite 210
Princeton, West Virginia 24740

(304) 487-8306
Fax: (304) 487-8370

VICKY REED
Administrative Assistant

JOE COBURN
P.O. Box 337
ATHENS, WV 24712

KAREN S. DISIBBIO
525 Albemarle
BLUEFIELD, WV 24701

J.W. (JAY) MILLS
8 Rolling Hills
PRINCETON, WV 24740

December 19, 2007

Jimmy Welch, Chairman
Green Valley-Glenwood Public Service District
P.O. Box 6099
Bluefield, WV 24701

Dear Jimmy;

During the regular monthly meeting of the Mercer County Commission on December 11, 2007, James C. Carter was reappointed as a board member of the Green Valley-Glenwood PSD.

His new term started on November 1, 2007 and will expire on October 31, 2013.

If you have any questions, please contact our office.

Sincerely,

Joe Coburn, President

Karen S. Disibbio, Commissioner

Jay Mills, Commissioner

Mercer County Commission

Courthouse Square
1501 West Main, Suite 210
Princeton, West Virginia 24740

(304) 487-8306
Fax: (304) 487-8370
Email:
mercercocommission@frontiernet.net

VICKY REED
County Coordinator

JOE COBURN
P.O. Box 337
ATHENS, WV 24712

KAREN S. DISIBBIO
525 Albemarle
BLUEFIELD, WV 24701

J. W. (JAY) MILLS
8 Rolling Hills
PRINCETON, WV 24740

January 6, 2011

Marty Mariotti, Manager
Green Valley-Glenwood PSD
P.O. Box 6099
Bluefield, WV 24701

Dear Marty,

Please be advised that on December 14, 2010, at the monthly meeting of the Mercer County Commission, Mr. Greg Wimmer was reappointed to serve on the Green Valley-Glenwood Public Service District. His new term will expire on October 31, 2016.

If additional information is needed, please contact our office.

Sincerely,

Joe Coburn

Joe Coburn
President

Mercer County Commission

Courthouse Square
1501 West Main S-210
Princeton, West Virginia 24740

(304) 487-8306
Fax (304) 487-8370

VICKY REED
Administrative Assistant

JOHN P. ANDERSON
1426 Main Street
PRINCETON, WV 24740

JOE COBURN
P.O. Box 397
ATHENS, WV 24712

KAREN S. DISIBBIO
525 Albemarle
BLUEFIELD, WV 24701

December 27, 2005

Green Valley-Glenwood Public Service District
Marty Mariotti, General Manager
P.O. Box 6099
Bluefield, WV 24701

Dear Marty:

On November 8, 2005, in the regular monthly meeting of the Mercer County Commission, Jimmy Welch was reappointed for another six year term on the Board of Directors of the Green Valley-Glenwood Public Service District.

His term was retroactive beginning November 1, 2005 through November 1, 2011.

If you need additional information, please contact our office.

Sincerely,

Joe Coburn
President

BOOK 10 PAGE 490

OATH OF OFFICE AND CERTIFICATE

JUN 21 2005

STATE OF WEST VIRGINIA

COUNTY OF MERCER, TO-WIT:

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

COMMISSIONER- GREEN VALLEY PUBLIC SERVICE DISTRICT

to the best of my skill and judgment, so help me God.

(Signature of affiant) Greg Wimmer

GREG WIMMER

Subscribed and sworn to, before me, in said County and State, this 3RD day of JUNE, ~~XXX~~ 2005

Rudolph D. Jennings

RUDOLPH D. JENNINGS, CLERK

MERCER COUNTY COMMISSION

BOOK 10 PAGE 102

OATH OF OFFICE AND CERTIFICATE

STATE OF WEST VIRGINIA

COUNTY OF MERCER, TO-WIT:

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

Member - Green Valley-Glenwood Public Service District

to the best of my skill and judgment, so help me God.

(Signature of affiant) James H. Carter, Jr.

James H. Carter, Jr.

Subscribed and sworn to before me, in said County and State, this 30th day of November 2001

RUDOLPH D. JENNINGS, CLERK

MERCER COUNTY COMMISSION

STATE OF WEST VIRGINIA,

COUNTY OF MERCER, TO-WIT:

I, RUDOLPH D. JENNINGS, Clerk of the County Commission of the County and State aforesaid, do hereby certify that the foregoing writing is a true and correct copy, as taken from the records in my said office.

Given under my hand and Seal of said Commission, this the 28th day of December 2001.

Rudolph D. Jennings CLERK

MERCER COUNTY COMMISSION

SEAL

BY Deborah D. Godfrey DEPUTY

(ANY ALTERATIONS OR ERASURES VOID THIS CERTIFICATE)

BOOK 9 PAGE 661

OATH OF OFFICE AND CERTIFICATE

STATE OF WEST VIRGINIA

COUNTY OF MERCER, TO-WIT:

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

Member - Green Valley-Glenwood Public Service District

to the best of my skill and judgment, so help me God.

(Signature of affiant) Jimmy Welch

Jimmy Welch

Subscribed and sworn to before me, in said County and State, this 17th day of November, 19 99

MERCER COUNTY COMMISSION 16 37 WEST VIRGINIA

RUDOLPH D. JENNINGS, CLERK

MERCER COUNTY COMMISSION

RULES OF PROCEDURE

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

ARTICLE I

NAME AND PLACE OF BUSINESS

Section 1. Name: GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT.

Section 2. The principal office of this Public Service District will be located at 2387 Maple Acres Road, Bluefield, Mercer County, West Virginia.

Section 3. The Common Seal of the District shall consist of 2 concentric circles between which circles shall be inscribed Green Valley-Glenwood Public Service District, and in the center "seal" as follows:

Section 4: The fiscal year of the District shall begin on July 1 of 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 (the "Act").

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 Mercer County, West Virginia, or otherwise appointed pursuant to the Act, who shall serve for such terms as may be specified in the order of the County Commission or otherwise.

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 or other entity provided under the Act 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 or other entity provided under the Act of the pending termination and request the County Commission or other entity provided under the Act 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 and 4th Thursday 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, 2 members shall constitute a quorum. Each member of the Public Service Board shall have one vote at any membership meeting and if a quorum is not present, those present may adjourn the meeting to a later date.

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

PUBLIC NOTICE OF MEETINGS

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

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

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

ARTICLE V

OFFICERS

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

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

ARTICLE VI

DUTIES OF OFFICERS

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

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

Section 3. The Treasurer shall be the lawful custodian of all funds of the District and shall disburse funds of the District on orders authorized or approved by the Board. The Treasurer shall keep or cause to be kept proper and accurate books of accounts and proper receipts and vouchers for all disbursements made by or through him and shall prepare and submit such reports and statements of the financial condition of the Board as the members may from time to time prescribe. He shall perform such other duties as may be required of him by law or as may be conferred upon him by the members of the Board, these Rules of Procedure or as prescribed by law.

Section 4. If the Chairman, Secretary or Treasurer is absent from any meeting, the remaining members of the Board shall select a temporary chairman, secretary

or treasurer, as necessary, who shall have all of the powers of the absent officer during such period of absence.

ARTICLE VII

AMENDMENTS TO RULES OF PROCEDURE

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

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

Adopted this 9th day of October, 2003.

10/09/03
354550.00005

Board Meeting Minutes
January 14, 2010

Those in attendance were Jimmy Welch, Chairman, Gregory Wimmer, Treasurer, James Carter Jr., Member, Marty Mariotti, General Manager/Secretary, John Parsons, Sewer Plant Manager, John Poole, Outside Manager, Billy Williams, Employee, Bob Hazelwood, Pentree Engineering.

Chairman called meeting to order at 1:00 PM.

1. Motion by James Carter, seconded by Greg Wimmer, and carried to leave all Board Member positions as they were from the previous year. Jimmy Welch, Chairman, Gregory Wimmer, Treasurer, James Carter Jr., Member, Marty Mariotti, Secretary.

2. Motion by Greg Wimmer, seconded by James Carter, and carried to approve minutes of the December 22, 2009 Board Meeting.

3. Board reviewed and discussed report of Wastewater plant operations prepared by John Parsons. {See Attached}

4. Board reviewed and discussed report of Water plant operations prepared by Marty Mariotti. {See Attached}

5. Board reviewed and discussed report of outside operations and completed I & I work prepared by John Poole. {See Attached}

6. Mr. Mariotti reported the DEP has approved the Preliminary Engineering Report for the sewer storm water pond project. In addition to approving the Preliminary Engineering Report the DEP informed the project Engineer, Ashok Sanghavi, that the project should be funded in early March, 2009. The project funding will be supplied from surplus stimulus funds that were not used from other states. The General Manager requested approval from the Board to advertise the project for bid as soon as possible. After reviewing the request Greg Wimmer made motion, seconded by James Carter, and unanimously approved to begin the bidding notification as soon as possible.

7. The General Manager reported that District employees were not able to read water meters the first week of January due to the inclement weather. Most of the meter readings were estimated to allow the bills to be generated.

8. Mr. Mariotti reported he received a notification from the First Community Bank in regards to a new program they have created. The program is in regards to the normal procedure the bank will use when they receive a NSF {non sufficient funds} check from a business for deposit. The new program will allow the bank to continue to keep submitting the check until proper funds are detected within the account. No charge will be assessed to the business for this service.

9. Mr. Mariotti reported that he was recently contacted by Triad Engineering in regards to the Dan Hale Reservoir Project. Triad requested a letter be mailed from the General Manager to the Army Corp of Engineers requesting critical design information be released for the Dan Hale

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

Sewer Refunding Revenue Bonds, Series 2010 A
(Branch Banking and Trust Company)

EXCERPT OF MINUTES ON ADOPTION OF BOND RESOLUTION AND SUPPLEMENTAL RESOLUTION.

The undersigned SECRETARY of the Public Service Board of Green Valley-Glenwood Public Service District hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the said Public Service Board:

*** *** ***

The Public Service Board of Green Valley-Glenwood Public Service District met in regular session, pursuant to notice duly posted, on the 23rd day of December, 2010, in Mercer County, West Virginia, at the hour of _10:00 a.m.

PRESENT:
Jimmy Welch, Chairman
Greg Wimmer, Board Member
James Carter, Board Member
Marty Mariotti, General Manager & Secretary
John Stump, Steptoe & Johnson

Jimmy Welch, Chairman, presided, and Marty Mariotti, acted as Secretary. The Chairman announced that a quorum of members was present and that the meeting was open for any business properly before it.

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

RESOLUTION AUTHORIZING THE REFUNDING OF THE SEWER REFUNDING REVENUE BONDS, SERIES 2003 A OF THE GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT THROUGH THE ISSUANCE BY THE GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT OF NOT MORE THAN $1,290,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REFUNDING REVENUE BONDS, SERIES 2010 A; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER

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

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

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

SUPPLEMENTAL RESOLUTION PROVIDING AS TO DATE, MATURITY, INTEREST RATE AND OTHER TERMS OF THE SEWER REFUNDING REVENUE BONDS, SERIES 2010 A, OF THE GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO THE BRANCH BANKING AND TRUST COMPANY; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

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

*** *** ***

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

[Remainder of Page Intentionally Blank]

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of Green Valley-Glenwood Public Service District and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 29th day of December, 2010.

Marty Marcotte
Secretary

12.22.10
354550.00007

WV MUNICIPAL BOND COMMISSION
1207 Quarrier Street
Suite 401
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 29-Dec-10

ISSUE: Green Valley-Glenwood Public Service District
Sewer Refunding Revenue Bonds, Series 2010 A

ADDRESS: 2387 Maple Acres Road, Bluefield, West Virginia COUNTY: Mercer

PURPOSE OF ISSUE:
New Money:
Refunding: X

REFUNDS ISSUE(S) DATED: 1-Oct-03

ISSUE DATE: 29-Dec-10
CLOSING DATE: 29-Dec-10
ISSUE AMOUNT: $1,290,000.00
RATE: 3.63%
1ST DEBT SERVICE DUE: 1-Feb-11
1ST PRINCIPAL DUE 1-Feb-11
1ST DEBT SERVICE AMOUNT $9,633.56
PAYING AGENT: Municipal Bond Commission

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

UNDERWRITERS COUNSEL
Firm: Bowles Rice McDavid Graff & Love
Contact: Cam Siegrist
Phone: 304.347.1129

CLOSING BANK:
Bank:
Contact:
Phone:

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Marty Mariotti
Position: General Manager
Phone: 304.325.6832

OTHER:
Agency: BB&T
Contact: Rusty Akers
Position: VP
Phone: 304.353.1635

DEPOSITS TO MBC AT CLOSE

By:				
	x	Wire		Accrued Interest: $
		Check		Capitalized Interest: $
			x	Reserve Account: $ 115,603.00
			x	Other: $ see attached

REFUNDS & TRANSFERS BY MBC AT CLOSE

By:				
		Wire		To Escrow Trustee $
		Check		To Issuer $
	x	IGT		To Cons. Invest. Fun $
				To Other: $ see attached

NOTES: The Series 2010 A Bonds Reserve Account is fully funded at closing

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

New Issue Report - Exhibit 12/29/2010

Green Valley Glenwood Public Service District

Sources	
2010 A Bonds	$1,260,624.33
2003 Sinking Fund	55,766.85
2003 Reserve Account	133,335.48
Total Sources	$1,449,726.66

Uses	
Payoff 2003 A (Principal)	$1,290,000.00
Payoff 2003 A (Interest)	32,575.00
MBC Fee	1,915.30
Series 2010 A Reserve	115,603.00
Series 2010 A Sinking Fund (1st payment)	9,633.36
Total Uses	$1,449,726.66

P.S.C. W. Va. No. 20
Canceling P.S.C. W. Va. No. 19

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT,
a public utility

BLUEFIELD, WEST VIRGINIA

RATES, RULES AND REGULATIONS FOR FURNISHING

SEWERAGE AND SEWAGE DISPOSAL SERVICE

between the cities of Princeton and Bluefield, including the communities of Maple View, Ceres, Green Valley, Maple Acres, Glenwood and Lower Bull Tail Hollow, Mercer County, West Virginia

Filed with THE PUBLIC SERVICE COMMISSION
of
WEST VIRGINIA

RECEIVED
09 SEP 21 AM 9:06
W VA PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

Issued September 16, 2009 Effective for all service rendered on and after June 4, 2009 or as otherwise provided herein

Issued by authority of an order of
The Public Service Commission of West Virginia
in Case No. 09-0196-PSD-30B dated June 4, 2009 and
modified on September 3, 2009 or as otherwise provided herein

Issued by GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT, a public utility

By Marty Mariotti
General Manager
Title

RULES AND REGULATIONS

I. Rules and Regulations for the Government of Sewerage Utilities, adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereof hereafter made by said Commission.

APPLICABILITY

Applicable within the entire territory served.

(C) AVAILABILITY

Available for general domestic, commercial and industrial sewer service (except for unusual industrial waste) and sale for resale sewer service.

(C,I) RATES

First	2,000 gallons used per month	$ 8.62 per 1,000 gallons
Next	2,000 gallons used per month	$ 7.78 per 1,000 gallons
Next	6,000 gallons used per month	$ 6.88 per 1,000 gallons
Next	90,000 gallons used per month	$ 5.99 per 1,000 gallons
All over	100,000 gallons used per month	$ 5.12 per 1,000 gallons

(C,I) MINIMUM CHARGE

No bill will be rendered for less than $16.64 per month, which is the equivalent of 2,000 gallons of sewage usage.

The above minimum charge is subject to an additional $0.30 per thousand gallons

(C,I) FLAT RATE CHARGE (Customers with non-metered water supply)

Equivalent of four thousand gallons of sewage usage, $36.24 per month.
(Equivalent of 4,500 gallons of sewage usage)

LANDFILL LEACHATE CHARGE

$8.32 per thousand gallons
(Alternate - use attached Schedule A)

DELAYED PAYMENT PENALTY

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

(C) Indicates change in text
(I) Indicates increase

TAP FEE

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

A tap fee of $100 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This preconstruction tap fee will be invalid after the completion of construction adjacent to the applicant's premises that is associated with a certificate proceeding.

A tap fee of $300 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

WATER DISCONNECT - RECONNECT FEES - ADMINISTRATIVE FEES

Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge of $25.00 have been paid.

There shall be a $25.00 reconnection charge paid prior to restoration of water service which has been previously disconnected for any reason.

In the event that Utility staff or agents collect money at the customer's residence in order to stop disconnection, an administrative fee of $25.00 shall be paid in addition to other charges to prevent disconnection.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the sewer utility up to a maximum of $25 will be imposed upon any customer whose check for payment of charges is returned by the bank due to insufficient funds.

(I) LEAK ADJUSTMENT

$2.65 per thousand gallons is to be used when a bill reflects unusual water consumption which can be attributed to eligible water leakage on the customer's side of meter. This rate shall be applied to all such consumption above the customer's historical average usage.

(I) Indicates increase

SCHEDULE A

SURCHARGE FORMULA TO BE APPLIED IN THE CASE OF USERS PRODUCING UNUSUAL WASTE

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

$$Ci = VoVi + BoBi + SoSi + NoNi$$

Where,

- Ci = charge to unusual users per year
- Vo = average unit cost of transport and treatment chargeable to volume, in dollars per gallon
- Vi = volume of waste water from unusual users, in gallons per year
- Bo = average unit of cost of treatment, chargeable to Biochemical Oxygen Demand (BOD), in dollars per pound
- Bi = weight of BOD from unusual users, in pounds per year
- So = average unit costs of treatment (including sludge treatment) chargeable to total solids, in dollars per pound
- Si = weight of total solids from unusual users, in pounds per year
- No = average unit costs of treatment chargeable to Nitrogenous Oxygen Demand (NOD), in dollars per pound
- Ni = weight of NOD from unusual users, in pounds per year

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made. Waste containing materials which, in the judgment of the Public Service District, should not be introduced into the sewer system need not be handled by it. The results of this preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefore, based upon the formula set out above.

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the Green Valley-Glenwood Public Service District records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user, or refund given by Green Valley-Glenwood Public Service District, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as aforesaid.

SURFACE OR GROUND WATER SURCHARGE

Whenever the utility has discovered that a customer's roof drain, downspout, storm sewer or similar facilities conducting surface water have been connected to the utility's sewer system, and such customer has failed to take appropriate action, within thirty (30) days of a demand by the utility in accordance with the Rules of the Public Service Commission, to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

$$S = A \times R \times 0.0006233 \times C$$

S	=	The surcharge in dollars
A	=	The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet.
R	=	The measured monthly rainfall as determined by the National Weather Service.
.0006233	=	A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water.
C	=	The customer usage charge for the area in which the customer is located ($8.32 per 1,000 gallons).

The utility shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing or on-site inspection that rain or surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water in accordance with the Rules of the Public Service Commission of West Virginia.

EXCESSIVE INDUSTRIAL DISCHARGE

Any industrial customer who exceeds its individual NPDES discharge limitations will be given sixty (60) days to bring its facility back into compliance. The District shall provide such customer with written notice regarding the lack of compliance and the initiation of the sixty (60) day period. The sixty (60) days shall begin on the date of service of such notice. Should the customer be unable to place its facility back into compliance within sixty (60) days, the District may discontinue service after 10-days' notice has been provided to the customer. A new sixty (60) day correction period shall be afforded to correct successive NPDES discharge limitation violations. In addition to the termination of service, each individual industrial customer will be responsible for any monetary penalties which are a direct result of its discharge not meeting its individual limitations for its facilities.

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 3rd day of September 2009.

Case No. 09-0196-PSD-30B
GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT
a public utility,
Bluefield, Mercer County
Rule 30B application to increase rates to offset the increased cost of purchased sewage treatment from the Princeton Sanitary Board

COMMISSION ORDER

On June 4, 2009, the Commission issued an Order approving a sewer tariff for use by the Green Valley-Glenwood Public Service District ("District").

It has come to the Commission's attention that the Order contained an error in the Commission Approved Tariff. In the Water Disconnect-Reconnect Fees-Administrative Fees section, on page 2 of Attachment 1, paragraph three incorrectly stated the administrative fee amount.

IT IS THEREFORE ORDERED that ordering paragraph three of the Commission's June 4, 2009 order is corrected to read as follows:

> In the event that Utility staff or agents collect money at the customer's residence in order to stop disconnection, an administrative fee of $25.00 shall be paid in addition to the other charges to prevent disconnection.

IT IS FURTHER ORDERED that except as corrected herein, the June 4, 2009 Order remains in full force and effect.

IT IS FURTHER ORDERED that the Commission Executive Secretary serve a copy of this order upon all parties of record by United States First Class Mail and upon Commission Staff by hand delivery.

A True Copy, Teste:

Sandra Squire

Sandra Squire
Executive Secretary

MEB;tt
090196cb.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 10th day of June 2009.

Case No. 09-0196-PSD-30B
GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT
a public utility,
Bluefield, Mercer County
Rule 30B application to increase rates to offset the
increased cost of purchased sewage treatment from
the Princeton Sanitary Board

COMMISSION ORDER

It has come to the Commission's attention that the Commission Approved Tariff was not attached to the Commission Order issued June 4, 2009, approving the *Tariff Rule* 30B application of Green-Valley-Glenwood Public Service District to increase rates to offset the increased cost of purchased sewage treatment from the Princeton Sanitary Board.

The Commission Approved Tariff is attached to this Order.

IT IS ORDERED that the Commission Order issued June 4, 2009, is modified to include the Commission Approved Tariff as Attachment 1.

IT IS FURTHER ORDERED that the Commission's Executive Secretary serve a copy of this order upon all parties of record by United States First Class Mail and upon Commission Staff by hand delivery.

A True Copy, Teste: Sandra Squire

Sandra Squire
Executive Secretary

MEB;tt
090196ca.wpd

GREEN VALLEY PUBLIC SERVICE DISTRICT
CASE NO. 09-0196-PSD-30B
COMMISSION APPROVED TARIFF

APPLICABILITY

Applicable within the entire territory served

AVAILABILITY

Available for general domestic, commercial and industrial service (except for unusual industrial waste) and sale for resale sewer service

(I) RATES

First 2,000 gallons used per month	$8.62 per 1,000 gallons
Next 2,000 gallons used per month	$7.78 per 1,000 gallons
Next 6,000 gallons used per month	$6.88 per 1,000 gallons
Next 90,000 gallons used per month	$5.99 per 1,000 gallons
All over 100,000 gallons used per month	$5.12 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than $16.64 per month, which is the equivalent of 2,000 gallons of sewage usage.

(I) The above minimum charge is subject to an additional $0.30 per thousand gallons

(I) FLAT RATE CHARGE (customers with non-metered sewage)

Equivalent of four thousand gallons of sewage usage, $36.24 per month. (Equivalent of 4,500 gallons of sewage usage)

LANDFILL LEACHATE CHARGE

$8.32 per 1,000 gallons (Alternate-use attached Schedule A)

DELAYED PAYMENT PENALTY

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

WATER SERVICE CONNECTION

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

A tape fee of $100 will be charged applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This preconstruction tap fee will be invalid after the completion of construction adjacent to the app.

A tap fee of $300 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

WATER DISCONNECT - RECONNECT FEES - ADMINISTRATIVE FEES

Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge of $25.00 have been paid.

