

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

**Sewer Revenue Bonds, Series 1998 B
(West Virginia Infrastructure Fund)**

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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 than 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.

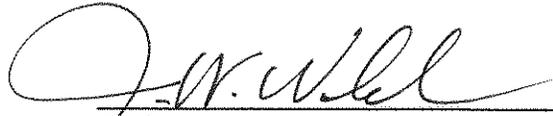
Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular 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.

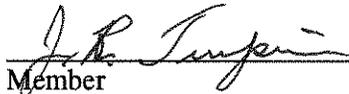
Adopted this 19th day of November, 1998.



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.

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 1998 B
(West Virginia Infrastructure Fund)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 1998 B (WEST VIRGINIA INFRASTRUCTURE FUND), OF GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Green Valley-Glenwood Public Service District (the "Issuer"), has duly and officially adopted a bond resolution, effective November 19, 1998 (the "Resolution") entitled:

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.

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Resolution when used herein;

WHEREAS, the Resolution provides for the issuance of Sewer Revenue Bonds, Series 1998 B (West Virginia Infrastructure Fund), of the Issuer, in the aggregate principal amount not to exceed \$317,500 (the "Bonds" or the "Series 1998 B Bonds"), and has authorized the execution and delivery of the loan agreement relating to the Bonds (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"), all in accordance with Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Resolution it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price 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 Loan Agreement has been presented to the Issuer at this meeting;

WHEREAS, the Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement, and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and entered into by the Issuer, that the exact principal amount, the

date, the maturity date, the redemption provision, the interest rate, the interest and principal payment dates and the sale price 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 Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Revenue Bonds, Series 1998 B (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of \$317,500. The Series 1998 B Bonds shall be dated the date of delivery thereof, shall finally mature September 1, 2038, and shall bear no interest. The principal of the Series 1998 B Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 1999, and in the amounts as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 1998 B Bonds. The Series 1998 B Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Series 1998 B Bonds.

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

Section 3. The Issuer does hereby authorize, ratify, approve and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the application to the Council and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon; provided that, the proceeds of the Bonds will be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate One Valley Bank, National Association, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Bonds under the Resolution and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Bonds under the Resolution.

Section 6. The Issuer does hereby appoint and designate First Community Bank of Mercer County, Inc., Princeton, West Virginia, to serve as Depository Bank under the Resolution.

Section 7. Series 1998 B Bonds proceeds in the amount of \$-0- shall be deposited in the Series 1998 B Bonds Sinking Fund as capitalized interest.

Section 8. Series 1998 B Bonds proceeds in the amount of \$-0- shall be deposited in the Series 1998 B Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 1998 B Bonds shall be deposited in the Series 1998 B Bonds Construction Trust Fund as received from time to time for payment of Costs of the Project, including, without limitation, costs of issuance of the Series 1998 B Bonds.

Section 12. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds hereby and by the Resolution approved and provided for, to the end that the Bonds may be delivered to the Authority pursuant to the Loan Agreement on or about November 25, 1998.

Section 13. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 14. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Resolution held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts, until further directed by the Issuer. Moneys in the Series 1998 B Bonds Sinking Fund and the Series 1998 B Bonds Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

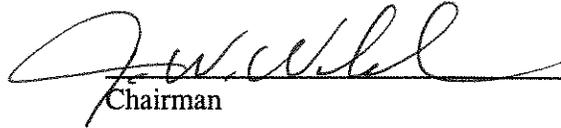
Section 15. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by

Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations promulgated or to be promulgated thereunder.

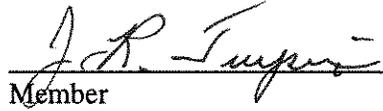
Section 16. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 19th day of November, 1998.

GREEN VALLEY-GLENWOOD
PUBLIC SERVICE DISTRICT


Chairman


Member


Member

CERTIFICATION

Certified a true copy of a Supplemental 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

IC/WDA-1
(July 1996)

LOAN AGREEMENT

THIS LOAN AGREEMENT, Made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), acting on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council") and the governmental agency designated below (the "Governmental Agency");

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT
(Governmental Agency)

WITNESSETH:

WHEREAS, pursuant to the provisions of Chapter 31, Article 15A, of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered upon request of the Council to make loans to governmental agencies for the acquisition or construction of projects by such governmental agencies, subject to such provisions and limitations as are contained in the Act;

WHEREAS, the Governmental Agency constitutes a governmental agency as defined by the Act;

WHEREAS, the Governmental Agency is authorized and empowered by the statutes of the State to construct, operate and improve a project, as defined by the Act, and to finance the cost of constructing or acquiring the same by borrowing money to be evidenced by revenue bonds issued by the Governmental Agency;

WHEREAS, the Governmental Agency intends to construct, is constructing or has constructed such a project at the location and as more particularly described and set forth in the Application, as hereinafter defined (the "Project");

WHEREAS, the Governmental Agency has completed and filed with the Authority an Application for a Construction Loan with attachments and exhibits and an Amended Application for a Construction Loan also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, having reviewed the Application and made all findings required by the Act and having available sufficient funds therefor, the Council has authorized the Authority to lend the Governmental Agency the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Governmental Agency with money in the Infrastructure Fund subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Council's loan program (the "Program") as hereinafter set forth.

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

ARTICLE I

Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "cost," "governmental agency," "project," "waste water facility" and "water facility" have the definitions and meanings ascribed to them in the Act.

1.2 "Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser of the Bonds, acting in its administrative capacity pursuant to Section 10 of the Council Act and upon authorization from the Council.

1.3 "Consulting Engineers" means the professional engineer, licensed by the State, who shall not be a regular, full-time employee of the State or any of its agencies, commissions or political sub-divisions, and designated in the Application and any qualified successor thereto; provided, however, when a Loan is made for a Project financed, in part, by the Office of Abandoned Mine Lands, "Consulting Engineers" shall mean the West Virginia Division of Environmental Protection, or any successor thereto.

1.4 "Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Section 9 of the Act.

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

1.6 "Local Act" means the official action of the Governmental Agency required by Section 4.1 hereof, authorizing the Local Bonds.

1.7 "Local Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of the Local Statute, as hereinafter defined, to evidence the Loan and to be purchased by the Authority, all in accordance with the provisions of this Loan Agreement.

1.8 "Local Statute" means the specific provisions of the Code of West Virginia, 1931, as amended, pursuant to which the Local Bonds are issued.

1.9 "Operating Expenses" means the reasonable, proper and necessary costs of operation and maintenance of the System, as hereinafter defined, as should normally and regularly be included as such under generally accepted accounting principles.

1.10 "Project" means the project hereinabove-referred to, to be constructed or being constructed by the Governmental Agency in whole or in part with the net proceeds of the Local Bonds.

1.11 "System" means the project owned by the Governmental Agency, of which the Project constitutes all or to which the Project constitutes an improvement, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

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

ARTICLE II

The Project and the System

2.1 The Project shall generally consist of the construction and acquisition of the facilities described in the Application, to be, being or having been constructed in accordance with plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers, the Authority and Council having found, to the extent applicable, that the Project is consistent with the Act.

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

2.3 All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Governmental Agency, subject to any mortgage lien or

other security interest as is provided for in the Local Statute unless a sale or transfer of all or a portion of said property or any interest therein is approved by the Authority and Council.

2.4 The Governmental Agency agrees that the Authority and its duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Governmental Agency further agrees that the Authority and its duly authorized agents and representatives shall, prior to, at and after completion of construction and commencement of operation of the Project, have such rights of access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority with respect to the System pursuant to the pertinent provisions of the Act.

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

2.6 The Governmental Agency agrees that it will permit the Authority and its agents and representatives to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the System at any reasonable time 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.

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

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

all subcontractors, as their interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Governmental Agency on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds is outstanding. Prior to commencing operation of the Project, the Governmental Agency must also obtain, and maintain so long as any of the Local Bonds is outstanding, business interruption insurance if available at a reasonable cost.

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

2.10 The Governmental Agency agrees that it will at all times provide operation and maintenance of the System to comply with any and all State and federal standards. The Governmental Agency agrees that qualified operating personnel properly certified by the State will be retained to operate the System during the entire term of this Loan Agreement.

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

2.12 The Governmental Agency, commencing on the date contracts are executed for the construction of the Project and for two years following the completion of the Project, shall each month complete a Monthly Financial Report, the form of which is attached hereto as Exhibit C and incorporated herein by reference, and forward a copy by the 15th of each month to the Authority and Council.

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

3.1 The agreement of the Authority and Council to make the Loan is subject to the Governmental Agency's fulfillment, to the satisfaction of the Authority, of each and all of those certain conditions precedent on or before the delivery date for the Local Bonds, which shall be the date established pursuant to Section 3.4 hereof. Said conditions precedent are as follows:

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

(b) The Governmental Agency shall have authorized the issuance of and delivery to the Authority of the Local Bonds described in this Article III and in Article IV hereof;

(c) The Governmental Agency shall either have received bids or entered contracts for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application; provided, that, if the Loan will refund an interim financing of construction, the Governmental Agency must either be constructing or have constructed its Project for a cost and as otherwise compatible with the plan of financing described in the Application; and, in either case, the Authority shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit A;

(d) The Governmental Agency shall have obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, and the Authority shall have received a certificate of the Consulting Engineers to such effect;

(e) The Governmental Agency shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") necessary for the construction of the Project and operation of the System with all requisite appeal periods having expired without successful appeal, and the Authority shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority, to such effect;

(f) The Governmental Agency shall have obtained any and all approvals for the issuance of the Local Bonds required by State law, and the Authority shall have received an opinion of counsel to the Governmental Agency, which may be local

counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority, to such effect;

(g) The Governmental Agency shall have obtained any and all approvals of rates and charges required by State law and shall have taken any other action required to establish and impose such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project) with all requisite appeal periods having expired without successful appeal, and the Authority shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority, to such effect;

(h) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof, and the Authority shall have received a certificate of the accountant for the Governmental Agency, or such other person or firm experienced in the finances of governmental agencies and satisfactory to the Authority, to such effect; and

(i) The net proceeds of the Local Bonds, together with all moneys on deposit or to be simultaneously deposited (or, with respect to proceeds of grant anticipation notes or other indebtedness for which a binding purchase contract has been entered, to be deposited on a date certain) and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and the Authority shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of water development projects and satisfactory to the Authority, to such effect, such certificate to be in form and substance satisfactory to the Authority, and evidence satisfactory to the Authority of such irrevocably committed grants.

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority or any other appropriate State agency and any applicable rules, regulations and procedures promulgated from time to time by the federal government, it is hereby agreed that the Authority shall make the Loan to the Governmental Agency and the Governmental Agency shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Governmental Agency shall sell to the Authority and the Authority shall make the Loan by purchasing the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

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

3.4 The Local Bonds shall be delivered to the Authority, at the offices of the Authority, on a date designated by the Governmental Agency by written notice to the

Authority, which written notice shall be given not less than ten (10) business days prior to the date designated; provided, however, that if the Authority is unable to accept delivery on the date designated, the Local Bonds shall be delivered to the Authority on a date as close as possible to the designated date and mutually agreeable to the Authority and the Governmental Agency. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Loan Closing." Notwithstanding the foregoing, the Date of Loan Closing shall in no event occur more than ninety (90) days after the date of execution of this Loan Agreement by the Authority.

3.5 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Council for loans to finance projects and that the obligation of the Authority to make any such loan is subject to the Council's authorization and the Governmental Agency's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing. The Governmental Agency specifically recognizes that the Authority will not purchase the Local Bonds unless and until it has available in the Infrastructure Fund funds sufficient to purchase all the Local Bonds and that, prior to such execution, the Authority may commit to and purchase the revenue bonds of other governmental agencies for which it has sufficient funds available.

ARTICLE IV

Local Bonds; Security for Loan;
Repayment of Loan; Interest on Loan;
_____ Fees and Charges _____

4.1 The Governmental Agency shall, as one of the conditions of the Authority to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Governmental Agency in accordance with the Local Statute, which shall, as enacted, contain provisions and covenants in substantially the form as follows, unless the specific provision or covenant is modified or waived by the Council:

(a) That the gross revenues of the System shall always be used for purposes of the System. The revenues generated from the operation of the System will be used monthly, in the order of priority listed below:

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule

X to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds, if any (the "Reserve Account"), was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof in an amount equal to an amount at least equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement"), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

(iii) to create a renewal and replacement, or similar, fund in an amount equal to two and one-half percent (2-1/2%) of the gross revenues from the System, exclusive of any payments into the Reserve Account, for the purpose of improving or making emergency repairs or replacements to the System or eliminating any deficiencies in the Reserve Account; and

(iv) for other legal purposes of the System, including payment of debt service on other obligations junior, subordinate and inferior to the Local Bonds.

Provided, that if the Governmental Agency has existing outstanding indebtedness which has greater coverage or renewal and replacement fund requirements, then the greater requirements will prevail until said existing indebtedness is paid in full.

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by the gross or net revenues from the System, as more fully set forth in Schedules X and Y attached hereto;

(ii) That the schedule of rates or charges for the services of the System shall be sufficient to provide funds which, along with other revenues of the System, will pay all Operating Expenses and leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount required in any year for debt service on the Local Bonds and all other obligations secured by a lien on or payable from the revenues of the System prior to or on a parity with the Local Bonds or, if the reserve account, if any, established for the payment of debt service on the Local Bonds (the "Reserve Account") is funded (whether by Local Bond proceeds, monthly deposits or otherwise) at an amount at least equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement") and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, equal to at least one hundred ten percent (110%) of the maximum

amount required in any year for debt service on the Local Bonds and any such prior or parity obligations;

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

(iv) That, except as otherwise required by State law or with the written consent of the Council and the Authority, 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 Local Bonds outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

(v) That the Governmental Agency shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements to be financed by such parity bonds, based upon the rates, Operating Expenses and customer usage on the date of closing, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued and on any obligations secured by a lien on or payable from the revenues of the System prior to the Local Bonds; provided, however, that additional parity bonds may be issued to complete the Project, as described in the Application as of the date hereof, without regard to the foregoing;

(vi) That the Governmental Agency will carry such insurance as is customarily carried with respect to works and properties similar to the System, including those specified by Section 2.8 hereof;

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

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

(ix) That, to the extent authorized by the laws of the State and the rules and regulations of the PSC, all delinquent rates and charges, if not paid when due, shall become a lien on the premises served by the System;

(x) That, to the extent legally allowable, the Governmental Agency will not grant any franchise to provide any services which would compete with the System;

(xi) That the Governmental Agency shall annually cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority, which report shall include a statement that the Governmental Agency is in compliance with the terms and provisions of the Local Act and this Loan Agreement and that the Governmental Agency's revenues are adequate to meet its operation and maintenance expenses and debt service requirements;

(xii) That the Governmental Agency shall annually adopt a detailed 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 within 30 days of adoption thereof;

(xiii) That for wastewater systems, to the extent authorized by the laws of the State and the rules and regulations of the PSC, prospective users of the System shall be required to connect thereto;

(xiv) That the proceeds of the Local Bonds must (a) be deposited in a construction fund, which, except as otherwise agreed to in writing by the Authority, shall be held separate and apart from all other funds of the Governmental Agency and on which the owners of the Local Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing for non-construction costs) and/or (b) be used to pay (or redeem) bond anticipation notes or other interim funding of such Governmental Agency, the proceeds of which were used to finance the construction of the Project; provided that, with the prior written consent of the Authority, the proceeds of the Local Bonds may be used to fund all or a portion of the Reserve Account, on which the owner of the Local Bonds shall have a lien as provided herein;

(xv) That, as long as the Authority is the owner of any of the Local Bonds, the Governmental Agency may not redeem any Local Bonds by it without the written consent of the Authority and the Council and otherwise in compliance with this Loan Agreement;

(xvi) That, unless it qualifies for an exception to the provisions of Section 148 of the Code, which exception shall be set forth in an opinion of bond counsel, the Governmental Agency will furnish to the Authority, annually, at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information requested by the Authority;

(xvii) That the Governmental Agency shall take any and all action, or shall refrain from taking any action, as shall be deemed necessary by the Authority to maintain the exclusion from gross income for Federal income tax purposes of interest on the State's general obligation bonds or any bonds secured by the Local Bonds;

(xviii) That the Governmental Agency shall have obtained the certificate of the Consulting Engineer in the form attached to the Loan Application, to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority, the Project is adequate for the purposes for which it was designed and the funding plan as submitted to the Authority is sufficient to pay the costs of acquisition and construction of the Project;

(xix) To the extent applicable, that the Governmental Agency shall, to the full extent permitted by applicable law and the rules and regulations of the West Virginia Public Service Commission, terminate the services of any water facility owned by it to any customer of the System who is delinquent in payment of charges for services provided by the System and will not restore the services of the water facility until all delinquent charges for the services of the System have been fully paid or, if the water facility is not owned by the Governmental Agency, then the Governmental Agency shall enter into a termination agreement with the water provider;

(xx) That the Governmental Agency shall furnish to the Authority such information with respect to earnings on all funds constituting "gross proceeds" of the Local Bonds (as that term is defined in the Code) from time to time as the Authority may request; and

(xxi) That the Governmental Agency shall submit all proposed change orders to the Council for written approval. The Governmental Agency shall obtain the written approval of the Council before expending any proceeds of the Local Bonds held in "contingency" as set forth in the final Schedule B. The Governmental Agency shall obtain the written approval of the Council before expending any proceeds of the Local Bonds available due to bid/construction/project underruns.

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

4.2 The Loan shall be secured by the pledge and assignment by the Governmental Agency, as effected by the Local Act, of the fees, charges and other revenues of the Governmental Agency from the System as further set forth by and subject only to such

reservations and exceptions as are described in Schedules X and Y hereto or are otherwise expressly permitted in writing by the Authority and the Council.

4.3 The principal of the Loan shall be repaid by the Governmental Agency on the days and in the years provided in Schedule X hereto. Interest payments on the Loan shall be made by the Governmental Agency on a quarterly basis as provided in said Schedule X.

4.4 The Loan shall bear interest from the date of first payment at the rate or rates per annum set forth on Schedule X hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

4.5 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Governmental Agency. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series, as reflected by Schedule X hereto.

4.6 The Governmental Agency agrees to expend the net proceeds of the Local Bonds for the Project within 3 years of the issuance of the State's general obligation bonds unless otherwise agreed to by the Council.

ARTICLE V

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

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

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

5.3 In the event the Governmental Agency defaults in the payment of any fees due to the Authority pursuant to Section 4.6 hereof, the amount of such default shall bear interest at the interest rate of the installment of the Loan next due, from the date of the default until the date of the payment thereof.

5.4 The Governmental Agency hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Governmental Agency, the Authority may exercise any or all of the rights and powers granted under the Act and State law, including without limitation the right to an appointment of a receiver.

ARTICLE VI

Other Agreements of the Governmental Agency

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

6.2 The Governmental Agency hereby covenants that it will rebate any amounts required by Section 148 of the Internal Revenue Code of 1986, as amended, and will take all steps necessary to make any such rebates. In the event the Governmental Agency fails to make any such rebates as required, then the Governmental Agency shall pay any and all penalties, obtain a waiver from the Internal Revenue Service and take any other actions necessary or desirable to preserve the exclusion from gross income for Federal income tax purposes of interest on the Local Bonds.

6.3 Notwithstanding Section 6.2, the Authority may at any time, in its sole discretion, cause the rebate calculations prepared by or on behalf of the Governmental Agency to be monitored or cause the rebate calculations for the Governmental Agency to be prepared, in either case at the expense of the Governmental Agency.

6.4 The Governmental Agency hereby agrees to give the Authority prior written notice of the issuance by it of any other obligations to be used for the Project, payable

from the revenues of the System or from any grants for the Project or otherwise related to the Project or the System.

6.5 The Governmental Agency hereby agrees to file with the Authority upon completion of acquisition and construction of the Project a schedule in substantially the form of Amended Schedule A to the Application, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE VII

Miscellaneous

7.1 Additional definitions, additional terms and provisions of the Loan and additional covenants and agreements of the Governmental Agency may be set forth in Schedule Z attached hereto and incorporated herein by reference, with the same effect as if contained in the text of this Loan Agreement.

7.2 The Authority shall take all actions required by the Council in making and enforcing this Loan Agreement.

7.3 If any provision of this Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Loan Agreement, and this Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

7.4 This Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all documents or other instruments and take such other actions as may be necessary to give effect to the terms of this Loan Agreement.

7.5 No waiver by either party of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Loan Agreement.

7.6 This Loan Agreement merges and supersedes all prior negotiations, representations and agreements between the parties hereto relating to the Loan and constitutes the entire agreement between the parties hereto in respect thereof.

7.7 By execution and delivery of this Loan Agreement, notwithstanding the date hereof, the Governmental Agency specifically recognizes that it is hereby agreeing to sell its Local Bonds to the Authority and that such obligation may be specifically enforced or subject to a similar equitable remedy by the Authority.

7.8 This Loan Agreement shall terminate upon the earlier of:

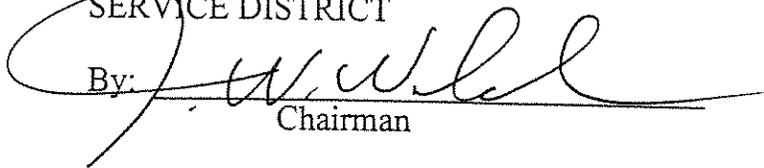
- (i) the end of ninety (90) days after the date of execution hereof by the Authority if the Governmental Agency has failed to deliver the Local Bonds to the Authority;
- (ii) termination by the Authority pursuant to Section 6.1 hereof; or
- (iii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Governmental Agency to the Authority, acting on behalf of the Council.

7.9 The Authority acknowledges that certain terms and requirements in this Loan Agreement may not be applicable when the Project is financed in part by the West Virginia Division of Environmental Protection, Office of Abandoned Mine Lands and under that circumstance those terms and requirements are specifically waived or modified as agreed to by the Authority and set forth in the Local Act.

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed by their respective duly authorized officers as of the date executed below by the Authority.

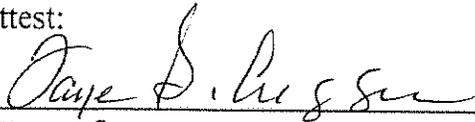
GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

(SEAL)

By: 
Chairman

Attest:

Date: November 25, 1998


Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: 
Director

Attest:

Date: November 25, 1998


Secretary-Treasurer

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

(Issuer)

(Name of Bonds)

I, _____, Registered Professional Engineer, West Virginia License No. _____, of _____, Consulting Engineers, _____, _____, hereby certify that my firm is engineer for the acquisition and construction of _____ to the _____ system (herein called the "Project") of _____ (the "Issuer") to be constructed primarily in _____ County, West Virginia, which construction and acquisition are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the meaning set forth in the _____ passed by the _____ of the Issuer on _____, 19____, effective _____, 19____, and the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority") dated _____, 19____.

1. The Bonds are being issued for the purpose of _____
_____ (the "Project").

2. The undersigned hereby certifies that (i) the Project will be constructed in accordance with the approved plans, specifications and designs prepared by my firm and as described in the application submitted to the Authority requesting the Authority to purchase the Bonds (the "Application") and approved by all necessary governmental bodies, (ii) the Project is adequate for the purpose for which it was designed and has an estimated useful life of at least _____ years, (iii) the Issuer has received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application and my firm has ascertained that all contractors have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified by my firm for accuracy, (iv) the chosen bidder received any and all addenda to the original bid documents; (v) the bid documents reflect the Project as approved by the West Virginia [Division of Environmental Protection][Bureau for Public Health]; (vi) the chosen bid includes every construction item necessary to complete the Project, or explains any deviation thereof; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, (ix) the rates and charges for the System as adopted by the Issuer are sufficient to comply with the provisions of Subsection 4.1(b)(ii) of the Loan Agreement, (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably

pledged thereto and the proceeds of grants irrevocably committed therefor, are sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Total Cost of Project and Sources of Funds" for the Project.

WITNESS my signature on this ___ day of ____, 19__.

By: _____

West Virginia License No. _____

[SEAL]

EXHIBIT B

[Opinion of Bond Counsel for Governmental Agency]

[To Be Dated as of Date of Loan Closing]

West Virginia Infrastructure and
Jobs Development Council
c/o West Virginia Water Development Authority
180 Association Drive
Charleston, West Virginia 25311

Ladies and Gentlemen:

We are bond counsel to _____ (the
"Governmental Agency"), a _____
_____.

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement dated _____, 19____, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Governmental Agency and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of a series of revenue bonds of the Governmental Agency, dated _____, 19__ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are in the principal amount of \$_____, issued in the form of one bond registered as to principal and interest to the Authority, with interest and principal payable in installments on September 1, December 1, March 1 and June 1 of each year, beginning _____, at the rate as set forth in Exhibit A incorporated in and made a part of the Bonds.

The Local Bonds are issued for the purpose of _____ and paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond _____ duly enacted by the Governmental Agency on _____ (the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement that has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

3. The Governmental Agency is a duly organized and presently existing _____, with full power and authority to construct and acquire the Project and to operate and maintain the System referred to in the Loan Agreement and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

4. The Governmental Agency has legally and effectively enacted the Local Act and all other necessary _____ in connection with the issuance and sale of the Local Bonds. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

5. The Local Bonds are valid and legally enforceable special obligations of the Governmental Agency, payable from the [net] revenues of the System referred to in the Local Act and secured by a [first] lien on and pledge of the [net] revenues of said System, all in accordance with the terms of the Local Bonds and the Local Act, and have been duly issued and delivered to the Authority.

6. [If required, the Local Bonds are, by statute, exempt _____, and under existing statutes and court decisions of the United States of America, as presently written and applied, the interest on the Local Bonds is excludable from the gross income of the recipients thereof for Federal income tax purposes.]

No opinion is given herein as to the effect upon enforceability of the Local Bonds of bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights or in the exercise of judicial discretion in appropriate cases.

We have examined executed and authenticated Local Bond numbered R-1, and in our opinion the form of said bond and its execution and authentication are regular and proper.

Very truly yours,

EXHIBIT C

Monthly Financial Report

[Name of Governmental Agency]

[Name of Bond Issue]

Fiscal Year - ____

Report Month: _____

	<u>CURRENT</u> <u>MONTH</u>	<u>YEAR TO</u> <u>DATE</u>	<u>BUDGET YEAR</u> <u>TO DATE</u>	<u>DIFFERENCE</u>
1. ITEM Gross Revenues Collected				
2. Operation and Maintenance Expense				
3. Other Bond Debt Payments (including Reserve Fund deposits)				
4. Bond Payments (include Reserve Fund deposits)				
5. Renewal and Replacement Fund Deposit				
6. Funds available for capital construction				

Witnesseth my signature this ___ day of ____, 19__.

[Name of Governmental Agency]

By: _____
Authorized Officer

CHASFS3:58465

Preliminary

Green Valley-Glenwood Public Service District
Infrastructure Fund Loan (1996 Series D)
 \$317,500; 40 Years; 0% Interest Rate

PROJECT SUMMARY

Dated 11/25/1998

Delivered 11/25/1998

SOURCES AND USES OF FUNDS

Par Amount of Bonds.....	\$317,500.00
TOTAL SOURCES.....	\$317,500.00
Rounding Amount.....	317,500.00
TOTAL USES.....	\$317,500.00

FLOW OF FUNDS DETAIL

BOND STATISTICS

Average Life.....	20.390 Years
Average Coupon.....	-
Net Interest Cost (NIC).....	-
Bond Yield for Arbitrage Purposes.....	5.29E-11
True Interest Cost (TIC).....	5.29E-11
All Inclusive Cost (AIC).....	5.29E-11

Ferris, Baker Watts, Inc.
 West Virginia Public Finance Department

File = jfgreen.sf-111998- SINGLE PURPOSE
 11/19/1998 10:26 AM

Preliminary

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

Preliminary

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
6/01/2010	2,035.00	-	2,035.00
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

Preliminary

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 Pay
12/01/2021	2,035.00	-	2,035.00
3/01/2022	2,035.00	-	2,035.00
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

Preliminary

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
6/01/2033	2,035.00	-	2,035.00
9/01/2033	2,035.00	-	2,035.00
12/01/2033	2,035.00	-	2,035.00
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

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Net Interest Cost.....	-
Weighted Average Maturity.....	20.390 Years

Farris, Baker Watts, Inc.

West Virginia Public Finance Department

File - Ifgreen.qf-111998- SINGLE PURPOSE

11/19/1998 10:26 AM

SCHEDULE X

DESCRIPTION OF BONDS

Principal Amount of Bonds	\$317,500
Purchase Price of Bonds	\$317,500

Principal on the Bonds is payable quarterly, commencing December 1, 1999 to and including September 1, 2038. Quarterly payments will be made thereafter on each September 1, December 1, March 1 and June 1, as set forth on Schedule Y attached hereto and incorporated herein by reference. The Bonds shall be issued on a junior and subordinate basis to the lien of the Governmental Agency's Sewer Revenue Bond, dated April 1, 1964 (the "Series 1964 Bonds"), and on a parity with the lien of the Governmental Agency's Sewer Revenue Bond, Series 1987, dated May 20, 1987 (the "Series 1987 Bonds"), and the Sewer Revenue Bond, Series 1998 A, dated March 24, 1998 (the "Series 1998 A Bonds"). Upon the payment in full of the Series 1964 Bonds, the Series 1987 Bonds, the Series 1998 A Bonds and the Series 1998 B Bonds will be on a parity with one another as to liens, pledge and source of and security for payment.

The Governmental Agency shall submit its payments monthly to the West Virginia Municipal Bond Commission which will make quarterly payments to the West Virginia Water Development Authority at such address as is given to the West Virginia Municipal Bond Commission in writing by the Authority.

The Bonds will be fully registered in the name of the West Virginia Water Development Authority as to principal only and such Bonds shall grant the Authority a second lien on the net revenues of the Governmental Agency's system, until such time as the Series 1964 Bonds are paid in full, when the Bonds shall grant the Authority a first lien on the net revenues of the Governmental Agency's system.

The Governmental Agency may prepay the Bonds in full at any time at the price of par but only with the Council's written consent. The Governmental Agency shall request approval from the Authority and Council in writing of any proposed debt which will be issued by the Governmental Agency on a parity with the Bonds which request must be filed at least 60 days prior to the intended date of issuance.

SCHEDULE Y

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

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
6/01/2010	2,035.00	-	2,035.00
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

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
12/01/2021	2,035.00	-	2,035.00
3/01/2022	2,035.00	-	2,035.00
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

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
6/01/2033	2,035.00	-	2,035.00
9/01/2033	2,035.00	-	2,035.00
12/01/2033	2,035.00	-	2,035.00
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

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Net Interest Cost.....	-
Weighted Average Maturity.....	20.390 Years

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

Entered: April 16, 1998

5-6-98

CASE NO. 97-1016-PSD-CN

GREEN VALLEY-GLENWOOD PUBLIC
SERVICE DISTRICT.

Application for a certificate of convenience
and necessity to construct sewer collection
system facilities to serve the Crumpecker
Mill area at Princeton, Mercer County.

RECOMMENDED DECISION

On March 4, 1998, Green Valley-Glenwood Public Service District (District) filed a duly verified application for a certificate of convenience and necessity to extend its sewer collection system to serve twenty (20) residential households and six (6) industrial customers in the Crumpecker Mill area, Princeton, Mercer County. Specifically, the District proposed to construct a sewer collection system 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, together with the necessary appurtenances.

