

\$1,310,000

GREENBRIER COUNTY PUBLIC SERVICE DISTRICT NO. 2
DESIGN NOTES, SERIES 2020 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

Closing Date: December 16, 2020

LOAN AGREEMENT

THIS LOAN AGREEMENT, made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), and the governmental agency designated below (the "Governmental Agency").

GREENBRIER COUNTY PUBLIC SERVICE DISTRICT NO. 2
(2020S-1887)
(Governmental Agency)

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Chapter 22C, Article 1 of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered to make loans to governmental agencies for the design, acquisition or construction of water development 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 of West Virginia (the "State") to design, acquire, construct, improve, operate and maintain a water development project, as defined by the Act, and to temporarily finance the cost of all or a portion of the acquisition and construction of the same by borrowing money to be evidenced by notes issued by the Governmental Agency;

WHEREAS, the Governmental Agency intends to design and construct such a water development project at the location and as more particularly described and set forth in the Application, as hereinafter defined (the "Project");

WHEREAS, the Project, and its proposed financing, has been reviewed and approved by the West Virginia Infrastructure and Jobs Development Council (the "Council");

WHEREAS, the Governmental Agency has completed and filed with the Authority an Application for a Design Loan to temporarily finance all or a portion of the cost of design of the Project pending receipt of permanent funding (the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, having reviewed the Application and made all findings required by Section 5 of the Act and having available sufficient funds therefor, the Authority is willing to lend the Governmental Agency the amount set forth on SCHEDULE X attached hereto and incorporated herein by reference, through the purchase of notes of the Governmental Agency with money available through the Authority's Supplemental Program, subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Authority's water development 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," "water development project," "wastewater facility" and "water facility" have the definitions and meanings ascribed to them in the Act.

1.2 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any qualified successor thereto.

1.3 "Eligible Costs" means those certain preliminary and design costs of the Project approved by the Authority to be paid from the Loan.

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

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

1.6 "Local Notes" means the notes 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.

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

1.8 "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.

1.9 "Project" means the water development project hereinabove referred to, to be designed by the Governmental Agency in whole or in part with the net proceeds of the Local Notes and/or the preliminary costs associated with such Project that will be financed with the net proceeds of the Local Notes.

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

1.11 Additional terms and phrases are defined in this Loan Agreement as they are used. Capitalized terms used herein and not otherwise defined shall be assigned the definitions for such terms set forth in the Local Act.

ARTICLE II The Project and the System

2.1 The Project shall generally consist of the design, construction and/or acquisition of the facilities described in the Application in accordance with plans, specifications and designs to be prepared for the Governmental Agency by the Consulting Engineers, the Authority 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 the Local Act, the Governmental Agency will acquire, 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 prepare the plans and specifications for and design the Project.

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 is approved by the Authority.

2.4 The Governmental Agency agrees that the Authority and its duly authorized agents and representatives 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, during design 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 preparing the plans and specifications for and designing the Project. The Governmental Agency shall permit the Authority, acting by and through its Executive Director or her 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 preparing the plans and specifications for and designing 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 design of the Project or, if the Project is an improvement to an existing system, at any reasonable time following commencement of design.

2.7 The Governmental Agency shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Governmental Agency shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of this Loan Agreement.

2.8 If applicable, the Governmental Agency shall serve the additional customers at the location(s) as set forth in the certificate of the Consulting Engineers, the form of which is attached hereto as EXHIBIT A. The Governmental Agency shall not reduce the number of additional customers to be served by the Project without the prior written approval of the Water Development Authority Board. Following completion of the Project the Governmental Agency shall certify to the Authority the number of customers to be added to the System.

2.9 The Governmental Agency shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia (the "PSC").

2.10 The Governmental Agency, during design and/or acquisition of the Project, shall complete Payment Requisition Forms, the form of which is attached hereto as EXHIBIT C and incorporated herein by reference, including supporting documentation as required by the Authority, for payment of Eligible Costs and provide such forms to Authority not later than the 15th day of each month for review and approval. Only upon approval by the Authority of such Payment Requisition Forms shall proceeds of the Local Notes be advanced to the Governmental Agency for payment of Eligible Costs of the Project, which advances for Eligible Costs shall be made on the first day of the month following the month in which such Payment Requisition Form was submitted to the Authority for review and approval. No funds may be advanced under the Local Notes less than 30 days prior to the payoff or redemption of such Local Notes.

ARTICLE III

Conditions to Loan; Issuance of Local Notes

3.1 The agreement of the Authority 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 Notes, 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 Notes described in this Article III and in Article IV hereof;

(c) No Loan shall be made for the purpose of refinancing any outstanding long-term indebtedness of the Governmental Agency;

(d) If required by law, the Governmental Agency shall have obtained all requisite orders of and approvals from the PSC or applicable County Commission, and the West Virginia Infrastructure and Jobs Development Council necessary for the design 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 local counsel to the Governmental Agency, to such effect;

(e) The Governmental Agency shall have obtained any and all approvals for the issuance of the Local Notes required by State law, and the Authority shall have received an opinion of local counsel to the Governmental Agency, to such effect;

(f) The Governmental Agency shall have provided a draw schedule for the Project; and

(g) The Governmental Agency has received a recommendation of the Council for funding.

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 Notes in the principal amount and at the price set forth in SCHEDULE X hereto. The Local Notes 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 Notes 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 Notes 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 six (6)

months after the date of execution of this Loan Agreement by the Authority or such later date as is agreed to in writing by the Authority.

3.5 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Authority for loans to finance projects and that the obligation of the Authority to make any such loan is subject to 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 Notes unless and until it has available funds sufficient to purchase all the Local Notes and that, prior to execution of this Loan Agreement, the Authority may commit to and purchase the notes and/or revenue bonds of other governmental agencies for which it has sufficient funds available.

3.6 The Governmental Agency shall prepay the Local Notes from the proceeds of any permanent financing it obtains for the Project and from the payments set forth in SCHEDULE Y-2 attached hereto and incorporated by reference. In the event permanent financing is not obtained for the Project, the Governmental Agency agrees to repay the Loan by issuing a bond or note to refund the Local Notes.

ARTICLE IV

Local Notes; 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 Notes pursuant to an official action of the Governmental Agency in accordance with the Local Statute, which shall, as enacted or adopted, contain provisions and covenants in substantially the form as follows, unless the specific provision or covenant is modified or waived by the Authority:

(a) The Governmental Agency hereby pledges the following sources of funds as security for the Local Notes:

(i) The Local Notes are fully registered in the name of the Authority as to principal and interest and the Local Notes shall be secured by a second lien on Net Revenues of the System, subordinate and junior to the Sewer Revenue Bonds, Series 1981 (United States Department of Agriculture), dated April 14, 1981, which mature and will be paid in full on or about April 14, 2021) (the "Series 1981 Bonds") and the Sewer Revenue Bonds, Series 1997 B (West Virginia Infrastructure Fund), issued on December 11, 1997, in the aggregate principal amount of \$755,000 (the "Prior Bonds") so long as the Series 1981 Bonds remain outstanding and thereafter by a first lien on the Net Revenues of the System on parity with the Prior Bonds

(ii) Proceeds of any grants received subsequent to the issuance of the Local Notes by the Governmental Agency for permanent funding of the Project; and

(iii) Proceeds of any revenue bonds, refunding bonds, bond anticipation notes or other obligations of the Governmental Agency, issued subsequent to the issuance of the Local Notes for permanent funding of the Project.

In the event any grants are received by the Governmental Agency, or any revenue bonds, refunding bonds, bond anticipation notes or other obligations of the Governmental Agency are issued, the Governmental Agency shall pay the entire outstanding principal of and interest, if any, accrued to the maturity date of the Local Notes, from such sources.

4.2 The principal of and interest on the stated principal amount of the Loan shall be repaid by the Governmental Agency on the days and in the years as provided in SCHEDULE X attached hereto.

4.3 The Loan shall bear interest on the stated principal amount of the Loan from the date of the delivery to the Authority of the Local Notes until the date of payment thereof, 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 Notes exceed any statutory limitation with regard thereto.

4.4 The Local Notes 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 Notes may be issued in one or more series, as reflected by SCHEDULE X hereto.

4.5 The Governmental Agency agrees to pay from time to time, as required by the Authority, the Governmental Agency's allocable share of the reasonable administrative expenses of the Authority relating to the Program, which may be paid from the Loan. Such administrative expenses shall be as determined by the Authority and shall include, without limitation, Program expenses, legal fees paid by the Authority and fees paid to the trustee and paying agents for the water development revenue notes. The Authority shall provide both the Governmental Agency and the trustee for the water development revenue notes with a schedule of such fees and charges, and the Governmental Agency shall pay such fees and charges on the dates indicated directly to the trustee. The Governmental Agency hereby specifically authorizes the Authority to exercise the powers granted it by Section 9.06 of the General Resolution.

4.6 Unless otherwise agreed by the Authority, the Governmental Agency agrees to expend the net proceeds of the Local Notes for the Project within 3 years of the issuance of the Authority's notes secured by the Local Notes. In the event Loan funds remain unspent on the earlier of December 1, 2023, or completion of the Project, such funds shall be applied to repayment of the Loan by reducing the principal amount of the Loan by the amount of such funds remaining.

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. Further, the Governmental Agency hereby covenants substantially as follows:

(i) That the Governmental Agency shall complete design of the Project, shall close on its construction funding, shall operate and maintain the System in good condition and, to the extent applicable, in compliance with, among other state and federal standards, the water quality standards established by the West Virginia Bureau for Public Health (the "BPH"), the West Virginia Department of Environmental Protection (the "DEP") and the United States Environmental Protection Agency (the "EPA"), shall permit the BPH, the DEP and EPA 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, and shall, as a condition precedent to the Authority's making the Loan, have obtained, among other permits required, permits from the BPH, the DEP and the EPA, if required;

(ii) So long as the Local Notes, and the Prior Bonds are Outstanding, and except as otherwise required by law or with the written consent of the Authority and the Holders of the Prior Bonds, 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 fully pay all the Notes Outstanding, in accordance with Article X of the Local Act. The proceeds from any such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Authority, or in the event the Authority is no longer a Holder, the Governmental Agency shall direct the West Virginia Municipal Bond Commission to apply such proceeds to the payment of principal of and interest, if any, on the Local Notes in accordance with Article X hereof. Any balance remaining after the payment of the Local Notes and interest thereon shall be remitted to the Governmental Agency by the West Virginia Municipal Bond Commission unless necessary for the payment of other obligations of the Governmental Agency payable out of the revenues of the System.