There shall be a $25.00 reconnection charge paid prior to restoration of water service which has been previously disconnected for any reason.

In the event that Utility staff or agents collect money at the customer's residence in order to stop disconnection, an administrative fee of 425.00 shall be paid in addition to other charges to prevent disconnection.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the sewer utility up to a maximum of $25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank due to insufficient funds.

(I) LEAK ADJUSTMENT

$2.65 per thousand gallons is to be used when a bill reflects unusual water consumption which can be attributed to eligible water leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

(I) Indicates increase.

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PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 4th day of June 2009.

Case No. 09-0196-PSD-30B
GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT
a public utility,
Bluefield, Mercer County

Rule 30B application to increase rates to offset the increased cost of purchased sewage treatment from the Princeton Sanitary Board

COMMISSION ORDER

On March 2, 2009, the Green Valley-Glenwood Public Service District ("District") filed an unverified letter seeking assistance in increasing its sewer rates and charges to offset an increase in the cost of purchased sewage treatment provided by the City of Princeton Sanitary Board ("City"). The District supplemented its request with a letter from the District's accountant, a copy of its current sewer tariff, and a copy of its proposed sewer tariff reflecting several changes including an increased landfill leachate charge and the addition of three schedules. The Commission treated the District's letter as an application filed in accordance with *Tariff Rule* 30B of the Commission's *Rules for the Construction and Filing of Tariffs* ("*Tariff Rules*"), 150 C.S.R. Series 2.

On April 6, 2009, Commission Staff ("Staff") filed an Initial and Final Joint Staff Memorandum stating that by ordinance, the City increased its sewage treatment rate in two steps effective April 24, 2008. The Commission granted the District approval for the first pass through in Case No. 08-0642-PSD-30B, effective July 1, 2008. Effective May 1, 2009, the City enacted the second phase of its rate increase that increased the City's resale rate by $0.50 per thousand gallons.

Staff recommended that (i) the Commission approve a rate increase for the District of $0.12 per thousand gallons, resulting in a 1.51% increase for residential customers over previous rates, (ii) the Commission approve an increase in the leak adjustment rate from $2.43 to $2.65 per thousand gallons of water usage, (iii) the District revise its tariff to reflect the Commission's most recent tariff language, (iv) the District provide public notice as required by *Tariff Rule* 13.1.b, and (iv) the District request tariff revisions other than the increases in sewer rates and the leak adjustment rate, in a separate filing.

The District published the required notice on April 17, 2009, in the Bluefield Daily Telegraph. See, Affidavit of Publication.

To date, no protests have been filed with the Commission.

DISCUSSION

The Commission will approve the increases in sewer rates and the leak adjustment rate of the District because Staff recommended such approval and because no protests were filed in response to proper notice of the District's application.

FINDINGS OF FACT

1. The District applied to increase its sewer rates and charges, pursuant to *Tariff Rule* 30B, to offset an increase from the City. See, March 2, 2009 Application

2. Staff recommended increases in the rates and the leak adjustment rate of the District and required the District to notify customers of those rates. *See,* April 6, 2009 Staff Memorandum.

3. The District gave proper notice of the application. *See,* April 17, 2009 Affidavit of Publication.

4. No protests have been filed with the Commission. *See,* Case file generally.

CONCLUSIONS OF LAW

1. Because Staff recommended the proposed increase and because no protests have been received, the Commission should approve the increase of $0.12 per thousand gallons of metered water usage to be added to the rates of the District to offset its cost of sewage treatment provided by the City.

2. The Commission should also approve the proposed increase in the leak adjustment rate of the District.

ORDER

IT IS THEREFORE ORDERED that the Commission approves the use of $0.12 per thousand gallons of metered water usage as the 30B increment and $2.65 per thousand gallons of metered water usage as the incremental leak adjustment rate for the Green Valley-Glenwood Public Service District effective for all bills rendered on or after the date of this Order. These rates appear in the approved tariff included as Attachment A.

IT IS FURTHER ORDERED that within thirty days of the date of this Order, Green Valley-Glenwood Public Service District shall file an original and six copies of a revised tariff setting forth these approved rates and charges.

IT IS FURTHER ORDERED that this proceeding be removed from the Commission docket of active cases.

IT IS FURTHER ORDERED that the Executive Secretary serve a copy of this Order upon all parties of record by United States Mail, and upon Commission Staff by hand delivery.

A True Copy, Teste:

Sandra Squire

Sandra Squire
Executive Secretary

MEB;tt
090196c.wpd

GREEN VALLEY PUBLIC SERVICE DISTRICT
CASE NO. 09-0196-PSD-30B
COMMISSION APPROVED TARIFF

APPLICABILITY

Applicable within the entire territory served

AVAILABILITY

Available for general domestic, commercial and industrial service (except for unusual industrial waste) and sale for resale sewer service

(I) RATES

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MINIMUM CHARGE

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There shall be a $25.00 reconnection charge paid prior to restoration of water service which has been previously disconnected for any reason.

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(I) LEAK ADJUSTMENT

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(I) Indicates increase.

SCHEDULE A
SURCHARGE FORMULA TO BE APPLIED IN THE CASE OF USERS PRODUCING UNUSUAL WASTE

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

$$Ci = VoVi + BoBi + SoSi + NoNi$$

Where,

Ci = charge to unusual users per year
Vo = average unit cost of transport and treatment chargeable to volume, in dollars per gallon
Vi = volume of waste water from unusual users, in gallons per year
Bo = average unit of cost of treatment, chargeable to Biochemical Oxygen Demand (BOD), in dollars per pound
Bi = weight of BOD from unusual users, in pounds per year
So = average unit costs of treatment (including sludge treatment) chargeable to total solids, in dollars per pound
Si = weight of total solids fkom unusual users, in pounds per year
No = average unit costs of treatment chargeable to Nitrogenous Oxygen Demand (NOD), in dollars per pound
Ni = weight of NOD from unusual users, in pounds per year

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof will be made. Waste containing materials which, in the judgment of the Public Service District, should not be introduced into the sewer system need not be handled by it. The results of this preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefore, based upon the formula set out above.

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the Green Valley-Glenwood Public Service District records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user, or refund given by Green Valley-Glenwood Public Service District, as the case may be. Such audited figures will then be used for the preliminary billing for that the end of which an adjustment will be made as aforesaid.

SURFACE OR GROUND WATER SURCHARGE

Whenever the utility has discovered that a customer's roof drain, downs pout, storm sewer or similar facilities conducting surface water have been connected to the utility's sewer system, and such customer has failed to take appropriate action, within thirty (30) days of a demand by the utility in accordance with the Rules of the Public Service Commission, to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

$$S = A \times R \times 0.0006233 \times C$$

S = The surcharge in dollars

A = The area under roof and or the area of any other water collection surface connected to the sanitary sewer, in square feet.

R = The measured monthly rainfall as determined by the National Weather Service

.0006233 = A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water.

C = The customer usage charge for the area in which the customer is located ($8.32 per 1,000 gallons).

The utility shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing or on-site inspection that rain or surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system. Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and or correct the situation shall give rise to the possible termination of water in accordance with the Rules of the Public Service Commission of West Virginia.

EXCESSIVE INDUSTRIAL DISCHARGE

Any industrial customer who exceeds its individual NPDES discharge limitations will be given sixty *(60)* days to bring its facility back into compliance. The District shall provide such customer with written notice regarding the lack of compliance and the initiation of the sixty (60) day period. The sixty (60) days shall begin on the date of service of such notice.

Should the customer be unable to place its facility back into Compliance within sixty *(60)* days, the District may discontinue service after 10-days' notice has been provided to the customer. A new sixty *(60)* day correction period shall be afforded to correct successive NPDES discharge limitation violations. In addition to the termination of service, each individual industrial customer will be responsible for any monetary penalties which are a direct result of its discharge not meeting its individual limitations for its facilities.

BB&T

Branch Banking & Trust Co.

Governmental Finance
501 Tennessee Avenue
Charleston, WV 25302
(304) 353-1653
Fax (304) 340-4702

September 30, 2010

Marty Mariotti
Director
Green Valley Glenwood Public Service District
PO Box 6099
Bluefield, WV 24701

Dear Mr. Mariotti:

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

(1) **Project:** Refinance of Series 2003 Sewer Revenue Bonds

(2) **Amount To Be Financed:** up to $1,290,000.00

(3) **Interest Rates, Financing Terms and Corresponding Payments:**

Term	Rate
15 years	3.63%

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

The interest rates stated above are valid for a closing not later than 45 days after today. Closing of the financing is contingent upon completing documentation acceptable to BB&T. We shall review your most recent financial statements before funding this transaction.

Remuneration for our legal expenses, preparation of documentation and for providing the project fund services for this financing transaction shall be $4,250.00. All applicable taxes, permits, costs of lawyers for the District and any other costs shall be the District's responsibility and separately payable by the District. The financing documents shall allow prepayment of the principal balance in whole on a scheduled payment date with a 1% prepayment premium.

The stated interest rates assume that the District expects to borrow less than $30,000,000 in calendar year 2010 and that the District shall comply with IRS Code Sections 141, 148 and 149. BB&T reserves the right to terminate its interest in this bid or to negotiate a mutually acceptable rate if the financing is not qualified tax-exempt financing for the purpose of IRS Code Section 265(b)(3).

(4) **Financing Documents:**

It shall be the responsibility of the County to retain and compensate counsel to appropriately structure the bond according to Federal and West Virginia State Statutes. BB&T shall also require the County's Bond Counsel to provide an unqualified legal opinion. BB&T reserves the right to review the bond and it must be mutually accepted by BB&T and the County.

(5) **Security:**

The financing shall be secured by a parity lien on the net revenues of the sewer system of the District. Addtionally, there shall be a debt service reserve equal to one year of debt service for this financing. The District shall also covenant to keep the rates for sewerage service at a level which will achieve a debt service ratio on all sewer revenue bonds at 1.10 to 1 after operating expenses.

* * * * * *

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

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

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

Sincerely,

BRANCH BANKING AND TRUST COMPANY

Russell R. Akers II

Russell R. Akers, II
Vice President

Enclosure

Green Valley / Glenwood Public Service District, West Virginia
Sewer revenue bond refunding

Compound Period: Monthly

Nominal Annual Rate: 3.630 %

CASH FLOW DATA

	Event	Date	Amount	Number	Period	End Date
1	Loan	09/30/2010	1,290,000.00	1		
2	Payment	10/31/2010	9,304.56	180	Monthly	09/30/2025

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	09/30/2010				1,290,000.00
1	10/31/2010	9,304.56	3,902.25	5,402.31	1,284,597.69
2	11/30/2010	9,304.56	3,885.91	5,418.65	1,279,179.04
3	12/31/2010	9,304.56	3,869.52	5,435.04	1,273,744.00
4	01/31/2011	9,304.56	3,853.08	5,451.48	1,268,292.52
5	02/28/2011	9,304.56	3,836.58	5,467.98	1,262,824.54
6	03/31/2011	9,304.56	3,820.04	5,484.52	1,257,340.02
7	04/30/2011	9,304.56	3,803.45	5,501.11	1,251,838.91
8	05/31/2011	9,304.56	3,786.81	5,517.75	1,246,321.16
9	06/30/2011	9,304.56	3,770.12	5,534.44	1,240,786.72
2011 Totals		83,741.04	34,527.76	49,213.28	
10	07/31/2011	9,304.56	3,753.38	5,551.18	1,235,235.54
11	08/31/2011	9,304.56	3,736.59	5,567.97	1,229,667.57
12	09/30/2011	9,304.56	3,719.74	5,584.82	1,224,082.75
13	10/31/2011	9,304.56	3,702.85	5,601.71	1,218,481.04
14	11/30/2011	9,304.56	3,685.91	5,618.65	1,212,862.39
15	12/31/2011	9,304.56	3,668.91	5,635.65	1,207,226.74
16	01/31/2012	9,304.56	3,651.86	5,652.70	1,201,574.04
17	02/29/2012	9,304.56	3,634.76	5,669.80	1,195,904.24
18	03/31/2012	9,304.56	3,617.61	5,686.95	1,190,217.29
19	04/30/2012	9,304.56	3,600.41	5,704.15	1,184,513.14
20	05/31/2012	9,304.56	3,583.15	5,721.41	1,178,791.73
21	06/30/2012	9,304.56	3,565.84	5,738.72	1,173,053.01
2012 Totals		111,654.72	43,921.01	67,733.71	
22	07/31/2012	9,304.56	3,548.49	5,756.07	1,167,296.94
23	08/31/2012	9,304.56	3,531.07	5,773.49	1,161,523.45
24	09/30/2012	9,304.56	3,513.61	5,790.95	1,155,732.50
25	10/31/2012	9,304.56	3,496.09	5,808.47	1,149,924.03
26	11/30/2012	9,304.56	3,478.52	5,826.04	1,144,097.99

27	12/31/2012	9,304.56	3,460.90	5,843.66	1,138,254.33
28	01/31/2013	9,304.56	3,443.22	5,861.34	1,132,392.99
29	02/28/2013	9,304.56	3,425.49	5,879.07	1,126,513.92
30	03/31/2013	9,304.56	3,407.70	5,896.86	1,120,617.06
31	04/30/2013	9,304.56	3,389.87	5,914.69	1,114,702.37
32	05/31/2013	9,304.56	3,371.97	5,932.59	1,108,769.78
33	06/30/2013	9,304.56	3,354.03	5,950.53	1,102,819.25
2013 Totals		111,654.72	41,420.96	70,233.76	
34	07/31/2013	9,304.56	3,336.03	5,968.53	1,096,850.72
35	08/31/2013	9,304.56	3,317.97	5,986.59	1,090,864.13
36	09/30/2013	9,304.56	3,299.86	6,004.70	1,084,859.43
37	10/31/2013	9,304.56	3,281.70	6,022.86	1,078,836.57
38	11/30/2013	9,304.56	3,263.48	6,041.08	1,072,795.49
39	12/31/2013	9,304.56	3,245.21	6,059.35	1,066,736.14
40	01/31/2014	9,304.56	3,226.88	6,077.68	1,060,658.46
41	02/28/2014	9,304.56	3,208.49	6,096.07	1,054,562.39
42	03/31/2014	9,304.56	3,190.05	6,114.51	1,048,447.88
43	04/30/2014	9,304.56	3,171.55	6,133.01	1,042,314.87
44	05/31/2014	9,304.56	3,153.00	6,151.56	1,036,163.31
45	06/30/2014	9,304.56	3,134.39	6,170.17	1,029,993.14
2014 Totals		111,654.72	38,828.61	72,826.11	
46	07/31/2014	9,304.56	3,115.73	6,188.83	1,023,804.31
47	08/31/2014	9,304.56	3,097.01	6,207.55	1,017,596.76
48	09/30/2014	9,304.56	3,078.23	6,226.33	1,011,370.43
49	10/31/2014	9,304.56	3,059.40	6,245.16	1,005,125.27
50	11/30/2014	9,304.56	3,040.50	6,264.06	998,861.21
51	12/31/2014	9,304.56	3,021.56	6,283.00	992,578.21
52	01/31/2015	9,304.56	3,002.55	6,302.01	986,276.20
53	02/28/2015	9,304.56	2,983.49	6,321.07	979,955.13
54	03/31/2015	9,304.56	2,964.36	6,340.20	973,614.93
55	04/30/2015	9,304.56	2,945.19	6,359.37	967,255.56
56	05/31/2015	9,304.56	2,925.95	6,378.61	960,876.95
57	06/30/2015	9,304.56	2,906.65	6,397.91	954,479.04
2015 Totals		111,654.72	36,140.62	75,514.10	
58	07/31/2015	9,304.56	2,887.30	6,417.26	948,061.78
59	08/31/2015	9,304.56	2,867.89	6,436.67	941,625.11
60	09/30/2015	9,304.56	2,848.42	6,456.14	935,168.97
61	10/31/2015	9,304.56	2,828.89	6,475.67	928,693.30
62	11/30/2015	9,304.56	2,809.30	6,495.26	922,198.04
63	12/31/2015	9,304.56	2,789.65	6,514.91	915,683.13
64	01/31/2016	9,304.56	2,769.94	6,534.62	909,148.51
65	02/29/2016	9,304.56	2,750.17	6,554.39	902,594.12
66	03/31/2016	9,304.56	2,730.35	6,574.21	896,019.91
67	04/30/2016	9,304.56	2,710.46	6,594.10	889,425.81
68	05/31/2016	9,304.56	2,690.51	6,614.05	882,811.76
69	06/30/2016	9,304.56	2,670.51	6,634.05	876,177.71
2016 Totals		111,654.72	33,353.39	78,301.33	

70	07/31/2016	9,304.56	2,650.44	6,654.12	869,523.59
71	08/31/2016	9,304.56	2,630.31	6,674.25	862,849.34
72	09/30/2016	9,304.56	2,610.12	6,694.44	856,154.90
73	10/31/2016	9,304.56	2,589.87	6,714.69	849,440.21
74	11/30/2016	9,304.56	2,569.56	6,735.00	842,705.21
75	12/31/2016	9,304.56	2,549.18	6,755.38	835,949.83
76	01/31/2017	9,304.56	2,528.75	6,775.81	829,174.02
77	02/28/2017	9,304.56	2,508.25	6,796.31	822,377.71
78	03/31/2017	9,304.56	2,487.69	6,816.87	815,560.84
79	04/30/2017	9,304.56	2,467.07	6,837.49	808,723.35
80	05/31/2017	9,304.56	2,446.39	6,858.17	801,865.18
81	06/30/2017	9,304.56	2,425.64	6,878.92	794,986.26
2017 Totals		111,654.72	30,463.27	81,191.45	
82	07/31/2017	9,304.56	2,404.83	6,899.73	788,086.53
83	08/31/2017	9,304.56	2,383.96	6,920.60	781,165.93
84	09/30/2017	9,304.56	2,363.03	6,941.53	774,224.40
85	10/31/2017	9,304.56	2,342.03	6,962.53	767,261.87
86	11/30/2017	9,304.56	2,320.97	6,983.59	760,278.28
87	12/31/2017	9,304.56	2,299.84	7,004.72	753,273.56
88	01/31/2018	9,304.56	2,278.65	7,025.91	746,247.65
89	02/28/2018	9,304.56	2,257.40	7,047.16	739,200.49
90	03/31/2018	9,304.56	2,236.08	7,068.48	732,132.01
91	04/30/2018	9,304.56	2,214.70	7,089.86	725,042.15
92	05/31/2018	9,304.56	2,193.25	7,111.31	717,930.84
93	06/30/2018	9,304.56	2,171.74	7,132.82	710,798.02
2018 Totals		111,654.72	27,466.48	84,188.24	
94	07/31/2018	9,304.56	2,150.16	7,154.40	703,643.62
95	08/31/2018	9,304.56	2,128.52	7,176.04	696,467.58
96	09/30/2018	9,304.56	2,106.81	7,197.75	689,269.83
97	10/31/2018	9,304.56	2,085.04	7,219.52	682,050.31
98	11/30/2018	9,304.56	2,063.20	7,241.36	674,808.95
99	12/31/2018	9,304.56	2,041.30	7,263.26	667,545.69
100	01/31/2019	9,304.56	2,019.33	7,285.23	660,260.46
101	02/28/2019	9,304.56	1,997.29	7,307.27	652,953.19
102	03/31/2019	9,304.56	1,975.18	7,329.38	645,623.81
103	04/30/2019	9,304.56	1,953.01	7,351.55	638,272.26
104	05/31/2019	9,304.56	1,930.77	7,373.79	630,898.47
105	06/30/2019	9,304.56	1,908.47	7,396.09	623,502.38
2019 Totals		111,654.72	24,359.08	87,295.64	
106	07/31/2019	9,304.56	1,886.09	7,418.47	616,083.91
107	08/31/2019	9,304.56	1,863.65	7,440.91	608,643.00
108	09/30/2019	9,304.56	1,841.15	7,463.41	601,179.59
109	10/31/2019	9,304.56	1,818.57	7,485.99	593,693.60
110	11/30/2019	9,304.56	1,795.92	7,508.64	586,184.96
111	12/31/2019	9,304.56	1,773.21	7,531.35	578,653.61
112	01/31/2020	9,304.56	1,750.43	7,554.13	571,099.48

113	02/29/2020	9,304.56	1,727.58	7,576.98	563,522.50
114	03/31/2020	9,304.56	1,704.66	7,599.90	555,922.60
115	04/30/2020	9,304.56	1,681.67	7,622.89	548,299.71
116	05/31/2020	9,304.56	1,658.61	7,645.95	540,653.76
117	06/30/2020	9,304.56	1,635.48	7,669.08	532,984.68
2020 Totals		111,654.72	21,137.02	90,517.70	
118	07/31/2020	9,304.56	1,612.28	7,692.28	525,292.40
119	08/31/2020	9,304.56	1,589.01	7,715.55	517,576.85
120	09/30/2020	9,304.56	1,565.67	7,738.89	509,837.96
121	10/31/2020	9,304.56	1,542.26	7,762.30	502,075.66
122	11/30/2020	9,304.56	1,518.78	7,785.78	494,289.88
123	12/31/2020	9,304.56	1,495.23	7,809.33	486,480.55
124	01/31/2021	9,304.56	1,471.60	7,832.96	478,647.59
125	02/28/2021	9,304.56	1,447.91	7,856.65	470,790.94
126	03/31/2021	9,304.56	1,424.14	7,880.42	462,910.52
127	04/30/2021	9,304.56	1,400.30	7,904.26	455,006.26
128	05/31/2021	9,304.56	1,376.39	7,928.17	447,078.09
129	06/30/2021	9,304.56	1,352.41	7,952.15	439,125.94
2021 Totals		111,654.72	17,795.98	93,858.74	
130	07/31/2021	9,304.56	1,328.36	7,976.20	431,149.74
131	08/31/2021	9,304.56	1,304.23	8,000.33	423,149.41
132	09/30/2021	9,304.56	1,280.03	8,024.53	415,124.88
133	10/31/2021	9,304.56	1,255.75	8,048.81	407,076.07
134	11/30/2021	9,304.56	1,231.41	8,073.15	399,002.92
135	12/31/2021	9,304.56	1,206.98	8,097.58	390,905.34
136	01/31/2022	9,304.56	1,182.49	8,122.07	382,783.27
137	02/28/2022	9,304.56	1,157.92	8,146.64	374,636.63
138	03/31/2022	9,304.56	1,133.28	8,171.28	366,465.35
139	04/30/2022	9,304.56	1,108.56	8,196.00	358,269.35
140	05/31/2022	9,304.56	1,083.76	8,220.80	350,048.55
141	06/30/2022	9,304.56	1,058.90	8,245.66	341,802.89
2022 Totals		111,654.72	14,331.67	97,323.05	
142	07/31/2022	9,304.56	1,033.95	8,270.61	333,532.28
143	08/31/2022	9,304.56	1,008.94	8,295.62	325,236.66
144	09/30/2022	9,304.56	983.84	8,320.72	316,915.94
145	10/31/2022	9,304.56	958.67	8,345.89	308,570.05
146	11/30/2022	9,304.56	933.42	8,371.14	300,198.91
147	12/31/2022	9,304.56	908.10	8,396.46	291,802.45
148	01/31/2023	9,304.56	882.70	8,421.86	283,380.59
149	02/28/2023	9,304.56	857.23	8,447.33	274,933.26
150	03/31/2023	9,304.56	831.67	8,472.89	266,460.37
151	04/30/2023	9,304.56	806.04	8,498.52	257,961.85
152	05/31/2023	9,304.56	780.33	8,524.23	249,437.62
153	06/30/2023	9,304.56	754.55	8,550.01	240,887.61
2023 Totals		111,654.72	10,739.44	100,915.28	
154	07/31/2023	9,304.56	728.69	8,575.87	232,311.74

155	08/31/2023	9,304.56	702.74	8,601.82	223,709.92
156	09/30/2023	9,304.56	676.72	8,627.84	215,082.08
157	10/31/2023	9,304.56	650.62	8,653.94	206,428.14
158	11/30/2023	9,304.56	624.45	8,680.11	197,748.03
159	12/31/2023	9,304.56	598.19	8,706.37	189,041.66
160	01/31/2024	9,304.56	571.85	8,732.71	180,308.95
161	02/29/2024	9,304.56	545.43	8,759.13	171,549.82
162	03/31/2024	9,304.56	518.94	8,785.62	162,764.20
163	04/30/2024	9,304.56	492.36	8,812.20	153,952.00
164	05/31/2024	9,304.56	465.70	8,838.86	145,113.14
165	06/30/2024	9,304.56	438.97	8,865.59	136,247.55
2024 Totals		111,654.72	7,014.66	104,640.06	
166	07/31/2024	9,304.56	412.15	8,892.41	127,355.14
167	08/31/2024	9,304.56	385.25	8,919.31	118,435.83
168	09/30/2024	9,304.56	358.27	8,946.29	109,489.54
169	10/31/2024	9,304.56	331.21	8,973.35	100,516.19
170	11/30/2024	9,304.56	304.06	9,000.50	91,515.69
171	12/31/2024	9,304.56	276.83	9,027.73	82,487.96
172	01/31/2025	9,304.56	249.53	9,055.03	73,432.93
173	02/28/2025	9,304.56	222.13	9,082.43	64,350.50
174	03/31/2025	9,304.56	194.66	9,109.90	55,240.60
175	04/30/2025	9,304.56	167.10	9,137.46	46,103.14
176	05/31/2025	9,304.56	139.46	9,165.10	36,938.04
177	06/30/2025	9,304.56	111.74	9,192.82	27,745.22
2025 Totals		111,654.72	3,152.39	108,502.33	
178	07/31/2025	9,304.56	83.93	9,220.63	18,524.59
179	08/31/2025	9,304.56	56.04	9,248.52	9,276.07
180	09/30/2025	9,304.56	28.49	9,276.07	0.00
2026 Totals		27,913.68	168.46	27,745.22	
Grand Totals		1,674,820.80	384,820.80	1,290,000.00	

BB&T

Branch Banking & Trust Co.