The construction and total project costs are estimated at \$874,000, and \$1,145,000, respectively. A breakdown of the costs is as follows, to-wit:

Construction	\$874,000
Administrative	20,000
Land and Rights-of-Way	10,000
Legal	9,000
Engineering	159,000
Bond Counsel	8,000
Capitalized Interest	20,000
Interim Financing	20,000
Project Contingency	<u>25,000</u>
Total	<u>\$1,145,000</u>

Funding for the proposed project is as follows, to-wit:

West Virginia Infrastructure and Jobs Development Council Loan	\$318,000
West Virginia Infrastructure and Jobs Development Council Grant	572,000
Mercer County Commission Grant	50,000
Mercer County Solid Waste Authority Grant	170,000
Lusk's Disposal Services	25,000
MJ Electric	<u>10,000</u>
Total Funding	<u>\$1,145,000</u>

The District proposed to charge the following rates and charges, to-wit:

First	2,000 gallons used per month	\$5.32 per 1,000 gallons
Next	2,000 gallons used per month	4.62 per 1,000 gallons
Next	6,000 gallons used per month	3.88 per 1,000 gallons
Next	90,000 gallons used per month	3.15 per 1,000 gallons
Next	100,000 gallons used per month	2.43 per 1,000 gallons

Minimum Bill (based on 2,000 gallons) ----- \$10.64
Unmetered Charge (based on 4,000 gallons) -- \$19.88

By Order dated March 18, 1998, the District was ordered to give notice of the filing of said application by publishing a copy of said Order once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Mercer County, making due return to the Commission of proper certification of publication immediately after publication. Anyone desiring to make objection to the application had to do so, in writing, within thirty (30) days after the publication of said Notice. If no protests were received within the 30-day protest period, the Commission could waive formal hearing and grant the application based on the evidence submitted with the application and its review thereof.

On March 30, 1998, Mr. Walter Willhite filed a letter with the Commission referencing the instant proceeding. Mr. Willhite essentially expressed his concern about what he considered to be the high sewer rates being charged by the District, which are not being revised in this proceeding. However, he stated no objection or protest to the instant application.

Also on March 30, 1998, the District filed an affidavit of publication reflecting that, in accordance with the Commission's March 18, 1998 Order, the Notice of Filing had been published once in the Bluefield Daily Telegraph on March 26, 1998.

By Order dated April 6, 1998, the Commission noted that, when the District had prefiled for the certificate application, it had requested a waiver of the requirements of Rule 42 of the Commission's Rules and Regulations for the Government of the Construction and Filing of Tariffs of Public Utilities and Common Carriers by Motor Vehicle (Tariff Rules)¹ because the required financial information had been recently filed and reviewed by the Commission in Case No. 96-0131-PSD-CN, Final December 24, 1997. The Commission granted the District's request for a waiver and further referred this matter to the Division of Administrative Law Judges for disposition and ordered that an Administrative Law Judge's decision be rendered on or before October 8, 1998...

On April 14, 1998, Staff Attorney Meyishi Blair filed a Final Joint Staff Memorandum. A Final Internal Memorandum dated April 6, 1998, from Michael W. McNulty, Technical Analyst, and Roy McMillion, Utilities Analyst,

¹See, Letter, dated March 10, 1998, and attachment, dated November 3, 1997, from Pentree, Incorporated, Consulting Engineers, filed herein on March 13, 1998.

Water and Wastewater Division, was attached thereto. Staff reported that, according to the engineering report, the proposed project area does not currently have public sewer service. The proposed project will serve twenty residential customers, the Mercer County Solid Waste Authority Regional Landfill, the Mercer County Detention Center, the Mercer County 911 Center, the Mercer County Animal Shelter, Lusk Disposal Complex and MJ Electric. The potential customers are served by inadequate sewer systems and the provision of public sewer service will provide better protection of the public health and safety, as well as enhance economic development in the area. The District clearly demonstrated a need for the project.

The proposed 1.7 miles of collection main and twenty-six customers resulted in a customer density figure of 15 customers per mile of main which is an acceptable ratio. Dividing the total project cost of \$1,145,000 by the 26 customers resulted in a cost per customer of approximately \$44,038. However, although the cost per customer is high, the grant funding (approximately 86% of the total project funding) and apparent need for the project appear to justify the cost per customer.

Plans and specifications for the project have been approved by the West Virginia Division of Environmental Health, Permit No. 13,421, and the Commission's Technical Staff review thereof revealed no obvious conflicts with the Commission's Rules and Regulations for the Government of Sewer Utilities (Sewer Rules). Technical Staff did note, however, that, in the bid specifications, the District is only seeking bids for 6,782 linear feet of 8-inch gravity sewer line, instead of 9,000 linear feet. According to the project engineer, approximately 2,300 linear feet will be constructed by MJ Electric using a local contractor. This will eliminate the District's need for the \$10,000 grant from MJ Electric and will subsequently reduce the overall project cost by \$10,000.

Operation and maintenance expenses are not expected to increase more than \$3,324 as a result of the project. This proposed increase appeared to be reasonable given the scope and nature of the project.

The proposed rates in this case are the same as those previously approved in Case No. 97-0606-PSD-30B (Reopened), effective August 25, 1997. Commitment letters from the financing sources have been received and all required engineering information has been received. Accordingly, Staff recommended approval of the application for a certificate of convenience and necessity.

Upon consideration of all of the above, the Administrative Law Judge is of the opinion that the Staff recommendation is reasonable and should be adopted, and that the requested certificate should be granted, without hearing. The Administrative Law Judge recognizes that a letter has been placed in the file as a protest letter, which, under Code §24-2-11, mandates a hearing on the certificate application. However, a review of that letter reveals that the subject project is not protested therein. The author of the letter is complaining about the existing rates of Green Valley-Glenwood Public Service District, which will remain unchanged as a result of this project. Therefore, while this letter was filed with the Commission in response to the published Notice of Filing for this project, the Administrative Law Judge is of the opinion that it cannot accurately or fairly be characterized as a protest to the certificate application. However, the

Administrative Law Judge notes that the letter included several legitimate questions regarding the District's rates, but has received no response. Therefore, the Administrative Law Judge will forward the letter to an appropriate member of Commission Staff for a response.

FINDINGS OF FACT

1. On March 4, 1998, Green Valley-Glenwood Public Service District filed a duly verified application for a certificate of convenience and necessity to extend its sewer collection system to serve 20 residential households and 6 industrial customers in the Crumpecker Mill area, Princeton, Mercer County. The project will require the construction of a sewer collection system 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, together with necessary appurtenances. The proposed rates and charges are the same as those previously approved for the District by the Commission in Case No. 97-0606-PSD-30B. (See, March 4, 1998 filing; Case No. 97-0606-PSD-30B, effective August 25, 1997).
2. Pursuant to a Notice of Filing entered by the Commission on March 18, 1998, the District filed a duly executed affidavit of publication demonstrating publication of a copy of the Notice of Filing, on March 26, 1998, in the Bluefield Daily Telegram, a newspaper duly qualified by the Secretary of State, published and of general circulation in Mercer County. The Notice of Filing made provision for the filing of statements of protest or objection to the project within thirty (30) days after publication and, in the absence of protest, for summary action on the application by the Commission. (See, Notice of Filing entered March 18, 1998; Affidavit of Publication filed March 30, 1998).
3. On March 30, 1998, Mr. Walter Willhite filed a letter expressing his concerns about what he considered to be high sewer rates presently being charged by the District, but voiced no objection or protest to the application sub judice. (See, Letter filed March 30, 1998).
4. By Order dated April 6, 1998, the Commission granted the District's request for a waiver of the requirements that a Tariff Rule 42 financial exhibit be filed in this proceeding. (See, April 6, 1998 Order).
5. Commission Staff recommended approval of the instant application stating that the public convenience and necessity require the proposed project; the proposed project is economically feasible; the District has received commitment letters from the financial sources involved; the proposed project does not violate any of the Commission's Sewer Rules; and the proposed project has been approved by the West Virginia Division of Environmental Health. (See, Final Joint Staff Memorandum and attachment filed April 14, 1998).
6. The residences and businesses to be served by the proposed project are currently being served by inadequate sewer facilities. (Application; Preliminary Engineering Report filed March 4, 1998; Final Joint Staff Memorandum filed April 14, 1998).

CONCLUSIONS OF LAW

1. The sewer construction project detailed in the application filed herein on March 4, 1998, by the Green Valley-Glenwood Public Service District has been shown to be required and necessary for the public welfare and is economically feasible and convenient under the confirmed funding package contained in the application.

2. It is reasonable and appropriate to approve the application filed herein on March 4, 1998, by the Green Valley-Glenwood Public Service District and to grant a certificate of convenience and necessity to the District for the project detailed therein.

ORDER

IT IS, THEREFORE, ORDERED that the application filed herein on March 4, 1998, by the Green Valley-Glenwood Public Service District seeking a certificate of convenience and necessity to extend its sewer collection system to serve twenty (20) additional residential households and six (6) additional industrial customers in the Crumpecker Mill area, Princeton, Mercer County, be, and hereby is, approved.

IT IS FURTHER ORDERED that the grant and loan financing of said project, as detailed in the Final Joint Staff Memorandum, be, and hereby is, approved.

IT IS FURTHER ORDERED that the Green Valley-Glenwood Public Service District be, and hereby is, authorized to charge and collect the rates and charges contained in its approved tariff on file with the Commission for all services rendered under the certificate granted herein.

IT IS FURTHER ORDERED that the approval herein granted is contingent upon the bids received by the District for said project being within the project engineer's estimates. The District shall immediately notify the Commission and obtain Commission approval, prior to commencing construction, should the cost, scope, terms or financing of the project change prior to completion of the project.

IT IS FURTHER ORDERED that this matter be, and hereby is, removed from the Commission's docket of open cases.

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

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

If no exceptions are so filed this order shall become the order of the Commission, without further action or order, five (5) days following the

expiration of the aforesaid fifteen (15) day time period, unless it is ordered stayed or postponed by the Commission.

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



Melissa K. Marland
Chief Administrative Law Judge

MKM/JPC:dfs

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 22nd day of July, 1998.

CASE NO. 97-1016-PSD-CN (REOPENED)

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT
Request to reopen certificate proceeding for
the May 6, 1998 order to be amended.

COMMISSION ORDER

PROCEDURE AND DISCUSSION

On March 4, 1998, Green Valley-Glenwood Public Service District (District) filed an application for a certificate of convenience and necessity to extend its collection system to serve 20 residential households and 7 industrial customers.

On April 16, 1998, a Recommended Decision was filed approving the application. The funding was also approved and the District was authorized to charge and collect the rates and charges contained in its approved tariff for all services rendered under the certificate. However, the ordering paragraphs did not specifically state the terms of the financing. This decision became a final Order of the Commission on May 6, 1998.

On June 2, 1998, Green Valley-Glenwood Public Service District filed a request with the Commission to reopen this certificate case and modify the certificate's ordering paragraphs to include specific loan and grant language. The District stated the West Virginia Infrastructure and Jobs Development Council (WVIJDC) has requested that an additional paragraph be added to the Order specifically authorizing the financing. The District suggested the following language:

"IT IS FURTHER ORDERED that approval is granted to the District to enter into a loan agreement with the West Virginia Infrastructure and Jobs Development Council for a loan not to exceed \$318,000.00 for forty (40) years at 0% interest, and enter into a grant agreement for assistance for an amount not to exceed \$572,000.00."

The construction and project costs are estimated at \$874,000 and \$1,145,000 respectively. The breakdown of costs are as follows:

Construction	\$ 874,000
Administrative	20,000
Land and Rights-of-Way	10,000
Legal	9,000
Engineering	159,000
Bond Counsel	8,000
Capitalized Interest	20,000
Interim Financing	20,000
Project Contingency	25,000
Total	\$ 1,145,000

The proposed funding documents have been received and are detailed as follows:

West Virginia Infrastructure and Jobs Development Council Loan	\$ 318,000
West Virginia Infrastructure and Jobs Development Council Grant	572,000
Mercer County Commission Grant	50,000
Mercer County Solid Waste authority Grant	170,000
Lusk's Disposal Services	25,000
MJ Electric	10,000
Total Funding	\$ 1,145,000

On June 8, 1998, the Commission's Technical Staff reviewed the proposed funding and, additionally, stated it did not object to the change in proposed language. On July 2, 1998, the Commission Staff recommended granting the District's request to reopen this certificate case and to modify the certificate's ordering paragraphs to reflect the language suggested by the District.

FINDINGS OF FACT

1. On March 4, 1998, Green Valley-Glenwood Public Service District (District) filed an application for a certificate of convenience and necessity to extend its collection system to serve 20 residential households and 7 industrial customers.

2. On April 16, 1998, a Recommended Decision was filed approving the application. The funding was also approved and the District was authorized to charge and collect the rates and charges contained in its approved tariff for all services rendered under the certificate. However, the ordering paragraphs did not specifically state the terms of the financing.

3. On June 2, 1998, Green Valley-Glenwood Public Service District filed a request with the Commission to reopen this certificate case and modify the certificate's ordering paragraphs. The District stated the West Virginia Infrastructure and Jobs Development Council (WVIJDC) has requested that an additional paragraph be added to the Order specifically authorizing the financing.

4. The construction and project costs are estimated at \$874,000 and \$1,145,000 respectively.

5. The proposed funding documents have been received and reviewed by Commission Staff.

6. On July 2, 1998, the Commission Staff recommended granting the District's request to reopen this certificate case and to modify the certificate's ordering paragraphs to reflect the language suggested by the District.

CONCLUSIONS OF LAW

It is reasonable to reopen Certificate Case No. 97-1016-PSD-CN and to modify the certificate's ordering paragraphs to reflect the language suggested by the District.

ORDER

IT IS THEREFORE ORDERED that Certificate Case No. 97-1016-PSD-CN be and hereby is reopened.

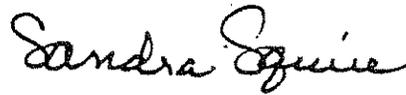
IT IS FURTHER ORDERED that the certificate's ordering paragraphs are modified to include the suggested language of the District:

"IT IS FURTHER ORDERED that approval is granted to the District to enter into a loan agreement with the West Virginia Infrastructure and Jobs Development Council for a loan not to exceed \$318,000.00 for forty (40) years at 0% interest, and enter into a grant agreement for assistance for an amount not to exceed \$572,000.00."

IT IS FURTHER ORDERED this petition is hereby resolved and shall be removed from the Commission's docket of active cases.

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

A True Copy, Teste:



Sandra Squire
Executive Secretary

P. S. C. W. Va. No. 9
Cancels P. S. C. W. Va. No. 8

GREEN VALLEY GLENWOOD PUBLIC SERVICE DISTRICT, a public utility

OF

Bluefield, West Virginia

Rates, Rules and Regulations for Furnishing

SEWERAGE AND SEWAGE DISPOSAL SERVICE

AT

Between the Cities of Princeton and Bluefield, WV, including the

unincorporated communities of Maple View, Ceres, Green Valley,

Maple Acres, Glenwood and Lower Bull Tail Hollow, Mercer County, WV.

Filed with THE PUBLIC SERVICE COMMISSION

OF

WEST VIRGINIA

Issued August 25, 19⁹⁷

Effective August 25, 19⁹⁷

Issued by authority of an Order
of the Public Service Commission
of West Virginia in Case No. 97-0606-PSD-30B,
dated August 25, 1997.

Issued by GREEN VALLEY GLENWOOD PUBLIC
SERVICE DISTRICT, a public utility
(Name of Utility)

By.....

Chairman

4C

RULES AND REGULATIONS

Page 1

- 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 to entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

(R) **SEWER RATES** (Based on Water Usage)

First	2,000	gallons used per month	\$5.32 per 1,000 gallons
Next	2,000	gallons used per month	4.62 per 1,000 gallons
Next	6,000	gallons used per month	3.88 per 1,000 gallons
Next	90,000	gallons used per month	3.15 per 1,000 gallons
All Over	100,000	gallons used per month	2.43 per 1,000 gallons

MINIMUM CHARGE

The above charge is subject to a minimum monthly charge of \$10.22 (Based on 2,000 gallons).

(R) The above minimum charge is subject to an additional \$0.21 per 1,000 gallons used per month.

(R) **UNMETERED CHARGE** (Based on 4,000 gallons)

\$19.88 per month

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

CONNECTION CHARGE - \$250.00

WATER DISCONNECT - RECONNECT FEES - ADMINISTRATIVE FEES

Whenever water service has been disconnected for non-payment of sewer bills, a disconnection fee of \$20.00 shall be charged.

Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of sewer bills is reconnected, a fee of \$20.00 shall be charged.

Whenever a delinquent sewer bill is collected at the customer's premises, in lieu of disconnecting water service for non-payment of a sewer bill, an administrative fee of \$20.00 shall be charged.

BAD CHECKS - RETURNED CHECKS

If a check received is returned by the bank for any reason, the bank's charge to Green Valley-Glenwood Public Service District shall be the District's charge to the customer for such a bad check, up to a maximum charge of \$15.00.

(R) Indicates reduction



West Virginia-Infrastructure & Jobs Development Council

Public Members:

Russell L. Isaacs, Chairman
Cottageville
James D. Williams, Vice-Chairman
St. Albans
Lloyd P. Adams, P.E.
Wheeling
James L. Harrison, Sr.
Princeton

1320 One Valley Square
Charleston, West Virginia 25301
Telephone: (304) 558-4607
Facsimile: (304) 558-4609

Susan J. Riggs, Esquire
Executive Secretary

January 16, 1997

Jerry Siner, Manager
Green Valley-Glenwood Public Service District
Route 6, Box 14
Princeton, WV 24740

Re: Notice of Eligibility - Loan and Grant
Green Valley-Glenwood Public Service District
Wastewater Extension Project

Dear Mr. Siner:

The West Virginia Infrastructure and Jobs Development Council (Council) has determined that the Green Valley-Glenwood Public Service District's (District) proposed project for a wastewater extension to the landfill area (Project) is eligible under the Infrastructure and Jobs Development Act (Act) for the receipt of a loan in the approximate amount of \$317,500 at an assumed interest rate of 0%, and a grant in the approximate amount of \$572,500. This letter may be used by the District in any filings with the Public Service Commission of West Virginia and/or for solidifying the other funding sources for the Project.

Receipt of the loan and grant is subject to the District complying with all the requirements of the Act, the rules of the Council, and all terms and conditions of the Council established with regard to the Project. On the attached Schedule A are the proposed terms and conditions of the loan and grant and other related information. Additionally, the loan and grant are subject to the availability of funds in the Infrastructure Fund.

Please note that this eligibility determination expires one year from the date hereof if the Project has not progressed to the binding commitment stage. The Council will not consider issuing a binding commitment letter until such time as the Project design is complete and the plans and specifications have been submitted to and are under review by the Division of Environmental Protection and/or the Bureau for Public Health.

15

Jerry Siner, Manager
January 16, 1997
Page 2

If the District has any questions regarding this matter, please contact Susan J. Riggs,
Executive Secretary of the Council, at (304) 558-4607.

Sincerely,

A handwritten signature in black ink, appearing to read "R. L. Isaacs". The signature is fluid and cursive, with the first letter of each name being capitalized and prominent.

Russell L. Isaacs

RLI/bh
Attachment

WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL

Green Valley-Glenwood Public Service District
Wastewater Extension Project
Landfill Area
January 16, 1997

SCHEDULE A

A. Approximate Amount: \$317,500 - Loan
 \$572,500 - Grant

B. If Loan:

1. Maturity Date: 40 years from date of loan closing
2. Loan Advancement Date(s): Monthly, upon receipt of proper requisition, and after complete advancement of all funding except the Infrastructure Fund grant.
3. Interest Rate: 0%
4. Debt Service commencement Date: The quarter following completion of construction, which date must be identified prior to loan closing.
- 5.. Special Conditions (if any): None.

C. If Grant:

1. a. Grant Advancement Date(s): Monthly, upon receipt of proper requisition and after complete advancement of all other funding.
- b. Monthly percentage: None specified.
2. Special Conditions (if any) None.

NOTICE: The terms set forth above are subject to change following the Governmental Agency's receipt of construction bids.

D. Other Funding Sources:

1. Governor's Partnership Grant
Amount: \$50,000
2. Mercer County Solid Waste Authority
Amount: \$170,000
3. Lusk's Disposal Services
Amount: \$25,000
4. M. J. Electric
Amount: \$10,000

E. Proposed User Rates:

Average: \$25.11/4500 gallons



West Virginia Infrastructure & Jobs Development Council

Public Members:

James D. Williams, Chairman
St. Albans
James L. Harrison, Sr., Vice Chairman
Princeton
Lloyd P. Adams, P.E.
Wheeling
Sheid L. Fletcher
Morgantown

980 One Valley Square
Charleston, West Virginia 25301
Telephone: (304) 558-4607
Facsimile: (304) 558-4609

Susan J. Riggs, Esquire
Executive Secretary

January 7, 1998

Jim Welch, Chairman
Green Valley-Glenwood Public Service District
Route 6, Box 14
Princeton, WV 24740

Re: Binding Commitment Letter
Wastewater System Extension Project 96S-256

Dear Mr. Welch:

The West Virginia Infrastructure and Jobs Development Council (Council) provides this binding offer of a loan of approximately \$317,500 (Loan) and a grant of approximately \$572,500 (Grant) for the Green Valley-Glenwood Public Service District's (District) proposed project to extend its wastewater system to serve approximately 30 new customers (Project). The source of funds for the Loan and the Grant will be a portion of the proceeds from an anticipated Infrastructure General Obligation Bond issue and this Loan and Grant commitment is contingent upon the availability of those proceeds in the Infrastructure Fund. The Loan and the Grant will be subject to the terms set forth on Schedule A attached hereto and incorporated herein by reference. The final Loan and Grant amounts will be established after the District has received bids for the Project. The Council will set aside a portion of the next available bond proceeds to be deposited in the Infrastructure Fund to make this Loan and this Grant upon the District's compliance with the program requirements. The Loan and Grant agreements will be between the District and the West Virginia Water Development Authority (Authority), who is the administrator of the Infrastructure Fund, acting on behalf of the Council.

This Loan and Grant commitment is also contingent upon the District meeting the following schedule:

- a. Submit, to the Public Service Commission no later than January 9, 1998, all documentation necessary to convert the District's existing pre-filing proceeding to a formal certificate of convenience and necessity proceeding.
- b. Advertise for construction bids no later than March 31, 1998.
- c. Close the Project funding no later than June 30, 1998.

The Council reserves the right to withdraw this Loan and Grant commitment if any of the above schedule dates are not met. The Council may, when justifiable circumstances occur, offer to modify the schedule. Any decision to modify the schedule is at the sole discretion of the Council.

Jim Welch, Chairman
January 7, 1998
Page 2

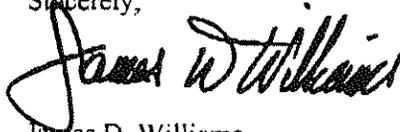
If the District becomes aware that it will not meet one or more of the above schedule dates, the District should immediately notify the Council of this fact and the circumstances which have caused or will cause the District to be unable to meet the schedule. In addition, please immediately notify the Council if any of the other dates on the attached schedule have not or will not be met.

The Authority will enter into Loan and Grant agreements with the District following receipt of the completed Schedule B (the form of which is attached hereto); a final, nonappealable order from the Public Service Commission authorizing construction of the Project and approving the Project funding; evidence of binding commitments for other funding; evidence of all permits; evidence of acceptable bids; requisite bond-related documents and opinions in a form and substance satisfactory to the Authority and the Council and any other documents requested by the Council. Following execution of the Loan and Grant agreements, the Council will establish a closing date.

No statements or representations made before or after the issuance of this contingent Loan and Grant commitment by any person, member of the Council, or agent or employee of the Authority shall be construed as approval to alter or amend this Loan and Grant commitment, as all such amendments or alterations shall only be made in writing after approval of the Council.

If the District has any questions regarding this Loan and Grant commitment, please contact Susan J. Riggs at the above-referenced telephone number.

Sincerely,



James D. Williams

JDW/bh

Attachments

cc: William S. Winfrey, II, Esquire
Robert D. Hazelwood, P.E.

NOTE: This letter is sent in triplicate. Please acknowledge receipt on two copies and immediately return one to the Council, and one to the Authority at 180 Association Drive, Charleston, WV 25311-1571.

Green Valley-Glenwood Public Service District

By: J. W. Welch

Its: Chairman

Date: 1/13/98

WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL

Green Valley-Glenwood Public Service District
 Wastewater System Extension Project
 96S-256
 January 7, 1998

SCHEDULE A

A. Approximate Amount: \$317,500 - Loan
 \$572,500 - Grant

B. If Loan:

1. Maturity Date: 40 years from date of loan closing
2. Loan Advancement Date(s): Monthly, upon receipt of proper requisition, and after complete advancement of all funding except the Infrastructure Fund grant.
3. Interest Rate: 0%
4. Debt Service commencement Date: The quarter following completion of construction, which date must be identified prior to loan closing.
- 5.. Special Conditions (if any): None.

C. If Grant:

1. a. Grant Advancement Date(s): Monthly, upon receipt of proper requisition and after complete advancement of all other funding.
- b. Monthly percentage: None specified.
2. Special Conditions (if any): None.

NOTICE: The terms set forth above are subject to change following the Governmental Agency's receipt of construction bids.

D. Other Funding Sources:

1. Governor's Partnership Grant
Amount: \$50,000
2. Mercer County Solid Waste Authority
Amount: \$170,000
3. Lusk's Disposal Services
Amount: \$25,000
4. M. J. Electric
Amount: \$10,000

Proposed User Rates:

Average: \$25.11/4500 gallons

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 1998 B
(West Virginia Infrastructure Fund)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and the undersigned Chairman of Green Valley-Glenwood Public Service District (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the 25th day of November, 1998, the Authority received the Green Valley-Glenwood Public Service District Sewer Revenue Bonds, Series 1998 B (West Virginia Infrastructure Fund), issued in the principal amount of \$317,500, as a single, fully registered Bond, numbered BR-1 and dated November 25, 1998 (the "Bonds").
2. At the time of such receipt, the Bonds had been executed by the Chairman and the Secretary of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.
3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Bonds, of \$8,000, being a portion of the principal amount of the Series 1998 B Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer by the Authority and the Council as acquisition and construction of the Project progresses.

WITNESS our respective signatures on this 25th day of November, 1998.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY


Authorized Representative

GREEN VALLEY-GLENWOOD
PUBLIC SERVICE DISTRICT


Chairman

11/18/98
354550/98002

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 1998 B
(West Virginia Infrastructure Fund)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

One Valley Bank, National Association,
as Bond Registrar
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith:

(1) Bond No. BR-1, constituting the entire original issue of the Green Valley-Glenwood Public Service District Sewer Revenue Bonds, Series 1998 B (West Virginia Infrastructure Fund), in the principal amount of \$317,500, dated November 25, 1998 (the "Bonds"), executed by the Chairman and Secretary of Green Valley-Glenwood Public Service District (the "Issuer"), and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Resolution and a Supplemental Resolution, both duly adopted by the Issuer on November 19, 1998 (the "Bond Legislation");

(2) A copy of the Bond Legislation authorizing the above-described Bond issue, duly certified by the Secretary of the Issuer;

(3) Executed counterparts of the loan agreement dated November 25, 1998, 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 "Loan Agreement"); and

(4) An executed opinion of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Bonds.

You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the account of the Issuer of the sum of \$8,000, representing a portion of the principal amount of the Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated this 25th day of November, 1998.

GREEN VALLEY-GLENWOOD
PUBLIC SERVICE DISTRICT



Chairman

11/18/98
354550/98002

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

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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.

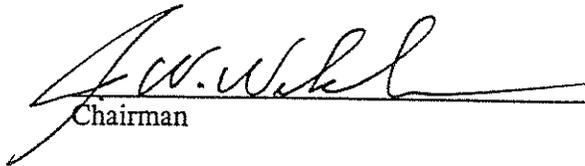
In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands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

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

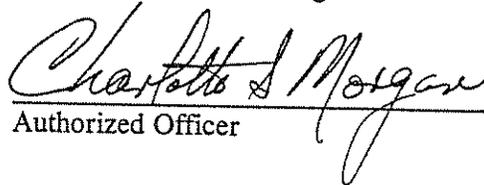

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(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

Ferris, Baker Watts, Inc.
West Virginia Public Finance Department

File = ifgreen.sf-111998- SINGLE PURPOSE
11/24/1998 2:35 PM

STEPPTOE & 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) 598-8118

126 EAST BURKE STREET
P. O. BOX 2629
MARTINSBURG, W. VA. 25402-2629
(304) 263-8991
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

STEPTOE & JOHNSON

ATTORNEYS AT LAW

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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

September 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.

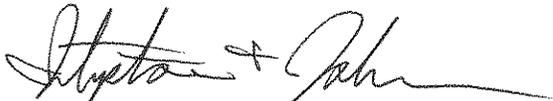
4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a lien on and pledge of the Net Revenues of the System, junior 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,

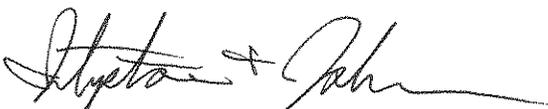

STEPTOE & JOHNSON

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

LAW OFFICES

WILLIAM S. WINFREY, II

1608 MAIN STREET WEST

POST OFFICE BOX 1159

PRINCETON, W. VA. 24740

TELEPHONE

304-487-1887

TELECOPIER

304-425-7340

FILE NO.

November 25, 1998

Green Valley-Glenwood Public Service District
Water 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

Steptoe & Johnson
Clarksburg, West Virginia

Ladies and Gentlemen:

I am counsel to Green Valley-Glenwood Public Service District, a public service district in Mercer County, West Virginia (the "Issuer"). As such counsel, I have examined a copy of the approving opinion of Steptoe & Johnson, as bond counsel, 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"), the Bond Resolution duly adopted by the Issuer on November 19, 1998, as supplemented by the Supplemental Resolution duly adopted by the Issuer on November 19, 1998 (collectively, the "Bond Legislation"), and other documents, papers, agreements, instruments and certificates relating to the above-captioned Bonds of the Issuer (the "Bonds") and orders of The County Commission of Mercer County relating to the Issuer and the appointment of members of the Public Service Board of the Issuer. 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.

I am of the opinion that:

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

2. The Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the Authority, constitutes a valid and binding agreement of the Issuer in accordance with its terms.

3. The members and officers of the Public Service Board of the Issuer have been duly, lawfully and properly appointed and elected, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.

4. The Bond Legislation has been duly adopted by the Issuer and is in full force and effect.

5. The execution and delivery of the Bonds and the Loan Agreement and the consummation of the transactions contemplated by the Bonds, the Loan Agreement and the Bond Legislation, and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any agreement, document or instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, rule, order or decree to which the Issuer is subject.

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 acquisition and construction of the Project, the operation of the System and the imposition of rates and charges, including, without limitation, all requisite orders, consents, certificates and approvals from The County Commission of Mercer County, the West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia, and the Issuer has taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges. The Issuer has received the Final Order of the Public Service Commission of West Virginia entered on May 6, 1998, in Case No. 97-1016-PSD-CN, as modified by the Commission Order entered on July 22, 1998, in Case No. 97-1016-PSD-CN (Reopened), among other things, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of such Final Order has expired prior to the date hereof without any appeal.

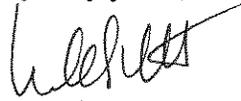
7. The Issuer has duly published a notice of the acquisition and construction of the Project, the issuance of the Bonds and related matters, as required under Chapter 16, Article 13A, Section 25 of the West Virginia Code of 1931, as amended, and has duly complied with the provisions thereof.