The foregoing provision notwithstanding, the Governmental Agency 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 Governmental Agency 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 the Governmental Agency may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, 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 Governmental Agency shall first, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and may then, by resolution duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of \$10,000 and not in excess of \$50,000, shall be deposited by the Governmental Agency into the Renewal and Replacement Fund. Such payments of such

proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said fund by other provisions of the Local Act.

No sale, lease or other disposition of the properties of the System shall be made by the Governmental Agency 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 Notes or Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Notes or Bonds then Outstanding. The Governmental Agency shall prepare the form of such approval and consent for execution by the then Holders of the Notes or Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

(iii) That, so long as the Local Notes remain Outstanding, the Governmental Agency 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 Governmental Agency 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 Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein or in the Local Act for the Renewal and Replacement Fund. The Governmental Agency 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 Governmental Agency, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with this Loan Agreement, during any construction 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 Governmental Agency, the prime contractor 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 Governmental Agency 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 Governmental Agency

from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Governmental Agency 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 any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

(4) FIDELITY BONDS will be provided as to every officer and employee of the Governmental Agency 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.

(5) FLOOD INSURANCE, if the System facilities are or will be located in designated special flood or mudslide-prone areas and to the extent available at reasonable cost to the Governmental Agency.

(6) BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Governmental Agency.

(iv) That the Governmental Agency 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 Governmental Agency, or any department, agency, instrumentality, officer or employee of either 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;

(v) That, to the extent legally allowable, the Governmental Agency 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;

(vi) 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 notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the Governmental Agency's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

(vii) That the Governmental Agency 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 within 30 days of adoption thereof;

(viii) To the extent permitted by the laws of the State and rules and regulations of the PSC, the Governmental Agency shall require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto;

(ix) That, as long as the Authority is the owner of any of the Local Notes, the Governmental Agency may redeem or authorize redemption of any Local Notes with 30 days written notice to the Authority;

(x) That the Governmental Agency shall take any and all action, or shall refrain from taking any action regarding the use of the proceeds of the Local Notes, as shall be deemed necessary by the Authority to maintain the exclusion from gross income for federal income tax purposes of interest on the Authority's water development revenue notes secured by the Local Notes;

(xi) That the Governmental Agency shall annually provide the Authority with bank statements and all investment information for the funds and accounts related to the proceeds of the Local Notes;

(xii) That the Governmental Agency shall annually provide the Authority with financial information and such other information as is necessary for the Authority to meet its ongoing disclosure requirements;

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

(xiv) That the Governmental Agency shall not issue any bonds, notes or other obligations payable from the revenues of the System unless it has received the written consent of the Authority. The Governmental Agency shall not issue any other obligations whatsoever payable from the future grants received or bonds issued by the Governmental Agency which rank prior to, or equally, as to lien on and source of and security for payment with the Local Notes. All obligations issued by the Governmental Agency after the issuance of the Local Notes and payable from future grants or bonds, except such additional Notes on a parity with the Local

Notes, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment and in all other respects, to the Local Notes; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth in the Local Act have been made and are current at the time of the issuance of such subordinate obligations. Further, except as provided above, the Governmental Agency 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 Local Notes, and the interest thereon, upon any of the future grants or bonds or from any grants or bonds for the Project pledged for payment of the Local Notes and the interest thereon in this Loan Agreement or the Local Act, or upon the System or any part thereof.

(xv) That the Governmental Agency shall obtain the written approval of the Authority before expending any proceeds of the Local Notes available due to design cost underruns, including the “contingency” as set forth in the final Schedule A attached to the certificate of the Consulting Engineers. The Governmental Agency shall also obtain the written approval of the Authority before expending any proceeds of the Local Notes made available due to project underruns;

(xvi) That the Governmental Agency shall list the funding provided by the Authority in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project;

(xvii) That the Governmental Agency shall have obtained the certificate of the Consulting Engineers substantially in the form attached hereto as EXHIBIT A; and

(xviii) That neither the Governmental Agency nor any related party to the Governmental Agency may purchase the Authority’s notes that finance the Loan in an amount related to the amount of the Loan;

The Governmental Agency hereby represents and warrants that the Local Act has been or shall be duly adopted or enacted 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, validity, sale and delivery of the Local Notes shall be approved without qualification by recognized counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as EXHIBIT B.

5.2 In the event permanent financing for the Project is not received, 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 (or where applicable, immediately file with the PSC for a rate increase) and take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and this Loan Agreement.

5.3 In the event the Governmental Agency defaults in any payment to the Authority, the amount of such default shall bear interest at the annual rate of set forth on

SCHEDULE X on the installment of the Loan next due, from the date of the default until the date of the payment thereof, unless waived by the Authority.

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

6.2 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 costs of 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 Notes, 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.

6.3 The Governmental Agency hereby agrees to obtain the Authority's written consent prior to the issuance of any other obligations to be used to pay costs of design of the Project that are payable from the revenues of the System or from any grants for the Project or otherwise related to the Project or the System.

ARTICLE VII

Miscellaneous

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

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

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

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

7.5 This Loan Agreement 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.

7.6 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 Notes to the Authority and that such obligation may be specifically enforced or subject to a similar equitable remedy by the Authority.

7.7 This Loan Agreement shall terminate upon the earlier of:

(a) the end of six (6) months after the date of execution hereof by the Authority or such later date as is agreed to in writing by the Authority if the Governmental Agency has failed to deliver the Local Notes to the Authority; or

(b) 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.

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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.

GREENBRIER COUNTY PUBLIC SERVICE
DISTRICT NO. 2

(SEAL)

By: Howard E. McQuinn
Its: Chairman
Date: December 16, 2020

Attest:

Paula D. Masco
Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

(SEAL)

By: W. D. R.
Its: Executive Director
Date: December 16, 2020

Attest:

Sheila A. Miller
Its: Authorized Officer

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEERS

(Issuer)

(Name of Notes)

I, _____, Registered Professional Engineer, West Virginia License No. _____, of _____, Consulting Engineers, _____, hereby certify as follows:

1. My firm is engineer for the design of _____ to the _____ system (the "Project") of _____ (the "Issuer"), to be constructed primarily in _____ County, West Virginia, which design costs are being temporarily financed in part by the above-captioned notes (the "Notes") of the Issuer. Capitalized words not defined herein shall have the same meanings set forth in the _____ adopted or enacted by the Issuer on _____, and the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), dated _____.

2. The Notes are being issued for the purposes of (i) _____, [capitalizing interest on the Notes] and (ii) paying certain issuance and other costs in connection therewith.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be designed in general accordance with the approved plans, specifications and designs to be prepared by my firm and approved by the DEP and any change orders approved by the Issuer, [the DEP] and all necessary governmental bodies; (ii) the Project, as designed, will be adequate for its intended purpose and has a useful life of at least _____ years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; [(iii) as of the effective date thereof¹, the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement;] (iv) the Project is being designed and will be constructed in compliance with the provisions of West Virginia Code Chapter 22, Article 29; and (v) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

4. [The Project proposes to serve _____ new customers in the _____ area.]

¹If the Rule 42 Exhibit and/or rate structure was prepared by an accountant, then insert the following: "In reliance upon the certificate of _____ of even date herewith," at the beginning of (ix).

WITNESS my signature and seal on this ____ day of _____, 20__.

[SEAL]

By: _____
West Virginia License No. _____

EXHIBIT B

OPINION OF COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
1009 Bullitt Street
Charleston, WV 25301

Ladies and Gentlemen:

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

We have examined a certified copy of proceedings and other papers relating to the authorization of (i) a loan agreement dated _____, _____, 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 notes of the Governmental Agency, dated _____, _____ (the "Local Notes"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Notes are issued in the principal amount of \$ _____, in the form of one note, registered as to principal and interest to the Authority, with interest being capitalized from proceeds of the Local Notes payable semiannually on the stated principal amount of the Local Notes on _____ 1 and _____ 1 of each year, commencing _____ 1, _____, at the rate of ____% per annum, and with a principal maturity on _____ 1, _____, all as set forth in the "SCHEDULE X" attached to the Loan Agreement and incorporated in and made a part of the Local Notes.

The Local Notes are issued for the purposes of (i) _____, capitalizing interest on the Local Notes and (ii) 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 _____ duly adopted or enacted by the Governmental Agency on _____, as supplemented by the supplemental resolution duly adopted by the Governmental Agency on _____ (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Notes are authorized and issued, and the Loan Agreement has been undertaken. The Local Notes are subject to redemption prior to maturity upon 30 days written notice to the Authority.

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 validly existing _____, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Local Act and to issue and sell the Local Notes, all under the Local Statute and other applicable provisions of law.

4. The Local Act and all other necessary orders and resolutions have been legally and effectively adopted or enacted by the Governmental Agency and constitute valid and binding obligations of the Governmental Agency, enforceable against the Governmental Agency in accordance with their terms. 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 Notes have been duly authorized, issued, executed and delivered by the Governmental Agency to the Authority and are valid, legally enforceable and binding special obligations of the Governmental Agency, payable from the future grant funds received by the Governmental Agency.

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

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

Very truly yours,

EXHIBIT C
FORM OF REQUISITION

[See attached]

SCHEDULE X

DESCRIPTION OF LOCAL NOTES

Principal Amount of Local Notes not to exceed \$1,310,000

The Local Notes shall bear interest at a rate not to exceed 0.75% upon the stated principal amount of the Local Notes and have a term not to exceed 48 months. Interest on the Local Notes shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing March 1, 2021. Principal of the Local Notes shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing on September 1, 2021.

In the event the Governmental Agency defaults in any payment to the Authority, the amount of such default shall bear interest at the annual rate not to exceed 4% on the installment of the Loan next due, from the date of the default until the date of the payment thereof, unless waived by the Authority.