Governmental Finance
501 Tennessee Avenue
Charleston, WV 25302
(304) 353-1653
Fax (304) 340-4702

December 29, 2010

Green Valley-Glenwood Public Service District
Sewer Refunding Revenue Bonds, Series 2010 A

Green Valley-Glenwood Public Service District
Bluefield, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

The undersigned Russell R. Akers, II, Assistant Vice President of Branch Banking and Trust Company, Charleston, West Virginia (the "Purchaser"), on behalf of the Purchaser in connection with its purchase of $1,290,000 aggregate principal amount of the Sewer Refunding Revenue Bonds, Series 2010 A (the "Bonds"), issued by the Green Valley-Glenwood Public Service District (the "Issuer") on the date hereof, hereby makes the following representations and warranties to you that:

1. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal revenue obligations, to be able to evaluate the risks and merits of the investment represented by our purchase of the Bonds, and our net worth and available assets are such that we are able to bear the economic risk of our purchase of the Bonds.

2. We understand that the entire principal of and interest on the Bonds are payable by the Issuer solely from the Net Revenues of the System (as defined in the Resolution of the Issuer adopted December 23, 2010), on a parity with the Issuer's Prior Bonds; that the Bonds are special and limited obligations of the Issuer and are not general obligations or secured by any obligation or pledge of any monies received or to be received by the Issuer other than the Net Revenues described above; that the Bonds do not now and shall never constitute an indebtedness of the Issuer with in the meaning of any constitutional or statutory provision or limitation, all as set forth in the Resolution.

3. We understand that no official statement, prospectus, offering circular or other offering statement containing material information with respect to the Issuer or the Bonds is being issued, that the Bonds are unrated, and that in due diligence, we have made our own inquiry and analysis with respect to the Issuer, the Bonds and the security therefor, and other material factors affecting the security for and payment of the Bonds, and are relying solely on such inquiry and analysis in our purchase of the Bonds.

4. We acknowledge that during the course of the transaction and prior to the sale of the Bonds, we have requested or have had access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and we have had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Issuer, the Bonds and the security therefor, so that as a reasonable investor, we have been able to make our decision to purchase the Bonds. No such information requested by us has been denied to us.

5. Because of our experience in financial and business matters, we believe that we are qualified to make the inquiry and analysis described in paragraph 3 and to understand fully the documents and information described in paragraph 4.

6. We understand that the Bonds (a) are not being registered under the Securities Act of 1933, as amended, and are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed on any stock or other securities exchange, (c) will carry no rating from any rating service, and (d) may be resold only to purchasers who meet the criteria set forth herein and who, as a condition to such purchase, deliver an executed letter substantially in the form hereof to Steptoe & Johnson PLLC, Charleston, West Virginia.

7. We have been informed by Steptoe & Johnson PLLC, bond counsel to the Issuer, that the Internal Revenue Code of 1986, as amended (the "Code"), prescribes satisfaction of several requirements in order that interest on the Bonds be and remain excludable from gross income for federal income tax purposes, some of which apply after issuance of the Bonds, and that noncompliance by the Issuer with certain of such requirements could cause interest on the Bonds to be includable in gross income for federal income tax purposes and thus, subject to federal income taxation retroactively to the date hereof. We have also been informed by Steptoe & Johnson that under the Code, interest on obligations, such as the Bonds, which are not "private activity bonds," are not an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations by Section 55 of the Code, but that a provision of the Code which is applicable to corporations (as defined for federal income tax purposes), and which would impose an alternative minimum tax on a portion of the excess of adjusted net book income over pre-book alternative minimum taxable income, could subject part of the interest on the Bonds received by corporations to such corporate alternative minimum tax.

8. We are purchasing the Bonds for investment in our own account and do not intend to divide the Bonds purchased by us nor to resell or otherwise dispose of all or any part of the Bonds purchased by us, except as permitted by law on a basis of full disclosure to any subsequent holder of the Bonds and subject to applicable securities laws and regulations thereunder.

9. The Bonds and the other certificates, opinions and documents delivered in connection with the Bonds contain such terms and are in such form that are acceptable to the Purchaser.

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

Very truly yours,

BRANCH BANKING AND TRUST COMPANY

By: Russell R. Akers II
Authorized Officer

354550.00007

SENDER: *COMPLETE THIS SECTION*

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

1. Article Addressed to:

Internal Revenue Service
Internal Revenue Service Center
Ogden, Utah 84201

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X ☐ Agent ☐ Addressee

B. Received by (*Printed Name*) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

RECEIVED
JAN 10 2011
IRS-OSC
OGDEN, UT

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (*Extra Fee*) ☐ Yes

2. Article Number (*Transfer from service label*) 7008 0150 0003 0442 0561 3545500007

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

7008 0150 0003 0442 0561

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com®

OFFICIAL USE

Postage	$	B lant
Certified Fee		Postmark Here
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	$ 6.32	

Sent To 3545500 00007
Street, Apt. or PO Box Internal Revenue Service
Internal Revenue Service Center
City, State Ogden, Utah 84201

PS Form 3800, August 2006 See Reverse for Instructions

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

Chase Tower, Eighth Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.steptoe-johnson.com

Writer's Contact Information
(304) 353-8196 Phone
(304) 353-8181 Fax
John.Stump@steptoe-johnson.com

January 6, 2011

Green Valley-Glenwood Public Service District
Sewer Refunding Revenue Bonds, Series 2010 A

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Internal Revenue Service
Internal Revenue Service Center
Ogden, Utah 84201

Ladies and Gentlemen:

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

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

My best regards.

Very truly yours,

John C. Stump

JCS/bsl
Enclosure
354550.00007

Form **8038-G** (Rev. May 2010) Department of the Treasury Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)

▶ See separate instructions.

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

OMB No. 1545-0720

If Amended Return, check here ▶ ☐

Part I Reporting Authority

1 Issuer's name: Green Valley-Glenwood Public Service District

2 Issuer's employer identification number (EIN): 55 0481119

3 Number and street (or P.O. box if mail is not delivered to street address): 2387 Maple Acres Road — Room/suite:

4 Report number (*For IRS Use Only*): 3

5 City, town, or post office, state, and ZIP code: Princeton, West Virginia 24740

6 Date of issue: 12/29/2010

7 Name of issue: Sewer Refunding Revenue Bonds, Series 2010 A

8 CUSIP number: NA

9 Name and title of officer of the issuer or other person whom the IRS may call for more information: Jimmy Welch, Chairman

10 Telephone number of officer or other person: (304) 325.6832

Part II Type of Issue (enter the issue price) See instructions and attach schedule

11	Education	11	
12	Health and hospital	12	
13	Transportation	13	
14	Public safety	14	
15	Environment (including sewage bonds)	15	1,290,000
16	Housing	16	
17	Utilities	17	
18	Other. Describe ▶	18	
19	If obligations are TANs or RANs, check only box 19a ▶ ☐		
	If obligations are BANs, check only box 19b ▶ ☐		
20	If obligations are in the form of a lease or installment sale, check box ▶ ☐		

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	05/01/2025	$ 1,290,000	$ 1,290,000	7.84309 years	3.63 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22	
23	Issue price of entire issue (enter amount from line 21, column (b))			23	1,290,000
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	39,009 03		
25	Proceeds used for credit enhancement	25			
26	Proceeds allocated to reasonably required reserve or replacement fund	26	115,603 00		
27	Proceeds used to currently refund prior issues	27			
28	Proceeds used to advance refund prior issues	28	1,135,387 97		
29	Total (add lines 24 through 28)			29	
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

31	Enter the remaining weighted average maturity of the bonds to be currently refunded ▶	years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded ▶	7.72 years
33	Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) ▶	
34	Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)	

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	N/A
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a	N/A
b	Enter the final maturity date of the GIC ▶		
37	Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a	N/A

b If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the name of the issuer ▶ _____ and the date of the issue ▶ _____

38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☑

39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐

40 If the issuer has identified a hedge, check box ▶ ☐

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

Jimmy W. Welch 12-29-10 ▶ Jimmy Welch, Chairman

Signature of issuer's authorized representative — Date — Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶	Date	Check if self-employed ☐	Preparer's SSN or PTIN P01236822
Firm's name (or yours if self-employed), address, and ZIP code ▶	Steptoe & Johnson PLLC PO Box 1588, Charleston, WV 25326	EIN 55 0286140 Phone no. (304) 353.8000	

WEST VIRGINIA
Water Development Authority
Celebrating 36 Years of Service 1974 - 2010

December 29, 2010

Green Valley-Glenwood Public Service District
Sewer Refunding Revenue Bonds, Series 2010 A

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of Jeffrey S. Hollifield, CPA, the independent certified public accountant, and an opinion of Steptoe & Johnson PLLC, bond counsel, that the coverage and parity tests have been met, the undersigned duly authorized representative of the West Virginia Water Development Authority (the "Authority"), the registered owner of the entire outstanding aggregate principal amount of the Series 1998 B Bonds, hereinafter defined and described, hereby consents to the issuance of the Sewer Refunding Revenue Bonds, Series 2010 A in the original aggregate principal amount of $1,290,000 (the "Bonds"), by the Green Valley-Glenwood Public Service District (the "Issuer"), under the terms of the Bond Resolution authorizing the Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's Sewer Revenue Bonds, Series 1998 B (West Virginia Infrastructure Fund), dated November 25, 1998, issued in the original aggregate principal amount of $317,500 (the "Series 1998 B Bonds").

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By: Carol A. Cummings
Its: Authorized Representative

180 Association Drive, Charleston, WV 25311-1217
Phone (304) 558-3612 / fax (304) 558-0299
www.wvwda.org

United States Department of Agriculture
Rural Development
West Virginia State Office

December 20, 2010

Green Valley-Glenwood Public Service District
Sewer Refunding Revenue Bonds, Series 2010 A

TO WHOM IT MAY CONCERN:

The undersigned duly authorized representative for the United States of America, acting through the Rural Utilities Service, United States Department of Agriculture, the present holder of the Prior Bonds, hereinafter defined and described, hereby (i) consents to the issuance of the Sewer Refunding Revenue Bonds, Series 2010 A (the "Series 2010 A Bonds") to Branch Banking and Trust Company, in the principal amount of not to exceed $1,290,000, by Green Valley-Glenwood Public Service District (the "Issuer"), under the terms of the resolution authorizing the Series 2010 A Bonds (the "Series 2010 A Resolution") on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's: (a) Sewer Revenue Bonds, Series 1998 A (United States Department of Agriculture), dated March 24, 1998, issued in the original aggregate principal amount of $540,000 (the "Series 1998 A Bonds"); (b) Sewer Revenue Bonds, Series 2002 A (United States Department of Agriculture), dated January 4, 2002, issued in the original aggregate principal amount of $2,800,000 (the "Series 2002 A Bonds"); and (c) Sewer Revenue Bonds, Series 2002 B (United States Department of Agriculture), dated January 4, 2002, issued in the original aggregate principal amount of $950,000 (the "Series 2002 B Bonds"), (collectively, the "Prior Bonds"); (ii) waive any requirements imposed by the Prior Bonds or the resolutions authorizing the Prior Bonds (the "Prior Resolutions"), regarding the issuance of parity bonds which are not met by the Series 2010 A Bonds or the Series 2010 A Resolution; and (iii) any amendments made to the Prior Resolutions by the Series 2010 A Resolution.

Authorized Representative

1550 Earl Core Road • Suite 101 • Morgantown, WV 26505
Phone: 304.284.4860 • 1.800.295.8228 • Fax: 304.284.4893 • TTY/TDD: 304.284.4836 • Web: http://www.rurdev.usda.gov/wv

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GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

Sewer Refunding Revenue Bonds, Series 2010 A

RECEIPT AND RELEASE

The undersigned authorized representative of the West Virginia Municipal Bond Commission, as the Paying Agent of the Green Valley-Glenwood Public Service District's Sewer Refunding Revenue Bonds, Series 2003 A, dated October 1, 2003, issued in the original aggregate principal amount of $1,675,000 (the "Series 2003 A Bonds") hereby certifies that it has this day received the sum of $1,260,624.33 from the Green Valley-Glenwood Public Service District's and that such amount, together with the transfers of $55,766.85 from the Series 2003 A Bonds Sinking Fund and $133,335.48 from the Series 2003 B Reserve Account is sufficient to pay the Commission fees and to defease the entire principal amount of and interest accrued on the Series 2003 A Bonds on May 1, 2011 and discharge the liens, pledges and encumbrances securing the Series 2003 A Bonds.

Dated this 30th day of December, 2010.

WEST VIRGINIA MUNICIPAL BOND COMMISSION

By: _____
Its: Authorized Officer

354550.00007

5611135

Green Valley-Glenwood Public Service District
Sewer Refunding Revenue Bonds, Series 2010 A

ESCROW AGREEMENT FOR SERIES 2003 A BONDS

This **ESCROW AGREEMENT** (the "Agreement"), made and entered into as of December 29, 2010, by and among the **GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT** (the "Issuer"), the **WEST VIRGINIA MUNICIPAL BOND COMMISSION** (the "Paying Agent", the "Escrow Agent" or "Escrow Trustee") and **UNITED BANK, INC.** (the "Registrar").

WITNESETH THAT:

WHEREAS, the Issuer presently owns and operates a public sewerage system (the "System") and has heretofore financed and refinanced the acquisition and construction of the System and certain additions, extensions and improvements thereto by the issuance of several series of bonds;

WHEREAS, the Issuer has determined to issue its Sewer Refunding Revenue Bonds, Series 2010 A, dated December 29, 2010, in the aggregate principal amount of $1,290,000 (the "Series 2010 A Bonds") and contemporaneously therewith defease its Sewer Refunding Revenue Bonds, Series 2003 A, dated October 1, 2003, issued in the original aggregate principal amount of $1,675,000 of which $1,290,000 is currently outstanding (the "Series 2003 A Bonds");

WHEREAS, the Issuer intends to defease all of the Series 2003 A Bonds currently outstanding by depositing with the Escrow Agent on December 29, 2010 (the "Closing Date") a portion of the proceeds of the Series 2010 A Bonds in the amount of $1,133,472.80 and moneys on deposit in the Series 2003 A Bonds Sinking Fund and Series 2003 A Bonds Reserve Account, held by the Escrow Agent in the amounts of $55,766.85 and $133,335.48 respectively, which amounts will be deposited by the Escrow Agent an account to be created and known as the "Series 2003 A Bonds Escrow Fund",

WHEREAS, the cumulative amount deposited in the Series 2003 A Bonds Escrow Fund from the Series 2010 A Bonds, the Series 2003 A Bonds Sinking Fund and the Series 2003 A Reserve Account ($1,322,575) shall collectively be known as the "Redemption Deposit Amount";

WHEREAS, the Redemption Deposit Amount is in such amount as to insure the payment on May 1, 2011 (the "Redemption Date"), pursuant to the Bond Resolution adopted by the Issuer on August 18, 2003, as supplemented (collectively, the "Bond Resolution"), of the

entire principal amount of the Series 2003 A Bonds then outstanding, and all interest accrued thereon (collectively, the "Redemption Price"); and

WHEREAS, on or before one business day prior to the Redemption Date, the Paying Agent shall transfer to the Depository Trust Company ("DTC"), New York, New York, the Redemption Price in order that the payment can be effected to the registered owner(s) of the Series 2003 A Bonds upon presentation of such Series 2003 A Bonds for payment in accordance with the Bond Resolution;

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and in order further to secure payment of the Series 2003 A Bonds, as heretofore provided, the parties hereto mutually undertake, promise and agree for themselves, their respective representatives, successors and assigns, as follows:

1. The Escrow Agent shall create the Series 2003 A Bonds Escrow Fund separate and apart from all other funds or accounts of the Escrow Agent:

2. The Issuer shall deposit an amount of $1,133,472.80 from proceeds of the Series 2010 A Bonds with the Escrow Agent on the Closing Date and such amount shall constitute an irrevocable deposit of such moneys in trust for, and such moneys shall be deposited by the Escrow Agent in the Series 2003 A Bonds Escrow Fund.

3. The Escrow Agent shall transfer an amount of $55,766.85 from the Series 2003 A Bonds Sinking Fund to the Series 2003 A Bonds Escrow Fund.

4. The Escrow Agent shall transfer an amount of $133,335.48 from the Series 2003 A Bonds Reserve Account to the Series 2003 A Bonds Escrow Fund.

5. Surplus amounts remaining in the Series 2003 A Bonds Revenue Fund and/or Series 2003 A Bonds Reserve Account shall be applied to fees due and owing the Escrow Agent with respect to the Series 2003 A Bonds.

6. The cumulative amounts deposited from the Series 2010 A Bonds; the Series 2003 A Bonds Revenue Fund and the Series 2003 A Bonds Reserve Account into the Series 2003 A Bonds Escrow Fund (cumulative total of $1,322,575) shall collectively be known as the "Redemption Deposit Amount".

7. The Redemption Deposit Amount shall be sufficient to pay the Redemption Price in full on the Redemption Date.

8. The United Bank, Inc. (the "Registrar") has provided a notice of redemption by registered or certified mail to the Depository Trust Company as the registered owner of the Series 2003 A Bonds, not more than 60 days nor less than 30 days prior to the Redemption Date, in accordance with Section 3.07 of the Resolution and the requirements of the Series 2003 A Bonds.

9. The holders of the Series 2003 A Bonds shall have an express lien on all moneys and assets in the Series 2003 A Bonds Sinking Fund, including the Series 2003 A Bonds Reserve Account therein, until paid out, used and applied in accordance with this Agreement.

10. At least one business day prior to the Redemption Date, the Escrow Agent shall transfer the Redemption Price to the Paying Agent in order that the payment of the Redemption Price can be made to the registered owners of the Series 2003 A Bonds upon presentation of such Series 2003 A Bonds for payment in accordance with the Bond Resolution.

11. This Agreement shall terminate on the date on which all the Outstanding Series 2003 A Bonds have been redeemed, paid in full and discharged. Upon termination of this Agreement, any moneys remaining after payment of fees of the Escrow Agent shall be transferred by the Paying Agent for deposit into the Series 2010 A Bonds Sinking Fund of the Series 2010 A Bonds.

12. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

13. This Agreement is made in the State of West Virginia under the Constitution and laws of such State and is to be so construed.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

WEST VIRGINIA MUNICIPAL BOND COMMISSION

By: _____
Its: Authorized Representative

UNITED BANK, INC.

By: _____
Its: Authorized Representative

354550.00007

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

WEST VIRGINIA MUNICIPAL BOND COMMISSION

By: _____
Its: Authorized Representative

UNITED BANK, INC.

By: _____
Its: Authorized Representative

354550.00007

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

WEST VIRGINIA MUNICIPAL BOND COMMISSION

By: _____
Its: Authorized Representative

UNITED BANK, INC.