8. To the best of my knowledge after due inquiry, except as set forth in the General Certificate of Issuer and Attorney, 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 Loan Agreement, the Bonds and the Bond Legislation, the acquisition and construction of the Project, the operation of the System or the validity of the Bonds or the collection or pledge of the Net Revenues therefor.

Green Valley-Glenwood Public Service District, et al.
Page 3

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

Very truly yours,

A handwritten signature in black ink, appearing to read "W. S. Winfrey, II". The signature is written in a cursive, somewhat stylized script.

William S. Winfrey, II

STEPTOE & JOHNSON

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WRITER'S DIRECT DIAL NUMBER

November 25, 1998

Green Valley-Glenwood Public Service District
Water 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:

I am special counsel to Green Valley-Glenwood Public Service District, a public service district in Mercer County, West Virginia (the "Issuer"). As such counsel, I am familiar with certain pending litigation against the Issuer, as set forth below.

On October 2, 1997, the State of West Virginia, through its Division of Environmental Protection, brought a civil enforcement action in state court against the Issuer for the purpose of seeking civil penalties and injunctive relief. The case, Taylor, ex rel West Virginia v. Green Valley-Glenwood Public Service District, Civil Action No. 98-C-230, sought civil penalties in an amount of up to \$10,000 per day per violation. On October 22, 1998, the case was settled. Pursuant to a consent decree, the Issuer is liable for a penalty in the amount of \$240,000 to be paid as follows: a) Up front payment - \$24,000; b) Supplemental environmental project \$36,000; c) Amount escrowed for payment of potential stipulated penalties (unused funds will be returned to the Issuer at the conclusion of any settlement agreement)

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Green Valley-Glenwood Public Service District, et al.
Page 2

\$12,000; and) abeyance \$168,000 (penalty amounts that need not be paid unless and until the Issuer fails to comply with the terms of the settlement agreement).

On September 30, 1997, the American Canoe Association brought a civil citizen's suit against the Issuer in the federal district court for the Southern District of West Virginia, styled American Canoe Association v. Green Valley-Glenwood Public Service District, Civil Action No. 1:97-0949, seeking civil penalties for violations of the Federal Clean Water Act in an amount up to \$27,500 per day per violation, and for reimbursement of attorney fees and expenses. In its complaint, the American Canoe Association alleged 243 violations. To date, the Issuer, in conjunction with similarly situated publicly owned utilities who have also been sued by the American Canoe Association, has vigorously defended this suit and we have been instructed to continue such vigorous defense for the foreseeable future. The management of the Issuer has asserted, as a defense, the fact that settlement of the State litigation referred to above will preclude further litigation by the American Canoe Association.

Very truly yours,



Richard L. Lewis, II

11/24/98
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LAW OFFICES

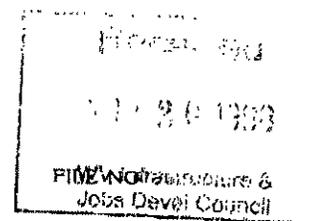
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November 19, 1998

Susan Riggs
WV Infrastructure and Jobs
Development Council
1320 One Valley Square
Charleston, WV 25301

RE: Green Valley/Glenwood Public Service District
Crumpecker Hill Sewer Extension

Dear Ms. Riggs:

I am the attorney for Green Valley/Glenwood Public Service District. I have reviewed the rights of way maps prepared by Pentree, Inc., setting forth the necessary easements, rights of ways and acquisitions for the construction of a sewer collection system consisting of 9,400 linear feet of 8-inch gravity sewer line, 1,000 linear feet of 6-inch laterals, 1 clean out and 57 manholes in Mercer County, West Virginia. Based upon my review and upon examination of appropriate land records, I am of the opinion,

1. Green Valley/Glenwood Public Service District is a duly created public service district in Mercer County, West Virginia.

2. Green Valley/Glenwood Public Service District has obtained approval for all necessary permits and approvals for the construction of the proposed water distribution system. A Certificate from the Public Service Commission of West Virginia has been received.

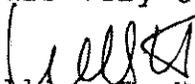
3. The District has acquired 100 percent of all necessary rights of ways, easements, and acquisitions for the purpose of construction and installation of the facilities contemplated within those plans.

4. All other necessary permits have been obtained by the District.

Page two
Susan Riggs
November 19, 1998

I am not aware of any threatened or pending litigation concerning this project.

Yours very truly,


William S. Winfrey, II

WSW, II/gmt

cc: Green Valley/Glenwood Public Service District
Pentree, Inc.
Steptoe and Johnson, Attorneys.

F:\OFFICE\WPWIN\WPDOCS\GVGWPSD\CRUMPECK\RIGGS.LET

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 1998 B
(West Virginia Infrastructure Fund)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. CERTIFICATION OF COPIES OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME
7. LAND AND RIGHTS-OF-WAY
8. MEETINGS, ETC.
9. CONTRACTORS' INSURANCE, ETC.
10. LOAN AGREEMENT
11. RATES
12. PUBLIC SERVICE COMMISSION ORDER
13. SIGNATURES AND DELIVERY
14. BOND PROCEEDS
15. PUBLICATION OF NOTICE OF BORROWING
16. SPECIMEN BOND
17. CONFLICT OF INTEREST
18. GRANTS
19. YEAR 2000 COMPLIANCE

We, the undersigned CHAIRMAN and the undersigned SECRETARY of the Public Service Board of Green Valley-Glenwood Public Service District in Mercer County, West Virginia (the "Issuer"), and the undersigned COUNSEL to the Issuer, hereby certify in connection with the \$317,500 Green Valley-Glenwood Public Service District Sewer Revenue Bonds, Series 1998 B (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds" or the "Series 1998 B Bonds"), as follows:

1. **TERMS:** All capitalized words and terms used in this General Certificate and not otherwise defined shall have the same meaning set forth in the Bond Resolution of the Issuer duly adopted November 19, 1998, and a Supplemental Resolution of the Issuer duly adopted November 19, 1998 (collectively, the "Bond Legislation"), when used herein.

2. **NO LITIGATION:** Except as set forth below, there is no controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, the acquisition or construction of the Project, the operation of the System, the receipt of the Net Revenues, or in any way contesting or affecting the validity of the Bonds, or any proceedings of the Issuer taken with

respect to the issuance or sale of the Bonds, the pledge or application of the Net Revenues or any other moneys or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, or the collection of the Net Revenues or pledge thereof.

On October 2, 1997, the State of West Virginia, through its Division of Environmental Protection, brought a civil enforcement action in state court against the Issuer for the purpose of seeking civil penalties and injunctive relief. The case, Taylor, ex rel West Virginia v. Green Valley-Glenwood Public Service District, Civil Action No. 98-C-230, sought civil penalties in an amount of up to \$10,000 per day per violation. On October 22, 1998, the case was settled. Pursuant to a consent decree, the Issuer is liable for a penalty in the amount of \$240,000 to be paid as follows: a) Up front payment - \$24,000; b) Supplemental environmental project \$36,000; c) Amount escrowed for payment of potential stipulated penalties (unused funds will be returned to the Issuer at the conclusion of any settlement agreement) \$12,000; and d) abeyance \$168,000 (penalty amounts that need not be paid unless and until the Issuer fails to comply with the terms of the settlement agreement). The Issuer hereby covenants that it will, to the best of its ability, comply with the terms of the aforementioned consent decree.

On September 30, 1997, the American Canoe Association brought a civil citizen's suit against the Issuer in the federal district court for the Southern District of West Virginia, styled American Canoe Association v. Green Valley-Glenwood Public Service District, Civil Action No. 1:97-0949, seeking civil penalties for violations of the Federal Clean Water Act in an amount up to \$27,500 per day per violation, and for reimbursement of attorney fees and expenses. In its complaint, the American Canoe Association alleged 243 violations. To date, the Issuer, in conjunction with similarly situated publicly owned utilities who have also been sued by the American Canoe Association, has vigorously defended this suit. At this time, the Issuer intends to continue such vigorous defense for the foreseeable future. The management of the Issuer has asserted, as a defense, the fact that settlement of the State litigation referred to above will preclude further litigation by the American Canoe Association.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable and necessary approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for 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 Bonds have been duly and timely obtained and remain in full force and effect. Competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the West Virginia Code of 1931, as amended, which bids remain in full force and effect.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the approval and execution and delivery by the Issuer of the Loan Agreement, and the Issuer has met all

conditions prescribed in the Loan Agreement. The Issuer will provide the financial, institutional, legal and managerial capabilities necessary to complete the Project.

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.

The Series 1998 B Bonds shall be issued on a parity with the Second Lien Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has obtained the written consent of the Holder of the Second Lien Bonds to the issuance of the Series 1998 B Bonds on a parity with the Prior 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. The Issuer has complied with the covenants of the Prior Resolutions for the issuance of the Series 1998 B Bonds. Other than the Second Lien Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

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

Bond Resolution

Supplemental Resolution

Loan Agreement

Public Service Commission Order

Infrastructure Council Approval

County Commission Orders on Creation and Expansion of District

County Commission Orders Appointing Current Boardmembers

Oaths of Office of Current Boardmembers

Rules of Procedure

Affidavit of Publication on Borrowing

Minutes of Current Year Organizational Meeting

Minutes on Adoption of Bond Resolution and Supplemental Resolution

1964 Bond Resolution

1987 Bond Resolution

1998 A Bond Resolution

Consent of RUS

NPDES Permit

Evidence of West Virginia Infrastructure Fund Grant

Evidence of Governor's Partnership Grant

Evidence of Mercer County Solid Waste Authority Grant

Evidence of Lusk's Disposal Services Grant

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

<u>Name</u>	<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
Jimmy W Welch	Oct. 31, 1993	Oct. 31, 1999
Gregory L. Wimmer	Nov. 1, 1992	Oct. 31, 1998
James R. Turpin	Nov. 1, 1995	Oct. 31, 2001

The names of the duly elected and/or appointed, qualified and acting officers of the Public Service Board of the Issuer for the calendar year 1998 are as follows:

Chairman	-	Jimmy W. Welch
Treasurer	-	Gregory L. Wimmer
Secretary	-	Faye S. Cregger

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

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

8. MEETINGS, ETC.: All actions, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds, the acquisition, construction, operation and financing of the Project and the System were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including, without limitation, Chapter 6, Article 9A of the West Virginia Code of 1931, as amended, and a quorum of duly appointed, qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond Legislation. All insurance for the System required by the Bond Legislation is in full force and effect.

10. LOAN AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Loan Agreement which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information in the Loan Agreement not misleading; and (iv) the Issuer is in compliance with the Loan Agreement.

11. **RATES:** The Issuer has received the Final Order of the Public Service Commission of West Virginia entered on August 25, 1997, in Case No. 97-0606-PSD-30B, approving the rates and charges for the services of the System and has adopted a resolution prescribing such rates and charges. The time for appeal of such Final Order has expired prior to the date hereof without any appeal.

12. **PUBLIC SERVICE COMMISSION ORDER:** The Issuer has received the Final Order of the Public Service Commission of West Virginia entered on May 6, 1998, in Case No. 97-1016-PSD-CN, as modified by the Commission Order entered on July 22, 1998, in Case No. 97-1016-PSD-CN (REOPENED), among other things, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of such Final Order has expired prior to the date hereof without any appeal.

13. **SIGNATURES AND DELIVERY:** On the date hereof, the undersigned Chairman did officially sign all of the Bonds of the aforesaid issue, consisting upon original issuance of a single Bond, numbered BR-1, dated the date hereof, by his or her manual signature, and the undersigned Secretary did officially cause the official seal of the Issuer to be affixed upon the Bonds and to be attested by his or her manual signature, and the Registrar did officially authenticate and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the Loan Agreement. Said official seal is also impressed above the signatures appearing on this certificate.

14. **BOND PROCEEDS:** On the date hereof, the Issuer received \$8,000 from the Council and the Authority, being a portion of the principal amount of the Bonds and more than a de minimis amount of the proceeds of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

15. **PUBLICATION OF NOTICE OF BORROWING:** The Issuer has published any required notice with respect to, among other things, the amount of the Bonds, the interest rate and terms of the Bonds, the acquisition and construction of the Project, the anticipated user rates and charges, and the date of filing of a formal application for a certificate of public convenience and necessity with the Public Service Commission of West Virginia, in accordance with Chapter 16, Article 13A, Section 25 of the West Virginia Code of 1931, as amended.

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

17. **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, the Bond Legislation and/or the Project, 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.

18. GRANTS: As of the date hereof, the grant from the Council in the amount of \$186,500, the grant in the amount of \$50,000 from the Governor's Contingency Fund through The County Commission of Mercer County, the grant from the Mercer County Solid Waste Authority in the amount of \$170,000, and the grant by Lusk's Disposal Service, Inc., in the amount of \$25,000 are committed and in full force and effect. 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.

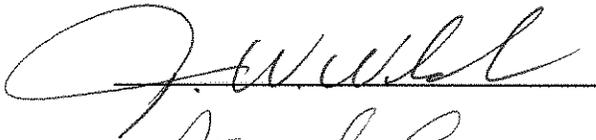
19. YEAR 2000 COMPLIANCE: The Issuer represents that it has undertaken or will undertake an investigation to determine whether the operations of the System, including but not limited to any billing, collection and inventory computer programs of the System and any electronic or mechanical components of the System's wastewater collection and treatment facilities, are Year 2000 Compliant. The Issuer further represents that if it determines as a result of this investigation that any Mission-Critical Component of the System is not Year 2000 Compliant, the Issuer (i) will take timely and affirmative action to repair or replace any such component, and (ii) will perform adequate testing to ensure the sound operation and Year 2000 Compliant status of the repaired or replaced component. For purpose of this paragraph, "Year 2000 Compliant" means, with respect to the information technology the Issuer uses or will use in the operation of the System (including any date-sensitive microprocessors embedded in electronic or mechanical components of the System), the information technology is designed to be used prior to, during and after calendar Year 2000 A.D., and the information technology used during each such time period will accurately receive, provide and process date-time data (including, but not limited to, calculating, comparing and sequencing) from, into and between the twentieth and twenty-first centuries, including the years 1999 and 2000, and leap-year calculations, and will not malfunction, cease to function, or provide invalid or incorrect results as a result of date-time data. For purposes of this paragraph, "Mission-Critical Component" means any component of the System that would be critical to (a) the System's continued operation after January 1, 2000; (b) the Issuer's ability to continue to bill its customers and collect amounts billed from those customers after January 1, 2000; or (c) the Issuer's ability to make all principal and interest payments for the Bonds and Prior Bonds contemplated by the Resolution as and when they become due.

WITNESS our signatures and the official seal of GREEN VALLEY-
GLENWOOD PUBLIC SERVICE DISTRICT on this 25th day of November, 1998.

[CORPORATE SEAL]

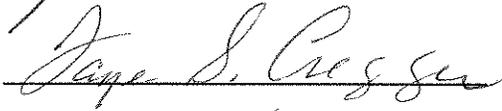
SIGNATURE

OFFICIAL TITLE



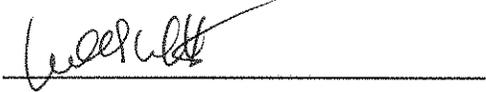
A handwritten signature in cursive script, appearing to read "J. W. White", written over a horizontal line.

Chairman



A handwritten signature in cursive script, appearing to read "James S. Cress", written over a horizontal line.

Secretary



A handwritten signature in cursive script, appearing to read "W. J. White", written over a horizontal line.

Counsel to Issuer

11/18/98
354550/98002

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 1998 B
(West Virginia Infrastructure Fund)

CERTIFICATE OF ENGINEER

I, Robert D. Hazelwood, Registered Professional Engineer, West Virginia License No. 8452, of Pentree, Incorporated, Princeton, West Virginia, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of certain improvements and extensions to the existing public sewer facilities (the "Project") of Green Valley-Glenwood Public Service District (the "Issuer") to be constructed primarily in Mercer County, West Virginia, which acquisition and construction are being financed in part by the proceeds of the above-captioned bonds (the "Bonds") of the Issuer. All capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Resolution adopted by the Issuer on November 19, 1998, and the Loan Agreement dated November 25, 1998, 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").

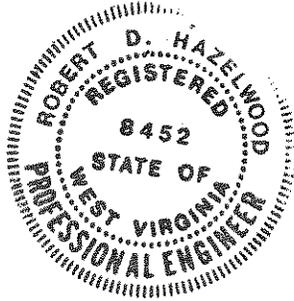
2. The Bonds are being issued for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project, and (ii) paying costs of issuance and related costs.

3. The undersigned hereby certifies that (i) the Project will be constructed in accordance with the approved plans, specifications and designs prepared by my firm and as described in the application submitted to the Council and the Authority, requesting the Authority to purchase the Bonds (the "Application") and any change orders approved by the Issuer, the Council and all necessary governmental bodies, (ii) the Project is adequate for the purpose for which it was designed and has an estimated useful life of at least forty years, (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application and my firm has ascertained that all contractors have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified by my firm for accuracy, (iv) the chosen bidder received any and all addenda to the original bid documents; (v) the bid documents reflect the Project as approved by the West Virginia Bureau for Public Health and the West Virginia Division of Environmental Protection; (vi) the chosen bid includes every construction item necessary to complete the Project, or explains any deviation thereof;

(vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and the operation of the System, (ix) the rates and charges for the System as adopted by the Issuer are sufficient to comply with the provisions of Subsection 4.1(b) of the Loan Agreement, (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project as set forth in the Application, and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Total Cost of Project and Sources of Funds" for the Project.

WITNESS my signature and seal on this 25th day of November, 1998.

[SEAL]



PENTREE, INCORPORATED

Robert D. Hazelwood

Robert D. Hazelwood, P.E.
West Virginia License No.8452

11/17/98
354550/98002

EXHIBIT A

WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL

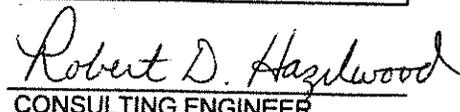
SCHEDULE B

Green Valley-Glenwood Public Service District
Landfill Sewerline Extensions 96S-256

Final Total Cost of Project, Sources of Funds and Costs of Financing

A. Cost of Project	Total	IJDC Funds	Other
1. Construction Based on Actual Bids	484,622	274,177	210,445
1a. Inkind Construction Value (Exceeding)	26,300		26,300
2. Technical Services	159,000	142,200	16,800
3. Legal & Fiscal	13,000	13,000	
4. Administrative	5,000	5,000	
5. Sites and Other Lands	10,000	10,000	
6. Step I or II or Other Loan Repayments			
7. Interim Financing Costs			
8. Contingency	51,078	49,623	1,455
9. Total of Lines 1 through 8	749,000	494,000	255,000
B. Sources of Funds			
10. Federal Grants:			
a.			
b.			
11. State Grants:			
a. Governors Partnership Grant	50,000		50,000
b.			
12. Other Grants:			
13. Any Other Source: (1)			
a. Mercer County Solid Waste Authority	170,000		170,000
b. Lusk Disposal	25,000		25,000
c. MJ Electric	10,000		10,000
14. Infrastructure Fund Grant	186,500	186,500	
15. Total of Lines 10 through 14	441,500	186,500	255,000
16. Net Proceeds Required from Bond Issue (Line 9 minus Line 15)	307,500	307,500	0
C. Cost of Financing			
17. Funded Reserve Account (2)			
18. Other Costs (3)			
a. Bond Counsel	10,000	10,000	
b. Loan Program Fee			
19. Total Cost of Financing	10,000	10,000	
20. Size of Bond Issue (Line 16 plus Line 19)	317,500	317,500	0


GOVERNMENTAL AGENCY
Nov. 19, 1998
DATE


CONSULTING ENGINEER
November 25, 1998
DATE

- (1) Include the proceeds of any parity or subordinate bond issue to be used for such purpose and attach supporting documentation.
- (2) Consult with bond counsel and the Council before assuming a funded reserve.
- (3) For example, fees of accountants, bond counsel and local counsel for the Governmental Agency

Jeffrey S. Feamster, CPA

P.O. Box 121
Lewisburg, West Virginia 24901
304-647-5980
Fax: 304-647-5980

November 25, 1998

Green Valley - Glenwood Public Service District
Sewer Revenue Bonds, Series 1998 B
(West Virginia Infrastructure Fund)

West Virginia Water
Development Authority
Charleston, West Virginia

West Virginia Infrastructure and
Jobs Development Council
Charleston, West Virginia

Ladies and Gentleman:

Based upon the sewer rates and charges set forth in the Final Order of the Public Service Commission of West Virginia, Case No. 97-0606-PSD-30B entered August 25, 1997, and projected operation and maintenance expenses and anticipated customer usage as furnished to me by Robert D. Hazelwood of Pentree Incorporated, Consulting Engineers, it is my opinion that such rates and charges will be sufficient to provide revenue which, together with other revenues of the sewerage system (the "System") of the Green Valley - Glenwood Public Service District (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 Sewer Revenue Bonds, Series 1998 B, (West Virginia Infrastructure Fund), to be issued to the West Virginia Water Development Authority on the date hereof, and the Issuer's outstanding Sewer Revenue Bonds, Series 1964, Sewer Revenue Bonds, Series 1987, and Sewer Revenue Bonds, Series 1998 A.

Very truly yours,



Jeffrey S. Feamster, CPA

WEST VIRGINIA:

At a regular session of the County Court, held for the County of Mercer, at the Courthouse thereof, on Monday, June 12th, 1961.

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

IN RE: CREATING THE GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT.

The County Court of Mercer County, West Virginia, met this day in regular session held this 12 day of June, 1961, at 10 A.M.,

"To consider a petition of residents and property owners of Beaver Pond and East River Districts, Mercer County, West Virginia, asking for the creation of a public service district in the area therein described, and to adopt a proposed resolution and enter a proper order fixing a date of hearing on the creation of a public service district in Beaver Pond and East River Districts, Mercer County, West Virginia, as set forth in said petition and to provide for the publication of a notice of such hearing."

The meeting was called to order and the roll being called there were present Fred Thomason, President, presiding, and the following named commissioners:

Frank Gibson, Daniel T. Carr, Jr.

And were absent: None.

Fred Thomason introduced and caused to be read a proposed resolution and order entitled:

"A resolution and order fixing a date of hearing on the creation of public service district within Mercer County, West Virginia; and providing for the publication of a notice of such hearing."

and moved that all rules otherwise requiring deferred consideration be suspended and said proposed resolution and order be adopted. Frank Gibson 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, Frank Gibson, Daniel T. Carr, Jr.

Nay: None.

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

Harold C. Farley,
Clerk

Fred Thomason,
President.

A RESOLUTION AND ORDER FIXING A DATE OF HEARING ON THE CREATION OF A PROPOSED PUBLIC SERVICE DISTRICT WITHIN MERCER COUNTY, WEST VIRGINIA; AND PROVIDING FOR THE PUBLICATION OF A NOTICE OF SUCH HEARING.

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 this meeting; and

WHEREAS, pursuant to the provisions of Article 13-a of Chapter 16 of the West Virginia Code this County Court upon presentation of such petition is required to fix a date of hearing on the creation of the proposed Public Service 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 the County Court of Mercer County, West Virginia, hereby finds and declares that there has been filed in the office of the County Court Clerk and presented by said County Court Clerk to this County Court a petition for the creation of

a Public Service District within Mercer County, West Virginia, which petition contains a description sufficient to identify the territory to be embraced within the proposed Public Service District and the name of the proposed Public Service District and which petition has been signed by the legal voters resident within and owning real property within the limits of the proposed Public Service District, and said County Court further finds and declares that said petition in all respects meets the requirements of Article 13-a of Chapter 16 of the West Virginia Code.

Section 2. That said petition, among other things, states as follows:

(a) The name and corporate title of said public service district shall be the "Green Valley-Glenwood Public Service District."

(b) The territory to be embraced in said public service district shall be as follows:

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. 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 southwesterly along said highways from the corporate limits of the City of Princeton, and being a strip 0.15 miles wide.

(c) The purpose of said public service district shall be to construct, or acquire by purchase or otherwise, and maintain, operate, improve and extend properties supplying sewerage service and public water supply within such territory and also outside such territory to the extent permitted by law.

(d) The territory described above does not include within its limits the territory of any other public service district organized under Article 13-a of Chapter 16 of the West Virginia Code, nor does such territory include within its limits any city, incorporated town or other municipal corporation.

Section 3. That on July 10, 1961, at the hour of 10 o'clock A. M., this County Court shall meet in the County Court House at Princeton, West Virginia, 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 said district, and at such hearing, this County Court shall consider and determine the feasibility of the creation of the proposed public service district.

Section 4. That the County Court Clerk is hereby authorized and directed to cause notice of such hearing in substantially the form hereinafter set out to be published on June 30, 1961, in the Sunset News-Observer, a newspaper of general circulation published 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° 26' 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 with Beaver Pond and East River Magisterial Districts of Mercer County, West Virginia, as shown upon map prepared by J. H. Miles, Inc., 121 1/2 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 of Mercer County will conduct a public hearing on July 10, 1961, at 10 o'clock A. M., in 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 June 12, 1961.

Harold C. Farley,
County Court Clerk.

Adopted by the County Court June 12, 1961.

Fred Thomason,
President

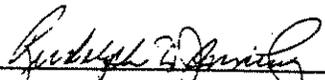
ATTEST:

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.


MERCER COUNTY COMMISSION CLERK

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 0.15 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 a 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 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 of Mercer County will conduct a public hearing on July 24th, 1961, at 10 o'clock A. M. in

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.


MERCER COUNTY COMMISSION CLERK

Legal Notices

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 County, West Virginia, for the purpose of constructing or acquiring by purchase or otherwise and the maintenance, operation, improvement and extension of public service properties, including sewerage services and storm water collection, within the extent of a public service district named "Green Valley - Glenwood Public Service District" having the following described boundaries:

By Order of the County Court this day July 14th, 1961.

Harold C. Farley, County Court Clerk. Attest: Harold C. Farley, County Court Clerk. STATE OF WEST VIRGINIA, COUNTY OF MERCER, 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 taken place on July 14th, 1961, and a resolution and order thereon of the County Court, and 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 14th, 1961.

CERTIFICATE OF PUBLICATION

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

I, Pattie Bray
DAILY TELEGRAPH PRINTING COMPANY, a corporation, publisher of Bluefield Daily Telegraph, a daily newspaper, published every m in the City of Bluefield, Mercer County, West Virginia, do certify the notice attached hereto under the caption;
Notice of Public Hearing on Creation of Green Valley - wood - public service district.
Signed Fred Thomason, President

was published in the said newspaper One time

on the following days, namely; July 14th.

in the year 195 61.

Publication Fee \$20.08

Subscribed and sworn to before me this July 14th, 195 61 day

My Commission expires 9 1963

Notary Public

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. Carr, 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. H. Kilam, 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 heretofore 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.

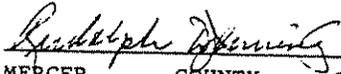
Attest:

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.


MERCER COUNTY COMMISSION CLERK.

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 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. 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-
Service
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 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 ~~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 November 5, _____, 1963.

Frank Gibson Comr
President

Daniel J. 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.

 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, October 14th, 1963.

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

IN RE: RE-CREATION OF THE GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT.

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 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

Therefore, the County Court of Mercer County, acting pursuant to West Virginia Code, Chapter 16, Article 13A, does hereby declare on its own motion that:

1. There will be a public hearing on the 5th day of November, 1963, at 10:00 A. M. in the County Court Room of Mercer County in Princeton, West Virginia, to determine if such a Public Service District should be created.
2. That the name of this proposed Public Service District shall be the Green Valley-Glenwood Public Service District.
3. That the proposed public Service District shall encompass the entire territory lying between 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 N. 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 No. 20 to a point, thence N. 79° E. 0.60 miles crossing U. S. Routes 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 a map prepared by J. H. Milam, Inc., 1214 Meyers Avenue, Dunbar, West Virginia, dated July 22, 1959.

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

There is further excepted and excluded 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.

4. The territory described above does not include within its limits the territory of any other public service district organized under Article 13A, Chapter 16 of the West Virginia Code, nor does such territory include within its limits any city, incorporated town or other municipal corporation.

5. The purpose of said public service district shall be to construct or acquire by purchase or otherwise, and maintain, operate, improve and extend properties supplying sewerage and public water supply within such territory to the extent permitted by law.

6. That on November 5, 1963, at the hour of 10:00 A.M., this County Court shall meet in the County Court Room, in the County Court House at Princeton, West Virginia, 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 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 said district, and at such hearing, this County Court shall consider and determine the feasibility of the creation of the proposed public service district.

7. The County Court Clerk is hereby authorized and directed to cause notice of such hearing in substantially the form hereinafter set out to be published on October 15, 1963, in the Princeton Times, a newspaper of general circulation published in Mercer County.

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

Notice is hereby given that there will be a public hearing to determine if there should be a public service district created 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 ^{water,} sewerage service 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 N. 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 No. 20 to a point; thence N. 79° E. 0.60 miles crossing U. S. Routes 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. Routes 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 a map prepared by J. H. Milam, Inc., 1214 Meyers Avenue, Dunbar, West Virginia, dated July 22, 1959.

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

There is further excepted and excluded 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.

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 of Mercer County will conduct a public hearing on November 5, 1963, at 10 o'clock A.M. in 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 of Mercer County, this 14th day of October, 1963.

Harold C. Farley, COUNTY COURT CLERK.

Adopted by the County Court, October 14, 1963.

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.


MERCER COUNTY COMMISSION CLERK

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 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

WILLIAM S. WINFREY
ATTORNEY AT LAW
INCETON, WEST VIRGINIA

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 considera-
tion 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, Com.*
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.~~

ATTEST:

Harold C. Farley
Clerk

~~Frank Gibson, Com.~~
Daniel T. Carr Jr.
Comr.

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 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. 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-
Service
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 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 ~~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 November 5, _____, 19 63.

Attest:

Harold C. Farley
Clerk

Frank Gibson, Comr
President
Daniel J. Carr, Jr.
Comr

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 VALLEY
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 1963

Publication Fee \$33.28

Margaret W. Tiller

Subscribed and sworn to before me this 17th day of
October, 1963

My Commission expires 3 28, 1973

Bonnie Sue Roberts

Notary Public

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Cares, Edison and New Hope
all within Beaver Pond
River, Magisterial Dist
Mercer County, West
as shown upon a map
ed by J. H. Milam,
Meyers Avenue, Dunb
Virginia, dated July 27

There is specifically exc
and excluded from th

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.

 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 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. 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 heretofore 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:

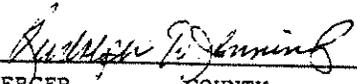
Harold C. Farley, Clerk.

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.