The Local Notes are fully registered in the name of the Authority as to principal and interest and the Local Notes shall be secured by a second lien on Net Revenues of the System, subordinate and junior to the Sewer Revenue Bonds, Series 1981 (United States Department of Agriculture), dated April 14, 1981, which mature and will be paid in full on or about April 14, 2021) (the “Series 1981 Bonds”) and the Sewer Revenue Bonds, Series 1997 B (West Virginia Infrastructure Fund), issued on December 11, 1997, in the aggregate principal amount of \$755,000 (the “Prior Bonds”) so long as the Series 1981 Bonds remain outstanding and thereafter by a first lien on the Net Revenues of the System on parity with the Prior Bonds.

The Governmental Agency may prepay the Local Notes in part or in whole at any time at the price of par in accordance with this Loan Agreement. The Governmental Agency shall prepay the Local Notes from the proceeds of any permanent financing it obtains for the Project. The Governmental Agency shall request approval from the Authority in writing of any proposed debt which will be issued by the Governmental Agency, which written request must be filed at least 60 days prior to the intended date of issuance.

The Authority may supplement the terms of this SCHEDULE X by letter subsequent hereto.

SCHEDULE Y-1

(None)

SCHEDULE Y-2

Bond Debt Service

WDA Schedule

\$1,310,000

0.75% Interest Rate

Quarterly Payment of \$106,800

Dated Date 12/16/2020

Delivery Date 12/16/2020

Period Ending	Principal	Coupon	Interest	Debt Service
3/1/2021			2,046.88	2,046.88
6/1/2021			2,456.25	2,456.25
9/1/2021	104,343.75	0.750%	2,456.25	106,800.00
12/1/2021	104,539.39	0.750%	2,260.61	106,800.00
3/1/2022	104,735.41	0.750%	2,064.59	106,800.00
6/1/2022	104,931.78	0.750%	1,868.22	106,800.00
9/1/2022	105,128.53	0.750%	1,671.47	106,800.00
12/1/2022	105,325.65	0.750%	1,474.35	106,800.00
3/1/2023	105,523.13	0.750%	1,276.87	106,800.00
6/1/2023	105,720.99	0.750%	1,079.01	106,800.00
9/1/2023	105,919.22	0.750%	880.78	106,800.00
12/1/2023	106,117.81	0.750%	682.19	106,800.00
3/1/2024	106,316.79	0.750%	483.21	106,800.00
6/1/2024	106,516.13	0.750%	283.87	106,800.00
9/1/2024	44,881.42	0.750%	84.15	44,965.57
	1,310,000.00		21,068.70	1,331,068.70

GREENBRIER COUNTY PUBLIC SERVICE DISTRICT NO. 2

NOTE RESOLUTION

RESOLUTION AUTHORIZING THE DESIGN OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE GREENBRIER COUNTY PUBLIC SERVICE DISTRICT NO. 2 AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE GREENBRIER COUNTY PUBLIC SERVICE DISTRICT NO. 2 OF NOT MORE THAN \$1,400,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF DESIGN NOTES, SERIES 2020 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE OWNERS OF SUCH NOTES; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH NOTES; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH NOTES; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ADOPTED BY THE PUBLIC SERVICE BOARD OF THE GREENBRIER COUNTY PUBLIC SERVICE DISTRICT NO. 2:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Note Resolution (together with resolution supplemental hereto or amendatory hereof, the “Note Resolution”) 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. The Greenbrier County Public Service District No. 2 (the “Issuer”) is a public service district and political subdivision of the State of West Virginia in Greenbrier County of said State.

B. It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer, and, accordingly, it is hereby ordered, that there be designed certain additions, betterments, improvements and extensions to the existing sewerage system of the Issuer (the “System”), consisting of certain upgrades to the Issuer’s existing wastewater treatment plant and Quinwood collection system, and all necessary and related appurtenances (the design of such proposed improvements are hereinafter referred to as the “Project”). 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. Certain improvements to the system were financed with the proceeds of the Series 1981 Bonds, as hereinafter defined, which Series 1981 Bonds will mature and be paid in full on or about April 14, 2021.

C. It is deemed necessary for the Issuer to issue its Design Notes, Series 2020 A (West Virginia Water Development Authority) in the aggregate principal amount of not more than \$1,400,000 as a single note (the "Design Notes"), to temporarily finance a portion of the costs of the Project in the manner hereinafter provided, pay capitalized interest, and to pay costs of issuance. The cost of such Project shall be deemed to include, without being limited to, the cost of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; capitalized interest on the Design Notes; engineering, fiscal agents and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the Project, administrative expense, and such other expenses as may be necessary or incident to the financing herein authorized. The Design Notes are being issued in anticipation of receipt by the Issuer of approximately \$20,000,000 in loan proceeds from the United States Department of Agriculture ("USDA") and approximately \$2,335,000 in grant proceeds from the USDA or other bonds or grants. The Project is estimated to cost \$22,335,000. The balance of the Design Notes outstanding on the date of the closing of the construction financing will be paid with the proceeds of such financing.

D. It is in the best interests of the Issuer that its Design Notes be sold to the West Virginia Water Development Authority (the "Authority") pursuant to the terms and provisions of a Loan Agreement by and between the Issuer and the Authority, as hereinafter defined, in form satisfactory to the respective parties, to be approved hereby if not previously approved by resolution of the Issuer.

E. There are outstanding obligations of the Issuer which are secured by the Net Revenues of the System being Prior Bonds as defined in Section 1.04 herein. The payment of the debt service on the Design Notes shall be secured by a second lien on Net Revenues of the System, subordinate and junior to the Series 1981 Bonds and Prior Bonds so long as the Series 1981 Bonds remain outstanding and thereafter by a first lien on the Net Revenues of the System on parity with the Prior Bonds.

F. The Issuer has complied with all requirements of West Virginia law, the Loan Agreement (hereinafter defined) relating to authorization of the Project and the System and issuance of the Design Notes, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing therefor.

G. The Project has been reviewed and determined to be technically and financially feasible by the West Virginia Infrastructure and Jobs Development Council (the "Council") as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

Section 1.03. Note Resolution Constitutes Contract. In consideration of the acceptance of the Design Notes by the Noteholders of the same from time to time, this Note

Resolution shall be deemed to be and shall constitute a contract between the Issuer 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 Noteholders of any and all of such Design Notes, all which shall be of equal rank and without preference, priority or distinction between any one Note and any other Notes and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

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

“Authority” means the West Virginia Water Development Authority, which is expected to be the original purchaser and Noteholder of the Design Notes, or any other agency, board or department of the State that succeeds to the functions of the Authority.

“Authorized Officer” means the Chairman of the Governing Body of the Issuer or any temporary Chairman duly selected by the Governing Body.

“Chairman” means the Chairman of the Issuer.

“Closing Date” means the date upon which there is an exchange of the Design Notes for all or a portion of the proceeds of the Design Notes 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 The Thrasher Group, Inc., Charleston, 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 1.02C hereof to be a part of the costs of the Project.

“Depository Bank” means the bank designated as such in the Supplemental Resolution, and its successors and assigns, which shall be a member of FDIC.

“Design Notes” means the Design Notes, Series 2020 A (West Virginia Water Development Authority) authorized by this Note Resolution.

“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” means the Public Service Board of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Board as presently constituted.

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

“Gross Revenues” means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that “Gross Revenues” does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Section 8.01 hereof) or any Tap Fees, as hereinafter defined.

“Herein,” “hereto” and similar words shall refer to this entire Note Resolution.

“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.

“Issuer” means the Greenbrier County Public Service District No. 2, a public service district and political subdivision of the State of West Virginia in Greenbrier County, West Virginia, and, when appropriate, also means the Governing Body thereof.

“Loan Agreement” means the Loan Agreement heretofore entered, or to be entered into, by and between the Issuer and the Authority providing for the purchase of the Design Notes.

“Net Proceeds” means the face amount of the Design Notes, plus accrued interest and premium, if any, less original issue discount, if any.

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

“Note Resolution” means this Note Resolution in its present form and all orders and resolutions supplemental hereto or amendatory hereof.

“Notes” means, collectively, the Design Notes and, where appropriate, any notes on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

“Noteholder,” “Holder,” or any similar term whenever used herein with respect to an Outstanding Bond, Note, Notes or Bonds, means the person in whose name such Bond or Note is issued.

“Operating Expenses” means the reasonable, proper and necessary costs of repair, operation and maintenance 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 the Authority, fiscal agents, the Depository Bank and Trustee), 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, if any, on the Notes, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

“Outstanding” when used with reference to Bonds or Notes and as of any particular date, describes all Bonds or Notes theretofore and thereupon being authenticated and delivered except (i) any Bond or Note cancelled by the Authority or the Registrar for such Bonds or Notes, at or prior to said date; (ii) any Bond or Note for the payment of which monies, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder, and set aside for such payment (whether upon or prior to maturity); (iii) any Note 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 Holders, any Bond or Note issued to the Issuer.

“Prior Bonds” means the Sewer Revenue Bonds, Series 1997 B (West Virginia Infrastructure Fund), issued on December 11, 1997, in the aggregate principal amount of \$755,000.

“Prior Resolutions” means the resolutions authorizing the issuance of the Prior Bonds and the Series 1981 Bonds.

“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; the Tennessee Valley Authority; or the Washington Metropolitan Area Transit Authority;

(d) Any bond, debenture, note, participation certificate or other similar obligation 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 Federal Deposit Insurance Corporation ("FDIC"), 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 owner of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

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

(i) Obligations of states or political subdivisions or agencies thereof, the interest on which is exempt from federal income taxation, and which are rated at least "A" by Moody's Investor Service, Inc., or Standard and Poor's Corporation.

"Regulations" means temporary and permanent promulgated under the Code, or any predecessor thereto.

"Reserve Accounts" means, collectively, the respective reserve accounts for the Prior Bonds.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by Prior Resolutions and continued hereby.

"Revenue Fund" means the Revenue Fund established by Prior Resolutions and continued hereby.

"Secretary" means the Secretary of the Issuer.

“Series 1981 Bonds” means the Issuer’s Sewer Revenue Bonds, Series 1981 (United States Department of Agriculture), dated April 14, 1981, which mature and will be paid in full on or about April 14, 2021.

“Series 2020 A Notes Project Account” means the Series 2020 A Notes Project Account established by Section 5.01 hereof.

“Series 2020 A Notes Sinking Fund” means the Series 2020 A Notes Sinking Fund authorized to be established by Section 5.02 hereof.

“Sinking Funds” means, collectively, the respective Sinking Funds established for the Design Notes and the Prior Bonds.

