

GREENSVILLE COUNTY WATER AND SEWER AUTHORITY

A G E N D A

TUESDAY, SEPTEMBER 6, 2016

4:00 P.M. - BUDGET SESSION

**REGULAR SESSION AT THE CONCLUSION OF THE BOARD OF SUPERVISORS
MEETING**

- I. CALL TO ORDER**
- II. BUDGET SESSION**
- III. CLOSED SESSION - Section 2.2-3711 (a) 1) Personnel and 3) Acquisition of Real Property and 5) Business and/or Industry Matters**
 - A. Personnel Matters
 - B. Acquisition of Real Property Matters
 - C. Business and/or Industry Matters
- IV. RETURN TO REGULAR SESSION**
- V. CERTIFICATION OF CLOSED MEETING – Resolution #WS-15-49**
- VI. APPROVAL OF AGENDA**
- VII. APPROVAL OF CONSENT AGENDA**
 - A. Minutes – See Attachment – F.
 - B. Budgetary Matters – See Attachment – G.
 - C. Warrants – See Attachment – H.
 - D. Resolution #WS-16-58
- VIII. PUBLIC HEARING - None**
- IX. ITEMS WITH APPOINTMENTS - None**
- X. OLD BUSINESS – None**

XI. NEW BUSINESS

- A. CoBank Loan Documents – See Attachment – I.
- B. Deed of Easement Resolution #WS-16-57 – See Attachment – J.

XII. MISCELLANEOUS MATTERS

- A. Staff Work Programs

XIII. ADJOURNMENT

At the Regular Meeting of the Greenville County Water and Sewer Authority, held on Monday, August 15, 2016, with Regular Session beginning at the conclusion of the Board of Supervisors meeting, in the Board Room of the Greenville County Government Building, 1781 Greenville County Circle, Emporia, Virginia

Present: Michael W. Ferguson, Chairman
Peggy R. Wiley
Raymond L. Bryant, Jr., *via conference call*

Absent: Dr. Margaret T. Lee, Vice-Chairman

Chairman Ferguson called the meeting to order.

In Re: Approval of Agenda

Mr. Whittington stated that Staff recommended approval of the Agenda with no added items.

Mr. Bryant moved, seconded by Mrs. Wiley, to approve the Agenda as submitted. Voting aye: Mr. Bryant, Mrs. Wiley and Chairman Ferguson.

In Re: Approval of the Consent Agenda

Mr. Whittington stated that Staff recommended approval of the Consent Agenda.

Mr. Bryant moved, seconded by Mrs. Wiley, to approve the Consent Agenda consisting of the following items. Voting aye: Mr. Bryant, Mrs. Wiley and Chairman Ferguson.

Minutes from the meeting of August 1, 2016

Warrants:

Approval of Accounts Payable for August 15, 2016, in the amount of \$120,876.48.

In Re: I-95 Exit 4 Water System Conversion Project

Mr. Glen Gibson addressed the Authority stating that this project was the next step in the Authority's plan to extend water service to the residents along Moore's Ferry Road. He stated that the project would enhance the treatment process in the existing facility. He also stated that on August 9, four bids were received as follows:

Company Name	Base Bid
Castle Heights Construction, Inc.	\$76,980
Repair Tech, LLC	\$79,820
Lyttle Utilities	\$80,750
H.G. Reynolds Company, LLC	\$84,480

Mr. Gibson stated that the Consulting Engineer was B&B Consultants and the Authority Staff reviewed the bids and the contractor's qualifications. He stated that everyone's evaluation determined that Castle Heights Construction had the manpower, equipment, experience and expertise to complete the project. He also stated that the lowest bid was higher than the Authority's budget of \$81,400 for the project. He further stated that the consultant was able to negotiate with the equipment supplier and the contractor to reduce their cost by \$7,230. He then stated that with the reduction, including all additional costs for engineering, control system interface, legal and advertising, the project would be \$6,888 over budget. Mr. Gibson stated that Staff recommended the following:

- Award the Water System Conversion project to Castle Heights Construction, Inc., in the base bid amount of \$76,980, contingent on the contractor executing change order #1, which reduces the contract price by \$7,230, to a contracted amount of \$69,750; and
- Authorize the Authority's Director to execute a contract prepared by the County Attorney, Mr. Russell Slayton.

Mr. Bryant moved, seconded by Mrs. Wiley, to approve the recommendations by Staff. Voting aye: Mr. Bryant, Mrs. Wiley and Chairman Ferguson.

In Re: Proposed FY2017 Budget

Mrs. Brenda Parson addressed the Authority stating that the Authority should have received in its agenda packet budget information. She stated that the proposed budget that was different from prior years. She stated that, as required by Rural Development, there would be a water budget and a sewer budget, instead of a combined budget as in the past. Mrs. Parson then stated that the water budget proposed for the FY2017 year totaled \$2,013,282 and the sewer portion, which included a 2 ½ percent increase in sewer rates,

totaled \$2,563,467. She stated that there was \$310,600 in capital projects included in the budget. She then requested that the Authority schedule a work session on September 6, 2016 at 4:00 p.m. for a more thorough review of the budget.

Mr. Bryant moved, seconded by Mrs. Wiley, to approve the budget session for review on September 6, 2016. Voting aye: Mr. Bryant, Mrs. Wiley and Chairman Ferguson.

In Re: Adjournment

There being no further business to discuss, Mr. Bryant moved, seconded by Mrs. Wiley, to adjourn the meeting until September 6, 2016 at 4:00 p.m.. Voting aye: Mr. Bryant, Mrs. Wiley and Chairman Ferguson.

Michael W. Ferguson
Greenville County Water and Sewer Authority

GREENSVILLE COUNTY WATER & SEWER

Fund # 1

VOUCHER

JV# 45

ACCOUNT		AMOUNT	ACCOUNT		AMOUNT
22000	JARRATT WATER TREATMENT PLANT		61100	CAPITAL PROJECTS	
8201	C.O.: Gravely Lawn Mower	6,079.00	9201	Contingency (Master)	10,891.00
8202	C.O.: Organizational Bins	1,062.00			
8203	C.O.: Intake Leaf Screens	3,750.00			
TOTAL		10,891.00	TOTAL		10,891.00

EXPLANATION

Transfer funds to cover projects from contingency.

[Signature]
Prepared By

8-22-2016
Date

Approved By

Date

Posted By

Date

GREENSVILLE COUNTY WATER & SEWER

Fund # 1 & 2

VOUCHER

JV# 43

ACCOUNT	AMOUNT	ACCOUNT	AMOUNT
10000 ADMINISTRATION - WATER	4-001	61100 CAPITAL PROJECTS	
8207 C.O.: Computers & Printers	1,665.17	9201 Contingency (Master)	37,926.17
11000 AUTHORITY BOARD - WATER		9202 Contingency (VRA)	20,250.00
8207 C.O.: Computers	407.95		
20000 UTILITY MAINTENANCE - WATER			
8204 C.O.: Computer	991.20		
8209 C.O.: Service Truck Tools	1,194.44		
22000 WATER TREATMENT - JARRATT			
8207 C.O.: Computers	1,367.46		
69300 JWTP - IN-TAKE			
9202 Contingency	1,612.50		
10100 ADMINISTRATION - SEWER	4-002		
8207 C.O.: Computers & Printers	2,497.76		
11100 AUTHORITY BOARD - SEWER			
8207 C.O.: Computers	611.93		
20100 UTILITY MAINTENANCE - SEWER			
8204 C.O.: Computer	1,486.80		
8209 C.O.: Service Truck Tools	1,791.65		
31000 FALLING RUN SEWAGE TREAT. PLANT			
8203 C.O.: PH Meter	635.46		
8205 C.O.: Effluent Pump	5,200.00		
32000 THREE CREEK SEWAGE TREAT. PLANT			
8201 C.O.: Inline DO Probe	1,795.00		
8204 C.O.: Flow Meter	1,671.54		
8205 C.O.: CL2 Injector	844.20		
34000 JARRATT SEWAGE TREAT. PLANT			
8201 C.O.: Automatic Sampler	6,083.00		
8202 C.O.: PH Probe	278.62		
8203 C.O.: Chemical Pump	616.49		
35000 SKIPPERS SEWAGE TREAT. PLANT			
8206 LDO Meter/Probes/Control Panel	7,175.00		
61100 CAPITAL PROJECTS			
9145 Slip In WW Pumping Station	20,250.00		
TOTAL	58,176.17	TOTAL	58,176.17

EXPLANATION

Transfer funds to cover projects from contingency.

<i>Paul Skye</i>	8-11-2016		
Prepared By	Date	Approved By	Date
Posted By		Date	

ACCOUNTS PAYABLE LIST
 BREESVILLE COUNTY WATER
 DEPT # - 00010 **OTHER ASSETS**

FROM DATE- 9/06/2016
 TO DATE- 9/06/2016
 FUND # - 001 **ADMINISTRATIVE**

VENOR NAME	CHARGE TO	DESCRIPTION	INVOICE #	INVOICE DATE	AMOUNT
OTHER ASSETS					
OLFPED PALMER	ACCOUNTS RECEIVABLE - WATER	REFUND#7493		8/16/2016	120.01
RODNEY HARRISON SR	ACCOUNTS RECEIVABLE - WATER	REFUND#7539		8/09/2016	4.43
					124.44 N
		TOTAL			124.44
ADMINISTRATION-WATER					
WCCBP	ADMINISTRATION-WATER**	12156		10/01/2016	405.65
SLAYTOR & CLARY	WATERBURY CORPORATION	12474		7/29/2016	405.65 *
EARLY TIME CLERK, LLC	PROF. SERVICES-LEGAL	352195		8/12/2016	50.00 *
U S POSTMASTER	POSTAGE	POSTAGE-79-2016		8/24/2016	1.50 N
UNITED PARCEL SERVICE	POSTAGE	238106326		8/06/2016	1,500.00
SPRINT (COUNTY)	TELECOMMUNICATIONS	54080162584113		8/16/2016	4.54
SPRINT (COUNTY)	TELECOMMUNICATIONS	54080162584112		8/16/2016	1,504.54 *
BUSINESS CARD (6874)	TRAVEL AND TRAINING	SHREVEYS/8-12-16		8/12/2016	4.74
WCCBP	miscellaneous fees	12786		7/01/2016	9.85 N
BUSINESS CARD (6874)	ROUTE 58 H PROJECT EXPENSE	FINCS/800000607		8/25/2016	13.72
SLAYTOR & CLARY	ROUTE 58 H PROJECT EXPENSE	12468		7/29/2016	13.72 *
SLAYTOR & CLARY	ROUTE 58 H PROJECT EXPENSE	12470		7/29/2016	38.80
SLAYTOR & CLARY	ROUTE 58 H PROJECT EXPENSE	12471		7/29/2016	38.80 *
SLAYTOR & CLARY	ROUTE 58 H PROJECT EXPENSE	12474		7/29/2016	55.19
SLAYTOR & CLARY	ROUTE 58 H PROJECT EXPENSE	12475		7/29/2016	240.00
SLAYTOR & CLARY	ROUTE 58 H PROJECT EXPENSE	12476		7/29/2016	66.20
BREESVILLE COUNTY GAS	ROUTE 58 H PROJECT EXPENSE	RECIB EK 81163		8/01/2016	240.00
BENTLEY LAKE UTILITIES	ROUTE 58 H PROJECT EXPENSE	238361 /7040		7/18/2016	600.00
BILL CORPORATION	OFFICE SUPPLIES	7050017		8/01/2016	90.00
BILL CORPORATION	OFFICE SUPPLIES	8292113		8/15/2016	258.00
BREN FORD, INC	VEHICLE SUPPLIES	FCS68013		8/15/2016	30.00
					2,007.46
					3,586.85 *
					294.56
					16.39
					312.95 *
					18.00
		TOTAL			18.00 *
					5,942.66
AUTHORITY BOARD-WATER					
BILL CORPORATION	OFFICE SUPPLIES	7850017		8/01/2016	19.01