By: _____
Its: Authorized Representative

354550.00007

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

Chase Tower, Eighth Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.steptoe-johnson.com

Writer's Contact Information

CLOSING MEMORANDUM

To: Financing Team

From: John C. Stump, Esquire

Date: December 29, 2010

Re: Green Valley-Glenwood Public Service District
Sewer Refunding Revenue Bonds, Series 2010 A

DISBURSEMENTS BY INTERNAL BANK TRANSFER BB&T

1.	BB&T Bank fee	$4,250.00

DISBURSEMENTS BY CHECK FROM BB&T

1.	Steptoe & Johnson PLLC (Bond Counsel)	$16,000.00
2.	William Winfrey, Esquire (PSC & Legal)	$8,000.00
3.	Green Valley Glenwood PSD (Registrar notice fees)	$1,125.67

DISBURSEMENTS BY WIRE BY BB&T $1,260,624.33

Payor:	BB&T
Source:	Series 2010 A Bonds Proceeds
Amount:	$1,260,624.33
Form:	Wire Transfer
Payee:	Green Valley-Glenwood Public Service District
Bank	Municipal Bond Commission
Routing No.	051503394
Account No:	5270517317
Contact:	Sara Boardman, 304.558.3971
Purpose:	Defease the Series 2003 A Bonds ($1,133,472.67) Fund Series 2010 A Bonds Reserve Account ($115,603.00) Series 2010 A Sinking Fund ($9,633.36) MBC Fees ($1,915.30)

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Green Valley Glenwood PSD
Refunding 2003 A Bonds
Closing Date December 29, 2010

A. COST OF PROJECT	TOTAL	BBT Loan	2003 Reserve	2003 SF
1 a Payoff 2003 A (Principal)	1,290,000.00	1,100,897.67	133,335.48	55,766.85
b. Payoff 2003 A (Interest)	32,575.00	32,575.00	0.00	0.00
c MBC Fees	1,915.30	1,915.30	0.00	0.00
2 Legal - Winfrey	8,000.00	8,000.00	0.00	0.00
3 Registrar Fees for Notice of 2003 A Bonds	1,125.67	1,125.67	0.00	0.00
4 TOTAL of Lines 1 through 3	1,333,615.97	1,144,513.64	133,335.48	55,766.85
B. COST OF FINANCING				
5 Reserve Account - 2010 A Bonds	115,603.00	115,603.00	0.00	0.00
6 Capitalized interest - 2010 A Bonds	9,633.36	9,633.36	0.00	0.00
7 BB&T Bank Fee	4,250.00	4,250.00	0.00	0.00
8 Bond Counsel	16,000.00	16,000.00	0.00	0.00
9 Cost of Issuance (lines 5 through 8)	145,486.36	145,486.36	0.00	0.00
10 TOTAL COST line 4 plus line 9	1,479,102.33	1,290,000.00	133,335.48	55,766.85
C. SOURCES OFOTHER FUNDS				
11 Federal Grants	0.00	0.00	0.00	0.00
12 State Grants	0.00	0.00	0.00	0.00
13 Other Sources	189,102.33	0.00	133,335.48	55,766.85
14 TOTAL GRANTS Lines 11 through 13	189,102.33	0.00	133,335.48	55,766.85
15 Size of Bond Issue (line 10 minus Line 14)	1,290,000.00	1,290,000.00	0.00	0.00

The 2003 A Bonds will be repaid on May 1, 2011
The funds will be escrowed at the MBC until that date

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 2nd day of December 2010.

CASE NO. 10-1531-PSD-PC

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT, a public utility, Bluefield, Mercer County.
Petition for consent and approval of refinancing of Series 2003 Sewer Bonds.

COMMISSION ORDER

The Commission grants consent for the Green Valley-Glenwood Public Service District (Green Valley-Glenwood) to issue new refunding revenue bonds to replace existing bonds.

BACKGROUND

On September 30, 2010, (supplemented by an October 28, 2010 filing) Green Valley-Glenwood petitioned for Commission approval to issue up to $1,290,000 in refunding revenue bonds (2010 Bonds) with an interest rate of 3.63 percent to replace its existing Sewerage System Revenue Bonds, Series 2003 (2003 Bonds) bearing an interest rate of 5.17 percent.

On November 5, 2010, Commission Staff filed its Initial and Final Joint Staff Memorandum recommending approval of the request to issue refunding revenue bonds. Staff recommended that Green Valley-Glenwood file a letter stating the amount borrowed as a closed entry after closing on the 2010 Bonds.

DISCUSSION

Under W.Va. Code §16-13A-20, Green Valley-Glenwood may issue refunding revenue bonds to retire or refinance outstanding bonds, but must obtain Commission approval to issue those bonds. *See*, W.Va. Code §16-13A-25(a). In this case, the Commission concludes that it should consent to the request from Green Valley-Glenwood to issue the 2010 Bonds, allowing Green Valley-Glenwood to save substantial interest charges. The Commission will also require Green Valley-Glenwood to file a closed entry in this case reflecting the total amount borrowed in this refinancing.

FINDINGS OF FACT

1. Green Valley-Glenwood requested Commission consent to issue 2010 Bonds to replace existing revenue bonds bearing a higher interest rate.

2. Staff recommended approval of the refunding revenue bond issue. November 5, 2010 Staff Memorandum.

CONCLUSION OF LAW

Pursuant to W.Va. Code §§16-13A-20 and 16-13A-25, the Commission will consent to the request to issue the 2010 Bonds in lieu of existing bonds bearing a higher interest rate, allowing substantial savings in interest charges.

ORDER

IT IS THEREFORE ORDERED that the Commission grants consent for Green Valley-Glenwood to issue up to $1,290,000 in 2010 Bonds at an interest rate of 3.63 percent with a maturity date of September 30, 2025, to replace the 2003 Bonds.

IT IS FURTHER ORDERED that Green Valley-Glenwood file a letter disclosing the total amount borrowed after closing on the 2010 Bonds as a closed entry.

IT IS FURTHER ORDERED that on entry of this order this case shall be removed from the Commission docket of open cases.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this order by electronic service on all parties of record who have filed an e-service agreement, by United States First Class Mail on all parties of record who have not filed an e-service agreement, and on Staff by hand delivery.

A True Copy, Teste:

Sandra Squire
Executive Secretary

JJW/s
101531c.wpd

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

Sewer Revenue Bond, Series 1998 A

BOND RESOLUTION

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GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ISSUANCE OF $540,000 SEWER REVENUE BOND, SERIES 1998 A, OF GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT, JUNIOR AND SUBORDINATE TO THE OUTSTANDING SEWER REVENUE BONDS, SERIES 1964, AND ON A PARITY WITH THE OUTSTANDING SEWER REVENUE BOND, SERIES 1987, OF THE DISTRICT, TO PERMANENTLY FINANCE THE COST, NOT OTHERWISE PROVIDED, OF ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC SERVICE PROPERTIES CONSISTING OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING SEWERAGE SYSTEM AND ALL APPURTENANT FACILITIES OF THE DISTRICT; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BOND; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDER OF THE BOND; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT

BE IT RESOLVED AND ORDERED BY THE PUBLIC SERVICE BOARD OF GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for This Resolution. This Resolution is adopted pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. Green Valley-Glenwood Public Service District (the "Issuer") is a public corporation and public service district and political subdivision of the State of West Virginia in Mercer County of said State, duly created pursuant to the Act by The County Commission of Mercer County.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

A. The Issuer currently owns and operates a public sewerage system and desires to finance and acquire, construct, operate and maintain certain additional public service properties consisting of improvements and extensions to such existing sewerage

facilities with all appurtenant facilities, within the boundaries of the Issuer to be owned and operated by the Issuer.

B. It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer, and, accordingly, the Issuer either has acquired and constructed, or will acquire and construct, certain improvements and extensions to the existing sewerage facilities of the Issuer, consisting of a 2.0 meter sewage belt press, and all necessary appurtenant facilities in Mercer County, West Virginia (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Secretary of the Public Service Board (the "Governing Body") of the Issuer. The Issuer has temporarily financed a portion of the costs of acquisition and construction of the Project through a certain interim loan from First Century Bank, Bluefield, West Virginia, which financing was approved by the Public Service Commission of West Virginia by Final Order dated April 21, 1996. The Issuer now desires and hereby authorizes and orders the permanent financing of the Costs of the Project, as hereinafter defined. The existing sewerage facilities of the Issuer, together with the Project and any further additions, extensions or improvements thereto, are herein called the "System." The acquisition and construction of the Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

C. The estimated revenues to be derived in each year from the operation of the System after completion of the Project will be sufficient to pay all the costs of the operation and maintenance of the System, the principal of and interest on the Bonds (as hereinafter defined) and all debt service, reserve fund and other payments provided for herein.

D. The cost of the acquisition and construction of the Project is $540,000, of which the entire amount will be obtained from the proceeds of sale of the Bond herein authorized.

E. The Issuer has temporarily financed a portion of the costs of acquisition and construction of the Project through a certain interim loan from First Century Bank, Bluefield, West Virginia, which financing was approved by the Public Service Commission of West Virginia by Final Order dated April 21, 1996. The Issuer now desires and hereby authorizes and orders the permanent financing of the Costs of the Project, as hereinafter defined. It is necessary for the Issuer to issue the Bond in the principal amount of $540,000 to permanently finance the cost of such acquisition and construction in the manner hereinafter provided. The cost of such acquisition and construction shall be deemed to include, without being limited to, the acquisition and construction of the Project; the cost of paying off the principal balance of, and accrued interest on, that certain note of the Issuer held by First Century Bank, Bluefield; the acquisition of any necessary property, real or personal, or

interest therein; interest on the Bond prior to, during and for six months after completion of such construction to the extent that 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; and such other expenses as may be necessary or incidental to the acquisition and construction of the Project and the financing authorized hereby; provided that, reimbursement to the Issuer for any amounts expended by it for the repayment of indebtedness incurred for Costs of the Project by the Issuer shall be deemed Costs of the Project.

F. The period of usefulness of the System after completion of the Project is not less than 40 years.

G. There are outstanding obligations of the Issuer which will rank either senior and prior to, or on a parity with, the Bond as to liens, pledge and source of and security for payment, being the Sewer Revenue Bond, dated April 1, 1964, issued in the original aggregate principal amount of $680,000 (the "Series 1964 Bonds"), held by the public, and the Sewer Revenue Bond, Series 1987, dated May 20, 1987, issued in the original aggregate principal amount of $1,952,000 (the "Series 1987 Bonds"), held by the Purchaser. The Series 1964 Bonds and the Series 1987 Bonds are hereinafter collectively called the "Prior Bonds." The Bond shall be issued junior and subordinate to the Series 1964 Bonds, and on a parity with the Series 1987 Bonds, with respect to liens, pledge and source of and security for payment and in all other respects. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which will rank prior to or on a parity with the Bond as to lien, pledge and/or source of and security for payment.

The Issuer is not in default under the terms of the Prior Bonds, the Prior Resolutions (hereinafter defined) or any document in connection therewith, and has complied with all requirements of all the foregoing with respect to the issuance of parity bonds or has obtained a sufficient and valid waiver thereof.

H. It is in the best interest of the Issuer that the Bond be sold to the United States Department of Agriculture, Rural Utilities Service (the "Purchaser"), pursuant to the terms and provisions of a Letter of Conditions dated March 25, 1997, and all amendments thereto, if any (collectively, the "Letter of Conditions").

I. The Issuer has complied with all requirements of law relating to the authorization of the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Bond, or will have so complied prior to issuance of the Bond, including, among other things and without limitation, the consent and approval, pursuant to the Act and other applicable provisions of law, of the issuance of the Bond, the acquisition and construction of the Project and the imposition of rates and charges by the Public Service Commission of West Virginia

by final order, the time for rehearing and appeal of which have expired or shall have been duly waived or otherwise provided for.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Bond by those who shall be the registered owner of the same from time to time, this Resolution (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Bondholder, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the registered owner of the Bond.

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

"Act" means Chapter 16, Article 13A of the West Virginia Code of 1931, as amended.

"Bond" means the Sewer Revenue Bond, Series 1998 A, authorized hereby.

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

"Bonds" means, collectively, the Bond and the Prior Bonds.

"Chairman" means the Chairman of the Governing Body.

"Consulting Engineer" means Pentree, Incorporated, Princeton, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

"Depository Bank" means First Community Bank, Princeton, West Virginia, a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns.

"Facilities" or "sewerage facilities" means all the tangible properties of the System and also any tangible properties which may hereafter be added to the System by additions, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"FDIC" means the Federal Deposit Insurance Corporation.

"Fiscal Year" means each year beginning on July 1 and ending on the succeeding June 30.

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

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

"Herein" or "herein" means in this Bond Legislation.

"Issuer," "Borrower" or "District" means Green Valley-Glenwood Public Service District, in Mercer County, West Virginia, and includes the Governing Body.

"Letter of Conditions" means the Letter of Conditions of the Purchaser dated March 25, 1997, and all amendments thereto, if any.

"Minimum Reserve" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1998 A Bonds in the then current or any succeeding year.

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

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting principles and retention of a sum not to exceed 1/6th of the budgeted Operating Expenses stated above for the current year as working capital, and language herein requiring payment of Operating Expenses means also retention of not to exceed such sum as working capital, provided that all monthly amortization payments upon the Series 1964 Bonds, the Series 1987 Bonds and the Series 1998 A Bonds and into the other Funds provided for herein have been made to the last monthly payment date prior to the date Series 1998 A Bonds such retention.

"Prior Bonds" means, collectively, the Series 1964 Bonds and the Series 1987 Bonds.

"Prior Resolutions" means, collectively, the Series 1964 Resolution and the Series 1987 Resolution.

"Project" shall have the meaning stated in Section 1.02B above.

"Purchaser" or "Government" means United States Department of Agriculture, Rural Utilities Service, and any successor thereof, acting for and on behalf of the United States of America.

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

(a) Government Obligations;

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

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

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

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC (hereinbefore defined) or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

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

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

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

"Registered Owner," "Bondholder," "Holder of the Bond" or any similar term means any person who shall be the registered owner of the Bond.

"Registrar" means the Issuer, which shall usually so act by its Secretary.

"Resolutions" means, collectively, the Series 1964 Resolution, the Series 1987 Resolution and the Bond Legislation.

"Series 1964 Bonds" means the outstanding Sewer Revenue Bonds, Series 1964, of the Issuer described in Section 1.02G hereof.

"1964 Resolution" means the resolution of the Issuer adopted April 10, 1964, authorizing the Series 1964 Bond.

"Series 1987 Bonds" means the outstanding Sewer Revenue Bond, Series 1987, of the Issuer described in Section 1.02G hereof.

"1987 Resolution" means the resolution of the Issuer adopted October 18, 1985, authorizing the Series 1987 Bond.

"Revenues" or "Gross Revenues" means all rates, rents, fees, charges or other income received by the Issuer, or accrued to the Issuer, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System, and all parts thereof, all as calculated in accordance with sound accounting practices.

"Secretary" means the Secretary of the Governing Body.

"System" means the sewerage system of the Issuer as improved, extended, enlarged and expanded by the Project, and includes the complete sewerage system of the Issuer and all sewerage facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the sewerage system; and shall also include any and all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the sewerage works system of the Issuer.

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neuter gender shall include any other gender; and any requirement for execution or attestation of the Bond or any certificate or other document by the Chairman or Secretary shall mean that such Bond, certificate or other document may be executed or attested by an Acting Chairman or Acting Secretary.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized the permanent financing of the acquisition and construction of the Project, at an estimated cost of $540,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Bond hereby authorized shall be applied as provided in Article IV hereof.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BOND

Section 3.01. Authorization of Bond. Subject and pursuant to the provisions of the Bond Legislation, the Bond of the Issuer, to be known as "Sewer Revenue Bond, Series 1998 A," is hereby authorized to be issued in the aggregate principal amount of not exceeding $540,000 for the purpose of financing the cost of the acquisition and construction of the Project.

Section 3.02. Description of Bond. The Bond shall be issued in single form, numbered AR-1, only as a fully registered Bond, and shall be dated the date of delivery thereof. The Bond shall bear interest from the date of delivery, payable monthly at the rate of 4.50% per annum, and shall be sold for the par value thereof.

The Bond shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the Bond form hereinafter set forth.

Section 3.03. Negotiability, Registration, Transfer and Exchange of Bonds. The Bond shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but the Bond, and the right to principal of and stated interest on the Bond, may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.04 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Registrar.

Whenever the Bond shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, but the Issuer shall pay any other expenses incurred by the Registrar with respect to such transfer.

No registration of transfer of the Bond shall be permitted to be made after the 15th day next preceding any installment payment date on the Bond.

Section 3.04. Registrar. The Issuer shall be the Registrar and will keep, or cause to be kept by its agent, at its office, sufficient books for the registration and transfer of the Bond, and, upon presentation for such purpose, the Registrar shall, under such

reasonable regulations as it may prescribe, register the Bond initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Bond as hereinbefore provided.

The Registrar shall accept the Bond for registration of transfer only if ownership thereof is to be registered in the name of the Purchaser, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust and/or such other identifying number and information as may be required by law. The Bond shall initially be fully registered as to both principal and interest in the name of the United States of America. So long as the Bond shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be its National Finance Office, St. Louis, Missouri 63103, or such other address as shall be stated in writing to the Issuer by the United States of America.

Section 3.05. Execution of Bond. The Bond shall be executed in the name of the Issuer by the Chairman and its corporate seal shall be affixed thereto and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Bond shall cease to be such officer of the Issuer before the Bond so signed and sealed has been actually sold and delivered, such Bond may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bond had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bond shall hold the proper office in the Issuer, although at the date of such Bond such person may not have held such office or may not have been so authorized.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Bond so surrendered shall be canceled and held for the account of the Issuer. If the Bond shall have matured or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, and, if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bond Secured by Pledge of Net Revenues. The payment of the debt service of the Bond shall be secured forthwith by a second lien on the Net Revenues derived from the System, junior and subordinate to the Series 1964 Bonds, and on a parity with the Series 1987 Bonds, in addition to the statutory mortgage lien on the

System hereinafter provided for as to the Bonds. The Net Revenues derived from the System in an amount sufficient to pay the principal of and interest on the Bond, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Bond as the same becomes due, all junior and subordinate to the pledge in favor of the Series 1964 Bonds and on a parity with the pledge in favor of the Series 1987 Bonds.

Section 3.08. Form of Bond. Subject to the provisions hereof, the text of the Bond and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or by any resolution adopted after the date of adoption hereof and prior to the issuance thereof:

(FORM OF BOND)

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

SEWER REVENUE BOND, SERIES 1998 A

$540,000

No. AR-1 Date: _____

FOR VALUE RECEIVED, GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of FIVE HUNDRED FORTY THOUSAND DOLLARS ($540,000), plus interest on the unpaid principal balance at the rate of 4.5% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of $_____ commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of additions, extensions and improvements to the sewerage system (the "System") of the Borrower, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Borrower, as Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Resolution and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized

denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13A of the West Virginia Code, as amended (the "Act"), and a Resolution of the Borrower duly adopted authorizing issuance of this Bond (the "Resolution").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farmers Home Rural Development Act. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED JUNIOR AND SUBORDINATE, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, TO THE ISSUER'S OUTSTANDING SEWER REVENUE BONDS, SERIES 1964, DESCRIBED IN SAID RESOLUTION, AND ON A PARITY AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S OUTSTANDING SEWER REVENUE BONDS, SERIES 1987, DESCRIBED IN SAID RESOLUTION.

IN WITNESS WHEREOF, GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT has caused this Bond to be executed by its Chairman and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Secretary, all as of the date hereinabove written.

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT
(Name of Borrower)

[CORPORATE SEAL]

_____
(Signature of Executive Official)

Chairman, Public Service Board
(Title of Executive Official)

Route 6, Box 14
(P. O. Box No. or Street Address)

Princeton, West Virginia 24240
(City, State and Zip Code)

ATTEST:

_____
(Signature of Attesting Official)

Secretary, Public Service Board
(Title of Executive Official)

(Form of)

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$		(19)	$	
(2)	$		(20)	$	
(3)	$		(21)	$	
(4)	$		(22)	$	
(5)	$		(23)	$	
(6)	$		(24)	$	
(7)	$		(25)	$	
(8)	$		(26)	$	
(9)	$		(27)	$	
(10)	$		(28)	$	
(11)	$		(29)	$	
(12)	$		(30)	$	
(13)	$		(31)	$	
(14)	$		(32)	$	
(15)	$		(33)	$	
(16)	$		(34)	$	
(17)	$		(35)	$	
(18)	$		(36)	$	

TOTAL $_____

(Form of Assignment)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

ARTICLE IV

SYSTEM REVENUES AND APPLICATION THEREOF; DISPOSITION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

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

(1) Revenue Fund (established by the Prior Resolutions and continued hereby);

(2) Series 1987 Bonds Reserve Fund (established by the Prior Resolutions as the "Reserve Fund" and continued hereby as the "Series 1987 Bonds Reserve Fund");

(3) Series 1998 A Bonds Reserve Fund;

(4) Series 1964 Bonds Depreciation Account (established by the Prior Resolutions as the "Depreciation Account" and continued hereby as the "Series 1964 Bonds Depreciation Account");

(5) Series 1998 A Bonds Depreciation Reserve Account; and

(6) Project Construction Account.

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

(1) Series 1964 Bonds Sinking Fund (established by the Prior Resolutions); and

(2) Within the Series 1964 Bonds Sinking Fund, the Series 1964 Bonds Reserve Account (established by the Prior Resolutions).

Section 4.03. Bond Proceeds; Project Construction Account. The proceeds of the sale of the Bond shall be deposited upon receipt by the Issuer in the Project Construction Account. The moneys in the Project Construction Account in excess of the

amount insured by FDIC shall be secured at all times by the Depository Bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Moneys in the Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Moneys in the Project Construction Account shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Purchaser.

Until completion of acquisition and construction of the Project, the Issuer will additionally transfer from the Project Construction Account and pay to the Purchaser on or before the due date, such sums as shall be from time to time required to make the monthly installments on the Bond if there are not sufficient Net Revenues to make such monthly payment.

Pending application as provided in this Section 4.03, money and funds in the Project Construction Account shall be invested and reinvested at the direction of the Issuer, to the extent possible in accordance with applicable law, in Qualified Investments.

When acquisition and construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Project Construction Account shall be disposed of in accordance with the regulations of the Purchaser.

Section 4.04. Covenants of the Issuer as to System 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 Reserve Fund, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the holders of the Bonds as follows:

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

B. DISPOSITION OF REVENUES. All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority, subject to the provisions of the Prior Resolutions not previously modified or modified herein:

(1) The Issuer shall first each month pay from the moneys in the Revenue Fund all current Operating Expenses.

(2) The Issuer shall next, so long as the Series 1964 Bonds or any portion thereof shall be Outstanding, on or before the due date thereof, make all payments in accordance with the provisions of the 1964 Resolution, including payments into the Series 1964 Bonds Sinking Fund, the Series 1964 Bonds Reserve Account and the Series 1964 Bonds Depreciation Account.

(3) The Issuer shall next, on or before the due date thereof, transfer from the Revenue Fund and simultaneously remit to the National Finance Office, (i) the principal of and interest on the Series 1987 Bonds, as required in the 1987 Resolution, and (ii) the amounts required to pay the interest on the Series 1998 A Bonds, and to amortize the principal of the Series 1998 A Bonds over the life of the Bond issue. All payments with respect to principal of and interest on the Series 1987 Bonds and the Series 1998 A Bonds shall be made on an equal pro rata basis in accordance with the respective aggregate principal amounts thereof outstanding and on a parity with each other.