“State” means the State of West Virginia.

“Supplemental Resolution” means any resolution or order of the Issuer supplementing or amending this Note Resolution and, when preceded by the article “the,” refers specifically to the Supplemental Resolution authorizing the sale of the Design Notes; provided, that any matter intended by this Note Resolution to be included in the Supplemental Resolution with respect to the Design Notes, and not so included may be included in another Supplemental Resolution.

“Surplus Revenues” means the Net Revenues not required by the Prior Resolutions to be set aside and held for the payment of or security for the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Sinking Funds, the Reserve Accounts and the Renewal and Replacement Fund.

“System” means the complete public sewerage system of the Issuer presently existing in its entirety or any integral part thereof, and shall include the Project, to be constructed as a result of the issuance of the Design Notes, and any further extensions, additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever.

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

“Trustee” means the trustee for the Authority’s notes which finance the Design Notes.

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; and any requirement for execution or attestation of the Notes or any certificate or other document by the Chairman or the Secretary shall mean that such Notes, certificate or other document may be executed or attested by an Acting Chairman or Acting Secretary.

ARTICLE II

AUTHORIZATION OF THE PROJECT

Section 2.01. Authorization of the Project. There is hereby authorized and ordered the Project at an estimated cost of not to exceed \$1,400,000, of which a portion will be paid from proceeds of the Design Notes. The proceeds of the Design Notes hereby authorized shall be applied as provided in Article VI hereof. The Issuer has or will enter into contracts for the Project in an amount compatible with the financing plan submitted to the Authority.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, SALE OF NOTES; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT

Section 3.01. Authorization of Notes. For the purposes of paying Costs of the Project not otherwise provided for, paying capitalized interest, and paying certain costs of issuance 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 the negotiable Design Notes of the Issuer. The Design Notes shall be issued as a single note, designated as “Design Notes, Series 2020 A (West Virginia Water Development Authority)”, in the principal amount of not more than \$1,400,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Design Notes remaining after accounting for capitalization of interest, if any, shall be advanced from time to time and deposited in or credited to the Series 2020 A Notes Project Account.

Section 3.02. Terms of Notes. The Design Notes shall be issued in such principal amount; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable on such dates; shall mature on such dates and in such amounts; and, so long as the Authority is the Noteholder, shall be redeemable, in whole or in part, upon thirty (30) days’ advance written notice to the Authority, and as may otherwise be provided in the Loan Agreement. The Design Notes shall be payable as to principal at the office of the Authority, 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 Design Notes shall be capitalized and paid by the Trustee or its agent, directly to the Noteholder thereof at the address as it appears on the books of the Trustee, or by such other method as shall be mutually agreeable so long as the Authority is the Noteholder thereof.

Unless otherwise provided by the Supplemental Resolution, the Design Notes shall initially be issued in the form of a single note, payable to the Authority, with a record of advances, representing the aggregate principal amount of the Design Notes, and shall mature as provided in the Supplemental Resolution. The Design Notes shall be exchangeable at the option and expense of the Noteholder for another Note or Notes of the same series in aggregate principal amount equal to the amount of said Notes then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Notes; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Notes, if any, shall be issued in denominations as determined by a Supplemental Resolution. Such Notes shall be dated and shall bear interest as specified in a Supplemental Resolution.

Section 3.03. Execution of Notes. The Design Notes 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 Design Notes shall cease to be such officer of the Issuer before the Design Notes so signed and sealed have been actually sold and delivered, such Notes may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Notes had not ceased to hold such office. Any Design Notes may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Notes shall hold the proper office in the Issuer, although at the date of such Notes such person may not have held such office or may not have been so authorized.

Section 3.04. Negotiability and Transfer. The Design Notes 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 Design Notes shall be conclusively deemed to have agreed that such Notes shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Notes shall be incontestable in the hands of a bona fide Holder for value.

Section 3.05. Notes not to be Indebtedness of the Issuer. The Design Notes shall not, in any event, be or constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from Net Revenues. In the event any grants are received by the Issuer, or any revenue bonds, refunding bonds, bond anticipation notes or other obligations of the Issuer are issued, to permanently finance the costs of the Project being temporarily financed by the Design Notes, the Issuer shall pay the entire outstanding principal of and interest, if any, accrued to the maturity date or early redemption of the Design Notes from such sources. No Holder or Holders of the Design Notes shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Design Notes or the interest, if any, thereon; provided, that, in the event permanent financing is not obtained for the Project, the Issuer agrees to repay the Design Notes by issuing a bond or note to refund the Design Notes.

Section 3.06. Notes Secured by Net Revenues; Lien Position with Respect to Net Revenues of the System. The payment of the Design Notes shall be secured by a second lien on Net Revenues of the System, subordinate and junior to the Series 1981 Bonds and the Prior Bonds so long as the Series 1981 Bonds remain outstanding, and thereafter by a first lien on the Net Revenues of the System on parity with the Prior Bonds. In the event any grants are received by the Issuer, or any revenue bonds, refunding bonds, bond anticipation notes or other obligations of the Issuer are issued, to permanently finance the costs of the Project being temporarily financed by the Design Notes, the Issuer shall pay the entire outstanding principal of and interest, if any, accrued to the maturity date or early redemption of the Design Notes from such sources.

Section 3.07. Delivery of Notes. The Issuer shall deliver the executed Design Notes to the Authority.

Section 3.08. Form of Notes. The text of the Design Notes 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 DESIGN NOTES)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
GREENBRIER COUNTY PUBLIC SERVICE DISTRICT NO. 2
DESIGN NOTES, SERIES 2020 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. AR-1

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That on this ___ day of _____, 2020, GREENBRIER COUNTY PUBLIC SERVICE DISTRICT NO. 2, a public service district and political subdivision of the State of West Virginia in Greenbrier 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.

This Note shall bear interest at a rate of ___% on the stated principal amount of this Note. Interest is payable quarterly on each March 1, June 1, September 1 and December 1 commencing _____, 20___. Commencing _____ 1, 20___, the principal is payable quarterly as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated and made a part of this Note. Principal and interest installments of this Note 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 Note may be redeemed prior to its stated date of maturity in whole or in part, upon thirty (30) days' advance written notice to the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, dated _____, 2020.

This Note is issued (i) to temporarily pay a portion of the costs of the design of certain additions, betterments, improvements and extensions to the existing sewerage system of the Issuer; (ii) to pay capitalized interest, if any, on this Note; and (iii) to pay certain costs of issuance and related costs. The existing sewer system of the Issuer, together with the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Note is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a Note Resolution duly adopted by the Issuer on _____, 2020, and a Supplemental Resolution duly adopted by the Issuer on _____, 2020 (collectively, the "Note Resolution"), and is subject to all the terms and conditions thereof. The Note Resolution provides for the issuance of additional notes under certain conditions, and such notes would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Notes under the Note Resolution.

THIS NOTE SHALL BE SECURED BY A SECOND LIEN ON NET REVENUES OF THE SYSTEM, SUBORDINATE AND JUNIOR TO THE SERIES 1981 BONDS AND THE PRIOR BONDS SO LONG AS THE SERIES 1981 BONDS REMAIN OUTSTANDING AND THEREAFTER BY A FRIST LIEN ON THE NET REVENUES OF THE SYSTEM ON PARITY WITH THE PRIOR BONDS.

The balance of the Design Notes outstanding, if any, will be paid with the permanent financing. This Note 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 as set forth in the Note Resolution.

This Note, 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 Note shall be applied solely to payment of the Costs of the Project, capitalized interest and costs of issuance described in the Note Resolution, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the Noteholder of this Note.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Note, 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 Note.

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the GREENBRIER COUNTY PUBLIC SERVICE DISTRICT NO. 2 has caused this Note to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Note to be dated the day and year first written above.

[SEAL]

Chairman

ATTEST

Secretary

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 \$ _____

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto the within Notes and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Notes on the books kept for registration of the within Notes of the said Issuer with full power of substitution in the premises.

Dated: _____, 20_____.

In the presence of:

Section 3.09. Sale of Notes; Approval and Ratification of Execution of Loan Agreement. The Design Notes 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 and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver them to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

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 (or continued if established by Prior Resolutions) with and shall be held by the Depository Bank, separate and apart from all other funds or accounts of the Depository Bank or the Issuer and from each other:

- (1) Revenue Fund (if established by the Prior Resolutions);
- (2) Renewal and Replacement Fund (if established by the Prior Resolutions); and
- (3) Series 2020 A Notes Project Account.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created (or continued) or authorized to be created upon any requirement therefor with and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

- (1) Prior Bonds Sinking Funds (established by Prior Resolution);
- (2) Prior Bonds Reserve Accounts (established by Prior Resolution); and
- (3) Series 2020 A Notes Sinking Fund;

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt in the Revenue Fund. The Revenue Fund 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 this Note Resolution. All monies in the Revenue Fund shall be disposed of only in the following manner and order of priority:

- (1) The Issuer shall first, each month, from the moneys in the Revenue Fund, make the interest payment on the Prior Bonds and the Series 1981 Bonds in the amounts and on the dates required by the Prior Resolutions; after the payment in full of the Series 1981

Bonds shall make interest payments on the Prior Bonds and Design Notes as required by this Resolution and the Prior Resolutions.

(2) The Issuer shall next, each month, from the moneys in the Revenue Fund, make the principal payment on the Prior Bonds and the Series 1981 Bonds in the amounts and on the dates required by the Prior Resolutions; after the payment in full of the Series 1981 Bonds, the Issuer shall make principal payments on the Prior Bonds and the Design Notes as required by this Resolution and the Prior Resolutions.

(3) The Issuer shall next, each month, from the moneys in the Revenue Fund, make the reserve account payments into the Reserve Accounts for the Prior Bonds in the amount and on the dates required by the Prior Resolutions.

(4) The Issuer shall next, each month, pay from the Revenue Fund, all current Operating Expenses of the System.

(5) The Issuer shall next, on the first day of each month (until the maturity and payment of the Series 1981 Bonds), transfer from the Revenue Fund and simultaneously remit as appropriate, the amount required to pay principal on the Prior Bonds, in accordance with the Prior Resolutions; and to the Commission, commencing 4 months prior to the first date of payment of principal and interest of the Design Notes, for deposit in the Series 2020 A Notes Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Design Notes 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 2020 A Notes 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;

(6) The Issuer shall next, each month, from the moneys in the Revenue Fund, make the payments into the Renewal and Replacement Fund in an amount equal to 2.5% of the Gross Revenues each month, exclusive of any payments for account of the Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in the 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 Renewal and Replacement Fund.