ACCOUNTS PAYABLE LIST
GREENSBLE COUNTY WATER
DEPT # - 01100 #MORTGAGE BOARD-WATER#

8/31/2016 FROM DATE - 9/06/2016
AP375 TO DATE - 9/06/2016
FUND # - 601 #OPERATING EXPENDITURES

VENOR NAME	CHARGE TO	DESCRIPTION	INVOICES	DATE	AMOUNT
MORFE'S FLUOR SHOP, INC.	OFFICE SUPPLIES		125900	7/22/2016	10.00
CLEMENTS HAYES	OFFICE SUPPLIES		19268	8/23/2016	50.60
					77.61 *
					79.61
		TOTAL			
DEPT # - 02000 #UTILITY MAINTENANCE-WATER**					
UTILITY MAINTENANCE-WATER**					
WASCOY	MORROW'S COMPENSATION*		12156	10/01/2016	840.12 *
JOBART HARDWARE	REPAIR & MAINTENANCE SERVICES		8244388	8/18/2016	840.12 *
GREENE'S SERVICE CENTER	REPAIR & MAINTENANCE SERVICES		53664	7/19/2016	25.40
RENTHE INTERNATIONAL INC	REPAIR & MAINTENANCE SERVICES		326210034	8/08/2016	6.00
WALTONS BROTHERS GARAGE	REPAIR & MAINTENANCE SERVICES		1W/8-1-2016	8/01/2016	450.98
WALTONS BROTHERS GARAGE	REPAIR & MAINTENANCE SERVICES		1W/8-5-2016	8/05/2016	14.40
					15.60
					512.38 *
ITRON, INC	MAINTENANCE CONTRACTS		421752	8/12/2016	396.10 *
					29.51
					191.31
MECKLENBURG ELECTRIC CORP	ELECTRICAL SERVICES		28802010078-16	8/03/2016	29.41
MECKLENBURG ELECTRIC CORP	ELECTRICAL SERVICES		38798010078-16	8/03/2016	29.10
MECKLENBURG ELECTRIC CORP	ELECTRICAL SERVICES		388740040078-16	8/09/2016	44.27
MECKLENBURG ELECTRIC CORP	ELECTRICAL SERVICES		38280080078-16	8/09/2016	27.47
MECKLENBURG ELECTRIC CORP	ELECTRICAL SERVICES		438330090178-16	8/09/2016	7.04
MECKLENBURG ELECTRIC CORP	ELECTRICAL SERVICES		437560050078-16	8/18/2016	358.11 *
DANRION VIRGINIA POWER	ELECTRICAL SERVICES		958017580678-16	8/12/2016	33.92
VERIZON	TELECOMMUNICATIONS		336-158778-16	8/19/2016	96.30
VERIZON	TELECOMMUNICATIONS		346-851377-16	8/07/2016	12.18
VERIZON WIRELESS	TELECOMMUNICATIONS		976987397	8/02/2016	2.53
VERIZON	TELECOMMUNICATIONS		54880162560113	8/16/2016	148.93 *
ARBARK UNIFORM SERV INC	UNIFORM RENTAL		47133951	8/04/2016	29.76
ARBARK UNIFORM SERV INC	UNIFORM RENTAL		47169976	8/11/2016	29.76
ARBARK UNIFORM SERV INC	UNIFORM RENTAL		47202415	8/18/2016	60.12
ARBARK UNIFORM SERV INC	UNIFORM RENTAL		47234934	8/25/2016	42.53
					161.97 *
DEPT VISA CARD #1603	TRAVEL AND TRAINING		HRZDR/0357016	8/25/2016	39.07
GULIN LYNCH	TRAVEL AND TRAINING		HRZDR/0357016	8/12/2016	4.97
					44.04 *
TREASURER OF VIRGINIA	PERMITS AND FEES		1955084954/HRD	8/25/2016	100.00
TREASURER OF VIRGINIA	PERMITS AND FEES		227752240/CBL	8/26/2016	100.00
					200.00 *
BULL CORPORATION	OFFICE SUPPLIES		8148315	8/10/2016	9.59
					9.59 *
JOBART HARDWARE	REPAIR & MAINTENANCE SUPPLIES		8134827	8/25/2016	.20
FISH & LAKE SERVICE	REPAIR & MAINTENANCE SUPPLIES		169101	8/25/2016	15.67
CITY AUTO HARDWARE	REPAIR & MAINTENANCE SUPPLIES		328734	7/05/2016	2.40

ACCOUNTS PAYABLE LIST
GREENSBLE COUNTY WATER
DEPT 3 - 02000 QUALITY MAINTENANCE-WATER

8/21/2016 FROM DATE- 9/06/2016
88375 TO DATE- 9/06/2016
FUND 3 - 001 MAINTENANCE EXPENDITURES

VENDOR NAME	CHARGE TB	DESCRIPTION	INVOICE#	DATE	\$\$\$ PAY \$\$\$
CITY AUTO WAREHOUSE		REPAIR & MAINTENANCE SUPPLIES	372826	8/16/2016	2.31
BAHAIYI COMMUNITY/CEAN		REPAIR & MAINTENANCE SUPPLIES	TR807042	8/11/2016	5.59
HO SUPPLY ENTERPRISES, LTD.		REPAIR & MAINTENANCE SUPPLIES	F957557	8/11/2016	66.60
HO SUPPLY ENTERPRISES, LTD.		REPAIR & MAINTENANCE SUPPLIES	F964524	8/12/2016	182.80
FERTILINE INC		REPAIR & MAINTENANCE SUPPLIES	3713653	8/05/2016	50.00
JERRATT HARDWARE		POWER EQUIPMENT SUPPLIES	8244109	8/15/2016	324.97 *
CITY AUTO WAREHOUSE		POWER EQUIPMENT SUPPLIES	330774	7/26/2016	20.00
CITY AUTO WAREHOUSE		POWER EQUIPMENT SUPPLIES	330989	7/26/2016	5.61
FARM & LAWN SERVICE		HEAVY EQUIPMENT SUPPLIES	169836	8/23/2016	3.04
PAPER HD. SH INC		HEAVY EQUIPMENT SUPPLIES	972952	8/09/2016	28.65 *
FIXELITY POWER SYSTEMS		HEAVY EQUIPMENT SUPPLIES	F938020113	8/12/2016	92.38
					138.29
					64.14
					294.81 *
		TOTAL			3,315.87
DEPT 3 - 02000 WATER TREATMENT - JARRATT**					
VACORP		WATER TREATMENT - JARRATT**	12156	10/01/2016	1,735.84
		WATERMAN'S COMPENSATION*			1,735.84 *
JOYCE ENGINEERING, INC.		CONTRACTUAL SERVICES	02025409	8/18/2016	384.00 *
APPLIED ENGINEERING, INC.		REPAIR & MAINTENANCE SERVICES	14901	8/10/2016	1,228.35
					1,228.35 *
VERIZON		TELECOMMUNICATIONS	634-82678-16	8/10/2016	53.74
SPEART		TELECOMMUNICATIONS	5408616250413	8/16/2016	8.97
SPEART (CONTRACT)		TELECOMMUNICATIONS	5408616250412	8/16/2016	13.11
					75.82 *
TURN OF JARRATT		LEASE/FACILITIES (33 OF 40)	LEASE/SEP 2016	9/01/2016	2,299.00
					2,299.00 *
ARMARK UNIFORM SERV INC		UNIFORM RENTAL	47135956	8/04/2016	74.39
ARMARK UNIFORM SERV INC		UNIFORM RENTAL	47169981	8/11/2016	74.39
					148.78 *
BOAT VISA CARD #1595		TRAVEL AND TRAINING	889578316	7/31/2016	10.02
BOAT VISA CARD #1595		TRAVEL AND TRAINING	CHICHL09#2	8/01/2016	13.40
BOAT VISA CARD #1595		TRAVEL AND TRAINING	FIVE878769	8/02/2016	21.62
BOAT VISA CARD #1595		TRAVEL AND TRAINING	HARDELS7447230	8/04/2016	13.66
BOAT VISA CARD #1595		TRAVEL AND TRAINING	HARDELS74445370	8/01/2016	6.88
BOAT VISA CARD #1595		TRAVEL AND TRAINING	HYLOCALHCS7#63	8/05/2016	7.52
BOAT VISA CARD #1595		TRAVEL AND TRAINING	UNTRAK/30199-1	8/03/2016	46.80
ROLAND MEYER		TRAVEL AND TRAINING	0005C7/PUMP 6	8/05/2016	35.33
ROLAND MEYER		TRAVEL AND TRAINING	7-ELEPHANT/PUMP 1	7/31/2016	39.64
					196.87 *
COLONIAL SCIENTIFIC, INC		LAB SUPPLIES	INW0119716	8/08/2016	159.00
COLONIAL SCIENTIFIC, INC		LAB SUPPLIES	INW0119897	8/10/2016	23.72
COLONIAL SCIENTIFIC, INC		LAB SUPPLIES	INW0120039	8/16/2016	186.40
					369.12 *

8/31/2016 FROM DATE- 8/06/2016
 69375 TO DATE- 8/06/2016
 FUND # - 001 MAINTENANCE EXPENDITURES

ACCOUNTS PAYABLE LIST
 GREENSBORO CITY WATER
 DEPT # - 022000 WASTEWATER TREATMENT - JARRATT#

VENOR NAME	CHARGE TO	DESCRIPTION	INVOICE#	INVOICE DATE	AMOUNT
UNIVAR USA INC	CHEMICALS		RI703472	8/12/2016	275.16
UNIVAR USA INC	CHEMICALS		RI703789	8/17/2016	742.02
UNIVAR USA INC	CHEMICALS		RI703893	8/19/2016	275.16
SOFT GUSE CARD #1603	C.E. COMPUTERS		88820878-5-2016	8/05/2016	1,292.34 *
					.02-
		TOTAL			7,729.30

DEPT # - 023000 WASTEWATER TREATMENT - WELLS SYSTEMS					
DOMINION VIRGINIA POWER	ELECTRICAL SERVICES		2634792630/8-16	8/12/2016	204.37
					204.37 *
VERIZON	TELECOMMUNICATIONS		336-154578-16	8/13/2016	42.82
					42.82 *
		TOTAL			247.19

DEPT # - 024000 WASTEWATER TREATMENT - HONE WATER SYSTEMS					
VERIZON	TELECOMMUNICATIONS		634-008748-16	8/19/2016	52.19
					52.19 *
		TOTAL			52.19

DEPT # - 041000 WASTEWATER TREATMENT - SERVICE-WATERS					
US BANK OPERATIONS CENTER	US BANK OPERATIONS CENTER	US BANK OPERATIONS CENTER	PAYMENT/10-2016	8/18/2016	146,725.00
					146,725.00 *
US BANK OPERATIONS CENTER	US BANK OPERATIONS CENTER	US BANK OPERATIONS CENTER	PAYMENT/10-2016	8/18/2016	144,503.20
					144,503.20 *
US BANK OPERATIONS CENTER	US BANK OPERATIONS CENTER	US BANK OPERATIONS CENTER	PAYMENT/10-2016	8/18/2016	9,584.38
					9,584.38 *
US BANK OPERATIONS CENTER	US BANK OPERATIONS CENTER	US BANK OPERATIONS CENTER	PAYMENT/10-2016	8/18/2016	146,695.32
					146,695.32 *
US BANK OPERATIONS CENTER	US BANK OPERATIONS CENTER	US BANK OPERATIONS CENTER	PAYMENT/10-2016	8/18/2016	17,497.87
					17,497.87 *
US BANK OPERATIONS CENTER	US BANK OPERATIONS CENTER	US BANK OPERATIONS CENTER	PAYMENT/10-2016	8/18/2016	17,497.87
					17,497.87 *
		TOTAL			497,507.90

DEPT # - 049400 WASTEWATER TREATMENT - WASTEWATER HANDLING PROJECTS					
SLAYTON & CLARY	PROF. SERVICES-LEGAL		12474	7/29/2016	90.00
					90.00 *
CASTLE HEIGHTS	CONSTRUCTION		JWTF/SLUDGE #1	8/25/2016	189,617.15
					189,617.15 *
		TOTAL			189,707.15

ACCOUNTS PAYABLE LIST
GREENSBORO COUNTY WATER
DEPT # - 010100 MAINTENANCE-SEWER**

FROM DATE- 9/06/2016
TO DATE- 9/06/2016
FUND # - 002

VENOR NAME CHANGE TO DESCRIPTION INVOICE DATE # PAY \$

DEPT # - 010100 MAINTENANCE-SEWER**

VENOR	CHANGE TO	DESCRIPTION	INVOICE	DATE	#	PAY \$
ADMINISTRATION-SEWER*						
WORKMAN'S COMPENSATION**						
PROF SERVICES-TIME CLOCK						
POSTAGE						
UNITED PARCEL SERVICE						
SPRINT (COUNTY)						
TELECOMMUNICATIONS						
TRAVEL AND TRAINING						
TRAVEL AND TRAINING						
MISCELLANEOUS FEES						
OFFICE SUPPLIES						
OFFICE SUPPLIES						
VEHICLE SUPPLIES						
TOTAL						

DEPT # - 011100 MAINTENANCE-SEWER**

VENOR	CHANGE TO	DESCRIPTION	INVOICE	DATE	#	PAY \$
MAINTENANCE-SEWER**						
OFFICE SUPPLIES						
OFFICE SUPPLIES						
OFFICE SUPPLIES						
TOTAL						

DEPT # - 020100 UTILITY MAINTENANCE-SEWER**

VENOR	CHANGE TO	DESCRIPTION	INVOICE	DATE	#	PAY \$
MAINTENANCE-SEWER**						
WORKMAN'S COMPENSATION**						
REPAIR & MAINTENANCE SERVICES						
REPAIR & MAINTENANCE SERVICES						
REPAIR & MAINTENANCE SERVICES						
REPAIR & MAINTENANCE SERVICES						
REPAIR & MAINTENANCE SERVICES						
REPAIR & MAINTENANCE SERVICES						
REPAIR & MAINTENANCE SERVICES						
TOTAL						