MERCER COUNTY COMMISSION CLERK

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

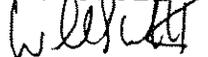
Pursuant to the provisions of W. Va. Code § 16-13A-2 (1991 Replacement Vol.), the Green Valley-Glenwood Public Service District petitions the County Commission of Mercer County to enlarge the boundary of the Green Valley-Glenwood Public Service District, (PSD), a public service district providing water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


MERCER COUNTY COMMISSION CLERK

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
ROUTE 20 BOUNDARY EXPANSION

PETITION FOR BOUNDARY CHANGE
STONY RIDGE AREA

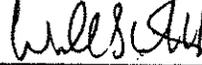
Pursuant to the provisions of W. Va. Code § 16-13A-2 (1991 Replacement Vol.), the Green Valley-Glenwood Public Service District petitions the County Commission of Mercer County to enlarge the boundary of the Green Valley-Glenwood Public Service District, (PSD), a public service district providing water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

**GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT
ROUTE 20 BOUNDARY EXPANSION
AUGUST 20, 1992**

BEGINNING at a point of latitude N 37° 20' and longitude W 81° 10' on the existing boundary line of the Green Valley-Glenwood Public Service District; thence with said District's boundary line S 90° W 0.18 miles to a point; thence N 0° E 1.00 miles crossing State Route 20 to a point; thence N 59° E 3.09 miles to a point; thence leaving said District's boundary line and running S 75° 30' W 4.74 miles to a point on ridge of Black Oak Mountain; thence S 0° E 0.92 miles crossing County Route 71/13 to a point; thence S 48° 30' W 1.50 miles to a point; thence S 17° 30' E 2.36 miles crossing State Route 20 to a point; thence S 60° 32' E 0.77 miles crossing State Route 123 to a point on Stony Ridge; thence N 66° 04' E 0.48 miles to a point; thence N 75° 05' E 2.78 miles crossing US Route 460 to a point in the existing boundary line of the Green Valley-Glenwood Public Service District; thence with said District's boundary line N 82° W 0.98 miles crossing US Route 460, and County Routes 19/33 and 25 to a point; thence N 0° E 2.38 miles crossing State Route 123 to the BEGINNING and containing an area of 13.53 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.


MERCER COUNTY COMMISSION CLERK

WEST VIRGINIA;

At an adjourned session of the County Commission, continued and held for
the County of Mercer, at the Courthouse thereof, on Tuesday, October 6, 1992.

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

In re:

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

On October 6, 1992, came the Petitioner Green Valley-Glenwood Public Service District by Eugene L. Price, its General Manager. Also came Robert Hazelwood, P.E., representing Pentree, Inc., the engineering firm representing the District and William S. Winfrey, II, counsel for the District. This matter came on for public hearing upon a Notice of Public Hearing published one time in the Bluefield Daily Telegraph, a copy of which Notice is attached to this Order.

Whereupon the Commission received the representations of counsel and of the District concerning this Petition. There being no opposition from members of the public and it appearing proper, it is therefore ORDERED that the boundary of Green Valley-Glenwood Public Service District be enlarged to include the following described property situate in East River and Beaver Pond Districts, Mercer County, West Virginia:

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.

Dated this 6th day of October, 1992.

MERCER COUNTY COMMISSION

BY:

Charles E. Rohr
Its President

CERTIFICATE OF PUBLICATION

State of West Virginia, }
County of Mercer,

To-wit:—

Shirley Smith

I, _____ of the Bluefield Daily Telegraph, a daily morning newspaper published in the City of Bluefield, Mercer County, West Virginia, do certify that the notice attached hereto under the caption;

was published in the said Bluefield Daily Telegraph
One (1)

Times

on the following days, namely; Sept. 26th

in the year 19 92

Publication Fee \$28.75

Shirley Smith

Subscribed and sworn to before me this 28th day of

September 19 92

My Commission expires Feb. 20 19 92

Ruth J. Stopper

Notary Public

NOTICE OF HEARING
GREEN VALLEY-GLENWOOD
PUBLIC SERVICE DISTRICT
REQUEST FOR BOUNDARY CHANGE

Please take notice that Green Valley-Glenwood Public Service District shall bring on a public hearing before the County Commission of Mercer County on October 6, 1992, at 10:00 a.m. a Petition to enlarge the boundaries of the Green Valley-Glenwood Public Service District, and enlarged boundary is situated in Pine River and Beaver Pond District, Mercer County, West Virginia, and more particularly bounded and described as follows:

BEGINNING at a point of latitude N. 37 degrees 21' 21" and longitude W. 88 degrees 03' 28" on the existing line of the Oakvale Road Public Service District; thence with said District's boundary line N. 56 degrees 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 degrees 40' W. 1.32 miles crossing County Route 2711 to a point; thence S. 22 degrees 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. 0 degrees W. 0.4 miles to a point; thence S. 0 degrees E. 2.15 miles; thence S. 54 degrees W. 2.22 miles to a point on Stony Ridge; thence leaving said District's boundary line and running along Stony Ridge; N. 74 degrees E. 4.60 miles to a point just west of Interstate 77; thence N. 84 degrees W. 1.77 miles crossing County Route 2711 to a point just west of Interstate 77; thence N. 23 degrees 17' E. 0.79 miles to the BEGINNING and containing 8.44 square miles.

The purpose of the expansion is to allow the District to provide water and, possibly sewer service to the Ingleside Road area of Mercer County.

Any person having comments, questions or wishes to speak in favor of or in opposition to the boundary change should appear at that place and time.

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
304-4887-1887

My Commission Expires Feb. 20, 1995

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.


MERCER COUNTY COMMISSION CLERK

WEST VIRGINIA;

At an adjourned session of the County Commission, continued and held for the County of Mercer, at the Courthouse thereof, on Tuesday, October 6, 1992.

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

CERTIFICATE OF PUBLICATION

State of West Virginia, }
County of Mercer, }

To-wit:—

Shirley Smith

I, _____ of the
Bluefield Daily Telegraph, a daily morning newspaper published in the City
of Bluefield, Mercer County, West Virginia, do certify that the notice attached
hereto under the caption;

was published in the said Bluefield Daily Telegraph
One (1) _____ Times

on the following days, namely; Sept. 26th

in the year 19 92

Publication Fee \$31.63

Shirley Smith

Subscribed and sworn to before me this 28th day of
September _____ 19 92

My Commission expires

Feb 20 19 95
Ruth J. Stoppin

Notary Public

NOTICE OF HEARING
GREEN VALLEY-GLENWOOD
PUBLIC SERVICE DISTRICT
REQUEST FOR BOUNDARY CHANGE

Please take notice that Green Valley-Glenwood Public Service District shall bring on for public hearing before the County Commission of Mercer County on October 6, 1992, at 10:00 AM a Petition to enlarge the boundaries of the Green Valley-Glenwood Public Service District, which enlarged boundary is situated in Beaver Pond District, Mercer County, West Virginia, and more particularly bounded and described as follows:

BEGINNING at a point of latitude N. 37 degrees 20' and longitude W. 81 degrees 10' on the existing boundary line of the Green Valley-Glenwood Public Service District; thence with said District's boundary line S 79 degrees W. 0.18 miles to a point; thence N. 0 degrees E. 1.00 miles crossing State Route 20 to a point; thence N. 59 degrees E. 3.09 miles to a point; then leaving said District's boundary line and running S. 75 degrees 30' W. 4.74 miles to a point on ridge of Black Oak Mountain; thence S. 6 degrees E. 0.92 miles crossing County Route 71/33 to a point; thence S. 48 degrees 30' W. 1.50 miles to a point; thence S. 17 degrees 30' E. 2.36 miles crossing State Route 20 to a point; thence S. 60 degrees 32' E. 0.77 miles crossing State Route 123 to a point on Stony Ridge; thence N. 66 degrees 04' E. 0.48 miles to a point; thence N. 73 degrees 05' E. 2.78 miles crossing US Route 460 to a point in the existing boundary line of the Green Valley-Glenwood Public Service District; thence with said District's boundary line N. 32 degrees W. 0.98 miles crossing US Route 460 and County Routes 19/33 and 25 to a point; thence N. 0 degrees E. 2.38 miles crossing State Route 123 to the BEGINNING and containing an area of 13.53 square miles.

The purpose of the expansion is to allow District to be positioned to provide water and sewer service to the Route 20 area of Mercer County.

And person having comments, questions or wishes to speak in favor of or in opposition to the boundary change should appear at that place and time.

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



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.


MERCER COUNTY COMMISSION CLERK

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: November 18, 1993

CASE NO. 92-0652-PWD-CN (Reopened)

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT, a public utility, Mercer County.
Petition to reopen certificate application and for approval of revised financing incidental thereto.

CASE NO. 93-0948-PWD-PC

MERCER COUNTY COMMISSION.
Petition for permission to expand boundaries of Green Valley-Glenwood Public Service District.

RECOMMENDED DECISION

CASE NO. 92-0652-PWD-CN (Reopened)

On October 12, 1993, Green Valley-Glenwood Public Service District, a public utility, Mercer County, West Virginia, filed a petition with the Commission seeking to reopen this certificate application for the purpose of accepting an additional grant from the Farmers Home Administration to be used to upgrade the water facilities of said District.

Bids on the project in question will expire on November 30, 1993, therefore, the District requested an expedited schedule for this petition.

CASE NO. 93-0948-PWD-PC

On October 18, 1993, the Mercer County Commission filed a petition with the Commission seeking the approval of an expansion of boundaries for Green Valley-Glenwood Public Service District to accommodate the system extension previously authorized in Case No. 92-0652-PWD-CN.

Consolidated Cases:

By Commission Order entered November 3, 1993, these cases were consolidated and referred to the Division of Administrative Law Judges for further proceedings with a decision due date on or before November 23, 1993.

Under West Virginia Code §16-13A-2, the Public Service Commission is required to provide a hearing in the affected county anytime a County Commission petitions to expand the boundaries of a public service

strict. Consequently, by Procedural Order entered November 5, 1993, these consolidated cases were scheduled for hearing in Princeton, Mercer County, on November 12, 1993. This order also required publication of a prepared Notice of Hearing for public legal notice of these proceedings, as well as the opportunity to file written objections, protests, or comments concerning these matters.

On November 9, 1993, a duly executed Certificate of Publication was filed with the Commission demonstrating that the prepared Notice of Hearing had been properly published for public legal notice on November 8, 1993, in the Bluefield Daily Telegraph, a newspaper, qualified by the Secretary of State, published and of general circulation in Mercer County, all in compliance with the Procedural Order of November 5, 1993. As of the date of this recommended decision, no written objections, protests or comments have been filed with the Commission.

Previously, on October 28, 1993, the Staff of the Public Service Commission filed its Internal Memorandum in this matter confirming that, by Amendment No. 1, dated September 30, 1993, to the original Farmers Home Administration Letter of Conditions for this project, dated July 22, 1992, an additional grant of \$181,000 would be provided for this project. The District's rates and charges approved in the original certificate case will not be increased as a result of the additional financing because it is an outright grant. As a result, Staff recommends approval of the District's request to accept the FmHA/RDA Grant in the amount of \$181,000 in order to fully fund its previously approved project, in a total amount not to exceed \$1,121,000.

By an Initial and Final Joint Staff Memorandum filed November 10, 1993, the Staff reported on its analysis of the boundary expansion of the District. The expansion was required as a condition of the original certificate case, and would not infringe on any other public water or sewer utility's service territory. All necessary easements and rights-of-way were already acquired during preparation for the preceding certificate case. The Mercer County Commission's formal Order enlarging and describing the new boundaries of the District has been reviewed and approved as well. Consequently, Staff recommends approval of this expansion of the Green Valley-Glenwood Public Service District as proposed by the County Commission.

The hearing convened as scheduled with all interested parties in attendance. The District was represented by its attorney William S. Winfrey, II. The Staff of the Public Service Commission was represented by Staff Attorney Drexel M. Vealey. Although both attorneys reiterated the previous formal filings in these consolidated cases, including Staff's recommendations, no member of the public made any statement in opposition to the proposed boundary expansion or increased grant funding for the project. The only public inquiry was from an expectant new customer who wanted to know when his service would be installed under the District's project. Due to the extremely tight time frame in this case, an expedited transcript was ordered. On November 16, 1993, an accurate transcript consisting of nine pages of discussion was filed with the Commission. Both the District and the Staff indicated at hearing that post-hearing fees would be waived.

DISCUSSION

Both of these cases are "housekeeping" proceedings necessitated by the circumstances resulting from the original Case No. 92-0652-PWD-CN, in which the District was granted a certificate of convenience and necessity for its proposed project in the Ingleside Road area of the East River and Beaver Pond Districts of Mercer County. The Recommended Decision in that case required that the District's boundaries be expanded to encompass the total area of the new project. The Mercer County Commission's Order entered pursuant to proper public notice on October 6, 1992, is in compliance with the conditions of that Recommended Decision and, therefore, on the recommendation of Commission Staff and in the absence of public protest or objection, will be approved.

Additionally, when the actual construction bids were received for this project, they were in excess of the amount approved in Case No. 92-0652-PWD-CN and then available to fund this project. Fortunately, the needed extra funding was made available to the District in the form of a FmHA/RDA Grant of \$181,000. Obviously the additional grant funding will not cause an increase in the debt service and operating revenue requirements of the approved project and, therefore, will be approved for inclusion in the financing package available for this project.

FINDINGS OF FACT

1. On October 12, 1993, Green Valley-Glenwood Public Service District, a public utility, Mercer County, West Virginia, filed a petition with the Commission seeking to reopen this certificate application for the purpose of accepting an additional grant from the Farmers Home Administration to be used to upgrade the water facilities of said District. (See, petition filed October 12, 1993).
2. On October 18, 1993, the Mercer County Commission filed a petition with the Commission seeking the approval of an expansion of boundaries for Green Valley-Glenwood Public Service District to accommodate the system extension previously authorized in Case No. 92-0652-PWD-CN. (See, petition filed October 18, 1993).
3. Pursuant to a proper Notice of Hearing published on November 8, 1993, in The Bluefield Daily Telegraph, a newspaper, qualified by the Secretary of State, published and of general circulation in Mercer County, a public hearing was held in these consolidated cases on November 12, 1993. (See, Procedural Order entered November 5, 1993, and Certificate of Publication filed November 9, 1993).
4. No protests, objections or public comments have been filed in opposition to either of these consolidated cases nor did any person appear at hearing in opposition to these petitions. (See, Commission case file generally, Transcript p. 5).
5. The Staff of the Public Service Commission has reviewed the request of the District to accept an additional Farmers Home Administration Grant of \$181,000 to complete the necessary financial package for the

strict's approved project and has recommended that it be approved. (See, Staff Internal Memorandum filed October 28, 1993).

6. The Staff of the Public Service Commission has reviewed the request of the Mercer County Commission to expand the boundaries of the Green Valley-Glenwood Public Service District as required by the Recommended Decision in Case No. 92-0652-PWD-CN, and recommends approval of the new expanded boundaries for the District. (See, Initial and Final Joint Staff Memorandum filed November 10, 1993).

CONCLUSIONS OF LAW

1. Under the facts and circumstances of Case No. 92-0652-PWD-CN (Reopened), and upon the recommendation of Commission Staff, it is reasonable, fair, expedient and efficient to grant the request of the District and approve inclusion of the additional \$181,000 grant from the Farmers Home Administration in the previously approved financing for this project, not to exceed the new total budget of \$1,121,000.

2. Pursuant to West Virginia Code §16-13A-1, the Public Service Commission is required to conduct a hearing in the affected county anytime a County Commission petitions to expand the boundaries of a public service district.

3. Under the facts and circumstances of Case No. 93-0948-PWD-PC and upon the recommendation of Commission Staff, it is reasonable, fair, expedient and efficient to approve the expanded boundaries of the Green Valley-Glenwood Public Service District as required and described in the formal Order of the Mercer County Commission issued October 6, 1992.

ORDER

IT IS, THEREFORE, ORDERED that the request of the Green Valley-Glenwood Public Service District filed October 12, 1993, to reopen Case No. 92-0652-PWD-CN and amend the financing approved therein to include an additional Farmers Home Administration Grant of \$181,000, shall be, and hereby is, granted.

IT IS FURTHER ORDERED that the formal Order of the Mercer County Commission issued October 6, 1992, expanding the boundaries of the Green Valley-Glenwood Public Service District, shall be, and hereby is, approved as set out and described therein, to be effective on the date this recommended decision becomes a final order of the Commission.

IT IS FURTHER ORDERED that these matters shall be removed from the Commission's docket of open cases.

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

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

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

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


Thomas N. Trent
Administrative Law Judge

TNT:mal

WEST VIRGINIA:

At an adjourned session of the County Commission, continued and held for the County of Mercer, at the Courthouse thereof, on Tuesday, October 10, 1995.

Present:	T. A. Warden, Jr.,	President.
Present:	John K. Rapp,	Commissioner.
Present:	John P. Anderson,	Commissioner.

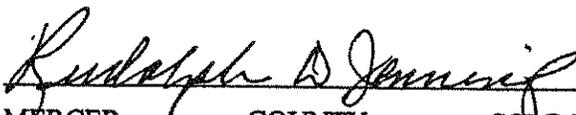
RE: APPOINTMENT - GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT.

This day on motion of John P. Anderson, Commissioner, seconded by John K. Rapp, Commissioner, the Commission unanimously appointed James Turpin, as a Member of the Green Valley-Glenwood Public Service District, term to begin November 1, 1995 and end October 31, 2001.

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 19th day of March, 1998.


MERCER COUNTY COMMISSION CLERK

WEST VIRGINIA:

At an adjourned session of the County Commission, continued and held for the County of Mercer, at the Courthouse thereof, on Tuesday, October 12, 1993.

Present:	John K. Rapp,	President.
Present:	Charles E. Lohr,	Commissioner.
Present:	T. A. Warden, Jr.,	Commissioner.

RE: APPOINTMENT – GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT.

This day on motion of Charles E. Lohr, Commissioner, seconded by T. A. Warden, Jr., Commissioner, the Commission unanimously approved the re-appointment of Jimmy Welch as a Member of the Green Valley-Glenwood Public Service District, said term to be from October 31, 1993 to October 31, 1999. This action is to correct the appointment made at the September 13, 1993 Mercer County Commission meeting. Said appointment was made for a three (3) year term ending October 31, 1996, should have been for a six (6) year term ending October 31, 1999. All in accordance to the Code and case law of the State of West Virginia.

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 19th day of March, 1998.

WEST VIRGINIA:

At an adjourned session of the County Commission, continued and held for the County of Mercer, at the Courthouse thereof, on Tuesday, October 6, 1992.

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

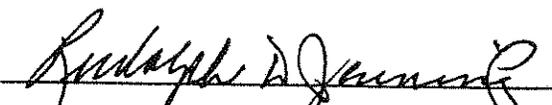
RE: APPOINTMENT – MEMBER GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT.

This day on motion of John K. Rapp, Commissioner, seconded by Ray Bragg, Commissioner, it is ordered that Greg Wimmer be and he is hereby re-appointed as a Member of the Green Valley-Glenwood Public Service District for a six (6) year term from November 1, 1992 and ending October 31, 1998.

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 19th day of March, 1998.



MERCER COUNTY COMMISSION CLERK

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 W. Welch*
Jimmy Welch

Subscribed and sworn to, before me, in said County and State, this 22nd day of
October, 19 93



Rudolph D. Jennings
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 of an
Oath of Office, as taken from Oath of Office Book # 009
Page # 051.

Given under my hand and seal of said Commission,
this the 20th day of March, 1998.

Rudolph D. Jennings CLERK

MERCER COUNTY COMMISSION

By Elizabeth Jay Basham
DEPUTY CLERK

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)

Gregory L. Wimmer
Gregory L. Wimmer

Subscribed and sworn to, before me, in said County and State, this 22nd day of

October, 19 93



Rudolph B. Jennings
RUDOLPH B. 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 of an
Oath of Office, as taken from Oath of Office Book # 009
Page # 052.

Given under my hand and seal of said Commission,
this the 20th day of March, 1998.

Rudolph D. Jennings CLERK

MERCER COUNTY COMMISSION
By Elizabeth Goy Basham
DEPUTY CLERK

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 Turpin
James Turpin

Subscribed and sworn to, before me, in said County and State, this 1st day of November, 1995



Rudolph D. Jennings
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 of an
Oath of Office, as taken from Oath of Office Book # 009
Page # 249.

Given under my hand and seal of said Commission,
this the 20th day of March, 1998.

Rudolph Jennings CLERK

MERCER COUNTY COMMISSION

By Elizabeth Joy Basham
DEPUTY CLERK

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 Route 6, Box 14, Princeton, 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 the 1st day of July in each year and shall end on the following June 30.

ARTICLE II

PURPOSE

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

B. A notice shall be posted by the Secretary of the Public Service Board at the front door to the Mercer County Courthouse and at the front door of the place fixed for the regular meetings of the Public Service Board at least 48 hours before a special session is to be held, stating the time, place and purpose for which such special session shall be held. If the special session is cancelled, a notice of such cancellation shall be posted at the front doors of the Courthouse and the meeting place as soon as feasible after such cancellation has been determined upon.

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

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

NOTICE OF SPECIAL SESSION

The Public Service Board of Green Valley-Glenwood Public Service District will meet in special session on _____, at _____ .m., prevailing time, at _____, West Virginia, for the following purposes:

1. To consider and act upon a proposed Bond Authorizing Resolution providing for the issuance of a _____ Bond, Series _____, of the District, in the principal amount of \$ _____, to provide funds for construction of _____ facilities of the District.

2.

Secretary

Date: _____

ARTICLE V

OFFICERS

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

3.

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

ARTICLE VI

DUTIES OF OFFICERS

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

Section 2. If the Chairman is absent from any meeting, the remaining members of the Board shall select a temporary chairman.

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

Section 4. The Treasurer shall be the lawful custodian of all funds of the District and shall pay same out on orders authorized or approved by the Board. The Treasurer shall keep or cause to be kept proper and accurate books of accounts and proper receipts and vouchers for all disbursements made by or through him and shall prepare and submit such reports and statements of the financial condition of the Board as the members may from time to time prescribe. He shall perform such other duties as may be required of him by law or as may be conferred upon him by the members of the Board.

ARTICLE VII

AMENDMENTS TO RULES OF PROCEDURE

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

10/29/92
GREENJ.D2
35455/92001

**NOTICE
GREEN VALLEY-GLENWOOD PUBLIC
SERVICE DISTRICT MERCER
COUNTY, WEST VIRGINIA**

CERTIFICATE OF PUBLICATION

NOTICE IS HEREBY GIVEN to the residents of the Green Valley-Glenwood Public Service District, (the "District"), Mercer County, West Virginia, that the District intends to acquire, construct, operate and maintain certain public service properties, consisting of sewer collection system facilities to serve the Crumpecker Hill area (the "Project") in the District.

State of West Virginia, }
County of Mercer, } To-wit:—
Shirley Smith

I, _____ of the Bluefield Daily Telegraph, a daily morning newspaper published in the City of Bluefield, Mercer County, West Virginia, do certify that the notice attached hereto under the caption;

The District contemplates financing the Project through the issuance of Water Revenue Bonds or local banks notes in the aggregate principal amount estimated not to exceed \$318,000 bearing an interest rate not to exceed 3% per annum and with maturities not to exceed 40 years, grants and local funding sources. The estimated cost of the Project is \$1,145,000.

The anticipated rates which will be charged by the District for water service are estimated not to exceed the following:

- SEWER RATES (Based on water Usage)
 - First 2,000 gallons at \$5.64 per 1000 gallons
 - Next 2,000 gallons at \$4.90 per 1000 gallons
 - Next 6,000 gallons at \$4.11 per 1000 gallons
 - Next 90,000 gallons at \$3.35 per 1000 gallons
 - Over 100,000 gallons at \$2.58 per 1000 gallons.

MINIMUM CHARGE
The above charge is subject to a minimum monthly charge of \$11.28 (Based on 2,000 gallons).

UNMETERED CHARGE (Based on 4,000 gallons)
\$21.08 Per Month

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed penalty is not interest and is to be collected only once for each bill where it is appropriate.

RECONSTRUCTION CONNECTION CHARGE:

In the Crumpecker Sewer Extension Project, the connection charge shall be one hundred dollars (\$100.00) for all customers requesting service prior to the beginning of construction. After construction begins, the normal connection charge of three hundred dollars (\$300.00) will be charged.

CONNECTION CHARGE:
A fee of three hundred dollars (\$300.00) will be charged for each new connection to the system.

WATER DISCONNECT - RECONNECT FEES
When water services has been disconnected for non-payment of sewer bills, a disconnection fee of \$25.00 shall be charged.

Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of sewer payment of sewer bills is reconnected a for of 25.00 shall be charged.

BAD CHECKS - RETURNED CHECKS:
If a check received is returned by the bank for any reason, the bank's charge to the Green Valley-Glenwood Public Service District shall be paid by the customer with a bad check, up to a maximum charge of \$15.00.

In addition to the bank's charge, the District administrative charge to the customer for a bad check shall be an additional \$25.00.

On August 20, 1997, or as soon thereafter as practicable, The District will file its formal application for a Certificate of Public Convenience and Necessity for the financing of the Project with the Public Service Commission of West Virginia.

J. W. Welch, Chairman
Chair Public Service Board
Green Valley - Glenwood
Public Service District

was published in the said Bluefield Daily Telegraph
Two (2) Times

on the following days, namely; July 15th, 22nd

in the year 19 97

Publication Fee \$116.26

66.72
47.50 25%
106.26

Shirley Smith

Subscribed and sworn to before me this 22nd day of July 19 97

My Commission expires Feb 20 2005

Ruth J. Stopper

Notary Public

Green Valley/Glenwood PSD
January 13, 1998
Board Meeting 1:00pm

Those in attendance were: Jimmy Welch, Chairman, Greg Wimmer, Secretary, Jim Turpin, member, Jerry Siner, General Manager/Sec. John Poole, Marty Mariotti, Dwayne Ernest, Bill Winfrey, Bobby Hazelwood.

1. The minutes of December 18, 1997 were tabled for the next board meeting.
2. Marty Mariotti and Dwayne Ernest reported water and wastewater plants were in compliance. Marty gave a unaccounted water report from September through October 11, 1997 of 11.8%. Hereto attached is a copy of letter that Dwayne Ernest sent to DEP and EPA per bringing the wastewater collection and treatment system into compliance.
3. The board members approved for Mr. Welch, sign an application for federal assistance for water, this will consist for upgrade of two water treatment plants, replace a water tank, construct a booster station, and install a telemetry system. Disbursements for Compton Construction and Pentree Inc. was approved by the board members. This is the Crumpecker Hill project. Application for the Sandlick water project was approved and signed also.
4. Election of officers for the year of 1998 was held.
Motion by Jim Turpin, Seconded by Greg Wimmer, and carried to appoint Jimmy Welch as Chairman.
Motion by Jim Turpin, seconded by Jimmy Welch, and carried to appoint Greg Wimmer as Treasurer.
Motion by Jim Turpin, seconded by Greg Wimmer, and carried to appoint Jerry Siner as Secretary.
5. An executive session was held, requested by the General Manager and board members concerning personnel matters. Bill Winfrey attended the meeting.

SIGNED *J. Welch*

DATE

CHAIRMAN

1/27/98

SIGNED *Jerry Siner*

DATE

SECRETARY

1-27-98

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 1998 B
(West Virginia Infrastructure Fund)

MINUTES ON ADOPTION OF BOND
RESOLUTION AND SUPPLEMENTAL RESOLUTION

The undersigned CHAIRMAN and SECRETARY of the Public Service Board of Green Valley-Glenwood Public Service District, hereby certify 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 19th day of November, 1998, in Princeton, West Virginia, at the hour of 1:00 p.m.

PRESENT: Jimmy W. Welch - Chairman and Member
Gregory L. Wimmer - Treasurer and Member
James R. Turpin - Member
Faye S. Cregger - Interim Secretary

ABSENT: None.

Jimmy W. Welch, Chairman, presided, and Faye S. Cregger, 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 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.

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

The Chairman then presented a proposed Supplemental Resolution in writing entitled:

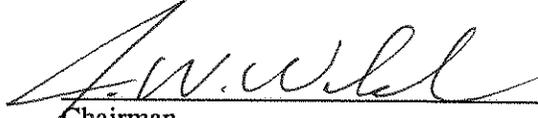
SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 1998 B (WEST VIRGINIA INFRASTRUCTURE FUND), OF GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

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

The Chairman then presented a proposed Invoice Resolution authorizing the payment of certain costs related to the project financed by the Series 1998 B Bonds and caused the same to be read and there was discussion. Thereupon, on motion duly made and seconded, it was unanimously ordered that the Invoice 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.



Chairman



Secretary

CERTIFICATION

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

WITNESS my signature on this 25th day of November, 1998.


Secretary

11/18/98
354550/98002

WV MUNICIPAL BOND COMMISSION
812 Quarrier Street
Suite 300
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 11/25/98

(See Reverse for Instructions)

ISSUE: Green Valley-Glenwood Public Service District Sewer Revenue Bonds, Series 1998 B (West Virginia Infrastructure Fund)

ADDRESS: Post Office Box 6099 Bluefield, West Virginia 24701 COUNTY: Mercer

PURPOSE OF ISSUE: New Money: X
Refunding: _____ REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: November 25, 1998 CLOSING DATE: November 25, 1998

ISSUE AMOUNT: \$317,500 RATE: 0%

1ST DEBT SERVICE DUE: December 1, 1999 1ST PRINCIPAL DUE: December 1, 1999

1ST DEBT SERVICE AMOUNT: \$2,036.00 PAYING AGENT: WV Municipal Bond Commission

BOND
COUNSEL: Steptoe & Johnson
Contact Person: Vincent A. Collins
Phone: (304) 624-8161

UNDERWRITERS
COUNSEL: Jackson & Kelly
Contact Person: Samme L. Gee
Phone: (304) 353-1318

CLOSING BANK: First Community Bank of Mercer County, Inc.
Contact Person: Anita Clark
Phone: (304) 325-3641

ESCROW TRUSTEE: _____
Contact Person: _____
Phone: _____

KNOWLEDGEABLE ISSUER CONTACT
Contact Person: Faye S. Cregger
Position: Office Manager
Phone: (304) 325-6832

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

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

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

NOTES: _____

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

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 1998 B
(West Virginia Infrastructure Fund)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

First Community Bank of Mercer County, Inc., Princeton, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Resolution and a Supplemental Resolution of Green Valley-Glenwood Public Service District (the "Issuer"), both adopted November 19, 1998 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 1998 B (West Virginia Infrastructure Fund), dated November 25, 1998, issued in the principal amount of \$317,500 (the "Bonds"), as set forth in the Bond Legislation.

WITNESS my signature, a duly authorized officer of the Bank, on this 25th day of November, 1998.

FIRST COMMUNITY BANK OF
MERCER COUNTY, INC.


Branch Manager/Loan Officer

11/18/98
354550/98002

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

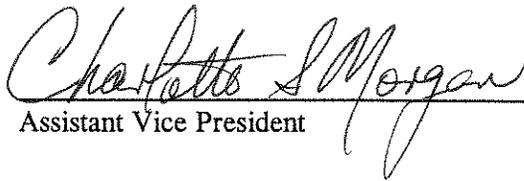
Sewer Revenue Bonds, Series 1998 B
(West Virginia Infrastructure Fund)

ACCEPTANCE OF DUTIES AS REGISTRAR

ONE VALLEY BANK, NATIONAL ASSOCIATION, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Green Valley-Glenwood Public Service District Sewer Revenue Bonds, Series 1998 B (West Virginia Infrastructure Fund), dated November 25, 1998, issued in the principal amount of \$317,500 (the "Bonds"), and agrees to perform all duties of Registrar in connection with such Bonds, as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 25th day of November, 1998.

ONE VALLEY BANK, NATIONAL
ASSOCIATION


Assistant Vice President

11/17/98
354550/98002

CH267945.1

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

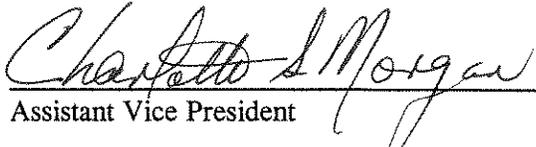
Sewer Revenue Bonds, Series 1998 B
(West Virginia Infrastructure Fund)

CERTIFICATE OF REGISTRATION OF BONDS

ONE VALLEY BANK, NATIONAL ASSOCIATION, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of Green Valley-Glenwood Public Service District (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Green Valley-Glenwood Public Service District Sewer Revenue Bonds, Series 1998 B (West Virginia Infrastructure Fund), of the Issuer, dated November 25, 1998, in the principal amount of \$317,500, numbered BR-1, is registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of One Valley Bank, National Association, as Registrar.