The payment of the debt service on the Design Notes shall be secured by a second lien on Net Revenues of the System, subordinate and junior to the Series 1981 Bonds and the Prior Bonds so long as the Series 1981 Bonds remain outstanding and thereafter by a first lien on the Net Revenues of the System on parity with the Prior Bonds.

Monies in the Series 2020 A Notes Sinking Fund shall be used only for the purposes of paying principal of and interest, on the Design Notes, as the same shall become due.

All investment earnings on monies in the Series 2020 A Notes Sinking Fund, shall be applied to the next ensuing interest payment.

As and when additional Notes ranking on a parity with the Design Notes are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity notes and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into Series 2020 A Notes Sinking Fund when the aggregate amount of funds therein are at least equal to the respective aggregate principal amount of the Design Notes, respectively, issued pursuant to this Note Resolution then Outstanding and all interest, if any, to accrue until the maturity thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2020 A Notes Sinking Fund, 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. The Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2020 A Notes Sinking Fund, shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Design Notes Sinking Fund shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Design Notes, under the conditions and restrictions set forth herein.

B. 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.

C. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar for any Prior Bonds, or the Depository Bank, on such dates as the Commission, the Registrar for any Prior Bonds, 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.

D. The monies in excess of 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 Government Obligations or by other Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

E. The Gross Revenues of the System shall only be used for purposes of the System.

ARTICLE VI

APPLICATION OF NOTES PROCEEDS

Section 6.01. Application of Notes Proceeds; Pledge of Unexpended Notes Proceeds. From the monies received from the sale of the Design Notes, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Design Notes, there shall first be deposited with the Commission in the Design Notes 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 Design Notes for the period commencing on the date of issuance of the Design Notes and ending 6 months after the estimated date of completion of the Project.

B. As the Issuer receives advances of the Design Notes, such proceeds shall be deposited in the Series 2020 A Notes Project Account and applied solely to payment of the Costs of the Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Design Notes; provided, that proceeds for capitalized interest shall not be deposited into the Series 2020 A Notes Project Account and shall be paid directly to the Authority by the Commission.

C. After completion of the Project, and all Costs have been paid, any remaining proceeds of the Design Notes shall be expended as directed by the Authority.

Section 6.02. Disbursements of Notes Proceeds. The Issuer shall not later than the 15th of each month provide the Authority with a requisition for the Costs incurred for the Project, together with such documentation as the Authority shall require. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements of the proceeds of the Design Notes shall be made only after submission to and approval from the Authority of a certificate, signed by an Authorized Officer, stating that:

- (1) None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;

- (2) 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;
- (3) Each of such Costs has been otherwise properly incurred; and
- (4) Payment for each of the items proposed is then due and owing.

Monies deposited in the Series 2020 A Notes Project Account shall be disbursed immediately upon receipt.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Note Resolution 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 Design Notes. In addition to the other covenants, agreements and provisions of this Note Resolution, the Issuer hereby covenants and agrees with the Holders of the Design Notes 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 Design Notes or the interest, if any, thereon is Outstanding and unpaid.

Further, the Issuer hereby covenants and agrees to comply with all covenants, agreements and provisions of the Loan Agreement, the provisions of which are hereby incorporated by reference, and all such covenants, agreements and provisions therein shall apply as if set forth herein in their entirety.

Section 7.02. Books; Records and Audit. 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 Note or Notes issued pursuant to this Note Resolution 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 and the Act. 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 Issuer. The Issuer 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 Issuer shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Authority, or any other original purchaser of the Design Notes and shall mail in each year to any Holder or Holders of the Design Notes, 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 Note Resolution 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 (and, to the extent legally required, in compliance with 2CFR 200 Subpart F, or any successor thereof), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Design Notes and shall submit the report to the Authority, or any other original purchaser of the Design Notes. Such audit report submitted to the Authority shall include a statement that notes whether the results of test disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

Section 7.03. Rates. Prior to the issuance of the Design Notes, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Secretary of the Issuer, which copy will be open to inspection by all interested parties. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient to produce the required sums to pay Operating Expenses and to make the prescribed payments into all funds. In any event, the Issuer shall not reduce the rates or charges for services.

Section 7.04. Engineering Services and Operating Personnel. The Issuer shall provide and maintain competent and adequate engineering services satisfactory to the Authority covering the supervision and inspection of the design, 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.

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 7.05. 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.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 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 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 the 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.

Section 7.06. Completion 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 Project, all orders and approvals required by State law for the Project, the operation of the System and issuance of the Design Notes, and the Issuer shall supply an opinion of counsel to such effect.

Section 7.07. Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, or other state, federal or local bodies in regard to the Project and the operation, maintenance and use of the System.

Section 7.08. Securities Law 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 7.09. Statutory Mortgage Lien. For the further protection of the Holders of the Design Notes, 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 Design Notes and shall be junior and subordinate to the statutory mortgage lien in favor of the Holders of the Prior Bonds and the Series 1981 Bonds, so long as the Series 1981 Bonds remain outstanding, and thereafter by a first lien on the Net Revenues of the System on parity with the Prior Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS; USE OF PROCEEDS

Section 8.01. Investments. Any monies held as a part of the funds and accounts created by this Note Resolution, 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 Note Resolution, the need for such monies 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 monies 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 Design Notes are Outstanding and as long thereafter as necessary to comply with the Code and to assure the exclusion of interest, if any, on the Design Notes from gross income for federal income tax purposes.

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 Design Notes:

- (1) If default occurs in the due and punctual payment of the principal of or interest on the Design Notes; or
- (2) If default occurs in the Issuer’s observance of any of the covenants, agreements or conditions on their respective parts relating to the Design Notes set forth in this Note Resolution, the Loan Agreement, any supplemental resolution or in the Design Notes, 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, the Registrar for any Prior Bonds, the Paying Agent for any Prior Bonds, or a Holder of a Note; 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 Resolutions.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Noteholder or Holder of a Note 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 Noteholders or Holders of the Notes including the right to require the Issuer to perform its duties under the Act and the Note Resolution 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 Notes; (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 Noteholders or Holders of the Notes, and (v) by action or bill in equity enjoin any acts in violation of the Note Resolution with respect to the Notes, or the rights of such Noteholders.

Section 9.03. Appointment of Receiver. Any Noteholder of a Note may, by proper legal action, compel the performance of the duties of the Issuer under the Note Resolution and the Act, including, the completion of the Project, the 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 Notes, any Noteholder of a Note 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 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 Notes 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 Note Resolution 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 Notes and interest thereon and under any covenants of this Note Resolution 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 Note Resolution 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 Noteholder of any Notes 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 herein above 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 Noteholders of the Notes. 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 Noteholders of such Notes and the curing and making good of any Event of Default with respect thereto under the provisions of this Note Resolution, 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 X

PAYMENT OF NOTES

Section 10.01. Payment of Design Notes. If the Issuer shall pay or there shall otherwise be paid, to the Holders of the Design Notes, the principal of and interest due or to become due thereon at the times and in the manner stipulated therein and in this Note Resolution, then the pledge of grant and bond proceeds pledged under this Note Resolution and all covenants, agreements and other obligations of the Issuer to the Noteholders of the Design Notes shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Note Resolution. Prior to issuance of the Design Notes, this Note Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Design Notes, no material modification or amendment of this Note Resolution, or of any resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Noteholders of the Design Notes shall be made without the consent in writing of the Noteholders of the Design Notes so affected and then Outstanding; provided, that no change shall be made in the maturity of the Design 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 pledged therefor without the consent of the Noteholder thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Design Notes required for consent to

the above-permitted amendments or modifications. Notwithstanding the foregoing, this Note Resolution may be amended without the consent of any Noteholder 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 excludability of interest, if any, on the Design Notes from gross income of the Holders thereof.

Section 11.02. Note Resolution Constitutes Contract. The provisions of the Note Resolution shall constitute a contract between the Issuer and the Noteholders of the Notes, and no change, variation or alteration of any kind of the provisions of the Note Resolution shall be made in any manner, except as in this Note Resolution provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Note 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 Note Resolution, the Supplemental Resolution or the Design Notes.

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. Notices. All notices to be sent to the Issuer or the Authority shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class mail, postage prepaid, addressed as follows:

ISSUER:

Greenbrier County Public Service District No. 2
P.O. Box 673
Rainelle, West Virginia 25932
Attention: Chairman

AUTHORITY:

Water Development Authority
1009 Bullitt Street
Charleston, West Virginia 25301
Attention: Executive Director

Section 11.06. Conflicting Provisions Repealed; Prior Resolutions. All orders or resolutions and or parts thereof in conflict with the provisions of this Note Resolution are, to the extent of such conflict, hereby repealed; provided, that in the event of any conflict between this Note Resolution and the Prior Resolutions, the Prior Resolutions shall control (unless less restrictive), so long as the Prior Bonds are Outstanding.

Section 11.07. 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 Note 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, the Secretary and members of the Governing Body and the Issuer were at all times when any actions in connection with this Note Resolution occurred and are duly in office and duly qualified for such office.

Section 11.08. Effective Date. This Note Resolution shall take effect immediately upon adoption.

Adopted this 2nd day of December, 2020.

GREENBRIER COUNTY PUBLIC
SERVICE DISTRICT NO. 2

A handwritten signature in blue ink, reading "Wendell E. McQuinn".

Chairman

CERTIFICATION

Certified a true copy of a Note Resolution duly adopted by the Board of GREENBRIER COUNTY PUBLIC SERVICE DISTRICT NO. 2 on December 2, 2020.

Dated this 16th day of December, 2020.

[SEAL]


Secretary

GREENBRIER COUNTY PUBLIC SERVICE DISTRICT NO. 2
DESIGN NOTES, SERIES 2020 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, PAYMENT SCHEDULE, SALE PRICE AND OTHER TERMS OF THE GREENBRIER COUNTY PUBLIC SERVICE DISTRICT NO. 2 DESIGN NOTES, SERIES 2020 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); AUTHORIZING AND APPROVING THE LOAN AGREEMENT RELATING TO SUCH NOTES AND THE SALE AND DELIVERY OF SUCH NOTES TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE NOTES.