DEPT # - 021752 MAINTENANCE CONTRACTS

VENOR	CHANGE TO	DESCRIPTION	INVOICE	DATE	#	PAY \$
MAINTENANCE CONTRACTS						
TOTAL						

ACCOUNTS PAYABLE LIST
 SENECAVILLE COUNTY WATER
 DEPT # - 02000 AMMUTILITY MAINTENANCE-SERVICES

FORM DATE- 9/06/2016
 TO DATE- 9/06/2016

9/31/2016
 00972
 FUND # - 002

VEHICLE NAME	CHARGE TO	DESCRIPTION	INVOICE#	DATE	\$\$ PAY \$\$
MECKLEBURG ELECTRIC COOP	ELECTRICAL SERVICES	2881600600/8-16		8/03/2016	143.33
MECKLEBURG ELECTRIC COOP	ELECTRICAL SERVICES	2893400100/8-16		8/03/2016	113.89
MECKLEBURG ELECTRIC COOP	ELECTRICAL SERVICES	2884102100/8-16		8/03/2016	81.62
MECKLEBURG ELECTRIC COOP	ELECTRICAL SERVICES	2884300700/8-16		8/03/2016	79.69
MECKLEBURG ELECTRIC COOP	ELECTRICAL SERVICES	3996200600/8-16		8/10/2016	81.51
MECKLEBURG ELECTRIC COOP	ELECTRICAL SERVICES	3883900900/8-16		8/09/2016	31.47
MECKLEBURG ELECTRIC COOP	ELECTRICAL SERVICES	3884700400/8-16		8/09/2016	180.56
MECKLEBURG ELECTRIC COOP	ELECTRICAL SERVICES	3884800100/8-16		8/10/2016	89.66
MECKLEBURG ELECTRIC COOP	ELECTRICAL SERVICES	388002016		8/00/2016	50.58
MECKLEBURG ELECTRIC COOP	ELECTRICAL SERVICES	4883301101/8-16		8/03/2016	25.28
MECKLEBURG ELECTRIC COOP	ELECTRICAL SERVICES	4994680400/8-16		8/03/2016	344.26
MECKLEBURG ELECTRIC COOP	ELECTRICAL SERVICES	4995590700/8-16		8/16/2016	95.29
MECKLEBURG ELECTRIC COOP	ELECTRICAL SERVICES	4998602500/8-16		8/09/2016	613.84
DOMINION VIRGINIA POWER	ELECTRICAL SERVICES	0111782504/8-16		8/15/2016	31.69
DOMINION VIRGINIA POWER	ELECTRICAL SERVICES	2484519927/8-16		8/12/2016	6.59
DOMINION VIRGINIA POWER	ELECTRICAL SERVICES	3891790004/8-16		8/10/2016	61.28
DOMINION VIRGINIA POWER	ELECTRICAL SERVICES	9910851972/8-16		8/12/2016	241.98
					2,194.34 *
VERIZON	TELECOMMUNICATIONS	080-0451/8-16		8/16/2016	161.12
VERIZON	TELECOMMUNICATIONS	336-1545/8-16		8/13/2016	64.24
VERIZON	TELECOMMUNICATIONS	336-1587/8-16		8/18/2016	50.89
VERIZON	TELECOMMUNICATIONS	535-7275/8-16		8/13/2016	44.89
VERIZON	TELECOMMUNICATIONS	634-9826/8-16		8/13/2016	21.20
VERIZON WIRELESS	TELECOMMUNICATIONS	976968797		8/02/2016	10.28
VERINI	TELECOMMUNICATIONS	54080162504113		8/16/2016	3.80
					364.41 *
AMAROK UNIFORM SERV INC	UNIFORM RENTAL	47133951		8/04/2016	57.03
AMAROK UNIFORM SERV INC	UNIFORM RENTAL	47169976		8/11/2016	57.03
AMAROK UNIFORM SERV INC	UNIFORM RENTAL	47202415		8/18/2016	182.58
AMAROK UNIFORM SERV INC	UNIFORM RENTAL	47233834		8/25/2016	75.89
					292.53 *
BOAT VESA CARD #1603	TRAVEL AND TRAINING	8862880357016		8/25/2016	50.60
CULTUR LYACH	TRAVEL AND TRAINING	818662/8-2016		8/12/2016	7.45
					66.05 *
BOULL FERGUSON	OFFICE SUPPLIES	8140515		8/10/2016	14.39 *
					9.48
JARRATT HARDWARE	REPAIR & MAINTENANCE SUPPLIES	8133963		8/23/2016	.29
JARRATT HARDWARE	REPAIR & MAINTENANCE SUPPLIES	8134027		8/25/2016	25.96
JARRATT HARDWARE	REPAIR & MAINTENANCE SUPPLIES	8243375		8/03/2016	38.61
JARRATT HARDWARE	REPAIR & MAINTENANCE SUPPLIES	8243809		8/10/2016	37.97
JARRATT HARDWARE	REPAIR & MAINTENANCE SUPPLIES	8244315		8/18/2016	20.04
JARRATT HARDWARE	REPAIR & MAINTENANCE SUPPLIES	8244749		8/25/2016	125.52
STATE ELECTRIC SUPPLY CO	REPAIR & MAINTENANCE SUPPLIES	11906587-80		8/17/2016	23.50
FARM & LAWN SERVICE	REPAIR & MAINTENANCE SUPPLIES	167101		8/25/2016	3.59
CITY SOUTH HARDWARE	REPAIR & MAINTENANCE SUPPLIES	328734		7/05/2016	3.47
CITY SOUTH HARDWARE	REPAIR & MAINTENANCE SUPPLIES	392926		8/16/2016	17.96
HOLLART COMMUNITY/CEMO	REPAIR & MAINTENANCE SUPPLIES	18560804		8/04/2016	

8/31/2016 FROM DATE- 9/06/2016
 0025 TO DATE- 9/06/2016
 FUND # - 002

ACCOUNTS PAYABLE LIST
 GREENSBORO COUNTY WATER
 DEPT # - 02000 *UTILITY MAINTENANCE-SERVICES

VEHICLE NAME	CHARGE TO	DESCRIPTION	INVOICE	INVOICE DATE	AMOUNT
WALSHART CHEMISTRY/LEND	REPAIR & MAINTENANCE SUPPLIES		TR807042	8/11/2016	8.38
VARAD, INC	REPAIR & MAINTENANCE SUPPLIES		S4329718.001	8/16/2016	99.41
HD SUPPLY WATERWORKS, LTD.	REPAIR & MAINTENANCE SUPPLIES		F944398	8/10/2016	182.42
HD SUPPLY WATERWORKS, LTD.	REPAIR & MAINTENANCE SUPPLIES		F945650	8/12/2016	26.00
FURUYAMA INC	REPAIR & MAINTENANCE SUPPLIES		3717955	8/05/2016	48.50
FURUYAMA INC	REPAIR & MAINTENANCE SUPPLIES		3737791	8/10/2016	239.04
				9/0.14 *	910.14 *
EMORR WATER TECHNOLOGIES	CHEMICALS		90274270	8/09/2016	8,487.43
					8,487.43 *
LABORATORY HARDWARE	PAPER EQUIPMENT SUPPLIES		8244109	8/15/2016	29.99
					29.99 *
FARM & LAKE SERVICE	HEAVY EQUIPMENT SUPPLIES		169036	8/23/2016	138.57
POWER ON RA INC	HEAVY EQUIPMENT SUPPLIES		972952	8/09/2016	207.43
FIDELITY POWER SYSTEMS	HEAVY EQUIPMENT SUPPLIES		FP3002013	8/12/2016	96.21
					482.21 *
		TOTAL			15,509.40

DEPT # - 03100 *FALLING RUN SENEGE TREAT. PLANT**

VEHICLE NAME	CHARGE TO	DESCRIPTION	INVOICE	INVOICE DATE	AMOUNT
		*FALLING RUN SENEGE TREAT. PLANT**			
JAMES R REED & ASSOC INC	LABORATORY SERVICES		1607118	7/29/2016	355.00
JAMES R REED & ASSOC INC	LABORATORY SERVICES		1608024	8/08/2016	228.00
JAMES R REED & ASSOC INC	LABORATORY SERVICES		1608034	8/18/2016	283.90
					866.90 *
HECLENBURG ELECTRIC CORP	ELECTRICAL SERVICES		3389301802/8-16	8/03/2016	1,040.50
					1,040.50 *
SPRINT	TELECOMMUNICATIONS		5408816258413	8/16/2016	5.91
					5.91 *
FISHER SCIENTIFIC	G.O. PH METER		2729026	8/04/2016	635.46
					635.46 *
		TOTAL			3,347.87

DEPT # - 03200 *THREE CREEK SENEGE TREAT. PLANT**

VEHICLE NAME	CHARGE TO	DESCRIPTION	INVOICE	INVOICE DATE	AMOUNT
		*THREE CREEK SENEGE TREAT. PLANT**			
WADSWORTH	LABORATORY SERVICES		12156	10/01/2016	1,192.74
					1,192.74 *
ECOLOGICAL RELIABILITY	CONTRACTUAL SERVICES		225791	8/24/2016	355.00
					355.00 *
JAMES R REED & ASSOC INC	LABORATORY SERVICES		1607119	7/29/2016	1,027.00
JAMES R REED & ASSOC INC	LABORATORY SERVICES		1608026	8/08/2016	532.00
JAMES R REED & ASSOC INC	LABORATORY SERVICES		1608032	8/18/2016	132.00
JAMES R REED & ASSOC INC	LABORATORY SERVICES		1608036	8/18/2016	670.00
					2,361.00 *
SLAYTON & CLARY	DISINFECTION BLS REPAIRS		12474	7/29/2016	1,320.00
R F AMERSON INC	DISINFECTION BLS REPAIRS		DISINFECTION #1	8/24/2016	75,007.25
					76,327.25 *

ACCOUNTS PAYABLE LIST
GREENSBORO COUNTY WATER
DEPT # - 032000 WATERS CREEK SEWAGE TREAT. PLANT#

FROM DATE - 9/06/2016
TO DATE - 9/06/2016
FUND # - 002

VENOR NAME	CHANGE TO	DESCRIPTION	INVOICE	INVOICE	DATE	\$\$\$ PAY \$\$\$
MECHLENBORG ELECTRIC COOP		ELECTRICAL SERVICES	388390180/8-16		8/16/2016	7,404.03
VERIZON		TELECOMMUNICATIONS	634-60949-16		8/10/2016	74.98
SPEART (COUNTY)		TELECOMMUNICATIONS	5408016284113		8/16/2016	7.22
ARABARK UNIFORM SERV INC		UNIFORM RENTAL	5408016284112		8/16/2016	.08
ARABARK UNIFORM SERV INC		UNIFORM RENTAL	47133954		8/09/2016	82.28
ARABARK UNIFORM SERV INC		UNIFORM RENTAL	47149977		8/11/2016	99.19
ARABARK UNIFORM SERV INC		UNIFORM RENTAL	47202418		8/18/2016	175.10
ARABARK UNIFORM SERV INC		UNIFORM RENTAL	47234937		8/25/2016	130.62
HOLBART COMMUNITY/CEWB		OFFICE SUPPLIES	18286354		8/04/2016	504.10
HACH COMPANY		LAB SUPPLIES	18051273		8/05/2016	1.84
HOLBART COMMUNITY/CEWB		LAB SUPPLIES	18588019		7/27/2016	1.84
HACH COMPANY		REPAIR & MAINTENANCE SUPPLIES	18053322		8/09/2016	37.19
HOLBART COMMUNITY/CEWB		REPAIR & MAINTENANCE SUPPLIES	18588019		7/27/2016	189.50
JERRATT MARIANNE		VEHICLE SUPPLIES	8133712		8/13/2016	67.35
REDDY'S TIRE & AUTO CARE		VEHICLE SUPPLIES	8054223		8/05/2016	19.92
CARL MAYNE GILLAN		WORKING APPAREL	88019-9-2016		8/08/2016	87.27
SLUDGE PROCESS ENHANCEMENT		CHEMICALS	2168808-8CA		8/13/2016	65.00
FUEL FEEDER CARD		HEAVY EQUIPMENT SUPPLIES	8147096		7/31/2016	65.00
SELLIS SYSTEMS		C.D. TALKIE MO PHONE	751		8/15/2016	90.33
CENTRAL EQUIPMENT CO, INC		C.D. CL2 TRACTOR	87858		8/18/2016	90.33
TOTAL						95,229.99
DEPT # - 032000 WATERS CREEK SEWAGE TREAT. PLANT#						
WATERS CREEK SEWAGE TREAT. PLANT#						
JAYCE ENGINEERING, INC.		CONSTRUCTURAL SERVICES	82025410		8/10/2016	435.00
JAMES R REED & ASSOC INC		LABORATORY SERVICES	1607117		7/29/2016	435.00
JAMES R REED & ASSOC INC		LABORATORY SERVICES	1608025		8/08/2016	503.00
JAMES R REED & ASSOC INC		LABORATORY SERVICES	1608085		8/18/2016	320.00
UNILAR P&S INC		CHEMICALS	81703473		8/17/2016	328.00
WATER SUPPLY, INC		CHEMICALS	0231496-TH		8/10/2016	1,151.00
CLEBRATER INC		C.D. AUTOMATIC SAMPLER	20362		8/05/2016	625.00
						575.35
						1,200.35
						4,093.00
						6,083.00

8/21/2016 FROM DATE- 9/06/2016 ACCEBRI'S PAYABLE LIST
 49975 TO DATE- 9/06/2016 GREENSBORO COUNTY WATER
 FUND # - 002 DEPT # - 03400 WARRANT SEWAGE TREAT. PLANTINE

NUMBER NAME	CHANGE TO	DESCRIPTION	INVOICE #	INVOICE DATE	AMOUNT
FISHER SCIENTIFIC	C.O. PH PROBE		272924	8/04/2016	270.62
				TOTAL	270.62
					9,147.97