WITNESS my signature on this 25th day of November, 1998.

ONE VALLEY BANK, NATIONAL
ASSOCIATION


Assistant Vice President

11/17/98
354550/98002

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 1998 B
(West Virginia Infrastructure Fund)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 25th day of November, 1998, by and between GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia (the "Issuer"), and ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking association (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$317,500 Sewer Revenue Bonds, Series 1998 B (West Virginia Infrastructure Fund), in fully registered form (the "Bonds"), pursuant to a Bond Resolution adopted November 19, 1998, and a Supplemental Resolution adopted November 19, 1998 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation,

such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest on the Bonds from gross income for federal income tax purposes, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

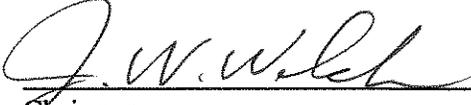
ISSUER: Green Valley-Glenwood Public Service District
Post Office Box 6099
Bluefield, West Virginia 24701
Attention: Chairman

REGISTRAR: One Valley Bank, National Association
Post Office Box 1793
One Valley Square
Charleston, West Virginia 25326
Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

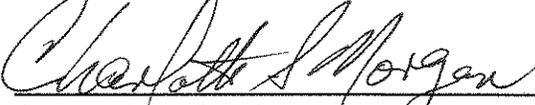
IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

GREEN VALLEY-GLENWOOD
PUBLIC SERVICE DISTRICT



Chairman

ONE VALLEY BANK, NATIONAL
ASSOCIATION



Assistant Vice President

EXHIBIT A

[Included in transcript as Document No. 1]

SCHEDULE OF COMPENSATION

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

BOND RESOLUTION

\$680,000 Sewer Revenue Bonds

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GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ISSUANCE OF \$680,000 SEWER REVENUE BONDS OF GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT, MERCER COUNTY, WEST VIRGINIA, TO FINANCE PART OF THE COST OF CONSTRUCTION OF A SANITARY SEWERAGE AND SEWAGE DISPOSAL SYSTEM FOR THE DISTRICT; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE REVENUE BONDS; PROVIDING FOR THE FIXING, ESTABLISHING AND COLLECTING OF RATES AND CHARGES FOR THE SERVICES AND FACILITIES OF THE SYSTEM; PROVIDING FOR COMPULSORY USE OF THE SEWER FACILITIES; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDERS OF THE REVENUE BONDS AND FOR A STATUTORY MORTGAGE LIEN UPON THE SYSTEM IN FAVOR OF THE HOLDERS OF THE REVENUE 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 Article 13A, Chapter 16 of the Code of West Virginia, and other applicable provisions of law.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

(A) Green Valley-Glenwood Public Service District (herein called the "District"), in Mercer County, State of West Virginia, does not now have any public sewer system, and the inhabitants thereof urgently require a public sanitary sewerage system and treatment plant.

(B) It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the District that there be constructed a

complete new sewerage system (herein called the "System"), consisting of sanitary sewerage system, a sewer treatment plant and all necessary appurtenances, and particularly described in and according to the plans and specifications prepared by J. H. Milam, Inc., Consulting Engineers, Dunbar, West Virginia, and heretofore filed in the office of the Secretary of the District's Public Service Board (herein called the "Board");

(C) It is necessary for the District to issue its revenue bonds in the principal amount of \$680,000 to finance part of the cost of such construction in the manner hereinafter provided.

(D) The estimated maximum cost of the construction hereinabove mentioned is \$1,242,151, of which \$680,000 will be obtained from the proceeds of the Bonds herein authorized and the balance of \$542,151 from the proceeds of federal grants designated APW-WVA-43G (\$299,296) and APW-WVA-75 (\$242,755).

(E) The cost of such construction shall be deemed to include, without being limited to, the construction or acquisition of the System, the acquisition of any necessary property, real, personal or intangible or interest therein, and any other purposes necessary, incidental, desirable or appurtenant to the construction of the System; interest on the Bonds prior to, during and for six months after completion of such construction to the extent that revenues of the System are not sufficient therefor; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; expenses for financial services and fiscal or other agents in connection with the issuance of the Bonds; and such other expenses as may be nec-

essary or incidental to the construction of the System and the financing authorized by this resolution.

(F) The period of usefulness of the System after completion is not less than forty years.

(G) There are not outstanding any unpaid obligations of the District which will have priority over or rank on a parity with the Bonds authorized to be issued hereunder.

Section 1.03. Use of Sewer Facilities Mandatory.

The mandatory use of the facilities of the System as herein defined is hereby determined and declared to be essential and necessary for the protection and preservation of the public health, comfort, safety, convenience, welfare and economy of the inhabitants of the District and for the rendering harmless of sewage and water-borne waste matter produced or arising within the District. Accordingly, every owner, tenant and occupant of every lot, parcel and tract of land which abuts on a street, road, alley or other public way in which any sewer line, main or facility is located or which is located within 100 feet thereof and upon which lot, parcel or tract a building or other habitable structure has been or shall be erected for residential, commercial or industrial use shall connect such building or structure with the System immediately upon completion of the Project and shall thereafter refrain from using and cease to use any other method for the disposal of sewage or water-borne waste matter and shall pay the charges, fees and rates provided herein.

Any such building or structure not so connected with the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the District and a public nuisance which shall be abated as promptly as possible by proceedings in the Circuit Court

of Mercer County or other court of competent jurisdiction.

Section 1.04. Resolution to Constitute Contract.

In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this resolution shall be deemed to be and shall constitute a contract between the District and such Bondholders, and the covenants and agreements herein set forth to be performed by the District shall be for the equal benefit, protection and security of the legal holders of any and all such Bonds, and the coupons appertaining thereto, all which shall be of equal rank without preference, priority or distinction of any of the Bonds or coupons over any other thereof, except as expressly provided therein and herein.

Section 1.05. Definitions. The following terms shall have the following meanings in this resolution unless the text otherwise expressly requires:

(A) "Act" shall mean Article 13A, Chapter 16 of the Code of West Virginia.

(B) "Board" shall mean the Public Service Board of the District, the governing body of the District under the Act.

(C) "Bonds" shall mean the \$680,000 Sewer Revenue Bonds originally authorized to be issued pursuant to this resolution and shall also be deemed to include, where appropriate, the interest coupons attached to said Bonds; and shall also include any pari passu additional Bonds hereafter issued within the terms, restrictions and conditions contained in this resolution, and the interest coupons appertaining to said pari passu additional Bonds.

(D) "Chairman" shall mean the Chairman of the Board.

(E) "Consulting Engineer" shall mean J. H. Milam, Inc., Consulting Engineers, Dunbar, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the District as Consulting Engineer for the System.

(F) "District" shall mean Green Valley-Glenwood Public Service District, of Mercer County, West Virginia, and, where appropriate, shall also mean the Public Service Board thereof.

(G) "Facilities" or "sewer facilities" shall mean all the facilities of the System and also any facilities which may hereafter be added to the System by any additions, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

(H) "Fiscal Year" shall mean each year beginning on July 1 and ending on the succeeding June 30.

(I) "Holder of the Bonds" or "Bondholder" or any similar term shall mean any person who shall be the bearer or owner of any outstanding Bond or Bonds registered to bearer or not registered, or the registered owner of any outstanding Bond or Bonds which shall at the time be registered other than to the bearer, or of any coupons representing interest accrued or to accrue on said Bonds.

(J) "Net Revenues" shall mean the balance of the gross revenues, as defined in subsection (M) below, remaining after deduction only of operating expenses, as defined in subsection (K) below.

(K) "Operating Expenses" shall mean the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and shall include without limiting the generality of the foregoing, insurance premiums, salaries,

wages and administrative expenses of the District relating and chargeable solely to the System, 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 practices.

(L) "Project" shall mean the initial System to be constructed as herein provided and financed in part with the proceeds of the \$680,000 Bonds as in this resolution provided.

(M) "Revenues" or "gross revenues" shall mean all rates, rents, fees, charges or other income received by the District, or accrued to the District, 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.

(N) "Secretary" shall mean the Secretary of the Board.

(O) "System" shall mean the complete sewerage system of the District, including all sewer facilities owned by the District and all facilities and other property of every nature, real, personal or intangible, now or hereafter owned, held or used in connection with the System; and shall also include any and all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the System after completion of the initial construction provided for herein.

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

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION,
REGISTRATION AND ISSUE OF BONDS

Section 2.01. Authorization of Bonds. Subject and pursuant to the provisions of this resolution, Bonds of the District, to be known as "Sewer Revenue Bonds," are hereby authorized to be issued in the aggregate principal amount of not exceeding Six Hundred Eighty Thousand Dollars (\$680,000), for the purpose of financing part of the cost of the construction of the Project, all as authorized by this resolution.

Section 2.02. Description of Bonds. The Bonds shall be dated the first day of April, 1964, shall be in the denomination of \$1,000, or multiples of \$1,000 as the District may determine, shall be numbered consecutively in order of maturities, shall bear interest, payable semiannually on April 1 and October 1 of each year, at a rate not exceeding five per centum (5%) per annum, and the minimum price therefor shall be as provided in the Act. Bonds maturing in the years 1968 to 1974, both inclusive, shall not be redeemable prior to their respective stated dates of maturity. Bonds maturing in the years 1975 to 2004, both inclusive, shall be redeemable prior to their respective stated dates of maturity, at the option of the District, in whole or in part, but in inverse numerical order if less than all, on April 1, 1974, or on any interest payment date thereafter, at the price of par value thereof and accrued interest to the date of redemption, plus a premium of 4-1/2% of the par value if all Bonds are called on April 1, 1974, and, if less than all Bonds are called on said date or thereafter, a premium of 1/2 of 1% of the par value of Bonds called for redemption for each year or fraction thereof

from the date of redemption to the stated date of maturity of each Bond called for payment, such premium in no event, however, to exceed 4-1/2% of the par value thereof,

A notice of the redemption of any of the Bonds shall be published at least once not less than thirty nor more than sixty days prior to the date of redemption in a financial newspaper published in the City of New York, New York. Interest shall cease upon any of the Bonds so called for prior redemption on the redemption date, provided payment thereof has been duly made or provided for.

The Bonds shall mature serially in numerical order, lowest numbers first, on the first day of April of each year, as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1968	\$ 5,000	1986	\$20,000
1969	5,000	1987	20,000
1970	5,000	1988	20,000
1971	5,000	1989	20,000
1972	5,000	1990	20,000
1973	5,000	1991	20,000
1974	10,000	1992	25,000
1975	10,000	1993	25,000
1976	10,000	1994	25,000
1977	10,000	1995	25,000
1978	10,000	1996	25,000
1979	10,000	1997	30,000
1980	10,000	1998	30,000
1981	15,000	1999	30,000
1982	15,000	2000	30,000
1983	15,000	2001	35,000
1984	15,000	2002	35,000
1985	15,000	2003	35,000
		2004	35,000

The Bonds shall be issued in coupon form, shall be payable with respect to both principal and interest in lawful money of the United States of America at the office of the State Sinking Fund Commission, Charleston, West Virginia, or at First National City Bank, New York, New York, at the option

of the holder, and shall bear interest from their date, payable in accordance with and upon the surrender of the appurtenant interest coupons as they severally mature.

Section 2.03. Execution of Bonds and Coupons. The Bonds shall be executed in the name of the District by the Chairman and its corporate seal shall be affixed thereto and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the District by such person as at the actual time of the execution of such Bonds shall hold the proper office on the Board, although at the date of such Bond such person may not have held such office or may not have been so authorized.

The coupons to be attached to the Bonds shall be authenticated with the facsimile signatures of the present or any future Chairman and Secretary, and the District may adopt and use for that purpose the facsimile signature of any person who shall have been such Chairman or Secretary at any time on or after the date of the Bonds, notwithstanding that he may have ceased to be such Chairman or Secretary at the time when said Bonds shall be actually sold and delivered.

Section 2.04. Negotiability and Registration. The Bonds shall be and have all the qualities and incidents of negotiable instruments under the law merchant and the Negotiable Instruments Law of the State of West Virginia, and shall pass by delivery except when registered as hereinafter provided.

The Bonds may be registered at the option of the holder as to principal only in the Bond Register of the Treasurer of the State of West Virginia, Charleston, West Virginia, such registration to be noted on the Bonds in the space provided therefor and thereafter no transfer of any Bond so registered shall be valid unless made at said office by the registered owner, or by his duly authorized agent or representative, and similarly noted on such Bond, but any Bond may be discharged from registration by being in like manner transferred to bearer and thereupon transferability by delivery shall be restored. At the option of the holder any such Bond may thereafter again from time to time be registered or transferred to bearer as before. Such registration shall not affect the negotiability of the coupons which shall continue to pass by delivery.

Section 2.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the District may in its discretion issue and deliver a new Bond with all unmatured coupons attached of like tenor as the Bond and attached coupons, if any, so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond and attached coupons, if any, or in lieu of and substitution for the Bond and attached coupons, if any, destroyed, stolen or lost, and upon the holder's furnishing the District proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the District may prescribe and paying such expenses as the District may incur. All Bonds and coupons so surrendered shall be canceled and held for the account of

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

Any such duplicate Bond and coupon issued pursuant to this Section 2.05 shall constitute original, additional contractual obligations on the part of the District, whether or not the lost, stolen or destroyed Bonds or coupons be at any time found by anyone, and such duplicate Bonds and coupons shall be entitled to equal and proportionate benefits with all other Bonds and coupons issued hereunder.

Section 2.06. Bonds Secured by Pledge of Revenues:

The payment of the debt service of all the Bonds shall be secured forthwith equally and ratably by a first lien on the net revenues derived from the System in addition to the statutory mortgage lien on the System hereinafter provided for. The net revenues derived from the System in an amount sufficient to pay the principal of and interest on the Bonds, and to make the payments into the Sinking Fund hereinafter provided for, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due.

Section 2.07. Form of Bonds and Coupons. Subject

to the provisions of this resolution, the text of the Bonds, the provision for registration to be endorsed thereon and the coupons shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted by this resolution or any subsequent resolution adopted prior to the issuance thereof:

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF MERCER
GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND

No.

\$1,000

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT, in the County of Mercer, State of West Virginia, a public corporation and political subdivision of the State of West Virginia (herein called the "District"), for value received, hereby promises to pay to the bearer, or, if this Bond be registered, to the registered holder as herein provided, on the first day of April, 19 , from the revenues hereinafter mentioned, the principal sum of

ONE THOUSAND DOLLARS

with interest thereon at the rate of per centum (%) per annum, payable semiannually on the first day of April and the first day of October of each year, upon the presentation and surrender of the annexed coupons as they severally fall due. Both principal of and interest on this Bond are payable in lawful money of the United States of America at the office of the State Sinking Fund Commission, Charleston, West Virginia, or, at the option of the holder, at First National City Bank, New York, New York.

The Bonds of the issue of which this Bond is one maturing in the years 1968 to 1974, both inclusive, are not redeemable prior to their stated dates of maturity. The Bonds of the issue of which this Bond is one maturing in the years 1975 to 2004, both inclusive, are redeemable prior to their stated dates of maturity, at the option of the District, in whole or in part, but in inverse numerical order if less than

all, on April 1, 1974, or on any interest payment date thereafter, at the price of par and accrued interest to date of redemption, plus a premium of 4-1/2% of the par value if all Bonds are called on April 1, 1974, and, if less than all Bonds are called on said date or thereafter, a premium of 1/2 of 1% of the par value of Bonds called for redemption for each year or fraction thereof from the date of redemption to the stated date of maturity of each Bond called for payment, such premium in no event, however, to exceed 4-1/2% of the par value thereof; provided, however, that a notice of such redemption shall have been published at least once not less than thirty nor more than sixty days prior to the redemption date in a financial newspaper published in the City of New York, New York. Interest shall cease upon this Bond after the redemption date if it shall be duly called for prior redemption and payment thereof duly provided for.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of Six Hundred Eighty Thousand Dollars (\$680,000) of like date, tenor and effect, except as to number* and date of maturity, issued to finance part of the cost of the construction of a complete sewer system of the District under the authority of and in full compliance with the Constitution and Statutes of the State of West Virginia, including particularly Article 13A, Chapter 16 of the Code of West Virginia (herein called the "Act") and other applicable statutes, and a resolution duly adopted by the Public Service Board of the District.

This Bond and the coupons appertaining hereto are payable solely from, and secured by a lien upon and pledge of, the net revenues derived from the operation of said sewer

* ", interest rate" to be inserted if interest not the same on all Bonds

system, with monthly payments from such revenues to be made into the Sinking Fund with the State Sinking Fund Commission for payment of the principal hereof and interest hereon, in the manner provided in said resolution, and do not and shall not in any event constitute an indebtedness of the District within the meaning of any constitutional or statutory provisions or limitations, and the District shall never be obligated to pay this Bond or the interest hereon except from the revenues of said sewer system, as provided in said resolution. The District covenants with the holders of the Bonds of the issue of which this Bond is one to establish and at all times maintain such rates and collect such charges for the services and facilities of said sewer system, and to revise the same from time to time, whenever necessary, as will always provide revenues in each fiscal year sufficient to pay at least one hundred thirty per centum (130%) of the amount of principal and interest on said Bonds maturing and becoming due in such fiscal year and one hundred per centum (100%) of the necessary expenses of operating and maintaining the said sewer system during such fiscal year, and the District has entered into certain other covenants with the holders of the Bonds of the issue of which this Bond is one, for the terms of which reference is made to said resolution.

Pari passu additional Bonds of equal rank with this Bond and the Bonds of the issue of which this Bond is one, as to lien and source of and security for payment may be issued under the provisions and restrictions contained in said resolution.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond, exist, have happened and have been performed in regular and due form

and time as required by the laws and Constitution of the State of West Virginia applicable thereto, and that the issuance of this Bond and of the issue of Bonds of which this Bond is one is not in violation of any constitutional or statutory limitation of indebtedness.

This Bond, under the provisions of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Negotiable Instruments Law of the State of West Virginia.

This Bond may be registered as to principal only in accordance with the provisions endorsed hereon.

This Bond and the interest hereon are exempt from taxation by the State of West Virginia and the other taxing bodies of said State.

IN WITNESS WHEREOF, Green Valley-Glenwood Public Service District has caused this Bond to be signed by the Chairman of its Public Service Board and its corporate seal to be affixed hereto and attested by the Secretary of said Board, and the annexed coupons to be executed with the facsimile signatures of said Chairman and said Secretary, all as of the first day of April, 1964.

GREEN VALLEY-GLENWOOD PUBLIC SERVICE
DISTRICT

By _____
Chairman of its
Public Service Board

ATTEST:

(SEAL)

Secretary of its
Public Service Board

(Form of Coupon)

No.

\$

On the first day of _____, 19____, Green Valley-Glenwood Public Service District, in Mercer County, West Virginia, will pay to the bearer* at the office of the State Sinking Fund Commission, Charleston, West Virginia, or, at the option of the holder, at First National City Bank, New York, New York, solely from the revenues described in the Bond to which this coupon is attached, the sum of _____ Dollars (\$ _____) in lawful money of the United States of America, upon presentation and surrender of this coupon, being six months' interest then due on its Sewer Revenue Bond, dated April 1, 1964, No. _____

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

By _____
Chairman,
Public Service Board

ATTEST:

Secretary,
Public Service Board

(* "unless the Bond to which this coupon was originally attached shall have been duly called for prior redemption and payment of the redemption price duly made or provided for" shall appear on October 1, 1974, and subsequent coupons on Bonds maturing in 1975 to 2004, inclusive.)

PROVISION FOR REGISTRATION

This Bond may be registered in the name of the holder as to principal only on books kept by the Treasurer of the State of West Virginia, such registration being noted hereon in the registration blank below, after which no transfer shall be valid unless made on said books by the registered holder or his agent or representative duly authorized, and similarly noted in said registration blank below, but it may be discharged from registration by being transferred to bearer, after which it shall be transferable by delivery. At the option of the holder, this Bond shall again be subject to successive registrations and transfers as before. The principal of this Bond, if registered, shall be payable only to the registered owner or his legal representative. Notwithstanding the registration of this Bond, the coupons shall remain payable to bearer and shall continue to be transferable by delivery merely.

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

<u>Date of</u> <u>Registration</u>	<u>In Whose</u> <u>Name Registered</u>	<u>Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

ARTICLE III

BOND PROCEEDS; REVENUES AND
APPLICATION THEREOF

Section 3.01. Disposition of Bond Proceeds. All moneys received from the sale of any or all the Bonds, except accrued interest which the District covenants to deposit promptly in the Sinking Fund, and the proceeds of the aforesaid federal grants shall be deposited by the District in a special fund in a national or state bank, which fund is hereby created and designated as the "Construction Trust Fund." The moneys in said fund shall be secured at all times by the deposit by said bank of direct obligations of the United States of America having a market value at least equal to the amount of moneys in said fund in excess of \$10,000. Moneys in said fund shall be expended by the District solely for the purposes provided in this resolution. Until six months after the completion of the construction of the Project, sufficient moneys shall be transferred from the Construction Trust Fund to the Sinking Fund to pay maturing interest on the Bonds to the extent that revenues are insufficient therefor. The moneys in the Construction Trust Fund shall be used only for the purpose of paying the cost of construction of the Project, and no expenditures shall be made from the Construction Trust Fund, except for engineering and legal expenses and the cost of the issuance of the Bonds authorized herein, without the written approval of the Consulting Engineer. Any moneys in the Construction Trust Fund not immediately needed for said purposes may, with the approval of the Consulting Engineer, be invested in direct obligations of the United States of America having a maturity of not more than one year. Any balance in the Construction Trust Fund after completion of the Project shall be

used only for the purchase of Bonds of the last maturities then outstanding, last numbers first, at not more than par and accrued interest, or for deposit into the Reserve Account in the Sinking Fund hereafter created.

Section 1.02. Covenants of the District as to Revenues and Funds. So long as any of the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Sinking Fund and Reserve Account therein, hereinafter established, a sum sufficient to pay, when due, the entire principal of the Bonds remaining unpaid together with interest accrued and to accrue thereon, the District covenants with the holders of any and all Bonds issued pursuant to this resolution as follows:

(A) Revenue Fund. The entire gross revenues derived from the operation of the System, and all parts thereof, shall be deposited as collected by the District in a special fund in a bank or trust company in the State of West Virginia which is a member of the Federal Reserve System, which Fund (herein called the "Revenue Fund") is hereby established. The Revenue Fund shall constitute a trust fund for the purposes provided in this resolution and shall be kept separate and distinct from all other funds of the District and used only for the purposes and in the manner provided in this resolution.

(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 District shall first each month pay from the moneys in the Revenue Fund all current Operating Expenses of the System, as defined in Section 1.05 (K) hereof.

(2) The District shall next, before the end of each month, transfer from the Revenue Fund and remit to the State Sinking Fund Commission, for deposit into the "Sinking Fund," which is hereby established, one-sixth of the amount required to pay the interest which will mature and become due

on the next interest payment date; and beginning with the month of April, 1967, the District shall also monthly transfer from the Revenue Fund and remit to the State Sinking Fund Commission for deposit into the Sinking Fund, one-twelfth of the amount required to pay the principal which will mature and become due on the next succeeding April 1, which payments for principal and interest required to be remitted to the State Sinking Fund Commission in each March and September shall be so remitted not later than each March 15 and September 15.

The District shall also, from the Revenue Fund, remit to the State Sinking Fund Commission, at such times as the State Sinking Fund Commission shall require, such additional sums as shall be necessary to pay the fiscal charges due for paying the Bonds and the interest thereon.

The State Sinking Fund Commission is hereby designated as the Fiscal Agent for the administration of the Sinking Fund created hereunder, and all amounts required for said Sinking Fund shall be remitted to the State Sinking Fund Commission from said Revenue Fund by the District at the times provided herein.

Moneys in the Sinking Fund shall be used only for the purpose of paying principal of and interest on the Bonds as the same shall become due.

The District shall next, from the Revenue Fund, remit each month to the State Sinking Fund Commission, for deposit in a Reserve Account hereby established in the Sinking Fund, an amount equal to 20% of all amounts required to be paid for maturing principal and interest into said Sinking Fund, as provided above; provided, however, that no further payments need be made into the Reserve Account when there shall have been deposited therein, and so long as there shall remain on de-

posit therein, an amount equal to the largest amount of principal and interest which will mature and become due on the Bonds in any succeeding year.

Moneys in the Reserve Account shall be used only for the purpose of the payment of maturing principal of or interest on the Bonds when other moneys in the Sinking Fund are insufficient therefor, and for no other purpose. Any moneys withdrawn from the Reserve Account for the payment of principal of and interest on the Bonds shall be restored thereto from the first revenues available after the payment of all sums required for principal of and interest on the Bonds.

(3) Thereafter, from the revenues remaining in said Revenue Fund, the District shall each month pay into a fund to be known as the "Depreciation Account," which is hereby established, a sum equal to not less than five per centum (5%) of the gross revenues derived from the operation of the System during the preceding month, which sum is hereby found to be adequate and appropriate for such purpose. The moneys in the Depreciation Account shall be used only for the replacement of capital assets of the System or as otherwise provided in subsection 5 of this Section 3.02. (B).

The Depreciation Account shall be deposited in and maintained with a bank or trust company in the State of West Virginia which is a member of the Federal Reserve System. The moneys in the Depreciation Account may, in the discretion of the District, be invested and reinvested in direct obligations of the United States of America.

(4) If all the above-required payments are then current, the District may retain as working capital an amount equal to not more than one-sixth of the sum shown in its budget for the current year for Operating Expenses, and shall transfer the balance in the Revenue Fund either to the Depreciation Account or to the Sinking Fund, in its discretion.

(5) If the District finds and determines by resolution, concurred in by certificate in writing signed by the Consulting Engineer, that any part of the moneys in the Depreciation Account are not needed for the purposes of the Depreciation Account during the current fiscal year and the next ensuing fiscal year, the District may transfer such surplus moneys to the Sinking Fund.

The District may, in its discretion, direct the State Sinking Fund Commission to use any surplus moneys in the Sinking Fund for the purchase, or redemption if such Bonds are then callable, of any outstanding Bonds, at prices for the noncallable Bonds not greater than the then market price of such Bonds, and at not greater than the then redemption price for callable Bonds.

All the funds provided for in this Section 3.02 shall constitute trust funds and shall be used only for the purposes and in the order provided herein. The moneys in excess of the sum of \$10,000 in the Revenue Fund and the Depreciation Account shall at all times be secured, to the full extent thereof in excess of the sum of \$10,000, by direct obligations of the United States of America, or such other obligations as shall be eligible as security for deposits of State and municipal funds under the laws of the State of West Virginia.

If on any payment date the revenues are insufficient to place the required amount in any of the funds as hereinabove

provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds on the subsequent payment dates.

ARTICLE IV

GENERAL COVENANTS

Section 4.01. General Statement. So long as any of the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Sinking Fund a sum sufficient to pay when due, or redeem prior to maturity, the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon, the covenants and agreements contained in this Article IV, and in this resolution, shall be and constitute valid and legally binding covenants between the District and the holders from time to time of the Bonds and the interest coupons appertaining thereto.

Section 4.02. Rates. The District will, in the manner provided in the Act, fix such rates and collect such rentals, 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 pay at least one hundred thirty per centum (130%) of the amount of the principal of and interest on the Bonds maturing and becoming due in such fiscal year, and one hundred per centum (100%) of the necessary expenses of operating and maintaining the System during such fiscal year and such rates, fees, rentals and other charges shall not be reduced so as to be insufficient to provide adequate revenues for such purposes.

Section 4.03. Sale of the System. The System may be sold, mortgaged, leased, or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient fully to pay or redeem at or prior to maturity all the Bonds and the interest thereon. The proceeds from such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the State Sinking Fund Commission and the District shall direct said Commission to apply such proceeds to the payment of principal and interest at maturity of Bonds when due, or the redemption prior to maturity, at the redemption price, of all outstanding Bonds. Any balance remaining after the redemption or payment of all the Bonds and interest thereon shall be remitted to the District by the State Sinking Fund Commission unless necessary for the payment of other obligations issued by the District and payable out of the revenues of the System.

The foregoing provision notwithstanding, the District shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of said property, if the amount to be received therefor is not in excess of Ten Thousand Dollars (\$10,000), the general manager or other duly authorized officer in charge of the System shall make a finding in writing determining that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and such proceeds shall be deposited in the Depreciation Account and used only as provided herein for such fund.

If the amount to be received from such sale, lease or other disposition of said property shall be in excess of Ten Thousand Dollars (\$10,000) and not in excess of Fifty Thousand Dollars (\$50,000), the general manager or other duly authorized officer in charge of the System shall first make a finding in writing, which shall be approved by the Consulting Engineer, determining that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Board shall, by resolution duly adopted, approve and concur in the finding of the general manager or other duly authorized officer, and authorize such sale, lease or other disposition of said property. The proceeds derived from any such sale, lease or other disposition of said property under the provisions of this paragraph shall be remitted by the District to the State Sinking Fund Commission for deposit in the Sinking Fund and shall be applied only to the redemption of Bonds of the last maturities then outstanding or to the purchase of Bonds of the last maturities then outstanding at prices not greater than the redemption price of such Bonds.

Payments of such proceeds into the Sinking Fund or the Depreciation Account shall not reduce the amounts required to be paid into said Funds by other provisions of this resolution.

No sale, lease or other disposition of the properties of the System shall be made, if the proceeds to be derived therefrom shall be in excess of Fifty Thousand Dollars (\$50,000) and insufficient to pay or redeem prior to maturity all the principal of Bonds then outstanding and all interest thereon to their respective dates of redemption or maturity,

without the prior approval and consent in writing of the holders or their duly authorized representatives of at least two-thirds in amount of Bonds then outstanding. The District shall prepare the form of such approval and consent for execution by the Bondholders, or their duly authorized representatives, which form shall provide for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 4.04. Covenant Against Encumbrances. The District shall not issue any obligations whatsoever, except pari passu additional Bonds hereinafter provided for, payable from the revenues of the System which rank prior to or equally as to lien on and source and security for payment from such revenues with the Bonds; and all obligations hereafter issued by the District payable from the revenues of the System, except such pari passu additional Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source and security for payment from such revenues and in all other respects, to the Bonds.

The District shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge, having priority to or being on a parity with the lien of the Bonds, and the interest thereon, upon any of the income and revenues of the System pledged as security therefor in this resolution, or upon the System, or any part thereof.

Section 4.05. Issuance of Pari Passu Additional Bonds. No pari passu additional Bonds, as in this Section defined, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this resolution, except under the conditions and in the manner herein provided.

(A) No such pari passu additional Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, additions and improvements to the System, except as provided in subsection (F) of this Section 4.05.

(B) No such pari passu additional Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Secretary a written certification by a certified public accountant not in the regular employ of the District, based upon the necessary investigation, reciting the conclusion that the net revenues, as defined herein and adjusted as provided below, actually derived from the System during the twelve consecutive months immediately preceding the date of the issuance of such pari passu additional Bonds, shall have been not less than one hundred thirty-five per centum (135%) of the largest aggregate amount which will mature and become due in any succeeding calendar year for principal of and interest on the Bonds originally issued pursuant to this resolution then outstanding, and on any pari passu additional Bonds theretofore issued pursuant to the provisions contained in this resolution then outstanding, and on the pari passu additional Bonds then proposed to be issued.