WHEREAS, the Public Service Board (the “Governing Body”) of the Greenbrier County Public Service District No. 2 (the “Issuer”) has duly and officially adopted a Note Resolution on December 2, 2020 (the “Note Resolution”), entitled:

RESOLUTION AUTHORIZING THE DESIGN OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE GREENBRIER COUNTY PUBLIC SERVICE DISTRICT NO. 2 AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE GREENBRIER COUNTY PUBLIC SERVICE DISTRICT NO. 2 OF NOT MORE THAN \$1,400,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF DESIGN NOTES, SERIES 2020 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE OWNERS OF SUCH NOTES; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH NOTES; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH NOTES; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Note Resolution provides for the issuance of the Design Notes, Series 2020 A (West Virginia Water Development Authority) principal amount not to exceed \$1,400,000 (the “Notes” or the “Series 2020 A Notes”) and has authorized the execution and delivery of a loan agreement relating to the Series 2020 A Notes including all schedules and exhibits attached thereto (the “Loan Agreement”), by and between the Issuer and the West Virginia Water Development Authority (the “Authority”), all in accordance with Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended (the “Act”); and in the Note Resolution it is provided that the exact principal amounts, dates, maturity dates, interest rates, payment schedules, sale prices and other terms of the Notes should be established by a supplemental resolution, and that other matters relating to the Notes be herein provided for;

WHEREAS, the Loan Agreement has been presented to the Issuer at this meeting;

WHEREAS, the Notes 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 ratified by the Issuer, that the exact principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms of the Notes be fixed hereby in the manner stated herein, and that other matters relating to the Notes be herein provided for.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE GREENBRIER COUNTY PUBLIC SERVICE DISTRICT NO. 2, RAINELLE, WEST VIRGINIA, AS FOLLOWS:

Section 1. Pursuant to the Note Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the following notes of the Issuer:

Design Notes, Series 2020 A (West Virginia Water Development Authority), of the Issuer, originally represented by a single Note, numbered AR-1, in the original principal amount of \$1,310,000. The Series 2020 A Notes shall be dated the date of delivery, shall mature September 1, 2024, if not previously prepaid, and shall bear interest at the rate of 0.75% per annum. The interest on the Series 2020 A Notes shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing March 1, 2021. The principal of the Series 2020 A Notes shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2021, in the amounts as set forth in the Schedule Y attached to the Loan Agreement and incorporated in and made a part of the Series 2020 A Notes. The Series 2020 A Notes shall be subject to redemption upon the written consent of the Authority, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the Registered Owner of the Series 2020 A Notes.

Section 2. All other provisions relating to the Notes and the text of the Notes shall be in substantially the forms provided in the Note Resolution.

Section 3. The Issuer hereby ratifies, approves and accepts the Loan Agreement, including all schedules and exhibits attached thereto, 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 Notes shall be 100% of par value, there being no interest accrued thereon; provided, that the proceeds of the Notes shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer hereby appoints and designates United Bank, Charleston, West Virginia, to serve as Registrar (the “Registrar”) for the Notes under the Note Resolution and approves and accepts the Registrar’s Agreement to be dated the date of delivery of the Notes, 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, directed and approved.

Section 5. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia (the “Commission”), to serve as Paying Agent for the Notes under the Note Resolution.

Section 6. The Issuer hereby appoints and designates City National Bank, Rainelle, West Virginia, to serve as Depository Bank under the Note Resolution.

Section 7. Series 2020 A Notes proceeds in the amount of \$-0- shall be deposited in the Series 2020 A Notes Sinking Fund as capitalized interest.

Section 8. The balance of the proceeds of the Notes, as advanced from time to time, shall be deposited in or credited to the Series 2020 A Notes Project Account, as received from time to time for payment of costs of the Project, including costs of issuance of the Notes.

Section 9. 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 Notes hereby and by the Note Resolution approved and provided for, to the end that the Notes may be delivered to the Authority pursuant to the Loan Agreement on or about December 16, 2020.

Section 10. The design of the Project and the financing thereof with proceeds of the Notes 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 11. The Issuer hereby determines to invest all moneys in the funds and accounts established by the Note Resolution held by the Depository Bank until expended, in money market accounts secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to invest all moneys in such money market accounts until further directed in writing by the Issuer. Moneys in the Series 2020 A Notes Sinking Fund shall be invested by the Commission in the West Virginia Consolidated Fund.

Section 12. The Issuer hereby approves and accepts all contracts relating to the financing and design of the Project.

Section 13. The Issuer hereby approves the costs of issuance and authorizes the payment of the same.

Section 14. The Issuer hereby authorizes the sweeping of its revenue account by the Municipal Bond Commission each month for the Series 2020 A Notes Sinking Fund.

Section 15. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of page intentionally left blank]

Adopted this 2nd day of December, 2020.

A handwritten signature in blue ink, reading "Nawal S. McQua". The signature is written in a cursive style with a large initial 'N' and 'M'.

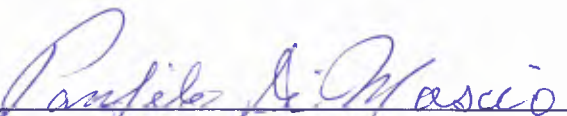
Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of the Greenbrier County Public Service District No. 2 on the 2nd day of December, 2020.

Dated this 16th day of December, 2020.

[SEAL]


Secretary

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
GREENBRIER COUNTY PUBLIC SERVICE DISTRICT NO. 2
DESIGN NOTES, SERIES 2020 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. AR-1

\$1,310,000

KNOW ALL MEN BY THESE PRESENTS: That on this 16th day of December, 2020, GREENBRIER COUNTY PUBLIC SERVICE DISTRICT NO. 2, a public service district and political subdivision of the State of West Virginia in Greenbrier 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 ONE MILLION THREE HUNDRED TEN THOUSAND DOLLARS (\$1,310,000), 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.

This Note shall bear interest at a rate of 0.75% on the stated principal amount of this Note. Interest is payable quarterly on each March 1, June 1, September 1 and December 1 commencing March 1, 2021. Principal of the Notes shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing September 1, 2021, the principal is payable quarterly as set forth in the "Schedule Y-2" attached to the Loan Agreement and incorporated and made a part of this Note as set forth on EXHIBIT B. Principal and interest installments of this Note 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 Note may be redeemed prior to its stated date of maturity in whole or in part, upon thirty (30) days' advance written notice to the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, dated December 16, 2020.

This Note is issued (i) to temporarily pay a portion of the costs of the design of certain additions, betterments, improvements and extensions to the existing sewerage system of the Issuer; and (ii) to pay certain costs of issuance and related costs. The existing sewer system of the Issuer, together with the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Note is issued under the authority of and in full

compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a Note Resolution duly adopted by the Issuer on December 2, 2020, and a Supplemental Resolution duly adopted by the Issuer on December 2, 2020 (collectively, the "Note Resolution"), and is subject to all the terms and conditions thereof. The Note Resolution provides for the issuance of additional notes under certain conditions, and such notes would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Notes under the Note Resolution.

THIS NOTE SHALL BE SECURED BY A SECOND LIEN ON NET REVENUES OF THE SYSTEM, SUBORDINATE AND JUNIOR TO THE SERIES 1981 BONDS AND THE PRIOR BONDS SO LONG AS THE SERIES 1981 BONDS REMAIN OUTSTANDING AND THEREAFTER BY A FIRST LIEN ON THE NET REVENUES OF THE SYSTEM ON PARITY WITH THE PRIOR BONDS.

The balance of the Notes outstanding, if any, will be paid with the permanent financing for the Project. This Note 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 as set forth in the Note Resolution.

This Note, 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.

Subject to the registration requirements set forth herein, this Note is transferable, as provided in the Note Legislation, only upon the books of United Bank, Charleston, West Virginia, as registrar (the "Registrar"), by the Registered Owner, or by its attorney duly authorized in writing, upon the surrender of this Note, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the Registered Owner or its attorney duly authorized in writing.

All money received from the sale of this Note shall be applied solely to payment of the Costs of the Project, capitalized interest, if any, and costs of issuance described in the Note Resolution, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the Noteholder of this Note.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Note, 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 Note.

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the GREENBRIER COUNTY PUBLIC SERVICE DISTRICT NO. 2 has caused this Note to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Note to be dated the day and year first written above.

[SEAL]

Harold E. McQuinn

Chairman

ATTEST

Rafaela L. McQuinn

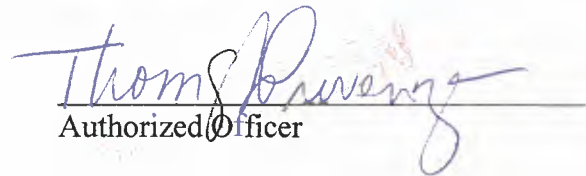
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Note is one of the Series 2020 A Notes described in the within-mentioned Note Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: December 16, 2020.

UNITED BANK,
as Registrar


Authorized Officer

SPECIMEN

EXHIBIT A
RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$ 228,000	12/16/2020	(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 DEBT SERVICE SCHEDULE

Bond Debt Service

WDA Schedule

\$1,310,000

0.75% Interest Rate

Quarterly Payment of \$106,800

Dated Date 12/16/2020

Delivery Date 12/16/2020

Period Ending	Principal	Coupon	Interest	Debt Service
3/1/2021			2,046.88	2,046.88
6/1/2021			2,456.25	2,456.25
9/1/2021	104,343.75	0.750%	2,456.25	106,800.00
12/1/2021	104,539.39	0.750%	2,260.61	106,800.00
3/1/2022	104,735.41	0.750%	2,064.59	106,800.00
6/1/2022	104,931.78	0.750%	1,868.22	106,800.00
9/1/2022	105,128.53	0.750%	1,671.47	106,800.00
12/1/2022	105,325.65	0.750%	1,474.35	106,800.00
3/1/2023	105,523.13	0.750%	1,276.87	106,800.00
6/1/2023	105,720.99	0.750%	1,079.01	106,800.00
9/1/2023	105,919.22	0.750%	880.78	106,800.00
12/1/2023	106,117.81	0.750%	682.19	106,800.00
3/1/2024	106,316.79	0.750%	483.21	106,800.00
6/1/2024	106,516.13	0.750%	283.87	106,800.00
9/1/2024	44,881.42	0.750%	84.15	44,965.57
	1,310,000.00		21,068.70	1,331,068.70

ASSIGNMENT

Dated: _____, 20____.