(4) The Issuer shall next, on each date that payment is made as set forth in (3) above, transfer from the Revenue Fund and simultaneously remit to the Depository Bank for deposit (i) in the Series 1987 Bonds Reserve Fund such amount as required by the 1987 Resolution, and (ii) in the Series 1998 A Bonds Reserve Fund, 0.4167% of the Minimum Reserve, until the amount in the Series 1998 A Bonds Reserve Fund equals the Minimum Reserve. Moneys in the Series 1998 A Bonds Reserve Fund shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Series 1998 A Bonds to said National Finance Office (or other place provided) as the same shall become due or for prepayment of installments on the Series 1998 A Bonds, or for mandatory prepayment of the Series 1998 A Bonds as hereinafter provided, and for no other purpose. When the Minimum Reserve has been accumulated in the Series 1998 A Bonds Reserve Fund, all earnings of investments of moneys therein shall at least annually be transferred to and deposited in the Revenue Fund. Payments to the Series 1987 Bonds Reserve Fund and the Series 1998 A Bonds Reserve Fund herein provided for shall be made on an equal pro

rata basis in accordance with the respective aggregate principal amounts thereof outstanding and on a parity with each other

(5) The Issuer shall next, on each date that payment is made as set forth in (3) above, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Series 1998 A Bonds Depreciation Reserve Account, 0.4167% of the Minimum Reserve, until the amount in the Series 1998 A Bonds Reserve Fund equals the Minimum Reserve, and thereafter, 0.8334% of the Minimum Reserve, so long as the Series 1998 A Bonds are outstanding; provided, however, that in the event Revenues are insufficient to fund the Series 1998 A Bonds Reserve Fund in accordance with Section 4.04B(4)(ii) above, or a withdrawal of funds from the Series 1998 A Bonds Reserve Account is made, payment of moneys into the Series 1998 A Bonds Depreciation Reserve Account as provided in this Section 4.04B(5) shall not be made, but instead Revenues shall be applied to the replenishment of the Series 1998 A Bonds Reserve Fund until such deficiency is cured, at which time payments into the Series 1998 A Bonds Depreciation Reserve Account as provided in this Section 4.04B(5) shall resume. Moneys in the Series 1998 A Bonds Depreciation Reserve Account shall be used first, so long as the Series 1964 Bonds are outstanding, to make up any deficiencies for monthly payments of principal of and interest on the Series 1964 Bonds as the same become due, and next to restore to the Series 1964 Bonds Reserve Fund any sum or sums transferred therefrom, and thereafter to make up any deficiencies for monthly payments of principal of and interest on the Series 1987 Bonds and the Series 1998 A Bonds as the same become due, and next to restore to the Series 1987 Bonds Reserve Fund and the Series 1998 A Bonds Reserve Fund any sum or sums transferred therefrom, all on a pro rata basis. Thereafter, and provided that payments into the aforementioned Reserve Funds are current and in accordance with the foregoing provisions, moneys in the Series 1998 A Bonds Depreciation Reserve Account may be withdrawn by the Issuer and used for extraordinary repairs and for replacements of equipment and improvements for the System, or any part thereof.

(6) After all the foregoing provisions for use of moneys in the Revenue Fund have been fully complied with, moneys remaining therein and not permitted to be retained therein, if any ("Surplus Revenues"), may be used first, to prepay the Series

1964 Bonds, and thereafter, the Series 1987 Bonds and the Series 1998 A Bonds, pro rata, or for any lawful purpose.

Whenever the moneys in the Series 1998 A Bonds Reserve Fund shall be sufficient to prepay the Series 1998 A Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 1998 A Bonds at the earliest practical date and in accordance with applicable provisions hereof.

The Depository Bank is hereby designated as the Fiscal Agent for the administration of the Series 1998 A Bonds Reserve Fund and the Series 1998 A Bonds Depreciation Reserve Account and all amounts required for the Series 1998 A Bonds Reserve Fund and the Series 1998 A Bonds Depreciation Reserve Account will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such fund.

The Revenue Fund, the Series 1998 A Bonds Reserve Fund and the Series 1998 A Bonds Depreciation Reserve Account shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 1998 A Bonds and the interest thereon, but the Depository Bank shall not be a trustee as to such funds.

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

Subject to the Prior Resolutions, the Depository Bank, at the direction of the Issuer, shall keep the moneys in the Series 1998 A Bonds Reserve Fund and the Series 1998 A Bonds Depreciation Reserve Account invested and reinvested to the fullest extent possible in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Bond Legislation shall, unless otherwise provided herein or required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia State Board of Investments. Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and interest accruing thereon and any profit

or loss realized from such investment shall be credited or charged to the appropriate fund or account. Subject to the Prior Resolutions, earnings upon moneys in the Series 1998 A Bonds Reserve Fund, so long as the Minimum Reserve is on deposit and maintained therein, shall be paid annually in January into the Revenue Fund by the Depository Bank.

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

D. USER CONTRACTS. The Issuer shall, prior to delivery of the Bond, provide evidence that there will be at least 2,748 bona fide users upon the Project on completion, in full compliance with the requirements and conditions of the Purchaser.

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

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

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

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

ARTICLE V

GENERAL COVENANTS, ETC.

Section 5.01. General Statement. So long as the Series 1998 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 1998 A Bonds Reserve Fund a sum sufficient to prepay the entire principal of the Series 1998 A Bonds remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Bondholder.

Section 5.02. Rates. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the annual debt service on the Series 1998 A Bonds and sufficient to make the payments required herein into the Series 1998 A Bonds Reserve Fund and the Series 1998 A Bonds Depreciation Reserve Account and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes.

Section 5.03. Sale of the System. The System will not be sold without the prior written consent of the Purchaser so long as the Bond is outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 5.04. Issuance of Additional Parity Bonds or Obligations. No additional parity bonds or obligations payable out of any of the Revenues of the System shall be issued, except with the prior written consent of the Purchaser.

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

(a) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground structures of the System and mechanical and electrical equipment in place or stored on the site in an amount equal to the full insurable value thereof. In the event of any damage to or

destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

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

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

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

(e) Flood Insurance to be procured, to the extent available at reasonable cost to the Issuer; however, if the Issuer is located in a community which has been notified as having

special flood or mudslide prone areas, flood insurance must be obtained.

(f) Fidelity Bonds will be provided as to every member of the Governing Body and as to every officer and employee thereof having custody of the Revenue Fund or of any revenues or other funds of the Issuer in an amount at least equal to the total funds in the custody of any such person at any one time, and initially in the amount of $50,000 upon the treasurer, provided, however, that no bond shall be required insofar as custody of the Project Construction Account is concerned so long as checks thereon require the signature of a representative of the Purchaser.

(g) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Bond is outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Purchaser may specify, with insurance carriers or bonding companies acceptable to the Purchaser.

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holder of the Bond, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Bond and shall be junior and subordinate to the statutory mortgage lien in favor of the Holders of the Series 1964 Bonds, and on a parity with the statutory mortgage lien in favor of the Purchaser as Holder of the Series 1987 Bonds.

Section 5.07. Events of Default. Each of the following events is hereby declared an "Event of Default":

(a) Failure to make payment of any monthly amortization installment upon the Bond at the date specified for payment thereof; and

(b) Failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Bond or herein, or violation of or failure to observe any provision of any pertinent law.

Section 5.08. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Purchaser may proceed to protect and enforce its rights 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 the Purchaser, such court may, upon proof of such default, appoint a receiver for the affairs of the Issuer and the System. The receiver so appointed shall administer the System on behalf of the Issuer, shall exercise all the rights and powers of the Issuer with respect to the System, shall proceed under the direction of the court to obtain authorization to increase rates and charges of the 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 5.09. Fiscal Year; Budget. While the Bond is outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than 30 days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

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

Section 5.10. Compensation of Members of Governing Body. The Issuer hereby covenants and agrees that no compensation for policy direction shall be paid to the members of the Governing Body in excess of the amount permitted by the Act. Payment of any compensation to any such member for policy direction shall not be made if such payment would cause the Net Revenues to fall below the amount required to meet all payments provided for herein, nor when there is default in the performance of or compliance with any covenant or provision hereof.

Section 5.11. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the acquisition and construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer on file with the Secretary on the date of adoption hereof, subject to permitted changes.

Section 5.12. Books and Records; Audits. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

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

Section 5.13. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Bond is outstanding.

Section 5.14. No Competition. To the extent legally allowable, the Issuer will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to or allow the granting of any franchise; permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the Issuer or within the territory served by the System.

ARTICLE VI

RATES, ETC.

Section 6.01. Initial Schedule of Rates and Charges; Rules. A. The initial schedule of rates and charges for the services and facilities of the System, subject to change consonant with the provisions hereof, shall be as set forth in the Final Order of the Public Service Commission of West Virginia, entered on August 25, 1997, Case No. 97-0606-PSD-30B, which Final Order is incorporated herein by reference as a part hereof.

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

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

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

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

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

ARTICLE VII

MISCELLANEOUS

Section 7.01. Payment of Bond. If the Issuer shall pay or there shall otherwise be paid, to the Holder of the Bond, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Bond, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Bond, shall thereupon cease, terminate and become void and be discharged and satisfied.

Section 7.02. Modification or Amendment. The Bond Legislation may not be modified or amended after final passage without the prior written consent of the Bondholder.

Section 7.03. Delivery of the Bond. The Chairman, Secretary and Treasurer of the Governing Body are hereby authorized and directed to cause the Bond, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 7.04. Severability of Invalid Provisions. 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 severable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Bond.

Section 7.05. Prior Resolutions; Conflicting Provisions Repealed. The Prior Resolutions and all parts thereof not expressly hereby changed shall continue in full force and effect and this Bond Legislation shall be supplemental to the Prior Resolutions.

All resolutions and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed; provided that this Section shall not be applicable to the Loan Resolution (Form FmHA 442-47).

Section 7.06. 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 7.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 7.08. Effective Time. This Resolution shall take effect immediately upon its adoption.

Adopted: March 24, 1998.

Chairman of the Public Service Board

Member

Member

[SPECIMEN BOND]

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

SEWER REVENUE BOND, SERIES 1998 A

$540,000

No. AR-1 Date: March 24, 1998

FOR VALUE RECEIVED, GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of FIVE HUNDRED FORTY THOUSAND DOLLARS ($540,000), plus interest on the unpaid principal balance at the rate of 4.5% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly payments, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month thereafter, in the amount of $2,430, covering principal and interest, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of additions, extensions and improvements to the sewerage system (the "System") of the Borrower, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Borrower, as Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Resolution and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized

denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13A of the West Virginia Code, as amended (the "Act"), and a Resolution of the Borrower duly adopted authorizing issuance of this Bond (the "Resolution").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farmers Home Rural Development Act. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED JUNIOR AND SUBORDINATE, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S OUTSTANDING SEWER REVENUE BONDS, SERIES 1964, AND ON A PARITY AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S OUTSTANDING SEWER REVENUE BONDS, SERIES 1987, DESCRIBED IN SAID RESOLUTION.

IN WITNESS WHEREOF, GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT has caused this Bond to be executed by its Chairman and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Secretary, all as of the date hereinabove written.

GREEN VALLEY-GLENWOOD PUBLIC
SERVICE DISTRICT

[CORPORATE SEAL]

_____
Chairman, Public Service Board
Route 6, Box 14
Princeton, West Virginia 24240

ATTEST:

_____
Secretary, Public Service Board

03/23/98
354550/96001

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$449,000	03/24/98	(19)	$	
(2)	$		(20)	$	
(3)	$		(21)	$	
(4)	$		(22)	$	
(5)	$		(23)	$	
(6)	$		(24)	$	
(7)	$		(25)	$	
(8)	$		(26)	$	
(9)	$		(27)	$	
(10)	$		(28)	$	
(11)	$		(29)	$	
(12)	$		(30)	$	
(13)	$		(31)	$	
(14)	$		(32)	$	
(15)	$		(33)	$	
(16)	$		(34)	$	
(17)	$		(35)	$	
(18)	$		(36)	$	

TOTAL $ _____

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

SEWER REVENUE BONDS, SERIES 1998 B
(WEST VIRGINIA INFRASTRUCTURE FUND)

BOND RESOLUTION

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GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWER FACILITIES OF GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $317,500 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1998 B (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution (together with any order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation"), supplemental to the Prior Resolutions (as hereinafter defined), is adopted pursuant to the provisions of Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. Green Valley-Glenwood Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Mercer County of said State.

B. The Issuer presently owns and operates a public sewer system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain improvements and extensions to the existing public sewer facilities of the Issuer, consisting of 9,400 linear feet of 8-inch gravity sewer line, 1,000 linear feet of 6-inch laterals, 1 cleanout and 57 manholes in the Crumpecker Mill area, Princeton, Mercer County, together with all appurtenant facilities (collectively, the "Project") (the Project and any further improvements or extensions thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Infrastructure Fund pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 1998 B (West Virginia Infrastructure Fund), in the aggregate principal amount of not more than $317,500 (the "Series 1998 B Bonds"), to permanently finance a portion of the costs of acquisition and construction of the Project. The remaining costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 1998 B Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Accounts (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 1998 B Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 1998 B Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

E. The period of usefulness of the System after completion of the Project is not less than 40 years.

F. It is in the best interests of the Issuer that its Series 1998 B Bonds be sold to the Authority pursuant to the terms and provisions of the loan agreement by and

between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), in form satisfactory to the respective parties (the "Loan Agreement"), approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank either senior and prior to, or on a parity with, the Series 1998 B Bonds as to liens, pledge and source of and security for payment, being the Sewer Revenue Bond, dated April 1, 1964, issued in the original aggregate principal amount of $680,000 (the "Series 1964 Bonds"), the Sewer Revenue Bond, Series 1987, dated May 20, 1987, issued in the original aggregate principal amount of $1,952,000 (the "Series 1987 Bonds"), and the Sewer Revenue Bond, Series 1998 A, dated March 24, 1998, issued in the original aggregate principal amount of $540,000 (the "Series 1998 A Bonds") (the Series 1987 Bonds and the Series 1998 A Bonds are collectively referred to as the "Second Lien Bonds"). The Series 1964 Bonds and the Second Lien Bonds are hereinafter collectively called the "Prior Bonds." The Series 1998 B Bonds shall be issued junior and subordinate to the Series 1964 Bonds, and on a parity with the Series 1987 Bonds and the Series 1998 A Bonds, with respect to liens, pledge and source of and security for payment and in all other respects.

Prior to the issuance of the Series 1998 B Bonds, the Issuer will obtain the written consent of the Holders of the Second Lien Bonds to the issuance of the Series 1998 B Bonds on a parity with the Second Lien Bonds. Pursuant to the Resolution of the Issuer by which the Series 1964 Bonds were issued, the consent of the Holder of the Series 1964 Bonds is not required for the issuance of debt, the security for which is subordinate to the Series 1964 Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. The estimated revenues to be derived in each year following completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest on the Series 1998 B Bonds and the Prior Bonds, and to make payments into all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 1998 B Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the obtaining of a certificate of public convenience and necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 1998 B Bonds or such final order will not be subject to appeal or rehearing.

J. The Project has been reviewed and determined to be technically and financially feasible by the Council as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 1998 B Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, 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 Registered Owners of any and all of such Series 1998 B Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 1998 B Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the Council under the Act.

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

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

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

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

"Bonds" means, collectively, the Series 1998 B Bonds, the Prior Bonds and any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

"Bond Year" means the 12-month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, except that the first Bond Year shall begin on the Closing Date.

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

"Closing Date" means the date upon which there is an exchange of the Series 1998 B Bonds for the proceeds or at least a de minimis portion thereof representing the purchase price of the Series 1998 B Bonds from the Authority.

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

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

"Consulting Engineers" means Pentree, Inc., Princeton, West Virginia, or any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System or portion thereof in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions.

"Costs" or "Costs of the Project" means those costs described in Section 1.02D hereof to be a part of the cost of acquisition and construction of the Project.

"Council" means the West Virginia Infrastructure and Jobs Development Council or any other agency of the State of West Virginia that succeeds to the functions of the Council.

"Depository Bank" means the bank designated as such in the Supplemental Resolution, and its successors and assigns, which shall be a member of FDIC.

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

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

"Governing Body" or "Board" means the public service board of the Issuer, as it may now or hereafter be constituted.

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

"Grants" means all moneys received by the Issuer on account of any Grant for the Project.

"Gross Revenues" means all rates, rents, fees, charges or other income received by the Issuer, or accrued to the Issuer, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System, and all parts thereof, all as calculated in accordance with sound accounting practices.

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

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

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

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

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered, into by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 1998 B Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Net Proceeds" means the face amount of the Series 1998 B Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 1998 B Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 1998 B Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds or any other proceeds of the Series 1998 B Bonds and is not acquired in order to carry out the governmental purpose of the Series 1998 B Bonds.

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting principles and retention of a sum not to exceed 1/6th of the budgeted Operating Expenses stated above for the current year as working capital, and language herein requiring payment of Operating Expenses means also retention of not to exceed such sum as working capital; provided that all monthly amortization payments upon the Bonds and into the Reserve Accounts and Depreciation Reserve have been made to the last monthly payment date prior to the date of such retention.

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

"Parity Bonds" means additional Bonds issued under the provisions and within the limitations prescribed by Section 7.07 hereof.

"Paying Agent" means the Commission or other entity designated as such for the Series 1998 B Bonds in the Supplemental Resolution.

"Prior Bonds" means, collectively, the Issuer's Sewer Revenue Bond, dated April 1, 1964, Sewer Revenue Bonds, Series 1987, and Sewer Revenue Bonds, Series 1998 A, described in Section 1.02G hereof.

"Prior Bonds Reserve Account" means the Reserve Account created by the Prior Resolutions and continued hereby.

"Prior Resolutions" means, collectively, the resolutions of the Issuer duly adopted April 10, 1964, October 18, 1985, and March 24, 1998, respectively, authorizing the Prior Bonds.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

"Project" means the Project as described in Section 1.02B hereof.

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

(a) Government Obligations;

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

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

(d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National

Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

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

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

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

"Registrar" means the Bond Registrar.

"Regulations" means temporary and permanent regulations promulgated under the Code or any predecessor to the Code.

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Series 1998 B Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in the Reserve Accounts of the Series 1998 B Bonds and the Prior Bonds.

"Revenue Fund" means the Revenue Fund established by the Prior Resolutions and continued hereby.

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

"Series 1998 B Bonds" means the not more than $317,500 in aggregate principal amount of Sewer Revenue Bonds, Series 1998 B (West Virginia Infrastructure Fund), of the Issuer, authorized by this Resolution.

"Series 1998 B Bonds Construction Trust Fund" means the Series 1998 B Bond Construction Trust Fund established by Section 5.01 hereof.

"Series 1998 B Bonds Depreciation Reserve" means the Series 1998 B Bonds Depreciation Reserve established by Section 5.01 hereof.

"Series 1998 B Bonds Reserve Account" means the Series 1998 B Bonds Reserve Account established in the Series 1998 B Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1998 B Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1998 B Bonds in the then current or any succeeding year.

"Series 1998 B Bonds Sinking Fund" means the Series 1998 B Bonds Sinking Fund established by Section 5.02 hereof.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the supplemental resolution or resolutions authorizing the sale of the Series 1998 B Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 1998 B Bonds, and not so included, may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Bonds or any other

obligations of the Issuer, including, without limitation, the Depreciation Reserve and the respective Reserve Accounts.

"System" means the existing sewer of the Issuer as improved, extended, enlarged and expanded by the Project, and includes the complete sewer system of the Issuer and all sewer facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the sewer system; and shall also include any and all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the sewer system of the Issuer.

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

"West Virginia Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Chapter 31, Article 15A, Section 9 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

Additional terms and phrases are defined in this Resolution as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of $759,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 1998 B Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the Authority and the Council.

The cost of the Project is estimated to be $759,000, of which $317,500 will be obtained from proceeds of the Series 1998 B Bonds, $186,500 from a Grant by the Council, $50,000 from a Grant from the Governor's Contingency Fund, through The County Commission of Mercer County, $170,000 from a Grant by the Mercer County Solid Waste Authority, and $25,000 from a grant by Luck's Disposal Service, Inc. The Issuer has already received and there has been constructed the in-kind contribution of MJ Electric, Inc., valued at $10,000 for the Project.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 1998 B Bonds, funding a reserve account for the Series 1998 B Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 1998 B Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 1998 B Bonds of the Issuer. The Series 1998 B Bonds shall be issued as a single bond, designated "Sewer Revenue Bonds, Series 1998 B (West Virginia Infrastructure Fund)," in the principal amount of not more than $317,500, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 1998 B Bonds remaining after funding of the Series 1998 B Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 1998 B Bonds, if any, shall be deposited in or credited to the Series 1998 B Bonds Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 1998 B Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 1998 B Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 1998 B Bonds, if any, shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 1998 B Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 1998 B Bonds. The Series 1998 B Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. The Series 1998 B Bonds shall be dated as of the date specified in a Supplemental Resolution and shall bear interest from such date.

Section 3.03. Execution of Bonds. The Series 1998 B Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 1998 B Bonds shall cease to be such officer of the Issuer before the Series 1998 B 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 Series 1998 B Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 1998 B Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the forms set forth in Section 3.10 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 1998 B Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 1998 B 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 the Series 1998 B Bonds 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 such Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 1998 B Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Bonds.

The registered Series 1998 B Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 1998 B Bonds or transferring the registered Bonds are exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month next preceding 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, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 1998 B Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 1998 B Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 1998 B Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 1998 B Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 1998 B Bonds shall be secured by a second lien on the Net Revenues derived from the System, junior and subordinate to the lien on such Net Revenues in favor of the Holders of the Series 1964 Bonds, and on a parity with the lien on such Net Revenues in favor of the Holders of the Second Lien Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 1998 B Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 1998 B Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 1998 B Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 1998 B Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 1998 B Bonds to the original purchasers;

C. An executed and certified copy of the Bond Legislation;

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 1998 B Bonds.

Section 3.10. Form of Bonds. The text of the Series 1998 B Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 1998 B
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. BR-____ $317,500

KNOW ALL MEN BY THESE PRESENTS: That GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Mercer County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 199____, as set forth on the "Schedule of Annual Debt Service" attached as EXHIBIT B hereto and incorporated herein by reference, with no interest.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, 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 (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated _____, 199___.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewer facilities of the Issuer (the "Project"); (ii) [to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii)] to pay certain costs of issuance hereof and related costs. The existing public sewer facilities of the Issuer, the Project and any further improvements or extensions

thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Resolution duly adopted by the Issuer on _____, 1998, and a Supplemental Resolution duly adopted by the Issuer on _____, 1998 (collectively, 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 ISSUED JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S SEWER REVENUE BOND, DATED APRIL 1, 1964, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $680,000 (THE "SERIES 1964 BONDS"). THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S (1) SEWER REVENUE BOND, SERIES 1987, DATED MAY 20, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,952,000 (THE "SERIES 1987 BONDS"), AND (2) SEWER REVENUE BONDS, SERIES 1998 A, DATED MARCH 24, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $540,000 (COLLECTIVELY, THE SERIES 1987 BONDS AND THE SERIES 1998 A BONDS ARE REFERRED TO AS THE "SECOND LIEN BONDS" AND, COLLECTIVELY WITH THE SERIES 1964 BONDS, AS THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, junior and subordinate to the pledge of Net Revenues in favor of the Holders of the Series 1964 Bonds, and on a parity with the pledge of Net Revenues in favor of the holders of the Second Lien Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1998 B Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and 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 from the Net Revenues, the moneys in the Series 1998 B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, 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, together with other revenues of the System, 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 115% of the

maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues senior to or on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 1998 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding senior to or on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar"), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

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

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

has been pledged to and will be set aside 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, GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated _____, 199__.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1998 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 199____.