DEPT # - 03500 WASKIPPERS SEWAGE TREAT. PLANTINE

JAMES R NEED & ASSOC INC	LABORATORY SERVICES		160716	7/29/2016	261.00
JAMES R NEED & ASSOC INC	LABORATORY SERVICES		160803	8/08/2016	226.00
JAMES R NEED & ASSOC INC	LABORATORY SERVICES		160803	8/18/2016	42.00
DEWITT VIRGINIA POWER	ELECTRICAL SERVICES		555976422/8-16	8/12/2016	529.00
					831.24
JARRATT HARDWARE	REPAIR & MAINTENANCE SUPPLIES		813542	8/09/2016	3.90
JARRATT HARDWARE	REPAIR & MAINTENANCE SUPPLIES		824326	8/18/2016	45.28
ELECTRICAL EQUIPMENT	REPAIR & MAINTENANCE SUPPLIES		3501809-00	8/08/2016	120.27
FORTLINE INC	REPAIR & MAINTENANCE SUPPLIES		372030	8/17/2016	217.00
FORTLINE INC	REPAIR & MAINTENANCE SUPPLIES		3720672	8/17/2016	509.00
FARMER BATTERY INC.	REPAIR & MAINTENANCE SUPPLIES		92175	8/19/2016	59.00
					945.45
HAVER SHARD, INC	GENERATORS		0231495-14	8/10/2016	223.52
JARRATT HARDWARE	C.E. LUB METER/PUMPES/GENERAL		8243424	8/04/2016	233.52
ELECTRICAL EQUIPMENT	C.E. LUB METER/PUMPES/GENERAL		3497735-00	8/02/2016	19.17
BETA SYSTEMS	C.E. LUB METER/PUMPES/GENERAL		732	8/15/2016	264.26
					7,175.00
					7,438.43
				TOTAL	9,987.64

DEPT # - 04100 WAREHSE SERVICE-CENTER

US BANK OPERATIONS CENTER	WAREHSE			8/18/2016	220,087.50
US BANK OPERATIONS CENTER	WAREHSE				220,087.50
US BANK OPERATIONS CENTER	WAREHSE			8/18/2016	109,011.18
US BANK OPERATIONS CENTER	WAREHSE				109,011.18
US BANK OPERATIONS CENTER	WAREHSE			8/18/2016	94,312.50
US BANK OPERATIONS CENTER	WAREHSE				94,312.50
US BANK OPERATIONS CENTER	WAREHSE			8/18/2016	146,695.31
US BANK OPERATIONS CENTER	WAREHSE				146,695.31
				TOTAL	520,106.49
				FUND TOTAL	796,179.94
				TOTAL DUE	1,362,223.55

Approved: _____
 Signed: Oliver Whaley
 Title: Finance Supervisor
 Date: 8/13/16

FROM DATE - 7/01/2016
TO DATE - 9/30/2016

ACCOUNTS PAYABLE CHECKS
GREENVILLE COUNTY WATER

FUND NO.	DESCRIPTION	AMOUNT	PAY
001	ADMINISTRATIVE EXPENSES	556,044.41	
002		570,178.94	
	TOTAL	1,126,223.35	

8/17/2016
 89375
 FUND # - 002

FROM DATE- 8/17/2016
 TO DATE- 8/17/2016

ACCOUNTS PAYABLE LIST
 GREENSVILLE COUNTY WATER
 DEPT # - 020100 *UTILITY MAINTENANCE-SEWER*

PAGE 1

VENDOR NAME	CHARGE TO	DESCRIPTION	INVOICE DATE	INVOICE PCH	CHECK DATE	AMOUNT
UTILITY MAINTENANCE-SEWER						
COLUMBIA RELIABILITY	REPAIR & MAINTENANCE SERV	225777	8/09/2016		8/17/2016	70.00
COLUMBIA RELIABILITY	REPAIR & MAINTENANCE SERV	225778	8/11/2016		8/17/2016	245.00
	TOTAL					315.00 *
*THREE CREEK SEWAGE TREAT. PLANT**						
COLUMBIA RELIABILITY	REPAIR & MAINTENANCE SERV	225774	8/02/2016		8/17/2016	670.00
	TOTAL					670.00 *
*SNIPPERS SEWAGE TREAT. PLANT**						
COLUMBIA RELIABILITY	C.O.:LDB METER/PROBES/ENR	225776	8/04/2016		8/17/2016	350.00
COLUMBIA RELIABILITY	C.O.:LDB METER/PROBES/ENR	225779	8/11/2016		8/17/2016	985.00
	TOTAL					1,335.00 *
	FUND TOTAL					2,320.00
	TOTAL DUE					2,320.00

Approved at meeting of _____ 00
 Signed Rosemarie Brown 8-17-16
 Title COOSA, Treasurer Date

ACCOUNTS PAYABLE CHECKS
GREENSVILLE COUNTY WATER

8/17/2016 8/17/2016
8/17/2016 8/17/2016

002 \$5 PAY \$5

\$2,320.00
2,320.00

TOTAL

002

TOTAL

VENOR NAME	CHEESE TR	DESCRIPTION	INVOICES	INVOICE DATE	INVOICE DATE	CHEESE TR	\$\$\$ PAY \$\$\$
		DEPT # - 01000 ADMINISTRATION-WATER**					
CITY OF EMERY		ADMINISTRATION-WATER**	036277-2016	7/29/2016	8/16/2016		42.46
		COUNTY EXPENDITURES-CHEESE					42.46 *
		TOTAL					42.46
		FUND TOTAL					42.46
		TOTAL DUE					42.46

Approved _____
 Signed Quinn Whaley Date 8/16/16
 Title _____

CHRG OFFIC: 00100100
FB DATE: 8/16/2016

DEPARTMENT: FRIENDS
GREENVILLE COUNTY WATER

FUND NO.	DESCRIPTION	AMOUNT	PRY
001	OPERATING EXPENDITURES**	42.46	
	TOTAL	42.46	

ACCOUNTS PAYABLE LIST
GREENVILLE CO HAS COUTH
DEPT # - 070000 PHASE I-ADMINISTRATION

8/31/2016 FUND DATE- 9/06/2016
0775 TO DATE- 9/06/2016
FUND # - 001 ***EXPERDITURE***

VENOR NAME	CHANGE TO	DESCRIPTION	INVOICE	INVOICE	CHECK	PAY
			DATE	DATE	DATE	99
PHASE I-ADMINISTRATION						
SLAYTON & CLARY		12474	7/29/2016	9/06/2016		135.00
TURNERS GROUP		182377	8/09/2016	9/06/2016		2,842.50
			TOTAL			2,977.50 *
PHASE I-ADMINISTRATION						
SLAYTON & CLARY		12466	7/29/2016	9/06/2016		1,040.00
			TOTAL			1,040.00 *
RESERVE/INTE.PURP ST/RENTION						
CHRISTIAN BARTON LLP		281800	8/29/2016	9/06/2016		24,742.43
			TOTAL			24,742.43 *
			FUND TOTAL			28,759.93
			TOTAL DUE			28,759.93

Approved _____
 Signed Alice Whitley
 Title Finance Supervisor
 Date 8/31/16

FROM DATE- 9/06/2016
THRU DATE- 9/06/2016

ACCOUNTS PAYABLE CHECKS
GREENVILLE CO IRS AUTH

FUND NO. RESERVATION

001 MAINTENANCE

\$\$\$ PAY \$\$\$

\$\$\$ 759.93
\$\$\$ 759.93

RESOLUTION AUTHORIZING INTERIM AND ADDITIONAL LONG-TERM FINANCING OF A WATER RESERVOIR AND INTAKE STRUCTURE FOR THE WATER SYSTEM OF THE GREENSVILLE COUNTY WATER AND SEWER AUTHORITY AND THE ISSUANCE, SALE AND AWARD OF ~~BOND-AND~~-NOTES AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF

WHEREAS, the Greensville County Water and Sewer Authority (the "Authority") is a public body politic and corporate of the Commonwealth of Virginia duly created pursuant to the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2, Code of Virginia of 1950, as amended) (the "Act") by the Board of Supervisors of Greensville County, Virginia (the "County"), and presently owns, operates and maintains water and sewer systems to provide for the water and sewer needs of the residents and businesses of the County; and

WHEREAS, the Authority is authorized to borrow money and to issue its ~~revenue notes, bonds-and-notes,~~ bond anticipation notes, and other obligations for the payment of money to pay all or part of the cost of such systems; and

WHEREAS, the Board of Directors of the Authority (the "Board") has determined to construct improvements to its water system in the County and to issue its ~~revenue~~-bonds and notes, the proceeds of which, together with other available funds, are estimated to be sufficient to pay the cost of the Project hereinafter authorized; and

WHEREAS, the Board has determined to construct and equip a raw water reservoir, new intake and pump station on the Nottoway River (the "Project") for its water system (the "System") in the County and to issue its revenue notes (the "Anticipation Notes") for the interim financing of the Project; and

WHEREAS, the Board has further determined to issue its revenue ~~bond-note~~ (the "Bond Long-Term Note") for long-term financing of the Project in addition to the long-term financing of the Project that is expected to be through a U.S. Rural Development borrowing; and

WHEREAS, CoBank, ACB, a federally-chartered instrumentality of the United States ("CoBank"), has offered to purchase such ~~revenue~~-bonds and notes upon certain terms and conditions, and the Authority, after mature consideration of the condition of the municipal bond market and other methods of selling its bonds and notes, has determined to satisfy such terms and conditions and award the bonds or notes to CoBank; and

WHEREAS, there have been presented to this meeting drafts of the following documents (collectively, the "Documents") in connection with the transactions described above, copies of which shall be filed with the records of the Authority:

(a) A Credit Agreement to be dated as of the sale date of the Anticipation Notes (the "Credit Agreement") between the Authority and ~~the Lender~~CoBank, pursuant to which the Anticipation Notes and Long-Term Note will be sold to the ~~Lender~~CoBank;

- (b) Form of Anticipation Notes for the interim financing of the Project; and
- (c) Form of ~~Bond~~-Long-Term Note for the additional long-term financing of the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GREENSVILLE COUNTY WATER AND SEWER AUTHORITY:

1. **Issuance of Anticipation Notes.** Pursuant to the Act, the Board hereby provides for the issuance and sale of revenue notes of the Authority to provide interim financing for the Project and to pay related issuance and financing costs incurred in connection with issuing such Anticipation Notes.
2. **Anticipation Note Details.** The Anticipation Notes shall be issued in one or more series in an aggregate principal amount not to exceed \$24,863,000 (the "Maximum Amount"). The final terms of the Anticipation Notes will be determined by the Chairman or Vice Chairman of the Board, whose approval shall be evidenced conclusively by the execution and delivery of the Anticipation Notes, subject to the following parameters: (i) the original aggregate principal amount of the Anticipation Notes shall not exceed the Maximum Amount, (ii) the Anticipation Notes shall bear a variable interest rate as set forth therein and at an initial rate that shall not exceed _____% per annum, and (iii) the Anticipation Notes shall mature not later than June 30, 2020. Subject to the preceding terms, the Board further authorizes the Chairman or Vice Chairman of the Board to determine the aggregate total of principal payments on the Anticipation Notes and establish a payment schedule for the Anticipation Notes including the dates and amounts and the optional and extraordinary prepayment provisions, if any, of the Anticipation Notes, all in accordance with the provisions hereof.
3. **Prepayment and Redemption Provisions of the Anticipation Notes.** The principal of the Anticipation Notes shall be subject to optional prepayment or redemption, in whole or in part, by the Authority, at any time.
4. **Execution and Form of Anticipation Notes.** The Anticipation Notes shall be signed by the Chairman or Vice Chairman of the Board and the Authority's seal shall be affixed thereon and attested by the Director of the Authority or Secretary-Treasurer of the Board. The Anticipation Notes shall be issued as a typewritten bond or note in substantially the form submitted to this meeting, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by such officers, whose approval shall be evidenced conclusively by the execution and delivery of the Anticipation Notes.
5. **Issuance of ~~Bond~~Long-Term Note.** Pursuant to the Act, the Board hereby provides for the issuance and sale of a ~~water~~-revenue bond-note of the Authority to provide additional long-term financing for the Project and to pay related issuance and financing costs incurred in connection with issuing such ~~Bond~~Long-Term Note.
6. **~~Bond~~-Long-Term Note Details.** The ~~Bond~~-Long-Term Note shall be issued as a single ~~bond-note~~ in a principal amount not to exceed \$2,710,000 (the "Maximum Amount"). The final terms of the ~~Bond~~-Long-Term Note will be determined by the Chairman or Vice Chairman

of the Board, whose approval shall be evidenced conclusively by the execution and delivery of the Bond-Long-Term Note, subject to the following parameters: (i) the original aggregate principal amount of the Bond-Long-Term Note shall not exceed the Maximum Amount, (ii) the Bond-Long-Term Note shall bear a fixed interest rate that shall not exceed _____% per annum, and (iii) the Bond-Long-Term Note shall mature not later than [December 20, 2044]. Subject to the preceding terms, the Board further authorizes the Chairman or Vice Chairman of the Board to determine the aggregate total of principal payments on the Bond-Long-Term Note and establish a payment schedule for the Bond-Long-Term Note including the dates and amounts and the optional and extraordinary prepayment provisions, if any, of the Bond-Long-Term Note, all in accordance with the provisions hereof.