100

NOTE REGISTER

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
GREENBRIER COUNTY PUBLIC SERVICE DISTRICT NO. 2
DESIGN NOTES, SERIES 2020 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

<u>Note Number</u>	<u>Principal Amount</u>	<u>Date of Note</u>
No. AR-1	\$1,310,000	December 16, 2020

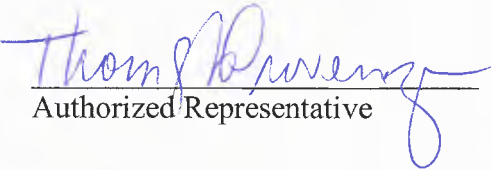
NO WRITING ON THIS NOTE REGISTER EXCEPT BY THE REGISTRAR

Name of Registered Owner:

West Virginia Water Development Authority
1009 Bullitt Street
Charleston, WV 25301

Signature of Registrar:

United Bank


Authorized Representative



WEST VIRGINIA

Water Development Authority

Celebrating 46 Years of Service 1974 - 2020

GREENBRIER COUNTY PUBLIC SERVICE DISTRICT NO. 2
DESIGN NOTES, SERIES 2020 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

CONSENT TO ISSUANCE OF NOTES

In reliance upon a certificate of the Issuer's certified public accountant and the opinion of Jackson Kelly PLLC, bond counsel, with respect to the coverage and parity requirements, the undersigned duly authorized representative of the West Virginia Water Development Authority, the registered owner of the Prior Bonds, hereinafter defined and described, hereby consents to the issuance of the Design Notes, Series 2020 A (West Virginia Water Development Authority), in the original aggregate principal amount of \$1,310,000, (the "Series 2020 A Notes") by the Greenbrier County Public Service District No. 2 (the "Issuer"), under the terms of the resolution authorizing the Series 2020 A Notes, subordinate to liens, pledge and source of and security for payment with the Issuer's Sewer Revenue Bonds, Series 1981 (United States Department of Agriculture), dated April 14, 1981, which mature and will be paid in full on or about April 14, 2021) (the "Series 1981 Bonds") and Sewer Revenue Bonds, Series 1997 B (West Virginia Infrastructure Fund), issued on December 11, 1997, in the aggregate principal amount of \$755,000 (the "Prior Bonds"), until such time as the Series 1981 Bonds are paid in full, provided, that after the payment of the Series 1981 Bonds, the Series 2020 A Notes shall be secured by a first lien on the Net Revenue of the System on parity with the Prior Bonds.

WITNESS my signature on this 16th day of December, 2020.

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY



Authorized Representative



Lowe & Associates, PLLC
Certified Public Accountants

1156 South Main Street
Milton, WV 25541
Phone: (304) 743-5573
Fax: (304) 743-1150
www.lowecpas.com

December 16, 2020

GREENBRIER COUNTY PUBLIC SERVICE DISTRICT NO. 2
DESIGN NOTES, SERIES 2020 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

FINAL CPA CERTIFICATE

Greenbrier County Public Service District No. 2
Cowen, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Jackson Kelly PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I have reviewed the sewer rates of the Greenbrier County Public Service District No. 2 (the "Issuer") as made final by the Commission on May 9, 2016 in Case No. 16-0185-PSD-42T, and the projected operating expenses and anticipated customer usage provided by The Thrasher Group, the consulting engineer of the Issuer, and it is my opinion that such rates are sufficient (a) to provide for all operating expenses of the sewer system of the Issuer (the "System"), and (b) to leave a balance each fiscal year equal to at least 115% of the maximum amount required in any succeeding fiscal year for the payment of principal of and interest on the Issuer's (i) Sewer Revenue Bonds, Series 1997 B (West Virginia Infrastructure Fund), issued on December 11, 1997, in the aggregate principal amount of \$755,000 (the "Prior Bonds"); and (ii) Sewer Revenue Bonds, Series 1981 (United States Department of Agriculture), dated April 14, 1981, which mature and will be paid in full on or about April 14, 2021 (the "Series 1981 Bonds"). Following the payment of the Series 1981 Bonds, such rates are sufficient (a) to provide for all operating expenses of the System, and (b) to leave a balance each fiscal year equal to at least 115% of the maximum amount required in any succeeding fiscal year for the payment of principal of and interest on the Issuer's Design Notes, Series 2020 A (West Virginia Water Development Authority) (the "Series 2020 A Notes") and the Prior Bonds. The payment of the debt service on the Series 2020 A Notes shall be secured by a second lien on Net Revenues of the System, subordinate and junior to the Series 1981 Bonds and the Prior Bonds so long as the Series 1981 Bonds remain outstanding and thereafter by a first lien on the Net Revenues of the System on parity with the Prior Bonds.

It is further my opinion after the payment of the Series 1981 Bonds, the Net Revenues actually derived from the System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of the Series 2020 A Notes, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the undertaking to be financed by the Series 2020 A Notes, will not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding year on the Prior Bonds and the Series 2020 A Notes.

Capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Resolution authorizing the Series 2020 A Notes.

The Issuer is current on all bond payments and has funded all reserve funds at the required level.

Very truly yours,

A handwritten signature in cursive script that reads "Lowe & Associates, PLLC". The signature is written in dark ink and is positioned above the printed name of the firm.

Lowe & Associates, PLLC

GREENBRIER COUNTY PUBLIC SERVICE DISTRICT NO. 2
DESIGN NOTES, SERIES 2020 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

RECEIPT FOR NOTES

The undersigned authorized representative of the West Virginia Water Development Authority (the “Authority”), for and on behalf of the Authority, hereby certifies as follows:

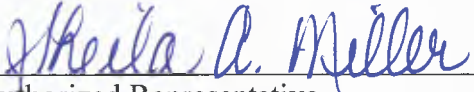
1. On the 16th day of December, 2020, in Charleston, West Virginia, the Authority received the entire original issue of \$1,310,000 in aggregate principal amount of the Design Notes, Series 2020 A (West Virginia Water Development Authority), of the Greenbrier County Public Service District No. 2 (the “Issuer”), dated December 16, 2020, issued in the form of one note, fully registered to the Authority, and numbered AR-1 (the “Notes”).

2. At the time of such receipt of the Notes, they had been executed by the Chairman of the Public Service Board of the Issuer and attested by the Secretary of the Public Service Board of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been impressed upon the Notes.

[Remainder of page intentionally left blank]

WITNESS my signature on this 16th day of December, 2020.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY



Authorized Representative

GREENBRIER COUNTY PUBLIC SERVICE DISTRICT NO. 2
DESIGN NOTES, SERIES 2020 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

RECEIPT FOR NOTE PROCEEDS

The undersigned Chairman of the Public Service Board of Greenbrier County Public Service District No. 2 (the “Issuer”), for and on behalf of the Issuer, hereby certifies as follows:

On the 16th day of December, 2020, the Issuer received and hereby acknowledges receipt from the West Virginia Water Development Authority (the “Authority”), as the original purchaser of the \$1,310,000 Greenbrier County Public Service District No. 2 Design Notes, Series 2020 A (West Virginia Water Development Authority), dated December 16, 2020 (the “Notes”), of the sum of \$228,000 being a portion of the principal amount of the Notes. The Issuer understands that the remaining proceeds of the Notes will be advanced to the Issuer from time to time as design proceeds to completion.

[Remainder of page intentionally left blank]

WITNESS my signature on this 16th day of December, 2020.

GREENBRIER COUNTY PUBLIC SERVICE
DISTRICT NO. 2


Chairman

GREENBRIER COUNTY PUBLIC SERVICE DISTRICT NO. 2
DESIGN NOTES, SERIES 2020 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

REQUEST AND AUTHORIZATION TO
AUTHENTICATE AND DELIVER THE NOTES

December 16, 2020

United Bank, as Registrar
Charleston, West Virginia

Ladies and Gentlemen:

We herewith hand to you, duly executed, the \$1,310,000 Design Notes, Series 2020 A (West Virginia Water Development Authority), in the form of one note, numbered AR-1, dated December 16, 2020 (the "Notes"), of the Greenbrier County Public Service District No. 2 (the "Issuer"), authorized to be issued under and pursuant to a Note Resolution duly adopted by the Issuer on December 2, 2020, and a Supplemental Resolution duly adopted by the Issuer on December 2, 2020.

You are hereby requested and authorized to register, authenticate and deliver the Notes on behalf of the Issuer to the West Virginia Water Development Authority.

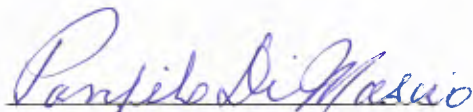
GREENBRIER COUNTY PUBLIC SERVICE
DISTRICT NO. 2



Chairman

(SEAL)

Attest:


Secretary

GREENBRIER COUNTY PUBLIC SERVICE DISTRICT NO. 2
DESIGN NOTES, SERIES 2020 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 16th day of December, 2020, by and between the GREENBRIER COUNTY PUBLIC SERVICE DISTRICT NO. 2, a public service district and public corporation (the "Issuer"), and UNITED BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$1,310,000 Design Notes, Series 2020 A (West Virginia Water Development Authority) (the "Design Notes"), in the form of one note, numbered AR-1, in fully registered form, pursuant to a Note Resolution duly adopted by the Issuer on December 2, 2020, and a Supplemental Resolution duly adopted December 2, 2020 (collectively, the "Resolution");

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 Resolution, a copy of which is attached as Exhibit A hereto and incorporated herein by reference;

WHEREAS, the Resolution provides for an appointment by the Issuer of a Registrar for the Design Notes; and

WHEREAS, the Issuer desires to appoint, and by the Resolution and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Resolution 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 Design Notes, all as set forth in the Resolution, such duties including, among other things, the duties to authenticate, register and deliver the Design Notes upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest, if any, on the Design Notes 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 Resolution with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Resolution, the terms of the Resolution 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 Resolution 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 address:

ISSUER:

Greenbrier County Public Service District No. 2
P.O. Box 673
Rainelle, West Virginia 25932
Attention: Chairman

REGISTRAR:

United Bank
500 Virginia Street, East
P. O. Box 393
Charleston, WV 25301
ATTN: Corporate Trust Department

The Issuer and the Registrar shall notify the other in writing of any change of address.