ONE VALLEY BANK, NATIONAL ASSOCIATION, as Registrar

_____
Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$		(19)	$	
(2)	$		(20)	$	
(3)	$		(21)	$	
(4)	$		(22)	$	
(5)	$		(23)	$	
(6)	$		(24)	$	
(7)	$		(25)	$	
(8)	$		(26)	$	
(9)	$		(27)	$	
(10)	$		(28)	$	
(11)	$		(29)	$	
(12)	$		(30)	$	
(13)	$		(31)	$	
(14)	$		(32)	$	
(15)	$		(33)	$	
(16)	$		(34)	$	
(17)	$		(35)	$	
(18)	$		(36)	$	

TOTAL $_____

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 1998 B Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "EXHIBIT A" and made a part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. "Amended Schedule" Filing. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Authority and the Council a schedule in substantially the form attached to the Loan Agreement, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are hereby created with (or continued if previously established by the Prior Resolutions) and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

(1) Revenue Fund (established by the Prior Resolutions);

(2) Series 1987 Bonds Reserve Fund (established by the Prior Resolutions);

(3) Series 1998 A Bonds Reserve Fund (established by the Prior Resolutions);

(4) Series 1964 Bonds Depreciation Account (established by the Prior Resolutions);

(5) Series 1998 A Bonds Depreciation Reserve Account (established by the Prior Resolutions);

(6) Series 1998 B Bonds Depreciation Reserve; and

(7) Series 1998 B Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with (or continued if previously established by the Prior Resolutions) and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 1964 Bonds Sinking Fund (established by the Prior Resolutions);

(2) Within the Series 1964 Bonds Sinking Fund, the Series 1964 Bonds Reserve Account (established by the Prior Resolutions);

(3) Series 1998 B Bonds Sinking Fund; and

(4) Within the Series 1998 B Bonds Sinking Fund, the Series 1998 B Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

(1) The Issuer shall first, each month, pay from the Revenue Fund the current Operating Expenses of the System.

(2) The Issuer shall next, so long as the Series 1964 Bonds or any portion thereof shall be Outstanding, on or before the due date thereof, make all payments in accordance with the provisions of the 1964 Resolution, including payments into the Series 1964 Bonds Sinking Fund, the Series 1964 Bonds Reserve Account and the Series 1964 Bonds Depreciation Account.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the National Finance Office the amounts required by the Prior Resolutions to pay the interest on and the principal of the Second Lien Bonds; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 1998 B Bonds, remit to the Commission for deposit in the Series 1998 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 1998 B Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1998 B Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Depository Bank the amount required by the Prior Resolutions to be deposited respectively in the Series 1987 Bonds Reserve Fund and the Series 1998 A Bonds Reserve Fund; and (ii) commencing 3 months prior to the first date of payment of

principal of the Series 1998 B Bonds, if not fully funded upon issuance of the Series 1998 B Bonds, remit to the Commission for deposit in the Series 1998 B Bonds Reserve Account, an amount equal to 1/120th of the Series 1998 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 1998 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1998 B Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account, and from said amount remit to the Depository Bank for deposit in the Series 1998 A Bonds Depreciation Reserve Account the amount required under the Prior Resolutions, and any remaining monies shall be deposited in the Series 1998 B Bonds Depreciation Reserve. All funds in the Series 1998 B Bonds Depreciation Reserve shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Series 1998 B Bonds Depreciation Reserve for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with moneys from the Series 1998 B Bonds Depreciation Reserve.

(6) After all the foregoing provisions for use of moneys in the Revenue Fund have been fully complied with, any moneys remaining therein and not permitted to be retained therein may be used to prepay installments of the Bonds or for any lawful purpose of the System.

Moneys in the Series 1998 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 1998 B Bonds, as the same shall become due. Moneys in the Series 1998 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 1998 B Bonds as the same shall become due, when other moneys in the Series 1998 B Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1998 B Bonds Sinking Fund and the Series 1998 B Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 1998 B Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 1998 B Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 1998 B Bonds Reserve Account which result in a reduction in the balance of the Series 1998 B Bonds Reserve Account to below the Series 1998 B Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 1998 B Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the maximum amount of principal and interest which will become due in any year for account of the Bonds of such series, including such additional parity Bonds.

The Issuer shall not be required to make any further payments into the Series 1998 B Bonds Sinking Fund or the Series 1998 B Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 1998 B Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Second Lien Bonds and the Series 1998 B Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1998 B Bonds Sinking Fund and the Series 1998 B Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 1998 B Bonds Sinking Fund and the Series 1998 B Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 1998 B Bonds Sinking Fund and the Series 1998 B Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 1998 B Bonds and any additional Bonds ranking on a parity therewith that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

B. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 1998 B Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

C. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Loan Agreement for the Series 1998 B Bonds, and submit a copy of said form along with a copy of its payment check to the Authority by the 5th day of such calendar month.

D. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges and fees then due. In the case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority at anytime, make the necessary arrangements whereby such required payments shall be automatically deducted from the Revenue Fund and transferred to the Commission on the dates required.

F. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in all funds and accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts 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 and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03, and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

H. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

I. The Gross Revenues of the System shall only be used for purposes of the System.

J. All Tap Fees shall be deposited by the Issuer, as received, in the Series 1998 B Bonds Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 1998 B Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1998 B Bonds, there shall first be deposited with the Commission in the Series 1998 B Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 1998 B Bonds for the period commencing on the date of issuance of the Series 1998 B Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 1998 B Bonds, there shall be deposited with the Commission in the Series 1998 B Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 1998 B Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 1998 B Bonds, such moneys shall be deposited with the Depository Bank in the Series 1998 B Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 1998 B Bonds.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 1998 B Bonds shall be applied as directed by the Council.

Section 6.02. Disbursements From the Bond Construction Trust Fund.

The Issuer shall each month provide the Council with a requisition for the costs incurred for the Project, together with such documentation as the Council shall require. Payments of all Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 1998 B Bonds Construction Trust Fund (except for the costs of issuance of the Series 1998 B Bonds which shall be made upon request of the Issuer) shall be made only after submission to, and approval from the Council, of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

(a) None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;

(b) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

(c) Each of such costs has been otherwise properly incurred; and

(d) Payment for each of the items proposed is then due and owing.

Pending such application, moneys in the Series 1998 B Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation 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 Series 1998 B Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 1998 B Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 1998 B Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 1998 B Bonds shall not be nor 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 funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 1998 B Bonds, shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 1998 B Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 1998 B Bonds shall be secured by a second lien on the Net Revenues derived from the System, junior and subordinate to the lien on such Net Revenues in favor of the Holders of the Series 1964 Bonds and on a parity with the lien on such Net Revenues in favor of the Holders of the Second Lien Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on the Series 1998 B Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Final Order of the Public Service Commission of West Virginia entered August 25, 1997, in Case No. 97-0606-PSD-30B, and such rates are hereby adopted.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, or any part thereof, except as provided in the Prior Resolutions. Additionally, so long as the

Series 1998 B Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the Council, 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 Outstanding, or to effectively defease this Bond Legislation in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 1998 B Bonds, immediately be remitted to the Commission for deposit in the Series 1998 B Bonds Sinking Fund, and, with the written permission of the Authority and the Council, or 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 Series 1998 B Bonds. Any balance remaining after the payment of the Series 1998 B Bonds and interest thereon, if any, 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, 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, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution duly adopted, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Depreciation Reserve. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds of any such sale shall be deposited in the Depreciation Reserve. The payment of such proceeds into the Depreciation Reserve shall not reduce the amount required to be paid into said fund by other provisions of this Bond Legislation. 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, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever 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 Series 1998 B Bonds. All obligations issued by the Issuer after the issuance of the Series 1998 B Bonds and 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, pledge and source of and security for payment from such revenues and in all other respects, to the Series 1998 B Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall 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 Series 1998 B Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 1998 B Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

The Issuer shall give the Authority and the Council prior written notice of its issuance of any other obligations to be used for the System, payable from the revenues of the System or from any grants, or any other obligations related to the Project or the System.

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolutions shall be applicable. Additionally, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 1998 B Bonds pursuant to this Bond Legislation, except with the prior written consent of the Authority and the Council under the conditions and in the manner herein provided (unless less restrictive then the provisions of the Prior Resolutions).

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 1998 B Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of extensions and improvements to the System or refunding any outstanding Bonds, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months,

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

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

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

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

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on revenues of the System is subject to the prior and superior liens of the Series 1998 B Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 1998 B Bonds.

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

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the Council, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the Council such documents and information as they may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

The Issuer shall permit the Authority and the Council, or their agents and representatives, to inspect all records pertaining to the operation of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds issued pursuant to this Bond Legislation 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 current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia. 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 Governing

Body. The Governing Body 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 Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Council, the Authority, or any other original purchaser of the Series 1998 B Bonds, and shall mail in each year to any Holder or Holders of the Series 1998 B Bonds, requesting the same, an annual report containing the following:

(A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from and relating to the System.

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation, and the status of all said funds and accounts.

(C) The amount of any Bonds, notes or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular, or any successor thereto and the Single Audit Act, or any successor thereto, to the extent legally required, and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 1998 B Bonds, and shall submit said report to the Council and the Authority, or any other original purchaser of the Series 1998 B Bonds. Such audit report submitted to the Authority and the Council shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

The Issuer shall permit the Authority and the Council, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction of the Project, the Issuer shall also provide the Authority and the Council, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the Council with respect to the System pursuant to the Act.

Section 7.09. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, 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

sufficient 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, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 1998 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 1998 B Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 1998 B Bonds Reserve Account and the reserve accounts for obligations senior to or on a parity with the Series 1998 B Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 1998 B Bonds and all other obligations secured by a lien on or payable from such revenues senior to or on a parity with the Series 1998 B Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the Council within 30 days of adoption thereof. 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 Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the Council and to any Holder of any Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority and the Council and to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for two years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the respective Loan Agreements, and forward a copy of such report to the Authority and the Council by the 15th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

The Issuer shall provide and maintain competent and adequate resident engineering services satisfactory to the Authority and the Council 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, the Council and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of the Loan Agreement.

Section 7.12. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, 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, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 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. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, 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 of the System and any services and facilities of the sewer system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the sewer facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the sewer provider, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

Section 7.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, 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 department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Depreciation Reserve and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Depreciation Reserve. The Issuer will itself, or will require each contractor and subcontractor to,

obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 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 Issuer, the contractors and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than $500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

(4) FLOOD INSURANCE, if the facilities of the System are or will be located in designated special flood or mudslide-prone areas and to the extent available at reasonable cost to the Issuer.

(5) BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

(6) FIDELITY BONDS will be provided as to every officer, member and employee of the Issuer or the Governing Body having custody of the revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

Section 7.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the Public Service Commission of West Virginia, the Issuer shall require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto.

Section 7.17. Completion and Operation of Project; Permits and Orders. The Issuer will complete the Project as promptly as possible and operate and maintain the

System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the Public Service Commission of West Virginia necessary for the acquisition and construction of the Project and the operation of the System.

Section 7.18. [RESERVED]

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 1998 B Bonds, 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, shall take effect immediately upon delivery of the Series 1998 B Bonds and shall be junior and subordinate to the statutory mortgage lien in favor of the Holders of the Series 1964 Bonds and on a parity with the statutory mortgage lien in favor of the Holders of the Second Lien Bonds.

Section 7.20. Compliance with Loan Agreement and Law. The Issuer agrees to comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the Council with copies of all documents submitted to the Authority.

The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, the Council or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

Section 7.21. Securities Laws Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.22. Contracts. A. The Issuer shall, simultaneously with the delivery of the Series 1998 B Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer will submit all proposed change orders to the Council for written approval. The Issuer will obtain the written approval of the Council before expending any proceeds of the Series 1998 B Bonds held in "contingency" as set forth in the schedule attached to the Loan Agreement. The Issuer will also obtain the written approval

of the Council before expending any proceeds of the Series 1998 B Bonds made available due to bid or construction or project underruns.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

Section 8.01. Investments. Any moneys held as a part of the funds and accounts created by this Bond Legislation other than the Revenue Fund, shall be invested and reinvested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Bond Legislation, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 8.01.

Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank may make any and all investments permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest, if any, on the Series 1998 B Bonds from gross income for federal income tax purposes.

Section 8.02. [RESERVED]

Section 8.03. [RESERVED]

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 1998 B Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 1998 B Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 1998 B Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 1998 B Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Series 1998 B Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 1998 B Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Series 1998 B Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 1998 B Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holder of the Series 1998 B Bonds shall be on a parity with the Holder of the Second Lien Bonds and junior and subordinate to the Holder of the Series 1964 Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Series 1998 B Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, 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 Event of Default with respect to such Bonds, any Registered Owner of a Series 1998 B Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Series 1998 B Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

The receiver so appointed shall forthwith, directly or by his or her or its 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 exercise.

Whenever all that is due upon the Series 1998 B Bonds and interest thereon and under any covenants of this Bond Legislation 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 of this Bond Legislation 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 Registered Owner of any Bonds 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 or her or it, 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 Registered Owners of the Series 1998 B 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 completion of the Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of the 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, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 1998 B Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1998 B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 1998 B Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 1998 B Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 1998 B Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 1998 B Bonds shall be made without the consent in writing of the Registered Owners of the Series 1998 B Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or 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 funds herein respectively pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 1998 B Bonds, required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest on the Series 1998 B Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 1998 B Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution, or the Series 1998 B Bonds.

Section 11.04. Headings, Etc. The headings and catchlines of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 11.05. Conflicting Provisions Repealed; Prior Resolutions. All orders or resolutions, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict

between this Resolution and the Prior Resolutions, the Prior Resolutions shall control, unless less restrictive, so long as the Prior Bonds are outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 11.07. Public Notice of Proposed Financing. Prior to making formal application to the Public Service Commission of West Virginia for a Certificate of Public Convenience and Necessity and adoption of this Resolution, the Secretary of the Governing Body shall have caused to be published in a newspaper of general circulation in each municipality in Green Valley-Glenwood Public Service District and within the boundaries of the District, a Class II legal advertisement stating:

(a) The maximum amount of the Series 1998 A Bonds to be issued;

(b) The maximum interest rate and terms of the Series 1998 A Bonds authorized hereby;

(c) The public service properties to be acquired or constructed and the cost of the same;

(d) The maximum anticipated rates which will be charged by the Issuer; and

(e) The date that the formal application for a certificate of public convenience and necessity is to be filed with the Public Service Commission of West Virginia.

Section 11.08. Effective Date. This Resolution shall take effect immediately upon adoption.

Adopted this 19th day of November, 1998.

Chairman

Member

Member

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT on the 19th day of November, 1998.

Dated: November 25, 1998.

[SEAL]

Secretary

11/18/98
354550/98002

EXHIBIT A

Loan Agreement included in bond transcript as Document 3.

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 1998 B
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. BR-1 $317,500

KNOW ALL MEN BY THESE PRESENTS: That GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Mercer County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of THREE HUNDRED SEVENTEEN THOUSAND FIVE HUNDRED DOLLARS ($317,500), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 1999, as set forth on the "Schedule of Annual Debt Service" attached as EXHIBIT B hereto and incorporated herein by reference, and bearing no interest.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, 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 (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated November 25, 1998.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewer facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing public sewer facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority

of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Resolution duly adopted by the Issuer on November 19, 1998, and a Supplemental Resolution duly adopted by the Issuer on November 19, 1998 (collectively, 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 ISSUED JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S SEWER REVENUE BONDS, DATED APRIL 1, 1964, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $680,000 (THE "SERIES 1964 BONDS"). THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S (1) SEWER REVENUE BONDS, SERIES 1987, DATED MAY 20, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,952,000 (THE "SERIES 1987 BONDS"), AND (2) SEWER REVENUE BONDS, SERIES 1998 A, DATED MARCH 24, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $540,000 (COLLECTIVELY, THE SERIES 1987 BONDS AND THE SERIES 1998 A BONDS ARE REFERRED TO AS THE "SECOND LIEN BONDS" AND, COLLECTIVELY WITH THE SERIES 1964 BONDS, AS THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, junior and subordinate to the pledge of Net Revenues in favor of the Holders of the Series 1964 Bonds, and on a parity with the pledge of Net Revenues in favor of the holders of the Second Lien Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1998 B Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and 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 from the Net Revenues, the moneys in the Series 1998 B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, 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, together with other revenues of the System, 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 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and

all other obligations secured by a lien on or payable from such revenues senior to or on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 1998 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding senior to or on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar"), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside 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, GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated November 25, 1998.

[SEAL]

Chairman

ATTEST:

Secretary

11/18/98
354550/98002

CH289290.1

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1998 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: November 25, 1998.

ONE VALLEY BANK, NATIONAL ASSOCIATION, as Registrar

Charlotte S Morgan

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$8,000	11/25/98	(13)	$	
(2)	$		(14)	$	
(3)	$		(15)	$	
(4)	$		(16)	$	
(5)	$		(17)	$	
(6)	$		(18)	$	
(7)	$		(19)	$	
(8)	$		(20)	$	
(9)	$		(21)	$	
(10)	$		(22)	$	
(11)	$		(23)	$	
(12)	$		(24)	$	

TOTAL $_____

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

Green Valley-Glenwood Public Service District

Infrastructure Fund Loan (1996 Series D)
$317,500; 40 Years; 0% Interest Rate

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
12/01/1998	-	-	-
3/01/1999	-	-	-
6/01/1999	-	-	-
9/01/1999	-	-	-
12/01/1999	2,036.00	-	2,036.00
3/01/2000	2,036.00	-	2,036.00
6/01/2000	2,036.00	-	2,036.00
9/01/2000	2,036.00	-	2,036.00
12/01/2000	2,036.00	-	2,036.00
3/01/2001	2,036.00	-	2,036.00
6/01/2001	2,036.00	-	2,036.00
9/01/2001	2,036.00	-	2,036.00
12/01/2001	2,036.00	-	2,036.00
3/01/2002	2,036.00	-	2,036.00
6/01/2002	2,036.00	-	2,036.00
9/01/2002	2,036.00	-	2,036.00
12/01/2002	2,036.00	-	2,036.00
3/01/2003	2,036.00	-	2,036.00
6/01/2003	2,036.00	-	2,036.00
9/01/2003	2,036.00	-	2,036.00
12/01/2003	2,036.00	-	2,036.00
3/01/2004	2,036.00	-	2,036.00
6/01/2004	2,036.00	-	2,036.00
9/01/2004	2,036.00	-	2,036.00
12/01/2004	2,036.00	-	2,036.00
3/01/2005	2,036.00	-	2,036.00
6/01/2005	2,036.00	-	2,036.00
9/01/2005	2,036.00	-	2,036.00
12/01/2005	2,036.00	-	2,036.00
3/01/2006	2,036.00	-	2,036.00
6/01/2006	2,036.00	-	2,036.00
9/01/2006	2,036.00	-	2,036.00
12/01/2006	2,036.00	-	2,036.00
3/01/2007	2,036.00	-	2,036.00
6/01/2007	2,036.00	-	2,036.00
9/01/2007	2,036.00	-	2,036.00
12/01/2007	2,036.00	-	2,036.00
3/01/2008	2,036.00	-	2,036.00
6/01/2008	2,036.00	-	2,036.00
9/01/2008	2,036.00	-	2,036.00
12/01/2008	2,036.00	-	2,036.00
3/01/2009	2,036.00	-	2,036.00
6/01/2009	2,036.00	-	2,036.00
9/01/2009	2,036.00	-	2,036.00
12/01/2009	2,035.00	-	2,035.00
3/01/2010	2,035.00	-	2,035.00
6/01/2010	2,035.00	-	2,035.00

Green Valley-Glenwood Public Service District

Infrastructure Fund Loan (1996 Series D)
$317,500; 40 Years; 0% Interest Rate

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
9/01/2010	2,035.00	-	2,035.00
12/01/2010	2,035.00	-	2,035.00
3/01/2011	2,035.00	-	2,035.00
6/01/2011	2,035.00	-	2,035.00
9/01/2011	2,035.00	-	2,035.00
12/01/2011	2,035.00	-	2,035.00
3/01/2012	2,035.00	-	2,035.00
6/01/2012	2,035.00	-	2,035.00
9/01/2012	2,035.00	-	2,035.00
12/01/2012	2,035.00	-	2,035.00
3/01/2013	2,035.00	-	2,035.00
6/01/2013	2,035.00	-	2,035.00
9/01/2013	2,035.00	-	2,035.00
12/01/2013	2,035.00	-	2,035.00
3/01/2014	2,035.00	-	2,035.00
6/01/2014	2,035.00	-	2,035.00
9/01/2014	2,035.00	-	2,035.00
12/01/2014	2,035.00	-	2,035.00
3/01/2015	2,035.00	-	2,035.00
6/01/2015	2,035.00	-	2,035.00
9/01/2015	2,035.00	-	2,035.00
12/01/2015	2,035.00	-	2,035.00
3/01/2016	2,035.00	-	2,035.00
6/01/2016	2,035.00	-	2,035.00
9/01/2016	2,035.00	-	2,035.00
12/01/2016	2,035.00	-	2,035.00
3/01/2017	2,035.00	-	2,035.00
6/01/2017	2,035.00	-	2,035.00
9/01/2017	2,035.00	-	2,035.00
12/01/2017	2,035.00	-	2,035.00
3/01/2018	2,035.00	-	2,035.00
6/01/2018	2,035.00	-	2,035.00
9/01/2018	2,035.00	-	2,035.00
12/01/2018	2,035.00	-	2,035.00
3/01/2019	2,035.00	-	2,035.00
6/01/2019	2,035.00	-	2,035.00
9/01/2019	2,035.00	-	2,035.00
12/01/2019	2,035.00	-	2,035.00
3/01/2020	2,035.00	-	2,035.00
6/01/2020	2,035.00	-	2,035.00
9/01/2020	2,035.00	-	2,035.00
12/01/2020	2,035.00	-	2,035.00
3/01/2021	2,035.00	-	2,035.00
6/01/2021	2,035.00	-	2,035.00
9/01/2021	2,035.00	-	2,035.00
12/01/2021	2,035.00	-	2,035.00
3/01/2022	2,035.00	-	2,035.00

Green Valley-Glenwood Public Service District

Infrastructure Fund Loan (1996 Series D)
$317,500; 40 Years; 0% Interest Rate

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
6/01/2022	2,035.00	-	2,035.00
9/01/2022	2,035.00	-	2,035.00
12/01/2022	2,035.00	-	2,035.00
3/01/2023	2,035.00	-	2,035.00
6/01/2023	2,035.00	-	2,035.00
9/01/2023	2,035.00	-	2,035.00
12/01/2023	2,035.00	-	2,035.00
3/01/2024	2,035.00	-	2,035.00
6/01/2024	2,035.00	-	2,035.00
9/01/2024	2,035.00	-	2,035.00
12/01/2024	2,035.00	-	2,035.00
3/01/2025	2,035.00	-	2,035.00
6/01/2025	2,035.00	-	2,035.00
9/01/2025	2,035.00	-	2,035.00
12/01/2025	2,035.00	-	2,035.00
3/01/2026	2,035.00	-	2,035.00
6/01/2026	2,035.00	-	2,035.00
9/01/2026	2,035.00	-	2,035.00
12/01/2026	2,035.00	-	2,035.00
3/01/2027	2,035.00	-	2,035.00
6/01/2027	2,035.00	-	2,035.00
9/01/2027	2,035.00	-	2,035.00
12/01/2027	2,035.00	-	2,035.00
3/01/2028	2,035.00	-	2,035.00
6/01/2028	2,035.00	-	2,035.00
9/01/2028	2,035.00	-	2,035.00
12/01/2028	2,035.00	-	2,035.00
3/01/2029	2,035.00	-	2,035.00
6/01/2029	2,035.00	-	2,035.00
9/01/2029	2,035.00	-	2,035.00
12/01/2029	2,035.00	-	2,035.00
3/01/2030	2,035.00	-	2,035.00
6/01/2030	2,035.00	-	2,035.00
9/01/2030	2,035.00	-	2,035.00
12/01/2030	2,035.00	-	2,035.00
3/01/2031	2,035.00	-	2,035.00
6/01/2031	2,035.00	-	2,035.00
9/01/2031	2,035.00	-	2,035.00
12/01/2031	2,035.00	-	2,035.00
3/01/2032	2,035.00	-	2,035.00
6/01/2032	2,035.00	-	2,035.00
9/01/2032	2,035.00	-	2,035.00
12/01/2032	2,035.00	-	2,035.00
3/01/2033	2,035.00	-	2,035.00
6/01/2033	2,035.00	-	2,035.00
9/01/2033	2,035.00	-	2,035.00
12/01/2033	2,035.00	-	2,035.00