(C) The net revenues actually derived from the System during the twelve consecutive months immediately preceding the date of the issuance of such pari passu additional Bonds may, for the purposes of this Section 4.05, be adjusted by adding to such net revenues any additional net revenues which would have been derived during such twelve months if the rates, fees or other charges for the services of the System or any part thereof were increased during such twelve months, such addition to be in the amount that such actual net revenues

would have been increased if such increased rates, fees or other charges had been in effect during all such twelve months.

(D) Prior to the issuance of any such pari passu additional Bonds, the District shall have entered into written contracts for the immediate acquisition or construction of such additions, extensions or improvements to the System which are to be financed by such pari passu additional Bonds.

(E) The term "pari passu additional Bonds", as used in this Section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this Section, payable from the revenues of the System pari passu with Bonds originally authorized and issued pursuant to this resolution, and all the covenants and other provisions of this resolution (except as to details of such pari passu additional Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the holders of any Bonds originally authorized and issued pursuant to this resolution and the holders of any pari passu additional Bonds subsequently issued within the limitations of and in compliance with this Section. All such Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System, and their source and security for payment from said revenues, without preference of any Bond or coupon over any other. The District shall comply fully with all the increased payments into the various funds created in this resolution required for such pari passu additional Bonds, in addition to the payments required for Bonds originally issued hereunder. Redemption of Bonds prior to maturity, in the event that Bonds originally issued hereunder and pari passu additional Bonds hereby authorized are outstanding, shall be by lot as to all Bonds with the same maturity date.

(F) All pari passu additional Bonds issued pursuant to this Section shall be dated April 1 and shall all mature serially on April 1 of each year of maturity, and the semiannual interest thereon shall be payable April 1 and October 1 of each year.

(G) The term "pari passu additional Bonds" as used in this Section shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior lien on such revenues of the Bonds issued pursuant to this resolution, and the District shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank equally as to lien on and source and security for payment from such revenues with Bonds issued pursuant to this resolution except in the manner and under the conditions provided in this Section.

(H) No pari passu additional Bonds, as in this Section defined, shall be created at any time, however, unless all the payments into the respective Funds provided for in this resolution on Bonds then outstanding and all other payments provided for in this resolution shall have been made in full to the date of issuance of the pari passu additional Bonds and the District shall have fully complied with all the covenants, agreements and terms of this resolution.

(I) With the written consent in advance of the Investment Banker which has underwritten or purchased the Bonds originally authorized by this resolution and anything to the contrary in subsections (A), (B), (C) and (D) of this Section 4.05 notwithstanding, pari passu additional Bonds may be au-

thorized and issued by the District pursuant to supplemental resolution in the event that the Bonds hereby originally authorized and issued in the aggregate principal amount of \$680,000 should be insufficient, together with the grants hereinabove mentioned, to pay all costs of construction of the Project. Any such additional pari passu Bonds authorized and issued under the provisions of this subsection (I) shall be limited to the aggregate principal amount required to make up any deficiency in funds for payment of such construction costs as defined in this resolution, and the maturities of any such additional pari passu Bonds shall be in years and amounts suggested by such Investment Banker. All provisions of subsections (E), (F), (G) and (H) of this Section 4.05 shall be fully complied with in the authorization and issuance of pari passu additional Bonds under this subsection (I) and, if necessary for such compliance, the rates, fees and charges provided in Section 5.01 of this resolution shall be increased by such supplemental resolution.

Section 4.06. Insurance. The District will carry such insurance as is ordinarily carried by private corporations owning and operating similar utilities as the System with a reputable insurance carrier or carriers against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks, which insurance shall at

all times be in an amount or amounts equal to the fair appraisal value of the buildings, properties, furniture, fixtures and equipment of the System; provided, however, that a lesser amount of a particular kind of insurance on specified properties may be carried if certified in writing as adequate by the Consulting Engineer. In time of war, the District shall also carry in said amount, or such lesser amount if coverage in said full amount be not available, such insurance as may be available against loss or damage by the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Depreciation Account and used only for the repair and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Depreciation Account.

Section 4.07. Books and Records. The District will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the System, and any holder of a Bond or Bonds, his agents and representatives, shall have the right at all reasonable times to inspect the System and all records, accounts and data of the District relating thereto,

The District shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of public accountants, and shall make available the report of said accountants at all reasonable times to any holder or holders of the Bonds, or any customer receiving services from the System, or anyone acting for and in behalf of such Bondholder, Bondholders or customer.

Section 4.08. Maintenance of System. The District will maintain the System in good condition and repair and con-

tinuously operate the same in an efficient manner and at a reasonable cost.

Section 4.09. Statutory Mortgage Lien Created.

The holders of the Bonds and coupons appertaining thereto shall have a statutory mortgage lien upon the System pursuant to the provisions of the Act, which statutory mortgage lien shall exist in favor of and shall be enforceable in any lawful manner by the holders of the Bonds, and each of them, and to and in favor of the holders of the coupons, and the System shall remain subject to such statutory mortgage lien until payment in full of the principal and interest of the Bonds, whereupon such lien shall be discharged. Said statutory mortgage lien shall be a first lien on the System, and the District shall not place or permit any other lien or encumbrance thereon or any part thereof.

Section 4.10. No Free Services. The District 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.

Section 4.11. Operating Budget. The District shall annually, at least forty-five days preceding the beginning of each fiscal year, prepare and adopt by resolution of the Board a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year. No expenditures for the operation and maintenance of the System shall be made in any fiscal year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the general manager of the System or other duly authorized officer in charge thereof, which finding and recommendation shall state in detail the purpose

of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Board shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of ten per centum (10%) of the amount of such budget shall be made except upon the further certificate of the Consulting Engineer that such increased expenditures are necessary for the continued operation of the System. The District shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to any holder or holders of Bonds who shall file his address with the District and request in writing that copies of all such budgets and resolutions be furnished him or them, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Bondholder or Bondholders or anyone acting for and in behalf of such Bondholder or Bondholders.

Section 4.12. Remedies and Appointment of Receiver.

Any holder or holders of the Bonds or the coupons appertaining thereto may, by proper action, either at law or in equity, compel the performance of the duties of the District under this resolution and the Act. If there be default in the payment of principal or interest upon any of the Bonds or coupons appertaining thereto or in the performance of any covenant contained in this resolution and such default shall continue for a period of sixty days, any holder or holders of the Bonds or such coupons shall, in addition to all other remedies or rights, have the right by appropriate proceedings at law or in equity to obtain the appointment of a receiver to administer the System on behalf of the District, with power to charge rates, rentals, fees or other charges sufficient to provide

for the payment of the Bonds and the interest thereon and for the payment of operating expenses and all other payments provided herein, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this resolution and the Act.

Section 4.13. Enforcement of Collections. The District 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 and other laws of the State of West Virginia.

The District further covenants and agrees that it will, to the full extent permitted by law, under reasonable rules and regulations, discontinue and shut off the services and facilities of the System, and all parts thereof, and of any water system of the District, for nonpayment of the fees, rentals or other charges for the services and facilities of the System, or any part thereof, and will not restore any of the services and facilities of the System, or any part thereof, or of any water system of the District, until all delinquent charges for the services and facilities of all parts of the System, plus reasonable penalties and charges for the restoration of service, have been fully paid.

Section 4.14. No Competition. The District will not grant, or cause, consent to or allow the granting of, any franchise, permit or right to any person, firm, corporation, body, agency or instrumentality whatsoever for the services provided by the System to or within the District.

Section 4.15. Consulting Engineer. The District will retain the Consulting Engineer hereinabove designated or

other qualified and recognized independent engineers on an annual basis to supervise generally the operation, maintenance and renewal of the System.

ARTICLE V

RATES AND LIEN FOR CHARGES

Section 5.01. Minimum Rates Established. The following initial schedule of fees, rentals and rates to be charged for the services and facilities of the System is hereby fixed and determined, as follows:

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service within the territory served.

RATES

The rates and charges for the services and facilities of the System shall be based, insofar as possible, upon the quantity of water supplied to the respective premises by the public water services serving the customers according to the following schedule:

First	2,000 gals. per month	\$2.50 per 1,000 gals.
Next	2,000 gals. per month	2.00 per 1,000 gals.
Next	6,000 gals. per month	1.50 per 1,000 gals.
Next	10,000 gals. per month	1.00 per 1,000 gals.
All over	20,000 gals. per month	.50 per 1,000 gals.

NON-PUBLIC WATER SYSTEM CUSTOMERS

In the event a building or premises discharging sewage or other liquid waste into the System uses water from a public or private water system which is unmetered, the owner or occupant of such building or premises may be required to furnish and install a water meter or other metering device. Pending such installation, the sewer bill shall be based on the average of similar premises and occupancy but in no event shall the charge be less than the minimum bill.

MINIMUM CHARGE

No bill will be rendered for less than \$5.00 per month.

DELAYED PAYMENT PENALTIES

Sewer bills are payable when rendered and the above schedules are net. On all accounts not paid in full within ten (10) days of date of bill, ten per cent (10%) will be added to the net amount shown.

CONNECTION CHARGE

A connection charge shall be made and funds so accrued shall be a contribution to construction costs. The charges shall be according to the following schedule:

	<u>During Construction</u>	<u>After Completion of Construction</u>
All users	\$75	\$100

The schedules of rates and charges set out above shall be and constitute the minimum fees, rentals and rates to be charged for the services and facilities of the System as therein provided, shall take effect not later than the effective date of this resolution and shall not be reduced as long as any of the Bonds or interest thereon are outstanding and unpaid; provided, however, that such minimum rates shall be increased whenever such increase is necessary in order to comply fully with all the provisions of this resolution, and the District shall always be obligated to and shall fix, establish and collect fees, rentals, rates and other charges for the services and facilities of the System which shall at all times be sufficient to pay at least 130% of the principal of and interest on Bonds issued pursuant to this resolution maturing and becoming due in any fiscal year and 100% of all operating expenses and as otherwise provided herein.

Section 5.02. Lien for Delinquent Charges. The District shall have a lien on all lands, buildings and premises served by the System for all charges for the services and facilities thereof, and the District covenants that it will diligently enforce such liens against all lands, buildings and premises where charges are delinquent for such services or facilities, in addition to discontinuing service to such lands, buildings or premises for such delinquent charges as provided in Section 4.13.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Modification or Amendment. No material modification or amendment of this resolution, or of any reso-

lution amendatory hereof or supplemental hereto, may be made without the consent in writing of the holders of two-thirds or more in principal amount of the Bonds then outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of any of the Bonds or a reduction in the rate of interest thereon, or in the amount of the principal obligation, or affecting the unconditional promise of the District to pay the principal of and interest on the Bonds as the same shall become due from the revenues of the System, without the consent of the holders of such Bonds. Notwithstanding the above, no amendment or modification shall be made which would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications.

Section 6.02. Compensation of Board Members. The District hereby covenants and agrees that no compensation for policy direction shall be paid to the members of the Board until funds in the Reserve Account equal the total amount required to be deposited therein and the Net Revenues in the previous fiscal year have been certified by an independent public accountant to be at least equal to 135% of the maximum annual debt service on all the Bonds outstanding. Such compensation shall never be paid when payment thereof would cause the Net Revenues to fall below such 135% nor when such Net Revenues in any year are below such 135%.

Section 6.03. Severability of Invalid Provision. If any one or more of the covenants, agreements or provisions of this resolution should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or

shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions, and shall in no way affect the validity of all the other provisions of this resolution or the Bonds or coupons appertaining thereto.

Section 6.04. Conflicting Provisions Repealed.

All resolutions and orders, or parts thereof, in conflict with the provisions of this resolution, are, to the extent of such conflicts, hereby repealed.

Section 6.05. Table of Contents and Headings.

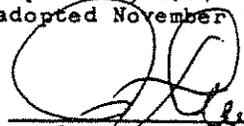
The Table of Contents and headings of the Articles and Sections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 6.06. Filing Under Uniform Commercial Code.

The District and the original purchaser of the Bonds will execute Financing Statements meeting the requirements of the Uniform Commercial Code of West Virginia and cause such statements to be filed in the offices of the Secretary of State of said State and of the Clerk of the County Court of Mercer County. The District covenants and agrees to file such Continuation Statements and other documents as may be necessary to maintain the security interest hereby created.

Adopted April 10, 1964
Amended and Readopted November 23, 1965





Chairman of Public Service Board

Member



Member

GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT

SEWER REVENUE BOND
AND
SEWERAGE SYSTEM BOND AND GRANT ANTICIPATION NOTES,
SERIES 1987

BOND AND NOTES RESOLUTION

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GREEN VALLEY - GLENWOOD PUBLIC SERVICE DISTRICT

SEWER REVENUE BONDS
AND

SEWERAGE SYSTEM BOND AND GRANT ANTICIPATION NOTES, SERIES 1985

RESOLUTION AUTHORIZING THE ISSUANCE OF \$1,952,000 SEWER REVENUE BOND, SERIES 1987, OF GREEN VALLEY - GLENWOOD PUBLIC SERVICE DISTRICT JUNIOR AND SUBORDINATE TO THE DISTRICT'S OUTSTANDING 1964 BONDS, AND AUTHORIZING THE ISSUANCE OF BOND ANTICIPATION NOTES AND GRANT ANTICIPATION NOTES OF THE DISTRICT TO FINANCE CONSTRUCTION AND ACQUISITION OF PUBLIC SEWERAGE FACILITIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BOND AND THE NOTES; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITY OF THE HOLDERS OF THE BOND AND THE NOTES; 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 (together with any resolutions supplemental hereto, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law.

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

A. Green Valley - Glenwood Public Service District (the "Issuer") is a public service district created pursuant to the Act by The County Commission of Mercer County, West Virginia.

B. The Issuer presently owns and operates a public sewerage system, but it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed certain improvements, extensions and additions to the

existing sewer facilities of the Issuer (the "Project") which constitute properties for the collection of liquid or solid wastes, sewage or industrial wastes (the existing sewer facilities, together with the Project, and any additions thereto or extensions thereof is herein called the "System") at an estimated cost of \$7,220,492, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Secretary of the Public Service Board (the "Governing Body") of the Issuer.

C. The estimated revenues to be derived in each year after the enactment hereof from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on the Bonds (as hereinafter defined) and all debt service, Reserve Account and other payments provided for herein.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bond in the principal amount of not more than \$1,952,000 (the "Bond" or "Bonds"), and prior to the issuance thereof, to issue its Sewerage System Bond Anticipation Notes, Series 1985 (the "BAN"), in the principal amount of not more than \$1,952,000 and Sewerage System Grant Anticipation Notes, Series 1985 (the "GAN"), in the principal amount of not more than \$1,565,000 (the BAN and the GAN collectively referred to herein as the "Notes") to finance costs of construction and acquisition of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Notes and the Bonds prior to and during construction or acquisition and for six months after completion of construction of the Project; engineering, and legal expenses; expenses for estimates of cost 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, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Bonds and Notes and such other expenses as may be necessary or incident to the financing herein authorized, the construction or acquisition of the Project and the placing of same in operation, and the performance of the things herein required or permitted; provided, that reimbursement to the Issuer for any amounts expended by it for allowable Costs prior to the issuance of the Notes or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Project.

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 the Bond be sold to the United States Department of Agriculture, Farmers Home Administration (the "Purchaser") pursuant to the terms and provisions of a letter of conditions dated March 20, 1984 (the "Letter of Conditions").

G. There are outstanding obligations of the Issuer which will rank prior and superior to the Bonds and (to the extent the Notes may be payable from the Net Revenues, as hereinafter defined) the Notes as to lien and source of and security for payment, being the Sewer Revenue Bonds dated April 1, 1964, originally issued in the aggregate principal amount of \$680,000 and presumed to be held by the general public (the "1964 Bonds"). The Issuer is permitted, under the resolution authorizing issuance of the 1964 Bonds (the "1964 Resolution") to issue bonds, notes or other obligations junior and subordinate as to lien on and source and security for payment from the Net Revenues, and in all other respects, to the 1964 Bonds.

H. The Issuer has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Bonds and the Notes, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a Certificate of Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired, and the posting, publication and making available a petition for persons opposed to the Issuer's borrowing money or issuing revenue bonds to sign, all in accordance with the Act.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Bond and the Notes 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 Bondholder and such Noteholders, 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 Bonds, BAN and GAN, respectively, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and between any one BAN and any other BAN and between any one GAN and any other GAN, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

Section 1.04. Compliance with Requirements of 1964 Resolution. The issuance of the Bond junior and subordinate to the 1964 Bonds and issuance of the Notes, are permitted under the 1964 Resolution.

Section 1.05. 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 and in effect on the date of adoption hereof.

"Authorized Officer" means the Chairman of the Public Service Board of Green Valley - Glenwood Public Service District or any acting Chairman duly appointed by the Governing Body.

"BAN" means not more than \$1,952,000, in aggregate principal amount of Sewerage System Bond Anticipation Notes, Series 1987, originally authorized hereby, and, unless the context clearly indicates otherwise, the term "BAN" includes any refunding bond anticipation note or notes of the Issuer.

"Bond" or "Bonds" means the Sewer Revenue Bond, Series 1987, authorized hereby to be issued, and any bonds on a parity therewith authorized to be issued hereunder.

"1964 Bonds" means the 1964 Bonds described in Section 1.02G hereof.

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

"Bond Registrar" means the Issuer or such other registrar for the Bond as the Issuer shall designate by resolution supplemental hereto or amendatory hereof.

"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.

"Costs" or "Costs of the Project" means those costs described in Section 1.02(D) hereof to be a part of the cost of acquisition and construction of the Project.

"EPA" means the United States Environmental Protection Agency and any successor to the functions of the EPA.

"EPA Grant" means the grant from Environmental Protection Agency pursuant to the commitment therefor.

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

"GAN" means the not more than \$1,565,000 in aggregate principal amount of Sewerage System Grant Anticipation Notes, Series 1985, originally authorized hereby, and unless the context clearly indicates otherwise, the term "GAN" includes any refunding grant anticipation note or notes of the Issuer.

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

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

"Grant" or "Grants" means, the EPA Grant and any other grants which may be obtained in aid of construction of the Project.

"Grant Receipts" means all moneys received by the Issuer on account of any Grant.

"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" means in this Bond Legislation.

"Holder of the Bond" or "Bondholder" or any similar term means the person in whose name such Bond is registered.

"Issuer" means Green Valley - Glenwood Public Service District and includes the Governing Body.

"Letter of Conditions" means the letter of conditions of the Purchaser dated March 20, 1984.

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

"Notes" means collectively the BAN and the GAN.

"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, other than those capitalized as part of the Costs, fees and expenses of fiscal agents, the Registrar, Paying Agent and the Trustee (all as hereinafter defined), other than those capitalized as part of the Costs, 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 Bond or Notes, 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.

"Original Notes Purchaser" means Scott & Stringfellow, Lynchburg, Virginia.

"Outstanding," when used with reference to bonds or the Notes and as of any particular date, describes all bonds theretofore and thereupon being delivered or all Notes theretofore and thereupon being authenticated and delivered except (i) any bond or Note cancelled by the registrar thereof at or prior to said date; (ii) any bond or Note for the payment of which moneys, equal to its principal amount, with interest to the date of maturity, shall be in trust hereunder or under the Indenture, as applicable, and set aside for such payment (whether upon or prior to maturity); (iii) any bond or Note deemed to have been paid as provided in Article VIII hereof or Article VIII of the Indenture, as applicable; and (iv) for purposes of consents or other action by a specified percentage of Bondholders or Noteholders, any bonds or Notes held by the Issuer.

"Paying Agent" means the bank designated as such in the Indenture.

"Project" shall have the meaning stated in Section 1.02(B) above.

"Purchaser" means, with respect to the Bond, United States Department of Agriculture, Farmers Home Administration and any successor thereof.

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

- (a) Government Obligations;
- (b) 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; Federal Land Banks; Government National Mortgage Association; or Tennessee Valley Authority;

(c) 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;

(d) 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;

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

(f) 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 paid 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; and

(g) The Investment Agreement which may be entered into by and between the Trustee and the bank designated as "Investment Bank" in the Supplemental Resolution.

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

"Registrar" means the bank designated as such in the Indenture.

"Secretary" means the Secretary of the Governing Body.

"Supplemental Resolution" means any resolution 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 Notes.

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

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

"Trustee" means the banking institution designated as such in the Supplemental Resolution and its successors and assigns.

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

ARTICLE II

AUTHORIZATION OF CONSTRUCTION
AND ACQUISITION OF THE PROJECT

Section 2.01. Authorization of Construction and Acquisition of the Project. There is hereby authorized the construction and acquisition of the Project, at an estimated cost of \$7,220,492, 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 Notes and the Bond hereby authorized shall be applied as provided in Article IV of the Indenture and Article VI hereof, respectively.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION,
REGISTRATION AND ISSUE OF BOND

Section 3.01. Authorization of Bond. Subject and pursuant to the provisions hereof, the Bond of the Issuer, to be known as "Sewer Revenue Bond, Series 1987," is hereby authorized to be issued in the aggregate principal amount of not exceeding One Million Nine Hundred Fifty-two Thousand Dollars (\$1,952,000) for the purpose of refunding the BAN, the proceeds of which are to be used to finance a portion of the Costs of the Project.

Section 3.02. Description of Bond. The Bond shall be issued in single form, No. R-1, only as a fully registered Bond, and shall be dated the date of delivery thereof. The Bond shall bear interest from date, payable monthly at the rate of nine and one-half percent (9 1/2%) 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. Subject to the provisions for transfer of registration set forth below, 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. 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 Bond Registrar.

Whenever the Bond shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond in authorized denominations, for a like aggregate principal amount. The Bond Registrar shall require the payment by the Bondholder 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 Bond shall be permitted to be made after the 15th day next preceding any installment payment date on the Bond.

Section 3.04. Bond Registrar. The Issuer will keep or cause to be kept at its office, sufficient books for the registration and transfer of the Bond, and, upon presentation for such purpose, the Bond 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, on such books, the transfer of the Bond as hereinbefore provided.

The Bond Registrar shall accept the Bond for registration or transfer only if ownership thereof is to be registered in the name of 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.

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.

Section 3.06. Bond 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 cancelled 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 Subordinate Pledge of Net Revenues; Not to be Indebtedness of the Issuer. The payment of the debt service of the Bond 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 described, subject and subordinate to the prior liens thereon in favor of the holders of the 1964 Bonds. The remaining 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 become due; but subject and subordinate to the pledge in favor the holders of the 1964 Bonds. The Bond 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 any of the Bonds shall ever have the right to compel the exercise of the taxing power, if any, of the Issuer to pay the Bonds or the interest thereon.

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 any resolution adopted after the date of adoption hereof and prior to the issuance thereof:

(FORM OF BOND)

SEWER REVENUE BOND, SERIES 1987

GREEN VALLEY - GLENWOOD PUBLIC SERVICE DISTRICT

\$1,952,000

No. R-1

Date: May 20, 1987

FOR VALUE RECEIVED, GREEN VALLEY - GLENWOOD PUBLIC SERVICE DISTRICT (herein called the "Issuer") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (the "Government"), 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 One Million Nine Hundred fifty-two Thousand Dollars (\$1,952,000), plus interest on the unpaid principal balance at the rate of nine and one-half percent (9 1/2%) 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 twenty-four months after the date hereof and \$15,909, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of this Bond, 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 the Issuer as requested by the Issuer and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this 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 the Issuer. Refunds and extra payments, as defined in the regulations of the Farmers Home Administration according to the source of funds involved, shall, after payment of interest, be applied to the

installments last to become due under this Bond and shall not affect the obligation of the Issuer to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, the Issuer 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 the Issuer 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 the Issuer, 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 the Issuer, 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 the Issuer to the Government without demand. The Issuer agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

The Issuer 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 is issued to refund the Sewerage System Bond Anticipation Notes, Series 1985, of the Issuer (the "Notes") issued to finance a portion of the costs of acquisition and construction of additions and improvements for the existing sewage treatment facilities of the Issuer, and 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 construction and acquisition of additions and improvements for the sewerage

system (the "System") of the Borrower, and subject to the prior lien of the 1964 Bonds described below, 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, nor shall the Issuer be obligated to pay the same or the interest thereon except from the special fund so provided.

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 Issuer, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Resolution hereinafter described, 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, Article 13A of Chapter 16 of the West Virginia Code (herein called the "Act"), and with a Resolution of the Issuer duly adopted (the "Bond Legislation").

This Bond shall be exempt from personal income taxes imposed directly thereon by the State of West Virginia and the other taxing bodies of the State.

This Bond is subject and subordinate as to liens and source of and security for payment, and in all other respects, to the 1964 Bonds described in the Bond Legislation.

If at any time it shall appear to the Government that the Issuer 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, the Issuer 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 the Issuer 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 Farmers Home Administration and to its future regulations not inconsistent with the express provisions hereof.

IN WITNESS WHEREOF, GREEN VALLEY - GLENWOOD PUBLIC SERVICE DISTRICT has caused this Bond to be executed by the Chairman of its public service board and its corporate seal to be hereunto affixed or imprinted hereon and attested by the Secretary of its public service board, all as of this 20th day of May, 1987.

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 24740
(City, State and Zip Code)

ATTEST:

(Signature of Attesting Official)

Secretary, Public Service Board
(Title of Attesting Official)

(Form of)

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$		(6) \$	
(2) \$		(7) \$	
(3) \$		(8) \$	
(4) \$		(9) \$	
(5) \$		(10) \$	
		TOTAL	\$ <u> </u>

(Form of)

ASSIGNMENT

Pay to the Order of _____

UNITED STATES OF AMERICA
FARMERS HOME ADMINISTRATION

By _____

(Title)

(No writing on this Bond except by the Bond Registrar)

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

ARTICLE IV

NOTES

Section 4.01. Authorization and General Terms. In order to pay certain Costs of the Project pending the delivery of the Bond to the Purchaser, the Issuer may issue and sell its BAN in the aggregate principal amount of not to exceed \$1,952,000; and in order to pay certain Costs of the Project pending receipt of the Grant Receipts, the Issuer may issue and sell its GAN in the aggregate principal amount of not to exceed \$1,565,000. 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 Indenture and the Supplemental Resolution.

Section 4.02. Terms of and Security for Notes; Trust Indenture. The Notes shall be issued in the denomination of \$5,000 or any integral multiple thereof, with such terms and secured in the manner set forth in the Indenture (which Indenture in substantially the form to be executed and delivered by the Issuer is attached hereto as "Exhibit A" and made a part hereof).

Section 4.03. Notes are Special Obligations. The Notes shall be special obligations of the Issuer payable as to principal and interest solely from the respective sources described in the Granting Clauses and Article III of the Indenture. 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, if any, of the Issuer 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 in the Indenture.

ARTICLE V

BOND PROCEEDS; SYSTEM REVENUES
AND APPLICATION THEREOF

Section 5.01. Application of Bond Proceeds. The moneys received from the sale of the Bond shall be deposited with the Trustee and applied to payment of the BAN as set forth in the Indenture.

Section 5.02. Covenants of the Issuer as to System Revenues and Funds. So long as the Bond shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Fund hereinafter established, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Bond remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the holder of the Bond 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 a special fund in a bank or trust company in the State of West Virginia (the "Bank"), which is a member of FDIC, which Fund, known as the "Revenue Fund" was initially established by the 1964 Resolution and is hereby continued. The Revenue Fund shall constitute a trust fund for the purposes provided herein and shall be kept separate and distinct from all other funds of the Issuer and used only for the purposes and in the manner 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:

(i) The Issuer shall first each month pay from the moneys in the Revenue Fund all current Operating Expenses.

(ii) The Issuer shall next, so long as the 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 Ordinance, including payments into the Sinking Fund, Reserve Account and Depreciation Account described therein.

(iii) The Issuer shall next, on or before the due date of payment of each installment on the Bond, transfer from the Revenue Fund and pay to the National Finance Office designated in the Bond the amount required to pay the interest on the Bond, and to amortize the principal of the Bond over the life of the Bond issue.

(iv) The Issuer shall next, by the fifteenth day of each month, transfer from the Revenue Fund and deposit with the said Bank in the Reserve Fund hereby initially established with said Bank, 1/12 of 1/10 of the amount of principal and interest becoming due on the Bond in any year until the amount in the Reserve Fund equals the sum of \$190,910, such sum being herein called the "Minimum Reserve." After the Minimum Reserve has been accumulated in the Reserve Fund, the Issuer shall monthly deposit into the Reserve Fund such part of the moneys remaining in the Revenue Fund, after such provision for payment of monthly installments on the Bond and for payment of operating expenses of the System, as shall be required to maintain the Minimum Reserve in the Reserve Fund. Moneys in the Reserve Fund shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Bond to said National Finance Office as the same shall become due or for prepayment of installments on the Bond, or for mandatory prepayment of the Bond as hereinafter provided, and for no other purpose.

(v) After all the foregoing provisions for use of moneys in the Revenue Fund have been fully complied with, any moneys remaining therein and not required to be retained therein ("Surplus Revenues") may be used to prepay installments of the Bond or for any lawful purpose.

Whenever the moneys in the Reserve Fund shall be sufficient to prepay the Bond in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Bond at the earliest practical date and in accordance with applicable provisions hereof.

The aforesaid Bank (and any successor appointed by the Issuer) is hereby designated as the Fiscal Agent for the administration of the Reserve Fund and the Depreciation Reserve as herein provided, and all amounts required therefor 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.

All the funds provided for in this Section shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Bond and the interest thereon, but the aforesaid Bank shall not be a trustee as to such funds. The moneys in excess of the sum insured by FDIC in any of such funds shall at all times be secured, to the full extent thereof in excess of such insured sum, in a manner lawful for securing deposits of State and municipal funds under the laws of the State of West Virginia.

If on any payment date the 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.

The Fiscal Agent shall keep the moneys in the various funds and accounts described herein and in the 1964 Resolution invested and reinvested to the fullest extent practicable in direct obligations of, or obligations the payment of the principal of and interest on which are guaranteed by, the United States of America and having maturities not exceeding two years. Earnings upon moneys in the 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 Fiscal Agent.

(C) CHANGE OF FISCAL AGENT. The Issuer may designate another bank insured by FDIC as Fiscal Agent if the aforesaid Bank should cease for any reason to serve or if the Governing Body determines by resolution that said Bank or its successor should no longer serve as Fiscal Agent. 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 1964 bona fide users upon the System on completion of the Project, and must obtain a \$50.00 user's contribution from each such new user and deposit in the Project Construction Account all such user contributions collected.

ARTICLE VI

GENERAL COVENANTS

Section 6.01. General Statement. So long as the Bond shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Fund a sum sufficient to prepay the entire principal of the Bond 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 Purchaser.

Section 6.02. 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 Gross Revenues in each fiscal year sufficient to produce Net Revenues equal to not less than 130% of the annual debt service on the 1964 Bonds and the Bond, and to make the payments required to be made into the various funds and accounts established herein and in the 1964 Resolution 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 6.03. 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 6.04. Issuance of Additional Parity Bonds. No additional parity bonds payable out of the revenues of the System shall be issued after the issuance of the Bond pursuant hereto except with the prior written consent of the Purchaser, and unless such bonds are to be junior and subordinate to the 1964 Bonds, without meeting the requirements for issuance of parity bonds as set forth in the 1964 Resolution.

Section 6.05. 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 in an amount equal to the actual cost 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 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.

(e) 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 Recording Officer, 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.

(f) 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 6.06. 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 thirty 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 first day of any fiscal year, it shall adopt a Budget of Current Expenses from month to month until the

adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the year next preceding by more than ten per centum; and provided further, that adoption of a Budget of Current Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the Issuer. Each such Budget of Current Expenses shall be mailed immediately to the Purchaser.