8. The Registrar is hereby requested and authorized to authenticate and deliver the Design Notes in accordance with the Resolution.

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 date first above-written.

GREENBRIER COUNTY PUBLIC SERVICE
DISTRICT NO. 2

A handwritten signature in blue ink, appearing to read "David E. McLean", written over a horizontal line.

Chairman

UNITED BANK

A handwritten signature in blue ink, appearing to read "Thomas Brown", written over a horizontal line.

Authorized Officer

EXHIBIT A

See Note Resolution (Tab No. 5)
See Supplemental Resolution (Tab No. 6)

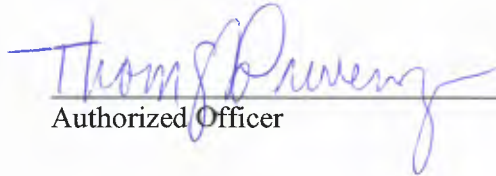
GREENBRIER COUNTY PUBLIC SERVICE DISTRICT NO. 2
DESIGN NOTES, SERIES 2020 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

CERTIFICATE OF REGISTRATION OF NOTES

UNITED BANK, Charleston, West Virginia, as Registrar (the “Registrar”), hereby certifies that on the date hereof, the single, fully registered Design Notes, Series 2020 A (West Virginia Water Development Authority), of the Greenbrier County Public Service District No. 2 (the “Issuer”), dated December 16, 2020, in the principal amount of \$1,310,000, and numbered AR-1, was registered as to principal and interest 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 the Registrar.

WITNESS my signature on this 16th day of December, 2020.

UNITED BANK, as Registrar


Authorized Officer

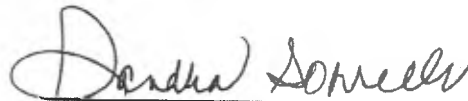
GREENBRIER COUNTY PUBLIC SERVICE DISTRICT NO. 2
DESIGN NOTES, SERIES 2020 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

CITY NATIONAL BANK, Rainelle, West Virginia, hereby accepts appointment as Depository Bank in connection with a Note Resolution of the Greenbrier County Public Service District No. 2 (the "Issuer"), adopted by the Issuer on December 2, 2020, and a Supplemental Resolution adopted by the Issuer on December 2, 2020 (collectively, the "Resolution"), authorizing the issuance of the Greenbrier County Public Service District No. 2 Design Notes, Series 2020 A (West Virginia Water Development Authority), in the aggregate principal amount of \$1,310,000, dated December 16, 2020, and agrees to serve as Depository Bank, all as set forth in the Resolution. City National Bank is not serving as either a municipal advisor or a financial adviser to the Issuer.

Witness my signature on this 16th day of December, 2020.

CITY NATIONAL BANK

A handwritten signature in dark ink, appearing to read "Doreen Somerville", is written over a horizontal line.

Authorized Officer

WEST VIRGINIA MUNICIPAL BOND COMMISSION**NEW ISSUE REPORT FORM**

900 Pennsylvania Avenue, Suite 1117, Charleston, WV 25302

Phone: (304) 558-3971

FAX: (304) 558-1280

mbc.wv.gov

Date of Report: December 16, 2020

ISSUE: Greenbrier County Public Service District No. 2 Design Notes, Series 2020 A
 (West Virginia Water Development Authority)

ADDRESS: P.O. Box 673, Rainelle, WV 25962 COUNTY: Greenbrier

PURPOSE OF ISSUE: X New Money
 Refunding

Refunds issue(s) dated: _____

ISSUE DATE: December 16, 2020RATE: 0.75%ADMIN FEE: - 0 -ISSUE AMOUNT: \$1,310,0001st DEBT SERVICE DUE: March 1, 20211st PRINCIPAL DUE: September 1, 20211st DEBT SERVICE AMOUNT: \$2,046.88PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Jackson Kelly PLLC
 Contact Name: Samme L. Gee, Esquire
 Phone: (304) 340-1318
 Email: sggee@jacksonkelly.com

UNDERWRITERS COUNSEL: _____
 Contact Name: _____
 Phone: _____
 Email: _____

CLOSING BANK: City National Bank
 Contact Name: Sandra Sorrells
 Phone: (304) 438-6149
 Email: _____

ESCROW TRUSTEE: _____
 Contact Name: _____
 Phone: _____
 Email: _____

KNOWLEDGEABLE ISSUER CONTACT:
 Contact Name: Donna Moore
 Title: Office Manager
 Phone: (304) 438-9283
 Email: dsmoore3@frontier.com

OTHER: WVWDA
 Contact Name: Marie Prezioso
 Title: Executive Director
 Phone: (304) 414-6500 ext. 101
 Email: mprezioso@wvwda.org

DEPOSITS TO MBC AT CLOSE: _____
 By Wire _____
 Check _____
 In-house Transfer _____

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 : _____

ISSUER NUMBERS:

BANK ID NUMBER: _____
 ACCOUNT NUMBER: _____

CUSIP: _____
 PROGRAM NUMBER: _____

NOTES: Interest only payments due March 1, 2021 and June 1, 2021. Principal payments to begin September 1, 2021. No reserve account required.

FOR MUNICIPAL BOND COMMISSION USE ONLY:

Documents Required: _____

Transfers Required: _____

SWEEP RESOLUTION

WHEREAS, the Greenbrier County Public Service District No. 2 (the “Issuer”) is a governmental body and political subdivision of West Virginia;

WHEREAS, the Issuer has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the “Notes”);

WHEREAS, the Issuer makes monthly debt service payments on the Notes by check to the West Virginia Municipal Bond Commission (the “MBC”) which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

WHEREAS, the MBC may accept such monthly payments by electronic funds transfer, thereby eliminating delay in payments and lost checks;

WHEREAS, pursuant to Chapter 13, Article 3, Section 5a, the MBC has established fees for its services (the “MBC Fee”);

WHEREAS, the Issuer finds and determines that it is in the best interest of the Issuer, its customers and the owners of the Notes that the monthly debt service and reserve fund payments be made by electronic funds transfer with the State Treasurer **sweeping** the Issuer’s account.

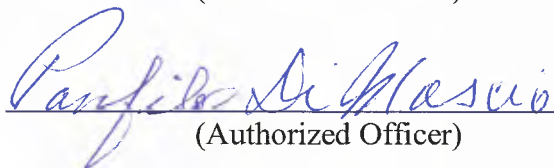
NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

- 1) The monthly debt service payments on the Notes, as set forth in Exhibit A, along with the MBC Fee, shall be made to the MBC by electronic transfer by the State Treasurer from the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.
- 2) The Chairman and Secretary are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Note debt service and reserve fund payments.
- 3) This resolution shall be effective immediately upon adoption.

Adopted this 2nd day of December, 2020.



(Authorized Officer)



(Authorized Officer)

December 16, 2020

Greenbrier County Public Service District No. 2
P.O. Box 673
Rainelle, West Virginia 25932

West Virginia Water Development Authority
1009 Bullitt Street
Charleston, WV 25301

Re: Greenbrier County Public Service District No. 2
Design Notes, Series 2020 A
(West Virginia Water Development Authority)

Ladies and Gentlemen:

We have served as bond counsel to the Greenbrier County Public Service District No. 2 (“the Issuer”), a public service district, public corporation and political subdivision created and existing under the laws of the State of West Virginia, in connection with the issuance of its Design Notes, Series 2020 A (West Virginia Water Development Authority), dated the date hereof (the “Notes”).

We have examined certified copies of proceedings and other papers relating to the authorization of (i) a loan agreement for the Notes dated December 16, 2020, including all schedules and exhibits attached thereto (the “Loan Agreement”), between the Issuer and the West Virginia Water Development Authority (the “Authority”), and (ii) the Notes to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Notes are issued in the principal amount of \$1,310,000, in the form of one note, registered as to principal and interest to the Authority, bearing interest at 0.75% per annum, and with principal and interest payable quarterly on March 1, June 1, September 1, and December 1 of each year, interest payments commencing March 1, 2021, and principal payments commencing September 1, 2021, all as set forth in the Schedules X and Y attached to the Loan Agreement and incorporated in and made a part of the Notes.

The Notes are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended (the “Act”), for the purposes of (i) paying a portion the costs of the design of certain additions, betterments and improvements to the sewerage system of the Issuer (the “Design”); and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act and a Note Resolution duly adopted by the Issuer on December 2, 2020, as supplemented by a Supplemental Resolution duly adopted by the Issuer on December 2, 2020 (collectively, the “Resolution”), pursuant to and under which Act and Resolution the Notes are authorized and issued, and the

Loan Agreement has been entered into. The Notes 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 Resolution and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Resolution and in 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 presently existing public service district, public corporation and political subdivision of the State of West Virginia, with full power to undertake the Design, to operate and maintain the System, to enact the Resolution and to issue and sell the Notes, 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 and is a valid and binding special obligation of the Issuer, enforceable in accordance with the terms thereof.

3. 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 Issuer without the written consent of the Authority.

4. The Issuer has legally and effectively enacted the Resolution and adopted all other necessary resolutions in connection with the issuance and sale of the Notes. The Resolution constitutes a valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms thereof and contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

5. The Notes 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. With the written consent of the Registered Owner of the Prior Bonds, the payment of the debt service on the Notes shall be secured by a second lien on Net Revenues of the System, subordinate and junior to the Sewer Revenue Bonds, Series 1981 (United States Department of Agriculture), dated April 14, 1981, which mature and will be paid in full on or about April 14, 2021) (the "Series 1981 Bonds") and the Prior Bonds so long as the Series 1981 Bonds remain outstanding and thereafter by a first lien on the Net Revenues of the System on parity with the Prior Bonds, all in accordance with the terms of the Notes and the Resolution.

6. Under the Act, the Notes and any interest thereon are exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

No opinion is given herein as to the effect upon enforceability of the Notes under any applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights or in the exercise of judicial discretion or principles of equity in appropriate cases.

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

Very truly yours,

A handwritten signature in blue ink, appearing to read "Jack Kelly". The signature is written in a cursive, flowing style.