Green Valley-Glenwood Public Service District

Infrastructure Fund Loan (1996 Series D)
$317,500; 40 Years; 0% Interest Rate

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
3/01/2034	2,035.00	-	2,035.00
6/01/2034	2,035.00	-	2,035.00
9/01/2034	2,035.00	-	2,035.00
12/01/2034	2,035.00	-	2,035.00
3/01/2035	2,035.00	-	2,035.00
6/01/2035	2,035.00	-	2,035.00
9/01/2035	2,035.00	-	2,035.00
12/01/2035	2,035.00	-	2,035.00
3/01/2036	2,035.00	-	2,035.00
6/01/2036	2,035.00	-	2,035.00
9/01/2036	2,035.00	-	2,035.00
12/01/2036	2,035.00	-	2,035.00
3/01/2037	2,035.00	-	2,035.00
6/01/2037	2,035.00	-	2,035.00
9/01/2037	2,035.00	-	2,035.00
12/01/2037	2,035.00	-	2,035.00
3/01/2038	2,035.00	-	2,035.00
6/01/2038	2,035.00	-	2,035.00
9/01/2038	2,035.00	-	2,035.00
Total	**317,500.00**	**-**	**317,500.00**

YIELD STATISTICS

Bond Year Dollars	$6,473.77
Average Life	20.390 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	5.29E-11
Bond Yield for Arbitrage Purposes	5.29E-11
All Inclusive Cost (AIC)	5.29E-11

IRS FORM 8038

Net Interest Cost	-
Weighted Average Maturity	20.390 Years

STEPTOE & JOHNSON
ATTORNEYS AT LAW
BANK ONE CENTER
SEVENTH FLOOR
P. O. BOX 1588
CHARLESTON, W. VA. 25326-1588
(304) 353-8000
FACSIMILE (304) 353-8180

BANK ONE CENTER, SIXTH FLOOR
P. O. BOX 2190
CLARKSBURG, W. VA. 26302-2190
(304) 624-8000
FACSIMILE (304) 624-8183

1000 HAMPTON CENTER
P. O. BOX 1616
MORGANTOWN, W. VA. 26507-1616
(304) 598-8000
FACSIMILE (304) 598-8116

126 EAST BURKE STREET
P. O. BOX 2629
MARTINSBURG, W. VA. 25402-2629
(304) 263-6991
FACSIMILE (304) 262-3541

RILEY BUILDING, FOURTH FLOOR
14TH AND CHAPLINE STREETS
P. O. BOX 150
WHEELING, W. VA. 26003-0020
(304) 233-0000
FACSIMILE (304) 233-0014

THE RIVERS OFFICE PARK
200 STAR AVENUE, SUITE 220
P. O. BOX 628
PARKERSBURG, W. VA. 26102-0628
(304) 422-6463
FACSIMILE (304) 422-6462

ALAN B. MOLLOHAN INNOVATION CENTER
1000 TECHNOLOGY DRIVE
P. O. BOX 2210
FAIRMONT, W. VA. 26554-8824
(304) 368-8000
FACSIMILE (304) 368-8413

WRITER'S DIRECT DIAL NUMBER

November 25, 1998

Green Valley-Glenwood Public Service District
Sewer Revenue Bonds, Series 1998 B
(West Virginia Infrastructure Fund)

Green Valley-Glenwood Public Service District
Bluefield, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs
Development Council
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Green Valley-Glenwood Public Service District (the "Issuer"), a public service district and public corporation and political subdivision created and existing under the laws of the State of West Virginia, of its $317,500 Sewer Revenue Bonds, Series 1998 B (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of the loan agreement for the Bonds, dated November 25, 1998, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one bond, registered as to principal only to the Authority, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 1999, and maturing

March 1, 2038, all as set forth in "Schedule Y," attached to the Loan Agreement and incorporated in and made a part of the Bonds.

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, Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewer facilities of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Resolution duly adopted by the Issuer on November 19, 1998, as supplemented by a Supplemental Resolution duly adopted by the Issuer on November 19, 1998 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued and the Loan Agreement has been entered into. The 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 Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

1. The Issuer is a duly organized and validly existing public service district, public corporation and political subdivision of the State of West Virginia, with corporate power and authority to acquire and construct the Project, to operate and maintain the System and to issue and sell the Bonds, all under the Act and other applicable provisions of law.

2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and the Council and cannot be amended by the Issuer so as to affect adversely the rights of the Authority and the Council or diminish the obligations of the Issuer without the written consent of the Authority and the Council.

3. The Bond Legislation and all other necessary orders and resolutions have been duly and effectively adopted by the Issuer and constitute valid and binding obligations of the Issuer enforceable upon the Issuer. The Bond Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a lien on and pledge of the Net Revenues of the System, junior and subordinate with respect to the liens, pledge and source of and security for payment with the Issuer's Sewer Revenue Bonds, Series 1964, and on a parity with respect to liens, pledge and source of and security for payment with the Issuer's Sewer Revenue Bonds, Series 1987, and Sewer Revenue Bonds, Series 1998 A, all in accordance with the terms of the Bonds and the Bond Legislation.

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

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

We have examined the executed and authenticated Bond numbered BR-1 and in our opinion the form of said bond and its execution and authentication is regular and proper.

Very truly yours,

STEPTOE & JOHNSON

11/24/98
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GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2002 A and Sewer Revenue Bonds, Series 2002 B (United States Department of Agriculture)

BOND RESOLUTION

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GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC SERVICE PROPERTIES CONSISTING OF ADDITIONS, IMPROVEMENTS AND EXTENSIONS TO THE EXISTING SEWERAGE SYSTEM AND ALL APPURTENANT FACILITIES OF THE DISTRICT, AND THE FINANCING OF THE COSTS, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $2,800,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2002 A (UNITED STATES DEPARTMENT OF AGRICULTURE) AND NOT MORE THAN $950,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2002 B (UNITED STATES DEPARTMENT OF AGRICULTURE); DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT

BE IT RESOLVED AND ORDERED BY THE PUBLIC SERVICE BOARD OF GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for This Resolution. This Resolution is adopted pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. Green Valley-Glenwood Public Service District (the "Issuer") is a public corporation and public service district and political subdivision of the State of West Virginia in Mercer County of said State, duly created pursuant to the Act by The County Commission of Mercer County.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

A. The Issuer currently owns and operates a public sewerage system and desires to finance and acquire, construct, operate and maintain certain additional public service properties consisting of additions, improvements and extensions to such existing sewerage facilities with all appurtenant facilities, within the boundaries of the Issuer to be owned and operated by the Issuer.

B. It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer, and, accordingly, it is hereby ordered that there be acquired and constructed, or will acquire and construct, certain additions, improvements and extensions to the existing sewerage facilities of the Issuer, consisting of (i) upgrades to its existing wastewater treatment plant and existing collection Facilities, (ii) constructing certain collection facilities to serve customers in Bulltail Hollow and Ceres Hollow, and (iii) constructing an office in Mercer County, and all necessary appurtenant facilities in Mercer County, West Virginia (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Secretary of the Public Service Board (the "Governing Body") of the Issuer. The existing sewerage facilities of the Issuer, together with the Project and any further additions, improvements or extensions thereto, are herein called the "System." The acquisition and construction of the Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

C. The estimated revenues to be derived in each year from the operation of the System after completion of the Project will be sufficient to pay all costs of the operation and maintenance of the System, the principal of and interest on the Bonds (hereinafter defined) and all funds and accounts and other payments provided for herein.

D. The estimated maximum cost of the acquisition and construction of the Project is $4,950,000, of which approximately $2,800,000 will be obtained from the proceeds of sale of the Series 2002 A Bonds herein authorized, $950,000 will be obtained from the proceeds of sale of the Series 2002 B Bonds herein authorized, and $1,200,000 will be obtained from a grant from the Purchaser.

E. It is necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2002 A (United States Department of Agriculture), in the principal amount of $2,800,000 (the "Series 2002 A Bonds") and its Sewer Revenue Bonds, Series 2002 B (United States Department of Agriculture), in the principal amount of $950,000 (the "Series 2002 B Bonds") to finance a portion of the cost of such acquisition and construction in the manner hereinafter provided. The cost of such acquisition and construction shall be deemed to include, without being limited to, the acquisition and construction of the Project; the cost of all property rights, easements and franchises deemed necessary or convenient therefore and for the improvements and extensions thereto; interest on the Series 2002 A Bonds and the Series 2002 B Bonds prior to, during and for six months after completion of such

acquisition and construction of the improvements and extensions; engineering, fiscal agents and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the Project, administrative expense, and such other expenses as may be necessary or incident to the financing herein authorized, and the acquisition and construction of the Project and the placement of same in operation; provided that, reimbursement to the Issuer for any amounts expended by it for the repayment of indebtedness incurred for costs of the Project by the Issuer shall be deemed costs of the Project.

F. The period of usefulness of the System after completion of the Project is not less than 40 years.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2002 A Bonds and the Series 2002 B Bonds as to liens, pledge and source of and security for payment, being the Sewer Revenue Bond, Series 1987, dated May 20, 1987, issued in the original aggregate principal amount of $1,952,000 (the "Series 1987 Bonds"), the Sewer Revenue Bonds, Series 1998 A, dated March 24, 1998, issued in the aggregate principal amount of $540,000 (the "Series 1998 A Bonds"), and the Sewer Revenue Bonds, Series 1998 B, dated November 25, 1998, issued in the aggregate principal amount of $317,500 (the "Series 1998 B Bonds"). The Series 1987 Bonds, the Series 1998 A Bonds and the Series 1998 B Bonds are hereinafter collectively referred to as the "Prior Bonds."

The Issuer has paid in full and discharged its Sewer Revenue Bond, Series 1964, dated April 1, 1964 (the "Series 1964 Bonds") on or about December 1, 2001. Therefore, the lien position of the Series 1987 Bonds, the Series 1998 A Bonds and the Series 1998 B Bonds has been upgraded from a second lien to a first lien, all on a parity with each other.

Prior to the issuance of the Series 2002 A Bonds and the Series 2002 B Bonds, the Issuer will obtain the written consent of the holders of the Prior Bonds to the issuance of the Series 2002 A Bonds and the Series 2002 B Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which will rank prior to or on a parity with the Series 2002 A Bonds and the Series 2002 B Bonds as to liens, pledge and/or source of and security for payment.

The Issuer is not in default under the terms of the Prior Bonds, or the Resolutions authorizing issuance of the Prior Bonds or any document in connection therewith, and has complied with all requirements of all the foregoing with respect to the issuance of parity bonds or has obtained a sufficient and valid consent or waiver thereof.

H. It is in the best interest of the Issuer that the Series 2002 A Bonds and the Series 2002 B Bonds be sold to the Purchaser pursuant to the terms and provisions of a Letter of Conditions dated September 10, 1998, and all amendments thereto, if any.

I. The Issuer has complied with all requirements of law relating to the authorization of the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2002 A Bonds and the Series 2002 B Bonds, or will have so complied prior to issuance of the Series 2002 A Bonds and the Series 2002 B Bonds, including, among other things and without limitation, obtaining a certificate of public convenience and necessity and approval of the financing and necessary user rates and charges from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired or shall have been duly waived or otherwise provided for.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2002 A Bonds and the Series 2002 B Bonds by those who shall be the Registered Owner of the same from time to time, this Resolution (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Series 2002 A Bonds and the Series 2002 B Bonds.

Section 1.04. Definitions. In addition to capitalized terms defined elsewhere herein, the following terms shall have the following meanings herein unless the text otherwise expressly requires:

"Act" means Chapter 16, Article 13A of the West Virginia Code of 1931, as amended.

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

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

"Bonds" means, collectively, the Series 2002 A Bonds and the Series 2002 B Bonds and the Prior Bonds and any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

"Chairman" means the Chairman of the Governing Body.

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

"Consulting Engineer" means Pentree, Incorporated, Princeton, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

"Depository Bank" means First Community Bank of Mercer County, Inc., Princeton, West Virginia, a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns.

"Facilities" or "sewerage facilities" means all the tangible properties of the System and also any tangible properties which may hereafter be added to the System by additions, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"FDIC" means the Federal Deposit Insurance Corporation.

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

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

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

"Grants" means, collectively, all grants committed for the Project.

"Herein" or "herein" means in this Bond Legislation.

"Issuer," "Borrower" or "District" means Green Valley-Glenwood Public Service District, in Mercer County, West Virginia, and includes the Governing Body.

"Letters of Conditions" means, collectively, the Letter of Conditions of the Purchaser dated September 10, 1998, and all amendments thereto, if any.

"Minimum Reserve" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2002 A Bonds and the Series 2002 B Bonds, respectively, in the then current or any succeeding year.

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

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the

Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting principles and retention of a sum not to exceed 1/6th of the budgeted Operating Expenses stated above for the current year as working capital, and language herein requiring payment of Operating Expenses means also retention of not to exceed such sum as working capital; provided that, all monthly amortization payments upon the Bonds and the Prior Bonds and into the other Reserve Funds and Depreciation Accounts have been made to the last monthly payment date prior to the date of such retention.

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

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

"Prior Bonds" means, collectively, the Sewer Revenue Bonds, Series 1987, the Sewer Revenue Bonds, Series 1998 A and the Sewer Revenue Bonds, Series 1998 B, of the Issuer described in Section 1.02G hereof.

"Prior Resolutions" means, collectively, the resolution of the Issuer adopted May 14, 1987 (the "Series 1987 Resolution"), the resolution of the Issuer adopted March 24, 1998 (the "Series 1998 A Resolution"), and the resolution of the Issuer adopted November 19, 1998 (the "Series 1998 B Resolution").

"Project" shall have the meaning stated in Section 1.02B above.

"Purchaser" or "Government" means United States Department of Agriculture, Rural Utilities Service, and any successor thereof, acting for and on behalf of the United States of America.

"Qualified Investments" means and includes any of the following, to the extent such investments are permitted by law:

(a) Government Obligations;

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

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

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

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC (hereinbefore defined) or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e)

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

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

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

"Registrar" means the Issuer, which shall usually so act by its Secretary.

"Resolutions" means, collectively, the Prior Resolutions and the Bond Legislation.

"Revenues" or "Gross Revenues" means all rates, rents, fees, charges or other income received by the Issuer, or accrued to the Issuer, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System, and all parts thereof, all as calculated in accordance with sound accounting practices.

"Secretary" means the Secretary of the Governing Body.

"Series 1987 Bonds" means the outstanding Sewer Revenue Bonds, Series 1987, of the Issuer described in Section 1.02G hereof.

"Series 1987 Resolution" means the resolution of the Issuer adopted May 14, 1987, authorizing the Series 1987 Bonds.

"Series 1998 A Bonds" means the outstanding Sewer Revenue Bonds, Series 1998 A, of the Issuer described in Section 1.02G hereof.

"Series 1998 A Resolution" means the resolution of the Issuer adopted March 24, 1998, authorizing the Series 1998 A Bonds.

"Series 1998 B Bonds" means the outstanding Sewer Revenue Bonds, Series 1998 B, of the Issuer, described in Section 1.02G hereof.

"Series 1998 B Resolution" means the resolution of the Issuer adopted November 11, 1998, authorizing the Series 1998 B Bonds.

"Series 2002 A Bonds" means the Sewer Revenue Bonds, Series 2002 A (United States Department of Agriculture), authorized hereby to be issued pursuant to this Bond Legislation.

"Series 2002 A Bonds Reserve Account" means, the Reserve Account created by Section 4.02 hereof.

"Series 2002 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2002 A Bonds in the then current or any succeeding year.

"Series 2002 B Bonds" means the Sewer Revenue Bonds, Series 2002 B (United States Department of Agriculture), authorized hereby to be issued pursuant to this Bond Legislation.

"Series 2002 B Bonds Reserve Account" means, the Reserve Account created by Section 4.02 hereof.

"Series 2002 B Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2002 B Bonds in the then current or any succeeding year.

"System" means the complete sewerage system of the Issuer, presently existing in its entirety or any integral part thereof, and shall include the Project and any improvements and extensions thereto hereafter acquired or constructed for the System from any sources whatsoever.

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neuter gender shall include any other gender; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Chairman or the Secretary shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Chairman or Acting Secretary.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of $4,950,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2002 A Bonds and the Series 2002 B Bonds hereby authorized shall be applied as provided in Article IV hereof.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BOND

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions of the Bond Legislation, the Series 2002 A Bonds of the Issuer, to be known as "Sewer Revenue Bonds, Series 2002 A (United States Department of Agriculture)" are hereby authorized to be issued in the principal amount of $2,800,000 and the Series 2002 B Bonds of the Issuer, to be known as "Sewer Revenue Bonds, Series 2002 B (United States Department of Agriculture)" are hereby authorized to be issued in the principal amount of $950,000 for the purpose of financing a portion of the cost of the acquisition and construction of the Project.

Section 3.02. Description of Bonds. The Series 2002 A Bonds shall be issued in single form, numbered AR-1, and shall be dated the date of delivery thereof and the Series 2002 B Bonds shall be issued in single form, numbered BR-1, and shall be dated the date of delivery thereof. The Series 2002 A Bonds and the Series 2002 B Bonds each shall bear interest from the date of delivery, payable monthly at the rate of 4.50% per annum, and shall be sold for the par value thereof.

The Series 2002 A Bonds and the Series 2002 B Bonds shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the Bond form hereinafter set forth.

Section 3.03. Negotiability, Registration, Transfer and Exchange of Bonds. The Series 2002 A Bonds and the Series 2002 B Bonds shall be and have all the qualities and incidents of a negotiable instruments under the Uniform Commercial Code of the State of West Virginia, but the right to principal of and stated interest on each series of Bonds, may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.04 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Bond Registrar.

Whenever the Bonds shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Bond Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, but the Issuer shall pay any other expenses incurred by the Bond Registrar with respect to such transfer.

No registration of transfer of the Bonds shall be permitted to be made after the 15th day next preceding any installment payment date on the Bonds.

Section 3.04. Bond Registrar. The Issuer shall be the Bond Registrar and will keep, or cause to be kept by its agent, at its office, sufficient books for the registration and transfer of the Series 2002 A Bonds and the Series 2002 B Bonds and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register both the Series 2002 A Bonds and the Series 2002 B Bonds initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Series 2002 A Bonds or the Series 2002 B Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2002 A Bonds and the Series 2002 B Bonds for registration of transfer only if ownership thereof is to be registered in the name of the Purchaser, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust and/or such other identifying number and information as may be required by law. The Series 2002 A Bonds and the Series 2002 B Bonds shall initially be fully registered as to both principal and interest in the name of the United States of America. So long as the Series 2002 A Bonds and the Series 2002 B Bonds shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be its National Finance Office, St. Louis, Missouri 63103, or such other address as shall be stated in writing to the Issuer by the United States of America.

Section 3.05. Execution of Bonds. The Series 2002 A Bonds and the Series 2002 B Bonds shall be executed in the name of the Issuer by the Chairman and its corporate seal shall be affixed thereto and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Bonds shall cease to be such officer of the Issuer before the Series 2002 A Bonds and the Series 2002 B 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. The Series 2002 A Bonds and the Series 2002 B Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 2002 A Bonds or the Series 2002 B Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such

mutilated Bond or in lieu of and substitution for the Bonds destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Series 2002 A Bonds or the Series 2002 B Bonds so surrendered shall be canceled and held for the account of the Issuer. If the Series 2002 A Bonds or the Series 2002 B Bonds shall have matured or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, and, if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2002 A Bonds and the Series 2002 B Bonds shall be secured forthwith by a lien on the Net Revenues derived from the System on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues derived from the System in an amount sufficient to pay the principal of and interest on and other payments on the Series 2002 A Bonds and the Series 2002 B Bonds and the Prior Bonds, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2002 A Bonds and the Series 2002 B Bonds and the Prior Bonds as the same become due.

Section 3.08. Form of Bond. Subject to the provisions hereof, the text of the Series 2002 A Bonds and the Series 2002 B Bonds and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or by any resolution adopted after the date of adoption hereof and prior to the issuance thereof:

(FORM OF BOND)

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

SEWER REVENUE BOND, SERIES 2002 A

$2,800,000

No. AR-1 Date: _____, 2002

FOR VALUE RECEIVED, GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of TWO MILLION EIGHT HUNDRED THOUSAND DOLLARS ($2,800,000), plus interest on the unpaid principal balance at the rate of 4.5% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $12,852, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of additions, extensions and improvements to the sewerage system (the "System") of the Borrower, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Borrower, as Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Resolution and upon surrender and

cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13A of the West Virginia Code, as amended (the "Act"), and a Resolution of the Borrower duly adopted _____, 2002, authorizing issuance of this Bond (the "Resolution").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farmers Home Rural Development Act. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S (1) SEWER REVENUE BOND, SERIES 1987, DATED MAY 20, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,952,000 (THE "SERIES 1987 BONDS"), (2) SEWER REVENUE BONDS, SERIES 1998 A, DATED MARCH 24, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $540,000 (THE "SERIES 1998 A BONDS"), (3) SEWER REVENUE BONDS, SERIES 1998 B, DATED NOVEMBER 25, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $317,500 (THE "SERIES 1998 B BONDS") (COLLECTIVELY, THE SERIES 1987 BONDS, THE SERIES 1998 A BONDS AND THE SERIES 1998 B BONDS ARE REFERRED TO AS THE "PRIOR BONDS") AND (4) SEWER REVENUE BONDS, SERIES 2002 B, TO BE ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $950,000 (THE "SERIES 2002 B BONDS")

IN WITNESS WHEREOF, GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT has caused this Bond to be executed by its Chairman and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Secretary, all as of the date hereinabove written.