7. **Prepayment and Redemption Provisions of the Bond-Long-Term Note.** The principal of the Bond-Long-Term Note shall be subject to optional prepayment or redemption, in whole or in part, by the Authority, as set forth therein.

8. **Execution and Form of Bond-Long-Term Note.** The Bond-Long-Term Note shall be signed by the Chairman or Vice Chairman of the Board and the Authority's seal shall be affixed thereon and attested by the Director of the Authority or Secretary-Treasurer of the Board. The Bond-Long-Term Note shall be issued as a typewritten bond or note in substantially the form submitted to this meeting, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by such officers, whose approval shall be evidenced conclusively by the execution and delivery of the Bond-Long-Term Note.

9. **Execution and Form of Documents.** The Chairman or Vice Chairman of the Authority, or either of them, is hereby authorized and directed to execute the Documents, which shall be in substantially the forms submitted to this meeting, which are approved, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the officer executing them, his or her execution to constitute conclusive evidence of his or her approval of any such completions, omissions, insertions and changes, including but not limited to changes in payment dates, principal amortization amounts and maturity date.

10. **Anticipation Notes as ~~Unsecured~~-Obligations.** The Anticipation Notes are ~~unsecured~~-obligations of the Authority anticipated to be paid through proceeds from ~~a~~-the long-term financing of the Project which is expected to be through a combination of long-term financing from CoBank and U.S. Rural Development-borrowing. Nothing in the Anticipation Notes or this Resolution shall be deemed to constitute a pledge of the faith and credit of the Commonwealth of Virginia or any of its political subdivisions, including the County. The issuance of the Anticipation Notes shall not directly, indirectly or contingently obligate the Commonwealth of Virginia or any of its political subdivisions, including the County, to pledge its faith and credit or levy any taxes for the payment of the principal of or premium, if any, or interest on the Anticipation Notes or other costs incident to it or make any appropriation for its payment except from the revenues and other funds pledged for such purpose.

11. **Pledge of Bond-Long-Term Note Proceeds and Revenues; Parity.** Principal of and premium, if any, and interest on the Bond-Long-Term Note and all other amounts due thereunder shall be payable solely from the revenues of the System-water [and sewer] system operated by the Authority ("Revenues"). The Revenues are to be pledged as set forth in the

Bond-Long-Term Note. Nothing in the Bond-Long-Term Note or this Resolution shall be deemed to constitute a pledge of the faith and credit of the Commonwealth of Virginia or any of its political subdivisions, including the County. The issuance of the Bond-Long-Term Note shall not directly, indirectly or contingently obligate the Commonwealth of Virginia or any of its political subdivisions, including the County, to pledge its faith and credit or levy any taxes for the payment of the principal of or premium, if any, or interest on the Bond-Long-Term Note or other costs incident to it or make any appropriation for its payment except from the revenues and other funds pledged for such purpose.

The Bond-Long-Term Note will be secured on parity with any other bonds or notes of the Authority secured by the pledge of Revenues, including:

\$235,629 Water and Sewer System Revenue Bond, Series 2003;

\$4,435,000 Water and Sewer System Revenue Refunding Bond, Series 2010;

\$1,640,000 Water and Sewer System Revenue Bond, Series of 2011;

\$2,105,000 Water and Sewer System Revenue Refunding Bond, Series 2013;

\$2,540,000 Water and Sewer System Revenue Refunding Bond, Series 2014; ~~and~~

\$2,025,000 Water and Sewer System Revenue Bond, Series 2016A; and

any additional bonds or notes issued by the Authority prior to or on the closing dates of the respective Anticipation Notes or Bond-Long-Term Note that are secured by the Revenues of the System, to the extent that either the holders of such bonds or notes consent in writing to such parity or that such parity is otherwise obtained in accordance with the terms and provisions of any resolutions or agreements governing the issuance of such bonds or notes.

12. **Preparation of Printed Bond-and-Anticipation Notes and Long-Term Note.** The Authority shall initially issue the Anticipation Notes and the Bond-Long-Term Note in typewritten form. Upon request of the registered owner and upon presentation of the Anticipation Notes or Bond-Long-Term Note at the office of the Registrar (as hereinafter defined), the Authority shall arrange to have prepared, executed and delivered in exchange as soon as practicable, the Anticipation Notes or Bond-Long-Term Note in printed form in an aggregate principal amount equal to the unpaid principal of the Anticipation Notes or Bond-Long-Term Note in typewritten form, in denominations of \$5,000 and multiples thereof (except that one Anticipation Notes or Bond-Long-Term Note may be issued in an odd denomination of not less than \$5,000), of the same form and maturity and registered in such names as requested by the registered owners or their duly authorized attorneys or legal representatives. The printed Anticipation Notes or Bond-Long-Term Note may be executed by manual or facsimile signature of the Chairman or Vice Chairman of the Board, the Authority's seal affixed thereto and attested by the Director of the Authority or Secretary-Treasurer of the Board; provided, however, that if both such signatures are facsimiles, no Anticipation Note or Bond-Long-Term Note shall be valid until it has been authenticated by the manual signature of the Registrar and the date of

authentication noted thereon. The typewritten Anticipation Notes or Bond-Long-Term Note surrendered in any such exchange shall be canceled.

13. **Registration and Transfer of Bond-and-Anticipation Notes and Long-Term Note.** The Authority appoints the Secretary/Treasurer of the Authority as paying agent and registrar (the "Registrar") for the Anticipation Note. If deemed to be in its best interest, the Authority may at any time appoint a qualified bank or trust company as successor Registrar. Upon surrender of the Anticipation Note at the office of the Registrar, together with an assignment duly executed by the registered owner or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the Authority shall execute, and the Registrar shall authenticate and deliver in exchange, a new Anticipation Note or Anticipation Notes having an equal aggregate principal amount, of the same form and maturity, bearing interest at the same rates and registered in such name as requested by the then registered owner or its duly authorized attorney or legal representative. Any such exchange shall be at the expense of the Authority, except that the Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Registrar shall treat the registered owner as the person or entity exclusively entitled to payment of principal, premium, if any, and interest, and the exercise of all other rights and powers of the owner, except that installments shall be paid to the person or entity shown as owner on the registration books on the 15th day of the month preceding each interest payment date.

14. **Mutilated, Lost or Destroyed Bond-or-Anticipation Notes and Long-Term Note.** If the Anticipation Notes or Bond-Long-Term Note have been mutilated, lost or destroyed, the Authority shall execute and deliver a new Anticipation Note or Bond-Long-Term Note of like date and tenor in exchange and substitution for, and upon cancellation of, such mutilated Anticipation Note or Bond-Long-Term Note or in lieu of and in substitution for such lost or destroyed Anticipation Note or Bond-Long-Term Note; provided, however, that the Authority shall so execute and deliver only if the registered owner has paid the reasonable expenses and charges of the Authority in connection therewith and, in the case of a lost or destroyed Anticipation Note or Bond-Long-Term Note (a) has filed with the Authority evidence satisfactory to the Authority that such Anticipation Note or Bond-Long-Term Note was lost or destroyed and (b) has furnished to the Authority satisfactory indemnity.

15. **Other Actions.** All other actions of Authority officials in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Note Anticipation Notes are ratified, approved and confirmed. The Authority officials are authorized and directed to execute and deliver all agreements, certificates and other instruments considered necessary or desirable in connection with the issuance, sale and delivery of the Note-Anticipation Notes and the execution and delivery of the Documents pursuant to this Resolution, including, but not limited to a loan agreement, project fund agreement and any other agreements. A certified copy of this Resolution shall be filed with the Clerk of the Circuit Court of Greensville County, Virginia in accordance with Section 15.2-5126 of the Code of Virginia of 1950, as amended.

16. Other Resolutions. All resolutions and proceedings in conflict herewith are, to the extent of such conflict, repealed, including, to the extent it is inconsistent herewith, the Original Resolution.

17. Effective Date. This Resolution shall take effect immediately.

CERTIFICATION

The undersigned Secretary-Treasurer of the Greenville County Water and Sewer Authority hereby certifies that the foregoing constitutes a true, correct and complete copy of a Resolution adopted by the Greenville County Water and Sewer Authority at a meeting duly called and held on August 1, 2016, with the members present and absent and voting on the Resolution as set forth below, that such meeting was duly convened and held in all respects in accordance with law, and that the foregoing Resolution has not been repealed, revoked, rescinded or amended.

<u>Member</u>	<u>Present/Absent</u>	<u>Vote</u>
Raymond L. Bryant, Jr.		
Michael W. Ferguson		
Margaret T. Lee		
Peggy R. Wiley		

WITNESS, my hand and the seal of the Greenville County Water and Sewer Authority, this ____ day of August, 2016.

**GREENSVILLE COUNTY WATER AND
SEWER AUTHORITY**

By: _____
Secretary-Treasurer



INSTRUCTION LETTER

June 22, 2016

Brenda N. Parson, Director of Administrative Services
Greensville County Water and Sewer Authority
1781 Greensville County Circle
Emporia, Virginia 23847

Dear Ms. Parson:

Welcome to CoBank! We appreciate the opportunity to serve the financing needs of Greensville County Water and Sewer Authority (the "Borrower"). As discussed in your Credit Agreement with CoBank, this Instruction Letter will provide details, in the form of a checklist, that will assist you in managing the closing process and satisfying requirements of your loan(s) with CoBank. This letter also adds additional terms to your Credit Agreement and constitutes a "Loan Document". Capitalized terms used and not defined in this letter have the meanings given to them in the Credit Agreement or any other Loan Document.

Signing instructions for documents that need to be signed are provided below. Please return all signed documents, and other documents to be delivered, to the attention of Loan Processing Closing at your earliest convenience. A self-addressed envelope has been included for your use. You are welcome to expedite the processing of this transaction by e-mailing the signed documents to closing@cobank.com or by faxing the signed documents to Loan Processing Closing Fax No. (877) 222-1603, provided that all documents bearing the original ink signatures are mailed promptly.

SIGNING AUTHORITY OF BORROWER

- Resolution of the Members of the Authority. Special attention needs to be given to the resolution.
Incumbency Certificate. Complete the enclosed incumbency certificate form, obtain the signatures of all officers authorized by the resolution, and have the Secretary/Treasurer or another authorized officer complete the certification at the bottom of the form.
Organizational Documents and Certification. Please have the Secretary/Treasurer or another authorized officer certify enclosed bylaws of the Borrower. An organization document certification form has been provided for your use.

Comment [MG1]: As discussed, I have prepared a resolution form that is customary in Virginia for local public bodies. As requested, we will use the CoBank certification page.

Comment [MG2]: Please remove County Administrator and Director of Administrative Services throughout documents (these are County positions).

It is important that the documents listed below are executed by an officer authorized by the enclosed resolution and who has signed the enclosed incumbency certificate.

CONDITIONS PRECEDENT. CoBank's obligation to extend credit pursuant to the Promissory Notes listed below, is conditioned upon the receipt of the following items, all of which must be acceptable in form and substance to CoBank in its sole discretion and in compliance with the requirements of the Credit Agreement and the applicable Promissory Note.

**BORROWER ITEMS TO BE DELIVERED OR COMPLETED FOR CLOSING PROMISSORY NOTES
NO. 00101411T01, 00101411T02, 00101411T03, and 00101411T04**

- This Letter.**
- Credit Agreement No. 00101411SLA.**
- Promissory Notes No. 00101411T01, 00101411T02, 00101411T03, and 00101411T04.**
- W-9 Form.**
- Opinion of Counsel – CoBank Form.** Your legal counsel will need to provide an opinion at closing. The acceptable form in which to provide this opinion is enclosed. In addition, the opinion form in Word format is also available from CoBank. Have your attorney work with our CoBank attorney to complete the closing opinion.

Comment [MG3]: Please remove loan for land acquisition from materials. It is not anticipated this loan will be needed at this time.

Comment [MG4]: As discussed, I have prepared an opinion form that is customary in Virginia for local public bodies.

BORROWER GENERAL DELIVERABLES

- Certificates of Insurance.** Deliver (or have your insurance company deliver):
 - General Liability Certificate of Insurance** for the Borrower's general liability insurance that lists the policy number(s), policy period of coverage, types of coverage, coverage limits and deductibles. The Certificate should list all entities covered by the insurance policy, and name CoBank, ACB, 6340 S. Fiddlers Green Circle, Greenwood Village, CO 80111, as certificate holder; and
 - Property Insurance Certificate of Insurance** for the Borrower's property insurance that lists the policy number(s), policy period of coverage, types of coverage, coverage limits and deductibles. The Certificate will need to name CoBank, ACB, 6340 S. Fiddlers Green Circle, Greenwood Village, CO 80111, as certificate holder.
- Consents.** If your loan documents with any of your existing lenders, including RD/RUS and Virginia Resources Authority, require that you obtain their consent before incurring additional debt, provide evidence that you have obtained the necessary consent. If consent is not required, there will be no delivery requirement for this loan condition and CoBank will rely on your attorney's closing opinion as confirmation that all required consents have been obtained.

Comment [MG5]: We will request RD/VRA parity consent upon closing of long-term promissory note 00101411T04.