Section 6.07. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer and on file with the Recording Officer on the date of adoption hereof, subject to permitted changes.

Section 6.08. Books and Records. 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.

Section 6.09. 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 6.10. No Competition. 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 6.11. 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 charges 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 6.12. 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 Department of Health from such house, dwelling or building into the System, shall connection 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 Department of 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.

Section 6.13. Investments. Any moneys held as a part of the funds and accounts created by this Resolution or the Indenture, other than the Revenue Fund, shall be invested and reinvested by the the Trustee or such other bank or national banking association holding such fund or account, as the case may be, at the direction of the Issuer in Qualified Investments to the fullest extent possible under applicable laws, this Resolution, and the Indenture, the need for such moneys for the purposes set forth herein and in the Indenture and the specific restrictions and provisions set forth in this Section 6.13 and in the Indenture.

Except as provided in the Indenture, 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. The Trustee or such other bank or national banking association, as the case may be, 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 Trustee or such other bank or national banking association, as the case may be, 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.

Section 6.14. Concerning Arbitrage. The proceeds of sale of the Bond and the Notes will not be invested in such a way as to violate the regulations of the Internal Revenue Service or of the Treasury Department of the United States of America in connection with the arbitrage provisions of Section 103(c) of the Internal Revenue Code of 1954, as amended.

Section 6.15. Initial Schedule of Rates and Charges; Rules. A. The schedule of rates and charges for the services and facilities of the System shall be as set forth in the order of the Public Service Commission of West Virginia entered May 15, 1985.

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

C. 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.

D. 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

which deposit shall be handled and disposed of under the applicable rules and regulations of the Public Service Commission of West Virginia.

E. 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.

Section 6.16. Statutory Mortgage. 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 which shall take effect as to the Bond immediately upon delivery, subject and subordinate, however, to the statutory mortgage lien in favor of the holders of the 1964 bonds.

ARTICLE VII

DEFAULT AND REMEDIES

Section 7.01. Events of Default. A. The "Events of Default" with respect to the Notes shall be as set forth and described in Article VI of the Indenture.

B. Each of the following events shall constitute an "Event of Default" with respect to the Bond:

(A) If default occurs in the due and punctual payment of the principal of or interest on the Bond; or

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Bond set forth in the Bond Legislation, the Indenture or in the Bond, 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 Purchaser, any bank or banking association holding any fund or account hereunder or any other Holder of the Bond; or

(C) 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.

Section 7.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a BAN, GAN or Bond, as the case may be, 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, (iii) bring suit upon the BAN, GAN or Bonds, as the case may be, (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 BAN, GAN or Bonds, as the case may be, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the BAN, GAN or Bonds, or the rights of such Registered Owners.

Section 7.03. Appointment of Receiver. Any Registered Owner of the Bond may, by proper legal action, compel the

performance of the duties of the Issuer under the Bond Legislation and the Act, including, 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 Bond any Registered Owner of the 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 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 Bond 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 the 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 do.

Whenever all that is due upon the Bond and interest thereon and under any covenants of for Reserve, Depreciation 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 the 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 the Bond 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 Owner of the Bond. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owner of the Bond and the curing and making good of any Event of Default with respect thereto under the provisions of the Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Defeasance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of the Bond and Notes, the principal of and interest due or to become due thereon, at the times and in the manners respectively stipulated therein and in the Bond Legislation and the Indenture, then the respective pledges of Net Revenues, Bond proceeds and Grant Receipts, and other moneys and securities pledged under the Bond Legislation and the Indenture and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Bond, BAN or GAN, as the case may be, shall thereupon cease, terminate and become void and be discharged and satisfied.

Notes for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agents at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Notes shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Notes 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 Trustee either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with or the Trustee at the same time, shall be sufficient, to pay when due the respective principal of and interest due and to become due on Notes on and prior to the maturity dates thereof.

Section 8.02. Amendment or Modification of Bond Legislation. No material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the respective rights of Registered Owners of BAN, GAN or Bond shall be made without the consent in writing of the Registered Owners of 66-2/3% or more in principal amount of the BAN, GAN or Bond so affected and then outstanding; provided, that no change shall be made in the maturity of the Bond or any Note or Notes 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 respective Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the

principal amount of Bond or Notes respectively, required for consent to the above-permitted amendments or modifications.

Section 8.03. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Bond and Notes, and no change, variation or alteration of any kind of the provisions of the shall be made in any manner, except as in the Bond Legislation provided.

Section 8.04. Severability of Invalid Provisions. If any section, paragraph, clause or provision of the Bond Legislation 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 the Bond Legislation, the Indenture, the Bond or the Notes.

Section 8.05. 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 8.06. Modification or Amendment. The Bond Legislation may not be modified or amended after final passage without the prior written consent of the Purchaser.

Section 8.07. Delivery of Bond No. R-1. The Chairman and Secretary are hereby authorized and directed to cause Bond No. R-1, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

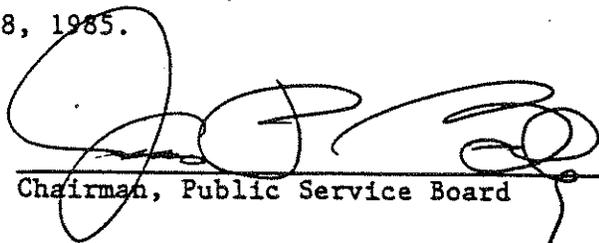
Section 8.08. Severability of Invalid Provision. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Bond or the Notes.

Section 8.09. Prior Resolutions; Conflicting Provisions Repealed. 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) or to the 1964 Resolution.

Section 8.10. 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 8.11. Effective Time. This Resolution shall take effect immediately upon its adoption.

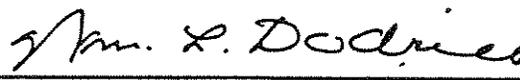
Adopted: October 18, 1985.



Chairman, Public Service Board



Member



Member

10/14/85
ALLY2-C

GREEN VALLEY - GLENWOOD PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 1987

SUPPLEMENTAL AND AMENDATORY RESOLUTION

SUPPLEMENTAL AND AMENDATORY RESOLUTION PROVIDING AS TO INTEREST RATE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 1987 OF GREEN VALLEY - GLENWOOD PUBLIC SERVICE DISTRICT; DESIGNATING A REGISTRAR AND PAYING AGENT; AND MAKING OTHER PROVISIONS AS TO THE BONDS RELATING TO THE INTERNAL REVENUE CODE OF 1986

WHEREAS, the public service board (the "Governing Body") of Green Valley - Glenwood Public Service District (the "Issuer"), has duly and officially adopted a bond and notes resolution, effective October 18, 1985 (the "Bond Resolution"), entitled:

RESOLUTION AUTHORIZING THE ISSUANCE OF \$1,952,000 SEWER REVENUE BOND, SERIES 1987, OF GREEN VALLEY - GLENWOOD PUBLIC SERVICE DISTRICT JUNIOR AND SUBORDINATE TO THE DISTRICT'S OUTSTANDING 1964 BONDS, AND AUTHORIZING THE ISSUANCE OF BOND ANTICIPATION NOTES AND GRANT ANTICIPATION NOTES OF THE DISTRICT TO FINANCE CONSTRUCTION AND ACQUISITION OF PUBLIC SEWERAGE FACILITIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BOND AND THE NOTES; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITY OF THE HOLDERS OF THE BOND AND THE NOTES; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT

WHEREAS, the Bond Resolution provides for the issuance of Sewer Revenue Bonds of the Issuer (the "Bonds"), in an aggregate principal amount of \$1,952,000, to be issued as a single bond, 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 interest rate of the Bonds shall be 9 1/2% per annum, and that the monthly payments of principal of and interest on the Bonds shall be \$15,909;

WHEREAS, the United States Department of Agriculture, Farmers Home Administration (the "Purchaser"), has agreed to purchase the Bonds and has further agreed to a reduction in the interest rate on the Bonds from 9 1/2% to 6 1/2% per annum, and a corresponding reduction in the monthly payments on the Bonds from \$15,909 to \$11,576;

WHEREAS, subsequent to adoption of the Bond Resolution the Internal Revenue Code of 1986 has been enacted into law and said Internal Revenue Code of 1986 contains numerous provisions which affect the tax-exempt status of the Bonds, and it is necessary for the Issuer to make certain covenants in addition to those contained in the Bond Resolution to ensure the continued tax-exempt status of interest on the Bonds;

WHEREAS, the Bonds have not yet been issued, but are expected to be issued on May 20, 1987, one day prior to the maturity date of the Issuer's Sewerage System Bond Anticipation Notes, Series 1985 (the "Notes"), and the entire proceeds of the Bonds are to be applied to payment of the principal of the Notes; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental and amendatory resolution (the "Supplemental and Amendatory Resolution") be adopted and that the Bonds be issued and sold to the Purchaser, that the the interest rate and monthly payment amount of the Bonds be changed 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 and Amendatory Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Revenue Bonds, Series 1987, of the Issuer, originally represented by a single Bond, numbered R-1, in the principal amount of \$1,952,000. The Bonds shall be dated the date of delivery thereof, shall finally mature 40 years from the date thereof and shall bear interest at the rate of 6 1/2% per annum, payable in monthly installments of interest only, commencing 30 days following delivery of the Bonds and continuing on the corresponding day of each month for the first 24 months after the date thereof and \$11,576 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

after the date of the Bonds, and except that prepayments may be made in accordance with the provision set forth in the Bonds.

Section 2. All references in the Bond Resolution or the form of Bond set forth therein to the interest rate or payment amount on the Bonds shall be changed from "9 1/2%" to "6 1/2%" and from "\$15,909" to "11,576," respectively.

Section 3. 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 4. The Issuer does hereby appoint and designate itself as Registrar and Paying Agent for the Bonds and the performance by the Issuer of the duties of Registrar and Paying Agent are hereby authorized, approved and directed.

Section 5. The Chairman and Secretary are hereby authorized and directed to execute and deliver 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 on or about May 20, 1987, to the Purchaser.

Section 6. The financing of the Project in part with proceeds of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 7. The Issuer hereby determines that it is in its best interest to invest or cause to be invested all moneys in the funds and accounts established by the Bond Resolution in the West Virginia "Consolidated Fund," and therefore the Issuer hereby directs the Bank holding the Revenue Fund to take such actions as may be necessary to cause such moneys to be invested in the Consolidated Fund.

Section 8. 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 the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. They will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 9. Rebates of Excess Arbitrage Earnings. The Issuer covenants to make all rebate calculations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations. In the event of a failure to pay such amounts, the Issuer will pay to the United States a penalty in an amount equal to the sum of 50% of the amount not paid, plus interest at the required rate on the portion of the amount which was not paid on the required date, beginning on such date, unless waived. The Issuer shall make, or cause to be made, an annual computation of such yield and amounts, and shall maintain and provide the Purchaser with appropriate records of such computations. In order to provide for the administration of this Section, the Issuer may provide for employment of independent attorneys, accountants and consultants with reasonable compensation, as the Issuer may designate.

Section 10. 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 Bond is 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 Bond during the term thereof is, under the terms of the Bond 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 Bond 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 Bond during the term thereof is, under the terms of the Bond 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 Bond 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 Bond is for the purpose of 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.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Bond 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.

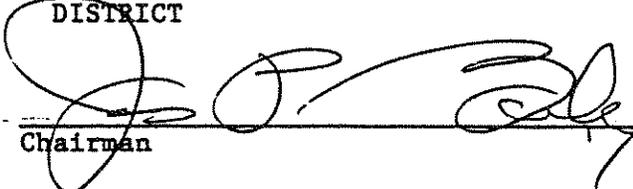
C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bond to be "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

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

Section 11. This Supplemental and Amendatory Resolution shall be effective immediately following adoption hereof.

Adopted this 14th day of May, 1987.

GREEN VALLEY - GLENWOOD PUBLIC SERVICE
DISTRICT


Chairman

05/20/87
VALLY4-C

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 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, .04167% 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.

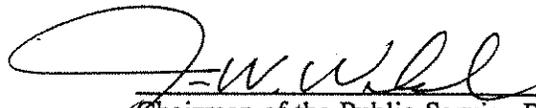
All resolutions and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed; provided that this Section shall not be applicable to the Loan Resolution (Form FmHA 442-47).

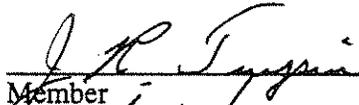
Section 7.06. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

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

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT on the 24th day of March, 1998.

Dated: March 24, 1998.

[SEAL]



Secretary, Public Service Board

03/23/98
354550/96001



WRD 1A-82
Revised 4/95

STATE OF WEST VIRGINIA
DIVISION OF ENVIRONMENTAL PROTECTION
OFFICE OF WATER RESOURCES
1201 GREENBRIER STREET
CHARLESTON, WV 25311

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM

WATER POLLUTION CONTROL PERMIT

Permit No. WV0082627

Issue Date: January 18, 1996

Subject: Sewage Facilities

Effective Date: February 18, 1996

Expiration Date: January 17, 2001

Supersedes: WV/NPDES Permit No. WV0082627
Issue Date: November 29, 1990

Location: near Princeton
(City)

Mercer
(County)

Kanawha
(Drainage Basin)

Outlet Latitude: 37°20'16"N

Sites: Longitude: 81°08'36"W

To whom it may concern:

This is to certify that Green Valley-Glenwood Public Service District
Route 6, Box 14
Princeton, WV 24740

is hereby granted a NPDES Water Pollution Control Permit to operate and maintain two(2) existing wastewater collection systems, and an existing 1.5 MGD oxidation ditch wastewater treatment plant which are further described as follows.

A wastewater collection system comprised of approximately 77,700 linear feet of six(6) inch diameter gravity sewer line, 49,100 linear feet of eight(8) inch diameter gravity sewer line, 12,500 linear feet of 10 inch diameter gravity sewer line, 80 linear feet of 12 inch diameter gravity sewer line, 18,400 linear feet of 18 inch diameter gravity sewer line, 1,800 linear feet of 24 inch diameter gravity sewer line, 180 linear feet of 30 inch diameter gravity sewer line, 674 manholes, 71 cleanouts, 11 lift stations, 1,000 linear feet of two(2) inch diameter force main, 4,700 linear feet of three(3) inch diameter force main, 4,500 linear feet of four(4) inch diameter force main, 3,100 linear feet of six(6) inch diameter force main, 80 linear feet of eight(8) inch diameter force main, 4,400 linear feet of 12 inch diameter force main, and all requisite appurtenances.

(Continued on Page 2)

A wastewater treatment plant comprised of a storm water holding/flow equalization facility with a total volume of 10,300,000 gallons, a mechanical bar screen, a comminutor, grit removal facilities, two(2) oxidation ditches with a volume of 763,000 gallons each, three(3) clarifiers with a volume of 112,800 gallons each and a surface area of 1,256 square feet each, two(2) ultraviolet disinfection units, a cascade post aeration unit measuring 45 feet in length by six and one half(6½) feet in width with a vertical drop of 12.5 feet, two(2) vacuum assisted sludge drying beds with a surface area of 800 square feet each, dewatered sludge processing facilities, and all requisite appurtenances.

To acquire, construct, install, operate and maintain a sludge dewatering belt press, a post lime sludge stabilization facility, and all requisite appurtenances. These facilities shall replace the existing vacuum assisted sludge drying beds.

These facilities are to serve a population equivalent of approximately 15,000 persons in the major portion of the Green Valley-Glenwood Public Service District, and environs, and discharge treated wastewater to Brush Creek, approximately 18.5 miles from its mouth, of the Bluestone River of New River of the Kanawha River.

A wastewater collection system comprised of approximately 8,000 linear feet of six(6) inch diameter gravity sewer line, 2,700 linear feet of eight(8) inch diameter gravity sewer line, 2,000 linear feet of 10 inch diameter gravity sewer line, 112 manholes, 20 cleanouts, two(2) lift stations, 3,500 linear feet of two(2) inch diameter force main, and all requisite appurtenances.

These facilities are to serve a population equivalent of approximately 1,900 persons in a portion of the Green Valley-Glenwood Public Service District, and environs, identified as the Route 20 service area, and convey wastewater to the City of Princeton's wastewater treatment plant for subsequent treatment and discharge to Brush Creek, approximately 11.6 miles from its mouth, of the Bluestone River of New River of the Kanawha River.

This permit is subject to the following terms and conditions:

Bureau of Public Health Certificate of Approval Nos. 4753 and 4767, and Permit Nos. 11,740 and 12,622.

The information submitted on, and with, Permit Application No. WV0082627, dated the 21st day of June 1995, additional information, dated the 3rd day of August 1995, additional information, dated the 14th day of September 1995, additional information, dated the 23rd day of October 1995, additional information, dated the 30th day of October 1995, additional information, received the 2nd day of November 1995, additional information, received the 7th day of November 1995, and additional information, received the 8th day of November 1995, are all hereby made terms and conditions of this Permit with like effect as if all such Permit application information was set forth herein, and with other conditions set forth in Sections A, B, C, D, E, F, G, and H.

(Continued on Page 3)

A. DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS

1. Interim Limitations

a) Summer Limitations during the period of May 1 through October 31.

During the period beginning February 18, 1996 and lasting through midnight, January 17, 1998 the permittee is authorized to discharge from outlet number(s) 001 - Discharge from the sewage treatment plant.

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations		Other Units (Specify)		Monitoring Requirements	
	(Quantity) lbs/day	Max. Daily	Avg. Monthly	Max. Daily	Measurement Frequency	Sample Type
Flow	N/A	N/A	1.5 MGD	N/A	Continuous	Measured
Biochemical Oxygen Demand (5 Day)	125.1	250.2	10.0 mg/l	20.0 mg/l	Once/Week	8 Hr. Composite
Total Suspended Solids	375.3	750.6	30.0 mg/l	60.0 mg/l	Once/Week	8 Hr. Composite
Ammonia Nitrogen	12.5	25.0	1.0 mg/l	2.0 mg/l	Once/Week	8 Hr. Composite
Fecal Coliform	N/A	N/A	200 counts 100 ml	400 counts 100 ml	Once/Week	Grab
Dissolved Oxygen	Not less than 7.0 mg/l at any given time					
Copper, Total Recoverable ¹	N/A		0.011 mg/l		Once/Month	8 Hr. Composite
Lead, Total Recoverable ¹	N/A		0.003 mg/l		Once/Month	8 Hr. Composite
Nickel, Total Recoverable ¹	N/A		0.158 mg/l		Once/Month	8 Hr. Composite
Zinc, Total Recoverable ¹	N/A		Monitor mg/l Only		Once/Month	8 Hr. Composite
Silver, Total Recoverable ¹	N/A		0.004 mg/l		Once/Month	8 Hr. Composite

¹Refer to Section G.11 on page 23 of 35

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A. DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS

1. Interim Limitations

b) Winter Limitations during the period of November 1 through April 30.

During the period beginning February 18, 1996 and lasting through midnight, January 17, 1998 the permittee is authorized to discharge from outlet number(s) 001 - Discharge from the sewage treatment plant.

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations		Other Units (Specify)		Monitoring Requirements	
	(Quantity) lbs/day	Max. Daily	Avg. Monthly	Max. Daily	Measurement Frequency	Sample Type
Flow	N/A	N/A	1.5 MGD	N/A	Continuous	Measured
Biochemical Oxygen Demand (5 Day)	250.2	500.4	20.0 mg/l	40.0 mg/l	Once/Week	8 Hr. Composite
Total Suspended Solids	375.3	750.6	30.0 mg/l	60.0 mg/l	Once/Week	8 Hr. Composite
Ammonia Nitrogen	75.1	150.1	6.0 mg/l	12.0 mg/l	Once/Week	8 Hr. Composite
Fecal Coliform	N/A	N/A	200 counts 100 ml	400 counts 100 ml	Once/Week	Grab
Dissolved Oxygen	Not less than 7.0 mg/l at any given time					
Copper, Total Recoverable ¹	N/A		0.011 mg/l		Once/Month	8 Hr. Composite
Lead, Total Recoverable ¹	N/A		0.003 mg/l		Once/Month	8 Hr. Composite
Nickel, Total Recoverable ¹	N/A		0.158 mg/l		Once/Month	8 Hr. Composite
Zinc, Total Recoverable ¹	N/A		Monitor mg/l Only		Once/Month	8 Hr. Composite
Silver, Total Recoverable ¹	N/A		0.004 mg/l		Once/Month	8 Hr. Composite

¹Refer to Section G.11 on page 23 of 35

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A. DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS

2. Final Limitations

a) Summer Limitations during the period of May 1 through October 31.

During the period beginning January 18, 1998 and lasting through midnight, January 17, 2001 the permittee is authorized to discharge from outlet number(s) 001 - Discharge from the sewage treatment plant.

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations		Other Units (Specify)		Monitoring Requirements	
	Avg. Monthly	Max. Daily	Avg. Monthly	Max. Daily	Measurement Frequency	Sample Type
Flow	N/A	N/A	1.5 MGD	N/A	Continuous	Measured
Biochemical Oxygen Demand (5 Day)	125.1	250.2	10.0 mg/l	20.0 mg/l	Once/Week	8 Hr. Composite
Total Suspended Solids	375.3	750.6	30.0 mg/l	60.0 mg/l	Once/Week	8 Hr. Composite
Ammonia Nitrogen	12.5	25.0	1.0 mg/l	2.0 mg/l	Once/Week	8 Hr. Composite
Fecal Coliform	N/A	N/A	200 counts 100 ml	400 counts 100 ml	Once/Week	Grab
Dissolved Oxygen	Not less than 7.0 mg/l at any given time					
Copper, Total Recoverable ¹	N/A		0.011 mg/l		Once/Month	8 Hr. Composite
Lead, Total Recoverable ¹	N/A		0.003 mg/l		Once/Month	8 Hr. Composite
Nickel, Total Recoverable ¹	N/A		0.158 mg/l		Once/Month	8 Hr. Composite
Zinc, Total Recoverable ¹	N/A		0.050 mg/l		Once/Month	8 Hr. Composite
Silver, Total Recoverable ¹	N/A		0.004 mg/l		Once/Month	8 Hr. Composite

¹Refer to Section G.11 on page 23 of 35

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A. DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS

2. Final Limitations

b) Winter Limitations during the period of November 1 through April 30.

During the period beginning January 18, 1998 and lasting through midnight, January 17, 2001 the permittee is authorized to discharge from outlet number(s) 001 - Discharge from the sewage treatment plant.

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations		Other Units (Specify)		Monitoring Requirements	
	Avg. Monthly	Max. Daily	Avg. Monthly	Max. Daily	Measurement Frequency	Sample Type
Flow	N/A	N/A	1.5 MGD	N/A	Continuous	Measured
Biochemical Oxygen Demand (5 Day)	250.2	500.4	20.0 mg/l	40.0 mg/l	Once/Week	8 Hr. Composite
Total Suspended Solids	375.3	750.6	30.0 mg/l	60.0 mg/l	Once/Week	8 Hr. Composite
Ammonia Nitrogen	75.1	150.1	6.0 mg/l	12.0 mg/l	Once/Week	8 Hr. Composite
Fecal Coliform	N/A	N/A	200 counts 100 ml	400 counts 100 ml	Once/Week	Grab
Dissolved Oxygen	Not less than 7.0 mg/l at any given time					
Copper, Total Recoverable ¹	N/A		0.011 mg/l		Once/Month	8 Hr. Composite
Lead, Total Recoverable ¹	N/A		0.003 mg/l		Once/Month	8 Hr. Composite
Nickel, Total Recoverable ¹	N/A		0.158 mg/l		Once/Month	8 Hr. Composite
Zinc, Total Recoverable ¹	N/A		0.050 mg/l		Once/Month	8 Hr. Composite
Silver, Total Recoverable ¹	N/A		0.004 mg/l		Once/Month	8 Hr. Composite

¹Refer to Section G.11 on page 23 of 35

(Continued on Page 11 of 35)

A.3. SPECIFIC SANITARY SEWER SYSTEM OVERFLOW

- a) Outlet Number 002, listed below, could bypass raw and/or partially treated sewage directly into the receiving stream.

<u>Outlet Number</u>	<u>Name and Location</u>	<u>Receiving Stream</u>
002	Storm Water Holding/Equalization Facility Latitude 37°20'16"N Longitude 81°08'50"W	Brush Fork (Mile Point 18.9) of the Bluestone River of the New River of the Kanawha River

- b) This documentation is for purposes of identification only. It is not to be interpreted as formal authorization to discharge from this outlet. Any discharge from this outlet shall be subject to the requirements of Section D.3, Bypass, on Page 15 of 35 of this Permit. Bypass reports will be reviewed and the intentional use, or misuse, of the overflow will be subject to consequential remedial and/or enforcement action.
- c) The documentation provided herein shall not constitute an affirmative defense in any enforcement action brought against the permittee for violations resultant to the discharges from this outlet.

C. MANAGEMENT CONDITIONS

- 1. Duty to Comply**
 - (a) The permittee must comply with all conditions of this permit. Permit noncompliance constitutes a violation of the CWA and State Act and is grounds for enforcement action; for permit modification, revocation and reissuance, suspension or revocation; or for denial of a permit renewal application.
 - (b) The permittee shall comply with all effluent standards or prohibitions established under Section 307(a) of the CWA for toxic pollutants within the time provided in the regulations that establish these standards or prohibitions, even if the permit has not yet been modified to incorporate the requirement.
- 2. Duty to Reapply**

If the permittee wishes to continue an activity regulated by this permit after the expiration date of this permit, the permittee must apply for a new permit at least 180 days prior to expiration of the permit.
- 3. Duty to Mitigate**

The permittee shall take all reasonable steps to minimize or prevent any discharge in violation of this permit, which has a reasonable likelihood of adversely affecting human health or the environment.
- 4. Permit Actions**

This permit may be modified, revoked and reissued, suspended, or revoked for cause. The filing of a request by the permittee for permit modification, revocation and reissuance, or revocation, or a notification of planned changes or anticipated noncompliance, does not stay any permit conditions.
- 5. Property Rights**

This permit does not convey any property rights of any sort or any exclusive privilege.
- 6. Signatory Requirements**

All applications, reports, or information submitted to the Chief shall be signed and certified as required in Title 47, Series 10, Section 4.6 of the West Virginia Legislative Rules.
- 7. Transfers**

This permit is not transferable to any person, except after notice to the Chief. The Chief may require modification or revocation and reissuance of the permit to change the name of the permittee and incorporate such other requirements as may be necessary.
- 8. Duty to Provide Information**

The permittee shall furnish to the Chief, within a reasonable specified time, any information which the Chief may request to determine whether cause exists for modifying, revoking and reissuing, suspending, or revoking this permit, or to determine compliance with this permit. The permittee shall also furnish to the Chief, upon request, copies of records required to be kept by this permit.
- 9. Other Information**

Where the permittee becomes aware that it failed to submit any relevant facts in a permit application, or submitted incorrect information in a permit application or in any report to the Chief, it shall promptly submit such facts or information.
- 10. Inspection and Entry**

The permittee shall allow the Director, or an authorized representative, upon the presentation of credentials and other documents as may be required by law, to:

 - a) Enter upon the permittee's premises in which an effluent source or activity is located, or where records must be kept under the conditions of this permit;
 - b) Have access to and copy at reasonable times, any records that must be kept under the conditions of this permit;
 - c) Inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required under this permit; and
 - d) Samples or monitor at reasonable times, for the purposes of assuring permit compliance or as otherwise authorized by the State Act, any substances or parameters at any locations.
- 11. Permit Modification**

This permit may be modified, suspended, or revoked in whole or in part during its term in accordance with the provisions of Chapter 22-11-12 of the Code of West Virginia.
- 12. Water Quality**

The effluent or effluents covered by this permit are to be of such quality so as not to cause violation of applicable water quality standards adopted by the State Environmental Quality Board.
- 13. Outlet Markers**

A permanent marker at the establishment shall be posted in accordance with Title 47, Series 11, Section 9 of the West Virginia Legislative Rules promulgated pursuant to Chapter 22, Article 11.
- 14. Liabilities**
 - a) Any person who violates a permit condition implementing sections 301, 302, 306, 307, 308, 318, or 405 of the Clean Water Act is subject to a civil penalty not to exceed \$10,000 per day of such violation. Any person who willfully or negligently violates permit conditions implementing sections 301, 302, 306, 307, or 308 of the Clean Water Act is subject to a fine of not less than \$2,500 nor more than \$25,000 per day of violation, or by imprisonment for not more than 1 year, or both.
 - b) Any person who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained under this permit shall, upon conviction, be punished by a fine of not more than \$10,000 per violation, or by imprisonment for not more than 6 months per violation, or by both.
 - c) Any person who knowingly makes any false statement, representation, or certification in any record or other document submitted or required to be maintained under this permit, including monitoring reports or reports of compliance or noncompliance shall, upon conviction, be punished by a fine of not more than \$10,000 per violation, or by imprisonment for not more than 6 months per violation, or by both.
 - d) Nothing in C.14.a), b) and c) shall be construed to limit or prohibit any other authority the Chief may have under the State Water Pollution Control Act, Chapter 22, Article 11.

E. MONITORING AND REPORTING

1. Representative Sampling

Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.

2. Reporting

- a) Permittee shall submit each month, according to the enclosed format, a Discharge Monitoring Report(DMR) indicating in terms of concentration, and/or quantities, the values of the constituents listed in Part A analytically determined to be in the plant effluent(s).
- b) The required DMRs should be received no later than 20 days following the end of the reporting period and be addressed to:

Chief	Regional Administrator
Office of Water Resources	U. S. Environmental Protection Agency
1201 Greenbrier Street	Region III
Charleston, WV 25311-1088	841 Chestnut Building
Attention: Municipal Branch	Philadelphia, PA 19107

- c) Enter reported average and maximum values under "Quantity" and "Concentration" in the units specified for each parameter, as appropriate.
- d) Specify the number of analyzed samples that exceed the allowable permit conditions in the columns labeled "N.E"(i.e., number exceeding).
- e) Specify frequency of analysis for each parameter as no. analyses/specified period (e.g., 3/month is equivalent to 3 analyses performed every calendar month.) if continuous, enter "Cont.". The frequency listed on format is the minimum required.

3. Test Procedures

Samples shall be taken, preserved and analyzed in accordance with the latest edition of 40 CFR Part 136, unless other test procedures have been specified elsewhere in this permit.

4. Recording of Results

For each measurement or sample taken pursuant to the permit, the permittee shall record the following information.

- a) The date, exact place, and time of sampling or measurement;
- b) The date(s) analyses were performed;
- c) The individual(s) who performed the sampling or measurement;
- d) The individual(s) who performed the analyses; if a commercial laboratory is used, the name and address of the laboratory;
- e) The analytical techniques or methods used, and
- f) The results of such analyses.

Information not required by the DMR form is not to be submitted to this agency, but is to be retained as required in E.6.

5. Additional Monitoring by Permittee

If the permittee monitors any pollutant at any monitoring point specified in this permit more frequently than required by this permit, using approved test procedures or others as specified in this permit, the results of this monitoring shall be included in the calculation and reporting of the data submitted in the Discharge Monitoring Report Form. Such increased frequency shall also be indicated. Calculations for all limitations which require averaging of measurements shall utilize an arithmetic mean unless otherwise specified in the permit.

6. Records Retention

The permittee shall retain records of all monitoring information, including all calibration and maintenance records and all original chart recordings for continuous monitoring instrumentation, copies of all reports required by this permit, and records of all data used to complete the application for the permit, for a period of at least three(3) years from the date of the sample, measurement, report or application. This period may be extended by request of the Chief at any time.