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

[CORPORATE SEAL]

_____
(Signature of Executive Official)

Chairman, Public Service Board
(Title of Executive Official)

Post Office Box 6099
(P. O. Box No. or Street Address)

Bluefield, West Virginia 24701-6099
(City, State and Zip Code)

ATTEST:

_____
(Signature of Attesting Official)

Secretary, Public Service Board
(Title of Executive Official)

(Form of)

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$		(19)	$	
(2)	$		(20)	$	
(3)	$		(21)	$	
(4)	$		(22)	$	
(5)	$		(23)	$	
(6)	$		(24)	$	
(7)	$		(25)	$	
(8)	$		(26)	$	
(9)	$		(27)	$	
(10)	$		(28)	$	
(11)	$		(29)	$	
(12)	$		(30)	$	
(13)	$		(31)	$	
(14)	$		(32)	$	
(15)	$		(33)	$	
(16)	$		(34)	$	
(17)	$		(35)	$	
(18)	$		(36)	$	

TOTAL $_____

(Form of Assignment)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

(FORM OF BOND)

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

SEWER REVENUE BOND, SERIES 2002 B

$950,000

No. BR-1 Date: _____, 2002

FOR VALUE RECEIVED, GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of NINE HUNDRED FIFTY THOUSAND DOLLARS ($950,000), plus interest on the unpaid principal balance at the rate of 4.5% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $_____, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of additions, extensions and improvements to the sewerage system (the "System") of the Borrower, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Borrower, as Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Resolution and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized

denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13A of the West Virginia Code, as amended (the "Act"), and a Resolution of the Borrower duly adopted _____, 2002, authorizing issuance of this Bond (the "Resolution").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farmers Home Rural Development Act. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S (1) SEWER REVENUE BOND, SERIES 1987, DATED MAY 20, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,952,000 (THE "SERIES 1987 BONDS"), (2) SEWER REVENUE BONDS, SERIES 1998 A, DATED MARCH 24, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $540,000 (THE "SERIES 1998 A BONDS"), (3) SEWER REVENUE BONDS, SERIES 1998 B, DATED NOVEMBER 25, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $317,500 (THE "SERIES 1998 B BONDS") (COLLECTIVELY, THE SERIES 1987 BONDS, THE SERIES 1998 A BONDS AND THE SERIES 1998 B BONDS ARE REFERRED TO AS THE "PRIOR BONDS") AND (4) SEWER REVENUE BONDS, SERIES 2002 A, TO BE ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,800,000 (THE "SERIES 2002 A BONDS")

IN WITNESS WHEREOF, GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT has caused this Bond to be executed by its Chairman and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Secretary, all as of the date hereinabove written.

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

[CORPORATE SEAL]

_____
(Signature of Executive Official)

Chairman, Public Service Board
(Title of Executive Official)

Post Office Box 6099
(P. O. Box No. or Street Address)

Bluefield, West Virginia 24701-6099
(City, State and Zip Code)

ATTEST:

_____
(Signature of Attesting Official)

Secretary, Public Service Board
(Title of Executive Official)

(Form of)

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(37)	$		(55)	$	
(38)	$		(56)	$	
(39)	$		(57)	$	
(40)	$		(58)	$	
(41)	$		(59)	$	
(42)	$		(60)	$	
(43)	$		(61)	$	
(44)	$		(62)	$	
(45)	$		(63)	$	
(46)	$		(64)	$	
(47)	$		(65)	$	
(48)	$		(66)	$	
(49)	$		(67)	$	
(50)	$		(68)	$	
(51)	$		(69)	$	
(52)	$		(70)	$	
(53)	$		(71)	$	
(54)	$		(72)	$	

TOTAL $_____

(Form of Assignment)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

ARTICLE IV

SYSTEM REVENUES AND APPLICATION THEREOF; DISPOSITION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

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

(1) Revenue Fund (established by the Prior Resolutions);

(2) Series 1987 Bonds Reserve Fund (established by the Prior Resolutions);

(3) Series 1998 A Bonds Reserve Fund (established by the Prior Resolutions);

(4) Renewal and Replacement Fund (resulting from the combination of the Series 1998 A Bonds Depreciation Reserve Account and the Series 1998 B Bonds Depreciation Reserve Account, each established by the Prior Resolutions); and

(5) Project Construction Account.

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

(1) Series 2002 A Bonds Reserve Account; and

(2) Series 2002 B Bonds Reserve Account.

Section 4.03. Bond Proceeds; Project Construction Account. The proceeds of the sale of the Series 2002 A Bonds and the Series 2002 B Bonds shall be deposited upon receipt by the Issuer in the Project Construction Account. The moneys in the Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by the Depository Bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Moneys in the Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Moneys in the Project Construction Account shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Purchaser.

Until completion of acquisition and construction of the Project, the Issuer will additionally transfer from the Project Construction Account and pay to the Purchaser on or before the due date, such sums as shall be from time to time required to make the monthly installments on the Series 2002 A Bonds and the Series 2002 B Bonds if there are not sufficient Net Revenues to make such monthly payment.

Pending application as provided in this Section 4.03, money and funds in the Project Construction Account shall be invested and reinvested at the direction of the Issuer, to the extent possible in accordance with applicable law, in Qualified Investments.

When acquisition and construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Project Construction Account shall be disposed of in accordance with the regulations of the Purchaser.

Section 4.04. Covenants of the Issuer as to System Revenues and Funds. So long as any of the Series 2002 A Bonds or the Series 2002 B Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2002 A Bonds Reserve Account or the Series 2002 B Bonds Reserve Account, as applicable, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2002 A Bonds or the Series 2002 B Bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the Holders of the Bonds as follows:

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

B. DISPOSITION OF REVENUES. All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority, subject to the provisions of the Prior Resolutions not otherwise modified or modified herein:

(1) The Issuer shall first, each month, pay from the Revenue Fund the Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the National Finance Office the amounts required by the Prior Resolutions to pay the interest on and the principal of the Series 1987 Bonds and the Series 1998 A Bonds; (ii) remit to the Commission the amounts required by the Prior Resolutions to pay the principal of the Series 1998 B Bonds; (iii) remit to the National Finance Office, beginning on February 4, 2002 and continuing of the 4th day of each month thereafter, the amounts required to pay the interest on the Series 2002 A Bonds until February 4, 2004, and commencing on February 4, 2004 and continuing on the 4th day of each month thereafter, the amounts required to amortize the principal of and interest on the Series 2002 A Bonds over the life of the Bond issue; and (iv) remit to the National Finance Office, beginning on February 4, 2002 and continuing of the 4th day of each month thereafter, the amounts required to pay the interest on the Series 2002 B Bonds until February 4, 2004, and commencing on February 4, 2004 and continuing on the 4th day of each month thereafter, the amounts required to amortize the principal of and interest on the Series 2002 B Bonds over the life of the Bond issue. All payments with respect to principal of and interest on the Prior Bonds and the Series 2002 A Bonds and the Series 2002 B Bonds shall be made on an equal pro rata basis in accordance with the respective aggregate principal amounts thereof outstanding and on a parity with each other.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Depository Bank the amounts required by the Prior Resolutions to be deposited in the Series 1987 Bonds Reserve Account and the Series 1998 A Bonds Reserve Account; (ii) remit to the Commission the amount required by the Prior Resolutions to be deposited in the Series 1998 B Bonds Reserve Account; (iii) beginning on February 4, 2004 and continuing on the 4th day of each month thereafter, remit to the Commission for deposit into the Series 2002 A Bonds Reserve Account, an amount equal to 1/2 of 1/120th of the Series 2002 A Bonds Reserve Requirement, until the amount in the Series 2002 A Bonds Reserve Account equals the Series 2002 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2002 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2002 A Bonds Reserve Requirement.

Monies in the Series 2002 A Bonds Reserve Account shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Series 2002 A Bonds to the National Finance Office as the same shall become due or for prepayment of installments on the Series 2002 A Bonds, or for mandatory prepayment of the Series 2002 A Bonds as hereinafter provided, and for no other purpose; provided, however, earnings from monies in the Series 2002 A Bond Reserve Account, so long as the Series 2002 A Bonds Reserve Requirement is on deposit and maintained therein, shall be returned not less than once each year, by the Commission to the Issuer, to be deposited in the Revenue Fund; and (iv) beginning on February 4, 2004 and continuing on the 4th day of each month thereafter, remit to the Commission for deposit into the Series 2002 B Bonds Reserve Account, an amount equal to 1/2 of 1/120th of the Series 2002 B Bonds Reserve Requirement, until the amount in the Series 2002 B Bonds Reserve Account equals the Series 2002 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2002 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2002 B Bonds Reserve Requirement. Monies in the Series 2002 B Bonds Reserve Account shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Series 2002 B Bonds to the National Finance Office as the same shall become due or for prepayment of installments on the Series 2002 B Bonds, or for mandatory prepayment of the Series 2002 B Bonds as hereinafter provided, and for no other purpose; provided, however, earnings from monies in the Series 2002 B Bond Reserve Account, so long as the Series 2002 B Bonds Reserve Requirement is on deposit and maintained therein, shall be returned not less than once each year, by the Commission to the Issuer, to be deposited in the Revenue Fund.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund an amount equal to 2 1/2% of the Gross Revenues each month, exclusive of any payment for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in Qualified Investments. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or

extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(5) After all the foregoing provisions for use of moneys in the Revenue Fund have been fully complied with, any moneys remaining therein and not permitted to be retained therein, if any ("Surplus Revenues"), may be used first, to prepay the Series 1987 Bonds, the Series 1998 A Bonds, the Series 1998 B Bonds, the Series 2002 A Bonds and the Series 2002 B Bonds, pro rata, or for any lawful purpose.

Whenever the moneys in the Series 2002 A Bonds Reserve Account or the Series 2002 B Bonds Reserve Account shall be sufficient to prepay the Series 2002 A Bonds or the Series 2002 B Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2002 A Bonds or the Series 2002 B Bonds at the earliest practical date and in accordance with applicable provisions hereof.

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 2002 A Bonds Reserve Account and the Series 2002 B Bonds Reserve Account as herein provided, and all amounts required for the Series 2002 A Bonds Reserve Account and the Series 2002 B Bonds Reserve Account will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein. If required by the Purchaser at anytime, the Issuer shall make the necessary arrangements whereby required payments into said respective accounts shall be automatically debited from the Reserve Fund and electronically transferred to the Commission on the dates required hereunder.

The Issuer shall, on the first day of each month (if the first day is not a business day, then the first business day of each month), deposit with the Commission the required reserve account payments with respect to the Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

The Depository Bank is hereby designated as the Fiscal Agent for the administration of the Renewal and Replacement Fund as herein provided, and all amounts required for the Renewal and Replacement Fund will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written instructions stating the amount remitted for deposit into each such fund.

The Revenue Fund, the Series 2002 A Bonds Reserve Account, the Series 2002 B Bonds Reserve Account and the Renewal and Replacement Fund shall constitute trust funds

and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the respective Bonds and the interest thereon.

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

Principal, interest or reserve payments, whether made for deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2002 A Bonds, the Series 2002 B Bonds and the Prior Bonds, in accordance with the respective principal amounts then outstanding.

Subject to the Prior Resolutions, the Commission and the Depository Bank, at the direction of the Issuer, shall keep the moneys in the Series 2002 A Bonds Reserve Account, the Series 2002 B Bonds Reserve Account and the Renewal and Replacement Fund invested and reinvested to the fullest extent possible in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Bond Legislation shall, unless otherwise provided herein or required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia Investment Management Board. Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Earnings from moneys in the respective Reserve Accounts, so long as the Minimum Reserve is on deposit and maintained therein, shall be returned not less than once each year, by the Commission to the Issuer, to be deposited in the Revenue Fund.

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

D. USER CONTRACTS. The Issuer shall, prior to delivery of the Series 2002 A Bonds and the Series 2002 B Bonds, provide evidence that there will be at least 3,252 bona fide users upon the Project on completion, in full compliance with the requirements and conditions of the Purchaser.

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

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

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

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

Section 4.05. Interim Construction Financing. In order to pay certain costs of the Project pending receipt of proceeds of the Grants and advances of principal of the Series 2002 A Bonds and the Series 2002 B Bonds, the Issuer may issue and sell its interim construction notes in an aggregate principal amount not to exceed $2,000,000 (the "Notes"). The Notes shall be in the form of a line of credit from a commercial bank or other lender, and the Issuer is hereby authorized to enter into the credit agreement with such commercial bank or other lender. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the credit agreement.

The Notes shall be special obligations of the Issuer payable as to principal and interest solely from proceeds of the Series 2002 A Bonds and the Series 2002 B Bonds or the Grants. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions. The general funds of the Issuer are not liable, and neither the full faith and credit nor the taxing power of the Issuer, if any, is pledged for the payment of the Notes. The Holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as set forth herein.

ARTICLE V

GENERAL COVENANTS, ETC.

Section 5.01. General Statement. So long as the Series 2002 A Bonds and the Series 2002 B Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2002 A Bonds Reserve Account or the Series 2002 B Bonds Reserve Account a sum sufficient to prepay the entire principal of the Series 2002 A Bonds or the Series 2002 B Bonds remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Holder of the Series 2002 A Bonds or the Series 2002 B Bonds.

Section 5.02. Rates. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide Revenues in each Fiscal Year sufficient, together with other revenues of the System, 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 120% of the maximum amount payable in any year for principal of and interest, if any, on the Series 2002 A Bonds and the Series 2002 B Bonds and all other obligations secured by a lien on or payable from such revenues senior to or on a parity with the Series 2002 A Bonds and the Series 2002 B Bonds, including the Prior Bonds.

Section 5.03. Sale of the System. The System will not be sold without the prior written consent of the Purchaser so long as the Series 2002 A Bonds and the Series 2002 B Bonds are outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 5.04. Issuance of Additional Parity Bonds or Obligations. No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

(1) The Bonds Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding;

(3) The Parity Bonds than proposed to be issued.

So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolutions shall be applicable. Additionally, no additional

parity bonds or obligations payable out of any of the Revenues of the System shall be issued after the issuance of the Series 2002 A Bonds and the Series 2002 B Bonds pursuant to this Bond Legislation, except with the prior written consent of the Purchaser. The foregoing limitation may be waived or modified by the written consent of the Holders of the Prior Bonds.

Section 5.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Series 2002 A Bonds and the Series 2002 B Bonds remain outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(a) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground structures of the System and mechanical and electrical equipment in place or stored on the site in an amount equal to the full insurable value thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

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

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

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

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

(e) Flood Insurance to be procured, to the extent available at reasonable cost to the Issuer; however, if the System is located in a community which has been notified as having special flood or mudslide prone areas, flood insurance must be obtained.

(f) Fidelity Bonds will be provided as to every member of the Governing Body and as to every officer and employee thereof having custody of the Revenue Fund or of any revenues or other funds of the Issuer in an amount at least equal to the total funds in the custody of any such person at any one time, and initially in the amount of $50,000 upon the treasurer, provided, however, that no bond shall be required insofar as custody of the Project Construction Account is concerned so long as checks thereon require the signature of a representative of the Purchaser.

(g) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Series 2002 A Bonds and Series 2002 B Bonds are outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Purchaser may specify, with insurance carriers or bonding companies acceptable to the Purchaser.

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holder of the Series 2002 A Bonds and the Series 2002 B Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby

recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Series 2002 A Bonds and the Series 2002 B Bonds on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 5.07. Events of Default. Each of the following events is hereby declared an "Event of Default":

(a) Failure to make payment of any monthly amortization installment upon the Series 2002 A Bonds and the Series 2002 B Bonds at the date specified for payment thereof; and

(b) Failure to duly and punctually observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Series 2002 A Bonds and the Series 2002 B Bonds or herein, or violation of or failure to observe any provision of any pertinent law.

Section 5.08. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Purchaser may proceed to protect and enforce its rights 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 the Purchaser, such court may, upon proof of such default, appoint a receiver for the affairs of the Issuer and the System. The receiver so appointed shall administer the System on behalf of the Issuer, shall exercise all the rights and powers of the Issuer with respect to the System, shall proceed under the direction of the court to obtain authorization to increase rates and charges of the 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 5.09. Fiscal Year; Budget. While the Series 2002 A Bonds and the Series 2002 B Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than 30 days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

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

Section 5.10. Compensation of Members of Governing Body. The Issuer hereby covenants and agrees that no compensation for policy direction shall be paid to the members of the Governing Body in excess of the amount permitted by the Act. Payment of any compensation to any such member for policy direction shall not be made if such payment would cause the Net Revenues to fall below the amount required to meet all payments provided for herein, nor when there is default in the performance of or compliance with any covenant or provision hereof.

Section 5.11. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the acquisition and construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer on file with the Secretary on the date of adoption hereof, subject to permitted changes.

Section 5.12. Books and Records; Audits. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

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

Section 5.13. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Series 2002 A Bonds and the Series 2002 B Bonds are outstanding.

Section 5.14. No Competition. To the extent legally allowable, the Issuer will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body,

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

ARTICLE VI

RATES, ETC.

Section 6.01. Initial Schedule of Rates and Charges; Rules. A. The initial schedule of rates and charges for the services and facilities of the System, subject to change consonant with the provisions hereof, shall be as set forth in the Final Order of the Public Service Commission of West Virginia, entered on October 12, 2002, Case No. 00-0399-PSD-CN, which Final Order is incorporated herein by reference as a part hereof.

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

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

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

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

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

ARTICLE VII

MISCELLANEOUS

Section 7.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holder of the Series 2002 A Bonds and the Series 2002 B Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Legislation, then with respect to the Series 2002 A Bonds and the Series 2002 B Bonds, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2002 A Bonds and the Series 2002 B Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Section 7.02. Modification or Amendment. The Bond Legislation may not be modified or amended after final passage without the prior written consent of the Purchaser.

Section 7.03. Delivery of the Bonds. The Chairman, Secretary and Treasurer of the Governing Body are hereby authorized and directed to cause the Series 2002 A Bonds and the Series 2002 B Bonds, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 7.04. Severability of Invalid Provisions. 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 severable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Series 2002 A Bonds and the Series 2002 B Bonds.

Section 7.05. Conflicting Provisions Repealed. The Prior Resolutions and all parts thereof not expressly hereby changed shall continue in full force and effect and this Bond Legislation shall be supplemental to the Prior Resolutions.

All resolutions and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed; provided that this Section shall not be applicable to the Loan Resolution (Form RUS 442-47).

Section 7.06. 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 7.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 7.08. Effective Time. This Resolution shall take effect immediately upon its adoption.

Adopted: January 2, 2002.

G.W. Welch

Chairman of the Public Service Board

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT on the 2nd day of January, 2002.

Dated: January 4, 2002.

[SEAL]

Secretary, Public Service Board

12/04/01
354550/98004

SPECIMEN

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

SEWER REVENUE BOND, SERIES 2002 A

$2,800,000

No. AR-1

Date: January 4, 2002

FOR VALUE RECEIVED, GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of TWO MILLION EIGHT HUNDRED THOUSAND DOLLARS ($2,800,000), plus interest on the unpaid principal balance at the rate of 4.5% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $12,852, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of additions, extensions and improvements to the sewerage system (the "System") of the Borrower, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Borrower,

as Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Resolution and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13A of the West Virginia Code, as amended (the "Act"), and a Resolution of the Borrower duly adopted January 2, 2002, authorizing issuance of this Bond (the "Resolution").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farmers Home Rural Development Act. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S (1) SEWER REVENUE BOND, SERIES 1987, DATED MAY 20, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,952,000 (THE "SERIES 1987 BONDS"), (2) SEWER REVENUE BONDS, SERIES 1998 A, DATED MARCH 24, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $540,000 (THE "SERIES 1998 A BONDS"), (3) SEWER REVENUE BONDS, SERIES 1998 B, DATED NOVEMBER 25, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $317,500 (THE "SERIES 1998 B BONDS") (COLLECTIVELY, THE SERIES 1987 BONDS, THE SERIES 1998 A BONDS AND THE SERIES 1998 B BONDS ARE REFERRED TO AS THE "PRIOR BONDS") AND (4) SEWER REVENUE BONDS, SERIES 2002 B, TO BE ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $950,000 (THE "SERIES 2002 B BONDS")

IN WITNESS WHEREOF, GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT has caused this Bond to be executed by its Chairman and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Secretary, all as of the date hereinabove written.

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

[CORPORATE SEAL]

SPECIMEN

Chairman, Public Service Board
Post Office Box 6099
Bluefield, West Virginia 24701-6099

ATTEST:

SPECIMEN

Secretary, Public Service Board

CH488074.1

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$300,000.00	January 4, 2002	(19)	$	
(2)	$		(20)	$	
(3)	$		(21)	$	
(4)	$		(22)	$	
(5)	$		(23)	$	
(6)	$		(24)	$	
(7)	$		(25)	$	
(8)	$		(26)	$	
(9)	$		(27)	$	
(10)	$		(28)	$	
(11)	$		(29)	$	
(12)	$		(30)	$	
(13)	$		(31)	$	
(14)	$		(32)	$	
(15)	$		(33)	$	
(16)	$		(34)	$	
(17)	$		(35)	$	
(18)	$		(36)	$	

TOTAL $_____

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

12/31/01
354550.98004

CH488074.1

SPECIMEN

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

SEWER REVENUE BOND, SERIES 2002 B

$950,000

No. BR-1

Date: January 4, 2002

FOR VALUE RECEIVED, GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of NINE HUNDRED FIFTY THOUSAND DOLLARS ($950,000), plus interest on the unpaid principal balance at the rate of 4.5% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $4,361, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of additions, extensions and improvements to the sewerage system (the "System") of the Borrower, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Borrower, as Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Resolution and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized

denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13A of the West Virginia Code, as amended (the "Act"), and a Resolution of the Borrower duly adopted January 2, 2002, authorizing issuance of this Bond (the "Resolution").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farmers Home Rural Development Act. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S (1) SEWER REVENUE BOND, SERIES 1987, DATED MAY 20, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,952,000 (THE "SERIES 1987 BONDS"), (2) SEWER REVENUE BONDS, SERIES 1998 A, DATED MARCH 24, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $540,000 (THE "SERIES 1998 A BONDS"), (3) SEWER REVENUE BONDS, SERIES 1998 B, DATED NOVEMBER 25, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $317,500 (THE "SERIES 1998 B BONDS") (COLLECTIVELY, THE SERIES 1987 BONDS, THE SERIES 1998 A BONDS AND THE SERIES 1998 B BONDS ARE REFERRED TO AS THE "PRIOR BONDS") AND (4) SEWER REVENUE BONDS, SERIES 2002 A, TO BE ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,800,000 (THE "SERIES 2002 A BONDS").

IN WITNESS WHEREOF, GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT has caused this Bond to be executed by its Chairman and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Secretary, all as of the date hereinabove written.

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

[CORPORATE SEAL]

Chairman, Public Service Board
Post Office Box 6099
Bluefield, West Virginia 24701-6099

ATTEST:

Secretary, Public Service Board

SPECIMEN

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$ 48,000.00	January 4, 2002	(19)	$	
(2)	$		(20)	$	
(3)	$		(21)	$	
(4)	$		(22)	$	
(5)	$		(23)	$	
(6)	$		(24)	$	
(7)	$		(25)	$	
(8)	$		(26)	$	
(9)	$		(27)	$	
(10)	$		(28)	$	
(11)	$		(29)	$	
(12)	$		(30)	$	
(13)	$		(31)	$	
(14)	$		(32)	$	
(15)	$		(33)	$	
(16)	$		(34)	$	
(17)	$		(35)	$	
(18)	$		(36)	$	

TOTAL $_____

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

12/31/01
35455.98004

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

SEWER REVENUE BONDS, SERIES 2002 B
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$950,000

REGISTRATION BOOKS

(No writing on these Books except by the Issuer as Registrar)

Bond No.	Date of Registration	In Whose Name Registered	Signature of Secretary of Registrar
BR-1	January 4, 2002	United States of America	[illegible]

SPECIMEN

12/31/01
354550/98004

CH495368.1