BANKING SERVICES AGREEMENTS. This completed and signed package of documents is required in connection with your use of CoBank's Telephone Banking Services, Electronic Banking Services, and Cash

Management Services (each a "Service" and collectively the "Services"). These documents need to be completed, signed and returned to CoBank.

- Master Agreement for Cash Management and Transaction Services.** This master agreement outlines the terms of the Services, your use of which will permit you to telephonically and electronically access your Deposit Account and Loan Account (each an "Account" and collectively the "Accounts") and conduct transactions with respect to your Account(s), subject to the terms and conditions set forth in the Master Agreement.
- Designation of Authorized User(s) Form (Exhibit C).** A complete list of all persons authorized to use Telephone Banking Services must be provided. CoBank will issue all authorized users, designated by you on Exhibit C, a PIN for purposes of authenticating transactions or requests for services originated through CoBank's Telephone Banking Service.
- Recurring Wire Transfer Templates (Exhibit D).** This form sets forth your company's recurring outgoing wire transfer instructions and ensures proper controls.
- ACH Direct Debit Authorization.** This form authorizes CoBank to electronically debit a specified account for payments due to CoBank.

DOCUMENTS DELIVERED BY COBANK FOR BORROWER

- **Interim Financial Report Notice of Certification.** CoBank is providing written notice that a financial report certification is to be completed, signed, and submitted, together with each set of interim financial statements furnished to CoBank. Each Certificate must be signed by a principal financial officer of the Borrower.

COBANK DISCLOSURE MATERIAL

- **CoBank Annual Report and most recent Quarterly Report, if any.** See the enclosed reports. Visit our website <http://www.cobank.com/Newsroom-Financials/Financial-Reports.aspx> for all subsequent reports.
- **CoBank's Bylaws.** A copy of CoBank's current bylaws.
- **CoBank's Customer Service Information Sheet.** This is an informational document that contains CoBank's Customer Service phone number, as well as wire and payment instructions for your future reference.

BORROWER ADDITIONAL DELIVERABLES FOR PROMISSORY NOTES NO. 00101411T01 AND 00101411T03
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BORROWER ITEMS TO BE DELIVERED PRIOR TO CLOSING

- RD/RUS Letter of Conditions.** RD/RUS letter of conditions to lend to the Borrower. CoBank has received this document.
- RD/RUS Letter of Intent to Meet Conditions.** Provide a signed letter of intent to meet conditions from the Borrower to RD/RUS. CoBank has received this document.

- RD/RUS Request for Obligations of Funds.** Provide RD/RUS loan approval notification evidenced by a request for obligation of funds form from RD/RUS to Borrower. CoBank has received this document.

BORROWER ITEMS TO BE DELIVERED PRIOR TO FUNDING

- RD/RUS Commitment to Lend.** Provide the RD/RUS Commitment to Lend letter in form acceptable to CoBank to make the Commitment available for Interim Funding.

**BORROWER ADDITIONAL DELIVERABLES FOR PROMISSORY NOTES
NO. 00101411T02 AND 00101411T04**

BORROWER ITEMS TO BE DELIVERED OR COMPLETED PRIOR TO CLOSING

- Security Agreement.** In addition to executing this document, you will need to complete Schedule B, listing changes to your corporate name or corporate structure.
- Request for Loan for Term Loan No. 00101411T02.**

Comment [MG6]: Not required per Virginia Code Section 2.2-4902.1.

BORROWER ITEMS TO BE DELIVERED OR COMPLETED POST CLOSING

- **UCC-1.** On or before the date that is 60 days after the Closing Date, file a UCC Financing Statement (the "UCC-1"). The UCC-1 should be filed in the appropriate filing office of the State of Virginia as a transmitting utility. Once the UCC-1 is filed, send CoBank a file stamped copy.
- **Opinion of Counsel (Updated).** At the closing of Promissory Note(s) 00101411T02 and 00101411T04, your attorney provided CoBank with an opinion of counsel. On or before the date that is 60 days after the Closing Date, after the UCC-1 has been filed, have your attorney provide an updated opinion of counsel that includes, in addition to the opinions provided in the closing opinion, opinions concerning the security documents and the lien priorities. The additional opinions to be included in the updated opinion are shown in the form of closing opinion provided. Have your attorney work with our CoBank attorney to complete.
- **Intercreditor Agreement.** On or before the date that is 180 days after the Closing Date, provide or work with CoBank to obtain an Intercreditor Agreement that evidences the shared lien position with RD/RUS.

Comment [MG7]: Not required per Virginia Code Section 2.2-4902.1.

Comment [MG8]: Pledge, security and parity status covered in bond counsel opinion.

When all condition precedent documents have been delivered, and CoBank has determined that all closing conditions have been met, and the loans close (the "Closing Date"), we will send you a copy of the documents that have been countersigned by CoBank for your records.

If you have any questions, contact one of your CoBank team members:

CoBank Associate	Specialty	Direct Phone Number	E-mail Address
Julia McCusker	Relationship Manager	800-542-8072 Ext. 45858	mccuskj@cobank.com
Daphne J. Satriano	Direct Closer	(800) 542-8072 Ext. 45914	djsatriano@cobank.com
Elena Tolson	Documentation	(800) 542-8072 Ext. 06466	etolson@cobank.com
Susan Gulinson	Collateral Paralegal	(800) 542-8072 Ext. 04050	sgulinson@cobank.com
Mary Maikoetter	Responsible Attorney	(800) 542-8072 Ext. 06453	mmaikoetter@cobank.com

Sincerely,

Elena Tolson

SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE TO INSTRUCTION LETTER

IN WITNESS WHEREOF, the parties have caused this Instruction Letter to the Agreement to be executed by their duly authorized officer(s).

COBANK, ACB

By: _____

Name: _____

Title: _____

**GREENSVILLE COUNTY WATER AND SEWER
AUTHORITY**

By: _____

Name: _____

Title: _____



Agreement No. 00101411SLA

CREDIT AGREEMENT

THIS CREDIT AGREEMENT (this "Agreement"), dated as of June 22, 2016, is entered into by and between GREENSVILLE COUNTY WATER AND SEWER AUTHORITY, Emporia, Virginia, a public body politic and corporate and a political subdivision of the Commonwealth of Virginia (the "Borrower"), and COBANK, ACB, a federally-chartered instrumentality of the United States ("Lender").

RECITALS

In consideration of the agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower and Lender agree as follows:

ARTICLE 1 Defined Terms; Accounting Principles. Certain capitalized terms used in this Agreement bear the definitions given to them in this Agreement. References to accounting standards are to United States generally accepted accounting principles, or those required of the regulatory agency having jurisdiction over the Borrower, including but not limited to the system of accounts established by the United States of Agriculture acting through Rural Development or the Rural Utilities Service or their predecessors ("RD/RUS"), if applicable, or such other commission or body as may be agreeable to Lender (the "Accounting Standards").

ARTICLE 2 The Facilities.

2.1 Promissory Note. In the event the Borrower desires to borrow from Lender and Lender is willing to lend to the Borrower, or in the event the parties desire to consolidate any existing loans hereunder, the parties will enter into a promissory note (a "Promissory Note"). Each Promissory Note will set forth Lender's commitment to make a loan or loans to the Borrower, the amount of the loan(s), the purpose of the loan(s), the interest rate or rate options applicable to the loan(s), the repayment terms of the loan(s), and any other terms and conditions applicable to the particular loan(s). Each Promissory Note will also contain the Borrower's promise to make payments of interest on the unpaid principal balance of the loan(s), and fees and premiums, if any, and to repay the principal balance of the loan(s). Each loan will be governed by the terms and conditions contained in this Agreement and in the Promissory Note relating to that loan.

2.2 Availability. Loans will be made available on any day on which Lender and the Federal Reserve Banks are open for business (a "Business Day") upon the telephonic or written request of an authorized employee of the Borrower. Requests for loans must be received by 12:00 p.m. Denver, Colorado time on the date the loan is desired. Loans will be made available by wire transfer of immediately available funds. Wire transfers will be made to such account or accounts as may be authorized by the Borrower.

2.3 Security. Except as otherwise provided in a Promissory Note or in a closing instruction letter signed by the parties (an "Instruction Letter"), the Borrower's obligations hereunder and under each Promissory Note will be:

- (a) secured by a lien (subject only to exceptions approved in writing by Lender) on revenues of the Borrower, whether now existing or hereafter acquired, the priority of which shall be shared pro rata

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with the lien held by RD/RUS through an intercreditor or parity agreement and also pro rata with the lien held by Virginia Resources Authority ("VRA") based on the requirements contained in the governing bond documents for the bonds held by VRA. The Borrower agrees to take such steps, including, without limitation, the execution and recordation or filing, as applicable, of security agreements, intercreditor or parity agreements, control agreements, financing statements, and amendments to any of the foregoing, and such other instruments and documents as Lender may require to enable Lender to obtain, perfect, and maintain a lien on Borrower's revenues, and the payment of any applicable related taxes.

2.4 Payments Generally. The Borrower's obligation to repay each loan will be evidenced by a Promissory Note. Lender will maintain a record of all loans, the interest accrued thereon, and all payments made with respect thereto, and such record will, absent proof of manifest error, be conclusive evidence of the outstanding principal and interest on the loans. Payments under each Promissory Note will be made by wire transfer of immediately available funds, by check, or by automated clearing house (ACH) or other similar cash handling processes as specified by separate agreement between the Borrower and Lender. Notwithstanding the foregoing, payments under each Promissory Note will be made by automatic clearing house (ACH), unless otherwise agreed in writing by Lender. Wire transfers will be made to ABA No. 307088754 for advice to and credit of "CoBANK" (or to such other account as Lender may direct by notice). The Borrower will give Lender telephonic notice no later than 12:00 p.m. Denver, Colorado time on the day the Borrower intends to pay by wire of such intent, and funds received after 3:00 p.m. Denver, Colorado time will be credited on the next Business Day. Checks will be mailed to CoBANK, Department 167, Denver, Colorado 80291-0167 (or to such other place as Lender may direct by notice). Credit for payment by check will not be given until the later of the next Business Day after receipt of the check or the day on which Lender receives immediately available funds. If any installment of principal or interest is due on a date that is not a Business Day, then such installment will be due and payable on the next Business Day.

2.5 Broken Funding Surcharge. Notwithstanding the terms of any Promissory Note giving the Borrower the right to prepay without penalty any loan prior to the date it would otherwise be due and payable, the Borrower agrees to provide three Business Days' prior written notice for any prepayment of a fixed rate balance and to pay to Lender a broken funding surcharge in the amount set forth below in the event the Borrower: (a) repays any fixed rate balance prior to the last day of its fixed rate period (whether such payment is made voluntarily, as a result of an acceleration, or otherwise); (b) converts any fixed rate balance to another fixed rate or to a variable rate prior to the last day of the fixed rate period applicable to such balance; or (c) fails to borrow any fixed rate balance on the date scheduled therefor. The surcharge will be in an amount equal to the greater of (1) the sum of: (i) the present value of any funding losses imputed by Lender to have been incurred as a result of such payment, conversion or failure; plus (ii) a per annum yield of 0.50% of the amount repaid, converted or not borrowed for the period such amount was scheduled to have been outstanding at such fixed rate, or (2) \$300.00. Any surcharge will be determined and calculated in accordance with methodology established by Lender, a copy of which will be made available upon request. Notwithstanding the foregoing, in the event of a conflict between the provisions of this section and of the broken funding charge section of a forward fix agreement between Lender and the Borrower, the provisions of the forward fix agreement will control. For the avoidance of doubt, no Promissory Note bearing interest at a variable rate shall be subject to a broken fund surcharge.

2.6 Taxes; Change in Law. Any payment by the Borrower to Lender will be made net of any taxes ~~of payable by the Borrower, if any~~ (other than income and similar taxes imposed on or measured by Lender's overall net income). If any change in any law, rule, regulation, code, ordinance, order or the like to which the Borrower is subject, including, without limitation, all laws relating to environmental

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protection, and taxes (collectively, "Laws"), increases the cost of making or maintaining any loan (or any associated commitment to lend), or reduces the amount received or receivable by Lender hereunder then, upon request, the Borrower will pay to Lender such additional amount as will compensate Lender for such additional costs incurred or reduction suffered. If Lender becomes entitled to claim any additional amounts pursuant to this Section and comparable Sections of this Agreement, it shall promptly notify the Borrower of the event by reason of which it has become so entitled and shall confirm that the Borrower is being treated in a manner comparable to that of other similarly situated customers of Lender. A certificate setting forth in reasonable detail the computation of any additional amounts payable pursuant to this Section submitted by Lender to the Borrower shall be delivered to the Borrower promptly after the initial incurrence of such additional amounts and shall be conclusive in the absence of manifest error.

ARTICLE 3 Conditions Precedent.

3.1 Conditions to Initial Promissory Note. Lender's obligation to extend credit under the initial Promissory Note hereunder is subject to the condition precedent that Lender receive, in form and substance satisfactory to Lender, each of the following, except otherwise provided in a Promissory Note or in Instruction Letter:

(a) **This Agreement.** A duly executed copy of this Agreement, the other Loan Documents (as defined below), the Instruction Letter accompanying this Agreement, and all instruments and documents contemplated hereby and thereby.

(b) **Banking Service Agreements.** A duly completed and executed copy of any banking service agreement, including any agreement relating to the provision by Lender of cash management services, reasonably requested ~~required~~ by Lender from time to time. Lender will be entitled to rely on (and will incur no liability to the Borrower in acting on) any request or direction furnished in accordance with the terms thereof.