7. Definitions

- a) "Daily discharge" means the discharge of a pollutant measured during a calendar day or within any specified period that reasonably represents the calendar day for purposes of sampling. For pollutants with limitations expressed in units of mass, the daily discharge is calculated as the total mass of the pollutant discharged over the day. For pollutants with limitations expressed in other units of measurement, the daily discharge is calculated as the average measurement of the pollutant over the day.
- b) "Average monthly discharge limitation" means the highest allowable average of daily discharges over a calendar month, calculated as the sum of all daily discharges measured during a calendar month divided by the number of daily discharges measured during that month.
- c) "Maximum daily discharge limitation" means the highest allowable daily discharge.
- d) "Composite Sample" is a combination of individual samples obtained at regular intervals over a time period. Either the volume of each individual sample is proportional to discharge flow rates or the sampling interval(for constant volume samples) is proportional to the flow rates over the time period used to produce the composite. The maximum time period between individual samples shall be two hours.
- e) "Grab Sample" is an individual sample collected in less than 15 minutes.
- f) "i-s" =immersion stabilization - a calibrated device is immersed in the effluent stream until the reading is stabilized.
- g) The "daily average temperature" means the arithmetic average of temperature measurements made on an hourly basis, or the mean value plot of the record of a continuous automated temperature recording instrument, either during a calendar month, or during the operating month if flows are of shorter duration.
- h) The "daily maximum temperature" means the highest arithmetic average of the temperatures observed for any two(2) consecutive hours during a 24-hour day, or during the operating day if flows are of shorter duration.
- i) The "daily average fecal coliform" bacteria is the geometric average of all samples collected during the month.
- j) "Measured Flow" means any method of liquid volume measurement, the accuracy of which has been previously demonstrated in engineering practice, or for which a relationship to absolute volume has been obtained.
- k) "Estimate" means to be based on a technical evaluation of the sources contributing to the discharge including, but not limited to pump capabilities, water meters and batch discharge volumes.
- l) "Noncontact cooling water" means the water that is contained in a leak-free system, i.e. no contact with any gas, liquid, or solid other than the container for transport; the water shall have no net poundage addition of any pollutant over intake water levels, exclusive of approved anti-fouling agents.

G. OTHER REQUIREMENTS

1. The herein described treatment works, structures, electrical and mechanical equipment shall be adequately protected from physical damage by the maximum expected 100 year flood level, and operability shall be maintained during the 25 year flood level.
2. The entire sewage treatment facility shall be adequately protected by fencing.
3. Continuous maintenance and operation of the listed sewage treatment facility shall be performed by or supervised by a certified operator possessing at least a class II certificate for Waste Water Treatment Works Operators, issued by the State of West Virginia.
4. An instantaneous flow from the sewage disposal system shall not exceed the peak design flow at any given time.
5. The arithmetic mean of values for effluent samples collected in a period of seven(7) consecutive days shall not exceed 15.0 mg/l for five(5) day Biochemical Oxygen Demand, 45.0 mg/l for Total Suspended Solids, and 1.5 mg/l for Ammonia Nitrogen, during the period of May 1st through October 31st, and 30.0 mg/l for five(5) day Biochemical Oxygen Demand, 45.0 mg/l for Total Suspended Solids, and 9.0 mg/l for Ammonia Nitrogen, during the period of November 1st through April 30th.
6. The arithmetic mean of the effluent values of the Total Suspended Solids discharged, during a period of 30 consecutive days, shall not exceed 15 percent of the respective arithmetic mean of the influent values for this parameter, during the same time period, except as specifically authorized by the permitting authority.
7. The permittee shall not accept any new nondomestic discharges without first obtaining approval from the Chief of the Office of Water Resources, as provided in Title 47, Series 10, Section 14 of the Legislative Rules.
8. If any existing nondomestic discharge causes, or is suspected of causing, interference or pass through, as defined by 40 CFR Part 403.3, or otherwise violates any provision of 40 CFR Part 403, the permittee shall notify the Chief of such violation or suspected violation.
9. If any existing nondomestic discharge is identified as being subject to a Categorical Pretreatment Standard under 40 CFR Chapter 1, Subchapter N, and the discharge is not regulated by this Permit, the permittee shall notify the Chief of such identification.

G. OTHER REQUIREMENTS (Continued)

10.a)(6)(A)(2) General test methodology to include dilution water source, origin of the test organisms, temperature and lighting, size and volume of the test chamber, daily renewal procedures, feeding, drying time and temperature for the Pimephales promelas, fathead minnow, test, and QA/QC data for the results of the reference toxicant tests including a control chart for no observed effect concentration for each species.

(3) Specific test information

(A) The exact age of the test organisms at the initiation of the test. Values of less than or equal to 24 hours are acceptable for Pimephales promelas, fathead minnow. The age of the Ceriodaphnia must be reported as a range in hours. Values reported as less than 24 hours and from an eight(8) hour window are not acceptable.

(B) Data relative to any dechlorination procedures.

(C) Raw data showing the weights of each Pimephales promelas, fathead minnow, replicate and the daily Ceriodaphnia brood production.

(4) Copies of all chemical and physical data generated. Legible bench sheets are acceptable. Dates and times of data collection and initials of analyst(s) must be provided. In addition to the individual temperature measurements, the temperature must be summarized as a range and a mean temperature.

(5) Comparison of the control to test acceptability criteria presented in Section 10.a)(5)(H).

(6) Data analysis shall indicate the formulae and/or programs used to analyze the data. Reported values shall include the 48 hour LC_{50} , the no observed effect concentration, the lowest observed effect concentration, chronic value and chronic toxicity units.

(B) The chronic toxicity units, TU_C , required to be reported are calculated by dividing 100 by the no observed effect concentration. The permittee shall utilize the no observed effect concentration data results for growth, for the Pimephales promelas, fathead minnow, and for reproduction, for the Ceriodaphnia, when calculating the chronic toxicity units to be reported.

G. OTHER REQUIREMENTS (Continued)

14. The permittee may accept nondomestic wastewater from the Mercer County Solid Waste Authority for subsequent treatment and disposal. Approval is subject to and contingent upon compliance with the following terms and conditions:

- a) The nondomestic wastewater approved for acceptance consists of pretreated landfill leachate generated at the Mercer County Landfill. Approval extends only to the trucked transport of leachate from the landfill. If the permittee desires to alter the means of leachate transportation to the treatment plant (i.e. acceptance through its collection system), then a modification application seeking approval of such practices shall be filed, and approval obtained, prior to implementation.
- b) The maximum daily volume of leachate accepted shall not exceed 25,000 gallons. The actual volume accepted shall be estimated and recorded daily. Estimates shall be derived by multiplying the number of truckloads accepted by the capacity of the truck.
- c) The following limitations and self-monitoring requirements apply to the subject nondomestic wastewater:

<u>Parameter</u>	<u>Daily Maximum Limitation (mg/l)</u>	<u>Monitoring Frequency</u>	<u>Sample Type</u>
BOD ₅	1200	1/week	Comp ¹
Zinc	0.34	1/week	Comp ¹
TSS	300	1/month	Comp ¹
TKN	110	1/month	Comp ¹
Copper	0.37	4/Year ³	Comp ¹
Nickel	0.19	4/Year ³	Comp ¹
Chromium (+6)	0.045	4/Year ³	Comp ¹
Arsenic	0.043	4/Year ³	Comp ¹
pH	≥ 5.0 and ≤ 10.0 (Std. Units)	Each Load	Inst. Meas.

Priority Pollutants - Metals not limited above, Cyanide, Volatile Organics, Acid Extractables, Base/Neutral Extractables:

Monitor Only	2/Year ²	Grab
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Priority Pollutants - Pesticides, PCBs:

Monitor Only	4/Year ³	Grab
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¹A composite sample shall be obtained through the collection and combination of an individual aliquot from each truckload accepted on the day of monitoring. Sampling shall be performed as the leachate wastestream is being introduced to the permittee's system.

²Applicable monitoring periods are January 1 - June 30 and July 1 - December 31.

³Applicable monitoring periods are January 1 - March 31, April 1 - June 30, July 1 - September 30, and October 1 - December 31.

G. OTHER REQUIREMENTS (Continued)

16.c) The following limitations and self-monitoring requirements apply to the subject nondomestic wastewater:

<u>Parameter</u>	<u>Daily Maximum Limitation</u>	<u>Units</u>	<u>Monitoring Frequency</u>	<u>Sample Type</u>
Oil & Grease ¹	15	mg/l	1/Month	Grab
pH ²	≥5.0 and ≤ 10.0	Std.Units	1/Month	Inst.Meas. ³
BOD ₅ ²	Monitor Only	mg/l	1/Month	Grab

¹Oil & Grease shall be monitored in the air compressor/air dryer wastestream.

²pH and BOD₅ monitoring shall be performed at Georgia Pacific's first manhole downstream from the Steam Kilns/Boiler area.

³A minimum of four instantaneous pH measurements at each location shall be made at approximate two hour intervals on the day of monitoring.

17. The permittee may accept nondomestic wastewater from Ingleside Repair for subsequent treatment and disposal. Approval is subject to and contingent upon compliance with the following terms and conditions:

a) The nondomestic wastewater approved for acceptance consists of pretreated washwater resulting from parts cleaning. The use of solvents containing toxic organic priority pollutants, in the subject cleaning operation, is not authorized.

b) The maximum daily volume of the subject nondomestic wastewater accepted shall not exceed 300 gallons. The actual volume accepted shall be estimated and recorded daily.

c) The following limitations and self-monitoring requirements apply to the subject nondomestic wastewater:

<u>Parameter</u>	<u>Daily Maximum Limitation</u>	<u>Units</u>	<u>Monitoring Frequency</u>	<u>Sample Type</u>
TSS	60	mg/l	1/Month	Grab ¹
Oil & Grease	15	mg/l	1/Month	Grab ¹

¹An individual grab sample shall be collected at the effluent from the pretreatment system while a discharge is occurring.

18. The permittee may accept nondomestic wastewater from Appalachian Oil Company, Inc. for transport to and subsequent treatment and disposal by the City of Princeton, Sanitary Board. Approval is subject to and contingent upon compliance with the following terms and conditions:

a) The nondomestic wastewater approved for acceptance consists of pretreated contaminated groundwater from a groundwater treatment system at Ye Olde Food Shoppe.

G. OTHER REQUIREMENTS (Continued)

23. Approval of wastewater acceptance granted by Sections G.14, G.15, G.16, G.17 and G.18 extends only to the types of wastewater specified therein. Acceptance of any other types of wastewater, without prior approval, is prohibited.
24. The Office reserves the right to disallow the continued acceptance of any of the subject nondomestic wastewaters, or to require installation of additional pretreatment facilities, should the wastewater violate specified limitations, cause interference with Publicly Owned Treatment Works (POTW) operations, pass-through the POTW and result in effluent limitation violations or receiving stream degradation, or adversely impact POTW sludge disposal. Approval of the permittee's acceptance of the subject nondomestic wastewaters in no way relieves the permittee of its obligation to comply with all terms and conditions of its WV/NPDES Permit and shall not constitute an affirmative defense in any enforcement action brought against the permittee.
25. The permittee may accept, for subsequent treatment and disposal, domestic septage. Approval is subject to, and contingent upon, compliance with the following terms and conditions.
 - a) The septage hauler(s), from which the permittee accepts domestic septage, shall be registered to operate under the General Permit for septage handling and disposal.
 - b) Records shall be maintained which present the date(s), time(s), name(s) of the hauler(s), and volume(s) accepted.
 - c) The permittee shall report monthly on the enclosed Sewage Sludge Management Report the amount of domestic septage accepted.
 - d) The permittee shall assure that the acceptance, and processing, of the domestic septage does not result in effluent discharge limitation violations, or receiving stream degradation, or adversely impact sludge disposal. Approval of the permittee's acceptance of the domestic septage in no way relieves the permittee of its obligation to comply with all terms and conditions of its WV/NPDES Permit, and shall not constitute an affirmative defense in any enforcement action brought against the permittee.
26. The permittee shall evaluate the cause(s) of the elevated concentration levels of zinc in the effluent from the POTW. The evaluation shall be complete, and a Corrective Action Plan submitted to the Chief, on, or before, the 18th day of January 1997. The Corrective Action Plan shall provide for the implementation of the necessary procedures needed to attain compliance with the final prescribed effluent discharge limitation for zinc, as prescribed in Section A.2.a) and Section A.2.b), on, or before, the 17th day of January 1998.

H. SEWAGE SLUDGE MANAGEMENT REQUIREMENTS (Continued)

4. (Continued)

<u>Land Application Site(s)</u>	<u>Annual Loading Rate(s) (Tons/Acre)</u>	<u>Lifetime Loading Rates (Tons/Acre)</u>
Richard Thomason Farm	8	150
Wayne Lester Farm	8	150
Buddy Belcher Farm	8	150
Zina Burks Farm	8	150
Robert Clark Farm	8	150
Bill Faulkner Farm	8	150
David Honaker Farm	8	150
Charles Powell Farm	8	150

5. Sewage sludge shall not be applied to land that has any of the following siting restrictions and/or location standards:

- a) Land that is frozen, snow-covered, or known to be flooded on a regular basis unless the applicant can demonstrate to the Director that the land application will not cause runoff into streams or wetlands.
- b) Land that is within 50 feet of surface water including any streams, springs, ponds, wetlands, or other collection points for surface water.
- c) Land that is within 200 feet of drinking water supply wells or other personal water supply.
- d) Land that is within 200 feet of an occupied dwelling.
- e) Land that is within 50 feet of a federal or state highway.
- f) Land that is within 100 feet of an adjacent property owner's property line.
- g) Land that drains into a sinkhole.
- h) Land that has been tested and determined to have a pH of less than 6.2 Standard Units (SUs), unless the pH is adjusted to 6.2 SUs or greater.
- i) Land that has a slope greater than 15 percent.

H. SEWAGE SLUDGE MANAGEMENT REQUIREMENTS (Continued)

7. Sewage sludge shall not be stored at a land application site for a period longer than one(1) week; except, storage can be allowed for a period not to exceed three(3) months when provisions, approved by the Chief of the Office of Water Resources of the Division, are made to prevent leachate runoff to the surface water and/or groundwater.
8. Sewage sludge shall only be land applied during the hours of daylight.
9. Sewage sludge which is land applied shall not contain excessive amounts of other solid waste materials, as defined in Title 47, Series 38D, Section 2.34 of the Legislative Rules.
10. Areas used for processing, curing, and/or storage of sewage sludge shall be designed, constructed and operated to prevent release of contaminants to the groundwater and/or surface water.
11. The land application site(s) shall maintain the soil pH at a minimum of 6.2 SUs for at least five(5) years from the date of application. The soil pH shall be monitored once per year by obtaining a composite sample of each land application site(s). The composite samples shall be made up of a minimum of four(4) aliquots taken at locations equally spaced through the land application site(s). The sample may be analyzed through the WVU Extension Service or by other certified laboratories using EPA Method 9045A.
12. All analyses performed on soils and sewage sludges shall be analyzed in accordance with analytical methods listed in 40 CFR Part 503.8 except that Nutrients may be analyzed in accordance with the most recently approved edition of Standard Methods. Additionally, Fecal Coliform samples shall be prepared for analysis by using the method described in EPA 625R-92/013, Appendix F.
13. The following method for pathogen reduction shall apply to the sewage sludge or sewage sludge products:
 - a) Lime Stabilization - Lime is added to maintain the sewage sludge pH above 12.0 SUs for at least two(2) hours after the lime addition. The permittee shall record the pH of the sewage sludge at least twice, once upon addition of lime and once two(2) hours after addition.
 - b) If compliance cannot be achieved using this method for pathogen reduction, the permittee must obtain approval from the Office of Water Resources, prior to using another method. The permittee shall not dispose of sewage sludge until approval of another pathogen reduction method is granted.

H. SEWAGE SLUDGE MANAGEMENT REQUIREMENTS (Continued)

16. (Continued)

The appropriate composite sampling procedures shall be based upon the particular sludge processing methods used by the permittee. The composite sampling procedures for the various methods are described as follows:

Belt Press or Vacuum Filter - During the week that the composite sample is obtained, the permittee shall take a minimum of three(3) grab samples during each day of the week that the dewatering system is in operation. These grab samples are to be mixed together and the final sample obtained from the composite. Samples should be collected at a point immediately after the dewatering operation.

Liquid Sludge - During the week that the composite sample is obtained, the permittee shall take a representative grab sample from each truck load of sewage sludge hauled during that week. These grab samples are to be mixed together and the final sample obtained from the composite. Samples should be collected from the sewage sludge being pumped into the truck or as the sewage sludge is being discharged from the truck.

Sewage Sludge Drying Beds - During the week that the composite sample is obtained, the permittee shall take a minimum of four(4) grab samples from each bed finished during that week. These grab samples are to be mixed together and the final sample obtained from the composite.

Composting or Stock Piles - The permittee shall obtain a minimum of 8 grab samples from the pile of finished product. These grab samples are to be mixed together and the final sample obtained from the composite.

17. No single instantaneous grab sample of the final sewage sludge product shall exceed the values listed in Table 2 of the West Virginia Sewage Sludge Management Regulations (Title 47, Series 38D).

18. Sewage sludge shall not be land applied in a manner or in an amount that will cause the land application site(s) to exceed the maximum soil concentrations for the following heavy metals:

<u>Parameter</u>	<u>Maximum Allowable Limitations For Soils (mg/kg)</u>
Arsenic	5.7
Cadmium	1.4
Chromium	140.0
Copper	140.0
Lead	35.0
Mercury	2.0
Molybdenum	2.5
Nickel	28.0
Selenium	5.0
Zinc	350.0

**EMERGENCY RESPONSE SPILL ALERT SYSTEM
WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION**

REQUIREMENTS:

Title 47, Series 11, Section 2 of the West Virginia Legislative Rules, Environmental Protection, Water Resources - Waste Management, Effective July 1, 1994.

RESPONSIBILITY FOR REPORTING:

Each and every person who may cause or be responsible for any spill or accidental discharge of pollutants into the waters of the State shall give immediate notification to the Office of Water Resources' Emergency Notification Number, 1-800-642-3074. Such notification shall set forth insofar as possible and as soon thereafter as practical the time and place of such spill or discharge, type or types and quantity or quantities of the material or materials therein, action or actions taken to stop such spill or discharge and to minimize the polluting effect thereof, the measure or measures taken or to be taken in order to prevent a recurrence of any such spill or discharge and such additional information as may be requested by the Office of Water Resources. This also applies to spills to the waters of the State resulting from accidents to common carriers by highway, rail and water.

It shall be the responsibility of each industrial establishment or other entity discharging directly to a stream to have available the following information pertaining to those substances that are employed or handled in its operation in sufficiently large amounts as to constitute a hazard in case of an accidental spill or discharge into a public stream:

- (1) Potential toxicity in water to man, animals and aquatic life;
- (2) Details on analytical procedures for the quantitative estimation of such substances in water and
- (3) Suggestions on safeguards or other precautionary measures to nullify the toxic effects of a substance once it has gotten into a stream.

Failure to furnish such information as required by Section 14, Article 11, Chapter 22, Code of West Virginia may be punishable under Section 24, Article 11, Chapter 22, and/or Section 22, Article 11, Chapter 22, Code of West Virginia.

It shall be the responsibility of any person who causes or contributes in any way to the spill or accidental discharge of any pollutant or pollutants into State waters to immediately take any and all measures necessary to contain such spill or discharge. It shall further be the responsibility of such person to take any and all measures necessary to clean-up, remove and otherwise render such spill or discharge harmless to the waters of the State.

When the Chief determines it necessary for the effective containment and abatement of spills and accidental discharges, the Chief may require the person or persons responsible for such spill or discharge to monitor affected waters in a manner prescribed by the Chief until the possibility of any adverse effect on the waters of the State no longer exists.

VOLUNTARY REPORTING BY LAW OFFICERS, U. S. COAST GUARD, LOCK MASTERS AND OTHERS:

In cases involving river and highway accidents where the responsible party may or may not be available to report the incident, law officers, U. S. Coast Guard, Lock Masters and other interested person(s) should make the report.

WHO TO CONTACT:

Notify the following number: 1-800-642-3074.

INFORMATION NEEDED:

- | | |
|--|---------------------------------------|
| - Source of spill or discharge | - Personnel at the scene |
| - Location of incident | - Actions initiated |
| - Time of incident | - Shipper/Manufacturer identification |
| - Material spilled or discharged | - Railcar/Truck identification number |
| - Amount spilled or discharged | - Container type |
| - Toxicity of material spilled or discharged | |



DIVISION OF ENVIRONMENTAL PROTECTION
1201 Greenbrier Street
Charleston, WV 25311-1088

CECIL H. UNDERWOOD
GOVERNOR

JOHN E. CAFFREY
DIRECTOR

October 20, 1997

J.W. Welch, Chairman
Green Valley-Glenwood PSD
Route 6, Box 14
Princeton, WV 24740

CERTIFIED RETURN RECEIPT REQUESTED

Re: WV/NPDES Permit No. WV0082627
Modification No. 1

Dear Mr. Welch:

This serves as Modification No. 1 of WV/NPDES Permit No. WV0082627, dated the 18th day of January 1996.

After careful review of all information accompanying Permit No. WV0082627, and after receipt and review of Modification Application No. WV0082627-A, dated the 15th day of March 1996, the subject Permit is hereby modified to amend Section H.4 to incorporate landfill disposal of sewage sludge. Approval is contingent upon compliance with the following terms and conditions:

1. The Sewage Sludge Monitoring Report form shall be submitted quarterly. The required report shall be received no later than 20 days following the end of the reporting period and shall be addressed to the following:

Chief
Office of Water Resources
1201 Greenbrier Street
Charleston, WV 25311-1088
Attention: Engineering Branch

Regional Administrator
U.S. EPA
Region III
841 Chestnut Building
Philadelphia, PA 19107

WV Soil Conservation Agency
Bio-Solids Program
1900 Kanawha Blvd., East
Charleston, WV 25305-0193

J.W. Welch, Chairman
Page Three
October 20, 1997

5. (Continued)

<u>Parameter</u>	<u>Maximum Allowable Limitations (mg/kg)</u>	<u>Monitoring Frequency</u>	<u>Sample Type¹</u>
Percent Solids	Monitor	1/Quarter	One Week Comp.
Magnesium	Monitor	1/Quarter	One Week Comp.
Potassium	Monitor	1/Quarter	One Week Comp.
Phosphorus	Monitor	1/Quarter	One Week Comp.
Calcium	Monitor	1/Quarter	One Week Comp.
Organic Nitrogen	Monitor	1/Quarter	One Week Comp.
Ammonia Nitrogen	Monitor	1/Quarter	One Week Comp.
Total Nitrogen	Monitor	1/Quarter	One Week Comp.

This Modification in no way relieves the permittee of its obligation to comply with all terms and conditions of its WV/NPDES Permit and shall not constitute an affirmative defense in any enforcement action brought against the permittee.

This Modification shall become effective thirty (30) days after the date of this document.

Very truly yours,

OFFICE OF WATER RESOURCES



Barbara S. Taylor
Chief

BST/tjs



DIVISION OF ENVIRONMENTAL PROTECTION

CECIL H. UNDERWOOD
GOVERNOR

1201 Greenbrier Street
Charleston, WV 25311-1088

JOHN E. CAFFREY
DIRECTOR

March 16, 1998

J.W. Welch, Chairman
Green Valley - Glenwood PSD
P.O. Box 6099
Bluefield, WV 24701

CERTIFIED RETURN RECEIPT REQUESTED

Re: WV/NPDES Permit No. WV0082627
Modification No. 1

Dear Mr. Welch:

This serves as Modification No. 1 of WV/NPDES Permit No. WV0082627, dated the 18th day of January 1996.

After careful review of all information accompanying Permit No. WV0082627, and after receipt and review of Modification Application No. WV0082627-A, dated the 27th day of January 1998, and after receipt and review of additional information dated the 12th day of March 1998, the subject Permit is hereby modified to incorporate the following:

The permittee may accept landfill leachate from the Mercer County Solid Waste Authority into its collection system. Previous approval to accept trucked leachate is provided in Section G.14 of Permit No. WV0082627. Permit terms and conditions in Section G.14 remain in effect, except as revised below:

- 1) Condition G.14.a) is revised by removing the last two sentences.
- 2) Condition G.14.b) is revised to read:

The daily volume of leachate accepted shall not exceed 25,000 gallons. Flow of the Mercer County Landfill leachate shall be continuously measured at Manhole 2 as shown on plans submitted with Modification Application No. WV0082627-A. The total volume of leachate accepted shall be measured and recorded daily.



RECYCLED PAPER
RECYCABLE

(August 1996)

GRANT AGREEMENT

This Grant Agreement entered into between the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council") and the Green Valley-Glenwood Public Service District (the "Governmental Agency").

RECITALS

WHEREAS, the Council has authorized the Authority to make a grant to the Governmental Agency in the amount not to exceed \$186,500 (the "Grant") for the purpose of the acquisition and construction/design/planning of a project for which a preliminary application has been submitted and approved by the Council;

WHEREAS, the Governmental Agency wishes to accept the Grant upon such terms and conditions as are hereinafter set forth for the purpose of constructing the project described in Exhibit A attached hereto and incorporated herein by reference (the "Project");

WHEREAS, this Agreement sets forth the Council, the Authority and the Governmental Agency's understanding and agreements with regard to the Grant.

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

TERMS

1. Prior to the distribution of the Grant, the Governmental Agency shall provide the Authority with a Project budget and an anticipated monthly draw schedule reflecting the receipt dates and amounts from other funding sources.

2. The Authority shall advance the Council's share of the Project costs from the Grant from time to time upon receipt of a requisition evidencing the costs incurred, which requisition must be satisfactory to the Authority and the Council.

3. The monthly requisition will also set forth (i) the amounts requested for that requisition period from all other funding agencies, and (ii) the amounts advanced for the Project to date from all other funding agencies.

4. The Governmental Agency will use the proceeds of the Grant only for the purposes specifically set forth in Exhibit A.

5. The Governmental Agency shall comply with and is bound by the Council's rules set forth as Title 167, Series 1 and more particularly Section 5.9 with respect to the sale of the Project.

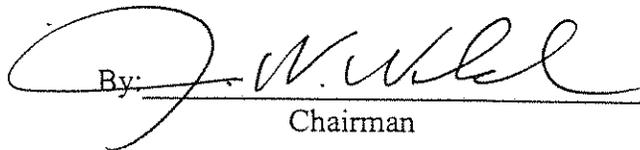
6. The Governmental Agency acknowledges that the Grant may be reduced, from time to time, to reflect actual Project costs and availability of other funding.

7. The Governmental Agency shall submit all proposed change orders to the Council for written approval. The Governmental Agency shall obtain the written approval of the Council before expending any proceeds of the Grant held in "contingency" as set forth in the final Schedule B. The Governmental Agency shall obtain the written approval of the Council before expending any proceeds of the Grant available due to bid/construction/project underruns.

8. This Agreement shall be governed by the laws of the State of West Virginia.

IN WITNESS WHEREOF, the parties hereto have caused this Grant Agreement to be executed by the respective duly authorized officers as of the date executed below by the Authority.

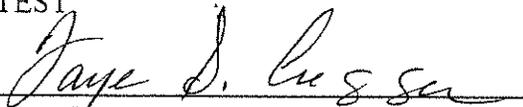
GREEN VALLEY-GLENWOOD PUBLIC
SERVICE DISTRICT

By: 
Chairman

Date: November 25, 1998

SEAL

ATTEST


Its: Secretary

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

By: 
Director

Date: November 25, 1998

SEAL

ATTEST


Secretary - Treasurer

SMITH & LILLY
ATTORNEYS AT LAW
1605 NORTH WALKER STREET
PRINCETON, WEST VIRGINIA 24740-2692

IRA M. SMITH (1914-1997)
THOMAS S. LILLY
PHILLIP B. BALL

TELEPHONE (304) 428-2100
FAX (304) 428-8434
TOLL FREE 888-427-2100

October 17, 1997

Mr. Jerry Siner
Green Valley-Glenwood
Public Service District
RR 06, Box 14
Princeton, WV 24740

RE: Sewer Line Extension

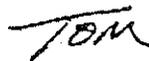
Dear Jerry:

Gordon Lusk has handed me your letter of September 25, 1997, and requested that I respond to same. He has advised me that Lusk Disposal Services, Inc., Bio-Environmental Services, Inc., Empire Salvage and Recycling, Inc. and Container Limited Liability Company will contribute a total among said corporations of \$25,000.00 pursuant to Rule 5.03 of the Public Service Commission's Rules for Sewer Utilities. A schedule of payments and other matters pertaining to Rule 5.03 shall be worked out at a later date.

If you have any questions regarding any of the above, please advise.

Sincerely,

SMITH & LILLY



Thomas S. Lilly

TSL:bjm

cc: Mr. Gordon Lusk

MERCER COUNTY SOLID WASTE AUTHORITY

Rt. 1 Box 631
Princeton, West Virginia 24740
(304) 425-2939
(304) 487-9455 (fax)

September 30, 1997

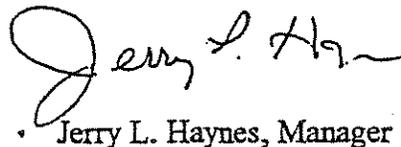
Mr. Jerry Siner
Green Valley-Glenwood PSD
Route 6, Box 14
Princeton, W.V. 24740

Dear Mr. Siner:

As requested in your letter of September 25, 1997 I would like to advise that the Mercer County Solid Waste Authority Board has authorized me to commit up to \$175,000 for the construction of a sewer line from manhole 13 to a connection into your line.

This commitment nevertheless will not prevent us from seeking relief of our sewer bills from the PSC, or an agreement on the SWA receiving the proceeds from any connections to this line for the next 8 years.

Sincerely,

A handwritten signature in cursive script that reads "Jerry L. Haynes". The signature is written in dark ink and is positioned above the printed name.

Jerry L. Haynes, Manager

Mercer County Commission

Courthouse Square
P.O. Box 5469
Princeton, West Virginia 24740

(304) 487-8306
Fax (304) 487-8351

WILLIAM H. "BILL" DRAPER, III
Executive Director

VICKY REED
Secretary



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

T.A. "BUDDY" WARDEN
Route 4, Box 534
BLUEFIELD, WV 24701

JOHN P. ANDERSON
1426 Main Street
PRINCETON, WV 24740

January 13, 1998

Green Valley-Glenwood PSD
Jerry Siner, General Manager
P.O. Box 6099
Bluefield, WV 24701

Dear Jerry:

Please find enclosed a copy of the \$50,000 award letter from Governor Gaston Caperton for extending the sewer line on Crumpecker Hill.

As stated in the Governor's letter this appropriation was made from his Contingency Fund.

Any questions regarding this matter may be directed to my attention at (304) 487-8310.

Sincerely,

A handwritten signature in black ink that reads "Bill", with a stylized flourish extending from the left side.

William H. Draper, III
Executive Director

WHD/vr

Enclosure



COPY

STATE OF WEST VIRGINIA
OFFICE OF THE GOVERNOR
CHARLESTON 25305

August 1, 1996

GASTON CAPERTON
GOVERNOR

The Honorable Tony E. Whitlow
RR 3, Box 157
Princeton, West Virginia 24740-9426

Dear Senator Whitlow:

Enclosed please find a check to the Mercer County Commission for \$50,000 to be used for extending a sewer line on Crumpecker Hill along Route 460.

I am happy to assist the citizens of your area with this money from my Contingency Fund.

If I or my staff may be of help to you in the future, please do not hesitate to contact my office.

Sincerely,

A handwritten signature in black ink that reads "Gaston Caperton".

Gaston Caperton
Governor

GC:crs

Enclosure