3.2 Conditions to Each Promissory Note. Lender's obligations to extend credit under each Promissory Note hereunder, including the initial Promissory Note, is subject to the condition precedent that Lender receive, in form and substance satisfactory to Lender, each of the following, except otherwise provided in a Promissory Note or in Instruction Letter:

(a) **Promissory Note.** A duly executed copy of the Promissory Note and all instruments and documents contemplated by the Promissory Note.

(b) **Instruction Letter.** Any and all items or requirements detailed in an Instruction Letter with respect to the particular Promissory Note.

~~(e) **Evidence of Perfection.** Such evidence as Lender may require that it has duly perfected liens as required under this Agreement.~~

~~(d)~~(c) **Evidence of Authority.** Such certified board resolutions, certificates of incumbency, and other evidence that Lender may require that the Promissory Note, all instruments and documents executed in connection therewith, and, in the case of the initial Promissory Note hereto, this Agreement, the other Loan Documents (as defined below) and all instruments and documents executed in connection herewith and therewith, ~~including any security documents,~~ have been duly authorized and executed.

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(e)(d) **Fees and Other Charges.** Any fees or other charges provided for herein, in the Promissory Note or in any invoice provided by Lender.

(f)(e) **Insurance.** Such evidence as Lender may require that the Borrower is in compliance with Section 5.4 below.

(g)(f) **Consents and Approvals.** Evidence as Lender may require that all regulatory and other consents and approvals referred to in Section 4.6 below have been obtained and are in full force and effect.

(h)(g) **Opinion of Counsel.** An opinion of counsel to the Borrower (which counsel must be acceptable to Lender).

3.3 Conditions to Each Loan. Lender's obligation under each Promissory Note to make any loan to the Borrower thereunder is subject to the condition that no "Event of Default" (as defined in Section 8.1 below) or event that, with the giving of notice and/or the passage of time and/or the occurrence of any other condition, would ripen into an Event of Default (a "Potential Default") will have occurred and be continuing or would be caused by the making of such loan.

ARTICLE 4 Representations and Warranties. The execution by the Borrower of this Agreement and each Promissory Note hereunder, or any renewal or extension by Lender of any Promissory Note hereunder, will constitute a representation and warranty by the Borrower that:

4.1 Instruction Letter; Loan Documents. Each representation and warranty and all information set forth in any Instruction Letter and/or any of the Loan Documents (as defined below) and/or any other document submitted in connection with, or to induce Lender to enter into, such Promissory Note is correct in all material respects as of the date of such Promissory Note.

4.2 Compliance; Legal Proceedings. The Borrower and its subsidiaries and all property owned or leased or proposed to be acquired with the proceeds of any Promissory Note hereunder by the Borrower and/or its subsidiaries and all of its/their operations are in compliance with all applicable Laws and the terms of the Loan Documents and no Event of Default or Potential Default exists or is continuing. In addition, there are no pending legal, arbitration, or governmental actions or proceedings to which the Borrower or any subsidiary is a party or to which any of its or any subsidiaries' property is subject which, if adversely determined, might have a material adverse effect on the financial condition, operations, properties, profits, or business of the Borrower or any subsidiary, and to the best of the Borrower's knowledge, no such actions or proceedings are threatened or contemplated.

4.3 Organization; Good Standing. The Borrower (a) is duly organized, validly existing and in good standing under the Laws of its jurisdiction of organization, (b) has the lawful power to own or lease its properties and to engage in the business it conducts or proposes to conduct, and (c) is duly qualified and in good standing in each jurisdiction where the property owned or leased by it or the nature of the business transacted by it makes such qualification necessary.

4.4 Binding Agreement. The Loan Documents constitute legal, valid, and binding obligations of the Borrower that are enforceable in accordance with their terms.

4.5 Conflicting Agreements. Neither this Agreement nor any Promissory Note, or other instrument or document securing or otherwise relating hereto or to any Promissory Note (each a "Loan

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Document” and collectively, at any time, the “Loan Documents”) conflicts with, or constitutes (with or without the giving of notice and/or the passage of time and/or the occurrence of any other condition) a default under, any other agreement to which the Borrower is a party or by which it or any of its property may be bound or affected, and does not conflict with any provision of its bylaws, articles of incorporation or other organizational documents.

4.6 Consents and Approvals. No consent, permission, authorization, order or license of any governmental authority or of any party to any agreement to which the Borrower is a party or by which it or any of its property may be bound or affected, is necessary in connection with the project, acquisition or other activity being financed by such Promissory Note, or the execution, delivery, performance or enforcement of any Loan Document, except as have been obtained and are in full force and effect.

4.7 Budgets; Full Disclosure. All budgets, projections, feasibility studies, and other documentation submitted by the Borrower to Lender in connection with, or to induce Lender to enter into, such Promissory Note are based upon assumptions that are reasonable and realistic, and as of the date of such Promissory Note, no fact has come to light, and no event has occurred, that would cause any assumption made therein to not be reasonable or realistic. No Loan Document or other certificate, statement, agreement, or document furnished to Lender in connection with this Agreement or any other Loan Document (a) contains any untrue statement of a material fact, or (b) fails to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading. The Borrower is not aware of any Material Adverse Change that has not been disclosed in writing to Lender. A “Material Adverse Change” means any material adverse change, as reasonably determined by Lender, in the condition, financial or otherwise, operations, business, liabilities (actual or contingent) or properties of the Borrower or in its ability to perform its obligations hereunder, under any security instrument or document, or under any other Loan Document.

4.8 Accurate Financial Information. Each submission of financial information or documents relating to the Borrower will constitute a representation and warranty by the Borrower that such information and documents (a) are true and accurate in all material respects, and (b) do not fail to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

4.9 ERISA. NOT APPLICABLE, INTENTIONALLY OMITTED.

4.10 Margin Stock. ~~The Borrower is not engaged and does not intend to engage principally, or as one of its important activities, in the business of extending credit for the purpose, immediately, incidentally or ultimately, of purchasing or carrying margin stock (within the meaning of Regulation U, T or X as promulgated by the Board of Governors of the Federal Reserve System of the United States of America (the “Board”)). No part of the proceeds of any loan made by Lender to the Borrower has been or will be used, immediately, incidentally or ultimately, to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock or in any way that is inconsistent with the provisions of the regulations of the Board. Neither Borrower nor any subsidiary of the Borrower holds or intends to hold margin stock in such amounts that more than 25% of the reasonable value of the assets of the Borrower or any subsidiary of the Borrower are or will be represented by margin stock.~~ NOT APPLICABLE, INTENTIONALLY OMITTED.

4.11 Water Rights and System Condition. The Borrower has water rights with such amounts, priorities and qualities as are necessary to service adequately the Borrower’s customers and

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members. The Borrower controls, owns, or has access to all such water rights free and clear of the interest of any third party and has not suffered or permitted any transfer or encumbrance of such water rights, has not abandoned such water rights, or any of them, and has not done any act or thing which would impair or cause the loss of any such water rights. The Borrower's utility facilities reasonably meet present demand in all material respects, are constructed in a good and professional manner, are in good working order and condition, and comply in all material respects with all applicable law.

4.12 Rate Matters. The Borrower's rates for the provision of water have been approved, if applicable, by any and all necessary governmental regulatory authorities, including, without limitation, each public service commission or public utilities commission that may have jurisdiction over the operations and rates of the Borrower. Further, there is no pending, and to the Borrower's knowledge, no threatened proceeding before any governmental authority, the objective or result of which is or could be to materially reduce or otherwise materially adversely change any of the Borrower's rates for the provision of water and/or waste water services, or otherwise have a material adverse effect on the condition, financial or otherwise, operations, properties, or business of the Borrower.

ARTICLE 5 Affirmative Covenants. Unless otherwise agreed to in writing by Lender, while this Agreement is in effect, the Borrower agrees to, and with respect to Sections 5.3, 5.4, 5.5, and 5.8, agrees to cause each subsidiary, if any, to:

5.1 Reports and Notices. Furnish to Lender:

(a) **Annual Financial Statements.** As soon as available, but in no event more than 180 days after the end of each fiscal year of the Borrower occurring during the term hereof, annual consolidated and consolidating financial statements of the Borrower and its consolidated subsidiaries, if any, prepared in accordance with the Accounting Standards. Such financial statements will (a) be audited by independent certified public accountants selected by the Borrower and acceptable to CoBank; (b) be accompanied by a report of such accountants containing an opinion thereon acceptable to CoBank; and (c) be prepared in reasonable detail and in comparative form.

(b) **Interim Financial Statements.** As soon as available, but in no event more than 60 days after the end of each fiscal quarter of the Borrower, a consolidated balance sheet of the Borrower and its consolidated subsidiaries, if any, as of the end of such fiscal quarter, a consolidated statement of income for the Borrower and its consolidated subsidiaries, if any, for such period and for the period year to date, and such other interim statements as Lender may specifically request, all prepared in reasonable detail and in comparative form in accordance with the Accounting Standards, and, if required by written notice from Lender, certified by a principal financial officer of the Borrower.

Comment [A1]: Can this requirement be removed? Neither RD nor VRA require interim financial statements. This would be an unduly burdensome requirement for the WSA.

(c) **Notice of Default.** Promptly after becoming aware thereof, notice of the occurrence of an Event of Default or a Potential Default, including, without limitation, any error in the Borrower's financial information previously provided to Lender and the occurrence of any breach, default, event of default or event that, with the giving of notice and/or the passage of time and/or the occurrence of any other condition, would become a breach, default or event of default under any loan agreement, indenture, mortgage, or other credit or security agreement or instrument to which the Borrower is a party or by which it or any of its property may be bound or affected.

(d) **Notice of Litigation, Environmental Matters, Etc.** Promptly after becoming aware thereof, notice of: (1) the commencement of any action, suit or proceeding before any court, arbitrator or

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governmental department, commission, board, bureau, agency, or instrumentality having jurisdiction over the Borrower, that, if adversely decided, could have a material adverse effect on the condition, financial or otherwise, operations, properties or business of the Borrower; (2) the receipt of any notice, indictment, pleading or other communication alleging a condition that may require the Borrower to undertake or to contribute to a clean-up or other response under any environmental Law, or that seeks penalties, damages, injunctive relief, criminal sanctions or other relief as a result of an alleged violation of any such Law, or that claims personal injury or property damage as a result of environmental factors or conditions; and (3) any matter that could have a material adverse effect on the Borrower, including any decision of any regulatory authority or commission.

(e) **Notice of Certain Events.** (1) Notice at least 30 days prior thereto, of any change in the Borrower's name or corporate structure; (2) notice at least 30 days prior thereto, of any change in the Borrower's organizational documents, which changes must be approved in writing by Lender in its reasonable discretion; (3) notice at least 30 days prior thereto, of any change in the principal place of business of the Borrower or the office where its records concerning its accounts are kept; and (4) as soon as available after any changes thereto, copies of the Borrower's organizational documents certified by the Borrower's Secretary or equivalent officer acceptable to Lender. To the extent the notice periods provided in subparagraphs (1), (2) or (3) cannot be met by the Borrower on the basis that the changes resulted from legislation by the Virginia General Assembly and the enabling of such legislative changes, notice shall be given as soon as the Borrower has notice of any such change.

5.2 Instruction Letter. Comply with any and all requirements detailed in an Instruction Letter.

5.3 Corporate Existence, Etc. Preserve and keep in full force and effect its existence and good standing in the jurisdiction of its incorporation or formation, ~~qualify and remain qualified to transact business in all jurisdictions where such qualification is required,~~ and obtain and maintain all licenses, certificates, permits, authorizations, approvals, and the like that are material to the conduct of its business or required by any Law.

5.4 Insurance. Maintain insurance with reputable and financially sound insurance companies or associations, including self-insurance to the extent customary, acceptable to Lender in such amounts and covering such risks as are usually carried by companies engaged in the same or similar business and similarly situated, and make such increases in the type or amount of coverage as Lender may reasonably request. All such policies insuring any collateral for the Borrower's obligations to Lender will have additional insured, mortgagee and lender's loss payee clauses or endorsements, as applicable, in form and substance satisfactory to Lender. At Lender's request, the Borrower agrees to deliver to Lender such proof of compliance with this section as Lender may require.

5.5 Property Maintenance. Maintain in good repair, working order and condition (ordinary wear and tear excepted) in accordance with the general practice of other businesses of similar character and size, all of those properties useful or necessary to its business, and make all alterations, replacements, and improvements thereto as may from time to time be necessary in order to ensure that its properties remain in good working order and condition. The Borrower agrees that at Lender's request, which request may not be made more than once a year, the Borrower will furnish to Lender a report on the condition of the Borrower's property prepared by a professional engineer satisfactory to Lender.

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5.6 Inspection. Permit Lender or its agents, upon reasonable notice and during normal business hours or at such other times as the parties may agree, to inspect and visit any of its properties, examine and make excerpts from its books and records, and to discuss its business affairs, finances and accounts with its officers, directors, employees, and independent certified public accountants and to conduct reviews of any collateral.

5.7 Books and Records. Maintain and keep proper books and records of account in which full, true and correct entries of all its dealings, business and financial affairs will be made in accordance with the Accounting Standards.

5.8 Compliance With Laws. Comply in all material respects with all Laws ~~and any patron or member investment program applicable to the Borrower~~. In addition, the Borrower agrees to cause all persons occupying or present on any of its properties to comply in all material respects with all Laws relating to such properties.

5.9 Further Assurances and Other Information. From time to time and at its expense, execute and deliver such documents and do such other acts and things as Lender in its sole discretion may deem necessary or advisable from time to time in order to more fully carry out the provisions and purpose of the Loan Documents, including delivery of such other information regarding the condition or operations, financial or otherwise, of the Borrower as Lender may from time to time reasonably request, including, but not limited to, copies of all pleadings, notices and communications referred to in Section 5.1(d) above.

5.10 Capital. INTENTIONALLY OMITTED.

5.11 Delivery of Original Loan Documents. If executed copies of any Loan Documents are delivered to Lender as provided in Article 3 above, immediately deliver to Lender the original executed versions of such Loan Documents.

5.12 Indemnity for Taxes. To the extent permitted by Laws, at all times indemnify and hold and save Lender harmless from and against any and all actions or causes of action, claims, demands, liabilities, loss, damage or expense of whatsoever kind and nature incurred by Lender as a result of the non-payment of any documentary stamp tax, intangible tax, interest or penalties associated therewith or any other local, state or federal assessment required to be paid, but not paid in conjunction with the indebtedness evidenced by the Loan Documents. The Borrower agrees to pay to Lender, its successors and assigns, from legally available funds, all sums of money requested by Lender hereunder within ten days of such request, which Lender will or may advance, pay or cause to be paid, or become liable to pay, on account of or in connection with failure to pay as required by the regulations of the governmental authority so imposing said payment. Lender will be entitled to charge for any and all disbursements made by it in good faith, under the reasonable belief that it or the Borrower is or was liable for the amount so assessed. Any default by the Borrower in making any payments required under this covenant will constitute a payment Event of Default under the Loan Documents and Lender may, at its option, declare the entire amount of principal plus accrued interest thereon due and payable without notice or demand. If Lender becomes entitled to claim any additional amounts pursuant to this Section and comparable Sections of this Agreement, it shall promptly notify the Borrower of the event by reason of which it has become so entitled and shall confirm that the Borrower is being treated in a manner comparable to that of other similarly situated customers of Lender. A certificate setting forth in reasonable detail the computation of any additional amounts payable pursuant to this Section submitted by Lender to the

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Borrower shall be delivered to the Borrower promptly after the initial incurrence of such additional amounts and shall be conclusive in the absence of manifest error.

5.13 ERISA. NOT APPLICABLE, INTENTIONALLY OMITTED.

5.14 Water Rights and/or Supplies. Maintain or procure water rights and/or supplies with such amounts, priorities and qualities as are necessary to service adequately the Borrower's customers and members. The Borrower will continue to control, own or have access to all such water rights and/or supplies free and clear of the interest of any third party, will not suffer or permit any transfer or encumbrance of such water rights and/or supplies, will not abandon such water rights and/or supplies, or any of them, and will not do any act or thing that would impair or cause the loss of any such water rights and/or supplies.

ARTICLE 6 Negative Covenants. Unless otherwise agreed to in writing by Lender, while this Agreement is in effect, the Borrower will not:

6.1 Other Indebtedness. Create, incur, assume or allow to exist, directly or indirectly, any indebtedness or liability for borrowed money (including trade or bankers' acceptances), letters of credit, or for the deferred purchase price of property or services (including leases that should be capitalized on the books of the lessee in accordance with the Accounting Standards), except for:

- (a) debt to Lender.
- (b) accounts payable to trade creditors incurred in the ordinary course of business.
- (c) current operating liabilities (other than for borrowed money) incurred in the ordinary course of business.
- (d) ~~secured~~ debt of the Borrower to RD/RUS.
- (e) ~~secured~~ debt of the Borrower to Virginia ~~Resources~~ Reseources Authority ("VRA") through VRA's pool loan financing program or the Commonwealth of Virginia's revolving loan fund programs administered ~~administered~~ ~~red~~ by VRA.
- (f) debt of the Borrower where the Debt Service Coverage Ratio set forth in Section 7.1 and the Total Debt to Total Capitalization calculation set forth in Section 7.2 are satisfied taking into account the proposed ~~debt~~ indebtedness for the first two years following completion of the project related to the proposed indebtedness and taking into consideration (a) future System (as defined below) rate increases, provided that such rate increases have been duly approved by the ~~Authority's~~ Borrower's governing body and any other person or entity required to give approval for the rate increase to become effective, and (b) additional future revenues to be derived under then-existing contractual arrangements entered into by the ~~Authority~~ Borrower and from reasonable estimates of growth in the ~~Authority's~~ Borrower's consumer base.
- (g) debt of the Borrower where the annual debt service requirements of the Borrower are reduced as a result of the refinancing or refunding of existing indebtedness of the Borrower.

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6.2 Contingent Liabilities. Assume, guarantee, become liable as a surety, endorse, contingently agree to purchase, or otherwise be or become liable, directly or indirectly (including, but not limited to, by means of a maintenance agreement, an asset or stock purchase agreement, or any other agreement designed to ensure any creditor against loss), for or on account of the obligation of any person or entity, except by the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of the Borrower's business.

6.3 Liens. Create, incur, assume, or allow to exist any mortgage, deed of trust, pledge, lien (including the lien of an attachment, judgment, or execution), security interest, or other encumbrance of any kind upon any of its property, real or personal (collectively, "Liens"). The foregoing restrictions will not apply to:

(a) Liens in favor of Lender .

(b) Liens in favor of RD/RUS to secure indebtedness permitted hereunder.

(c) Liens in favor of VRA through its pool loan financing program or the Commonwealth of Virginia's revolving loan fund programs administered by VRA to secure indebtedness permitted hereunder.

(d) Liens in favor of other lender where the Debt Service Coverage Ratio set forth in Section 7.1 and the Total Debt to Total Capitalization calculation set forth in Section 7.2 are satisfied taking into account the proposed indebtedness for the first two years following completion of the project related to the proposed indebtedness, and taking into consideration (a) future System rate increases, provided that such rate increases have been duly approved by the Authority's Borrower's governing body and any other person or entity required to give approval for the rate increase to become effective, and (b) additional future revenues to be derived under then-existing contractual arrangements entered into by the Authority-Borrower and from reasonable estimates of growth in the Authority's Borrower's consumer base.

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(e) Liens in favor of other lenders where the annual debt service requirements of the Borrower are reduced as a result of the refinancing or refunding of existing indebtedness of the Borrower.

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(f) Liens for taxes, assessments, or governmental charges that are not past due.

(g) pledges and deposits under workers' compensation, unemployment insurance, and social security Laws.

(h) pledges and deposits to secure the performance of bids, tenders, contracts (other than contracts for payment of money), and like obligations arising in the ordinary course of business as conducted on the date hereof.

(i) Liens imposed by Law in favor of mechanics, material suppliers, warehouses, and like persons that secure obligations that are not past due.

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(h)(j) easements, rights-of-way, restrictions, and other similar encumbrances that, in the aggregate, do not materially interfere with the occupation, use, and enjoyment of the property or assets encumbered thereby in the normal course of business or materially impair the value of the property subject thereto.

6.4 Transactions with Affiliates. Enter into any transaction with any affiliate except in the ordinary course of and pursuant to the reasonable requirements of its business and upon fair and reasonable terms no less favorable to it than it would obtain in a comparable arm's-length transaction with a person or entity that was not an affiliate.

6.5 Loans and Investments. Make any loan or advance to, or make any investment in, or make any capital contribution to, or purchase of make any commitment to purchase any stock, bonds, notes or other securities of any person or entity, except for:

(a) securities or deposits issued, guaranteed or fully insured as to payment by the United States of America or any agency thereof.

(b) receivable accounts related to annual payment obligations of \$1,000,000.00 ~~58,956.00~~ to the Borrower from Greenville County Industrial Development Authority.

Comment [A2]: Does this need to be here if the loan has already been made prior to closing?

6.6 Dividends and Distributions. Declare or pay any dividends or make any other distribution of assets to shareholders of the Borrower, or retire, redeem, purchase or otherwise acquire for value any capital stock of the Borrower.

6.7 Mergers, Acquisitions, Etc. Merge or consolidate with any other entity or acquire all or a material part of the assets of any other person or entity, or form or create any new subsidiary, or commence operations under any other name, organization, or entity, including any joint venture.

6.8 Transfer of Assets. Sell, transfer, lease, or otherwise dispose of any of its assets, except: (a) in the ordinary course of business; and (b) the sale, transfer or disposal of any obsolete or worn-out assets that are no longer necessary or required in the conduct of the Borrower's business.

6.9 Change in Business. Engage in any business activities or operations substantially different from or unrelated to the Borrower's present business activities or operations.

6.10 Use of Proceeds. Use the proceeds of any loan made by Lender to the Borrower, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the Board) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

ARTICLE 7 Financial Covenants. Unless otherwise agreed to in writing by Lender, while this Agreement is in effect:

~~—~~**Debt Service Coverage Ratio.** The Borrower ~~and its consolidated subsidiaries, if any,~~ will have at the end of fiscal year of the Borrower a Debt Service Coverage Ratio (as defined below) for such year of not less than 1.10 to 1.00. For purposes hereof, the term "Debt Service Coverage Ratio" means the ratio of: (a) Net Revenues Available for Debt Service ~~net income (after taxes and after eliminating any gain or loss on sale of assets or other extraordinary gain or loss), plus depreciation~~

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~~expense, amortization expense, and interest expense, minus non-cash patronage, and non-cash income from subsidiaries and/or joint ventures, and grant income; to (b) all principal payments due within the period on all Long-Term Debt (as defined below) plus interest expense (all as calculated on a consolidated basis for the applicable period in accordance with the Accounting Standards). For purposes hereof, "Long-Term Debt" means, for the Borrower, on a consolidated basis, the sum of (1) all indebtedness for borrowed money, (2) obligations that are evidenced by notes, bonds, debentures or similar instruments, and (3) that portion of obligations with respect to capital leases or other capitalized agreements that are properly classified as a liability on the balance sheet in conformity with Accounting Standards or that are treated as operating leases under regulations applicable to them but that otherwise would be required to be capitalized under Accounting Standards, in each case having a maturity of more than one year from the date of its creation or having a maturity within one year from such date but that is renewable or extendible, at the Borrower's option, to a date more than one year from such date or that arises under a revolving credit or similar agreement that obligates the lender(s) to extend credit during a period of more than one year from such date, including all current maturities in respect of such indebtedness whether or not required to be paid within one year from the date of its creation.~~

7.1 ~~(+) Based on adopted FY16 budget, and taking into consideration (a) future System rate increases, provided that such rate increases have been duly approved by the Authority's governing body and any other person or entity required to give approval for the rate increase to become effective, and (b) additional future revenues to be derived under then existing contractual arrangements entered into by the Authority and from reasonable estimates of growth in the Authority's consumer base.~~

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~~"Net Revenues Available for Debt Service" means the Revenues less amounts necessary to pay Operation and Maintenance Expenses.~~

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~~"Revenues" means (i) all rates, fees, rentals, charges, and other income properly allocable to the System under generally accepted accounting principles (provided that the Authority may determine to include any cash or deferred revenues derived from availability or connection fees, even if all or part thereof are excluded from current revenues under generally accepted accounting principles) or resulting from the Authority's ownership or operation of the System and all rights to receive the same, whether now existing or hereafter coming into existence (including without limitation any amount that may be appropriated for and paid to the Authority by the County under the Support Agreements for the 2010 Bond, 2011 Bond, 2013 Bond, 2014 Bond and 2016A Bond of Greenville, Virginia), exclusive of user and other deposits subject to refund until such deposits have become the Authority's property, (ii) the proceeds of any insurance covering business interruption loss relating to the System, (iii) interest on any money or securities related to the System held by or on behalf of the Authority except as otherwise provided by the Master Indenture and (iv) any other income from other sources now or hereafter pledged or specifically made available by or on behalf of the Authority to the payment of Operation and Maintenance Expenses or debt service on Parity Bonds.~~

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~~“Operation and Maintenance Expenses” means the costs of operating and maintaining the System determined under generally accepted accounting principles, exclusive of (i) interest on any debt payable from Revenues, (ii) depreciation and other items not requiring the expenditure of cash, (iii) any amounts expended for capital replacements, repairs and maintenance not recurring either annually or biannually, depending on the customary practice of performing operation and maintenance, or reserves therefor, and (iv) reserves for administration, operation and maintenance occurring in the normal course of business.~~

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~~“Net Revenues Available for Debt Service” means the Revenues less amounts necessary to pay Operation and Maintenance Expenses.~~

~~7.1 “System” means all plants, systems, facilities, equipment or property owned, operated or maintained by the Authority and used in connection with the supply, treatment, storage or distribution of water and the collection and treatment of wastewater, as the same may from time to time exist.~~

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~~7.2 **Total Debt to Total Capitalization.** The Borrower and its consolidated subsidiaries, if any, will have at the end of each fiscal year of the Borrower a ratio of Total Debt to Total Capitalization (each as defined below) of not greater than 0.65 to 1.00 (all as determined in accordance with the Accounting Standards). For purposes hereof: (a) “Long-Term Debt” means: (1) all long-term indebtedness, minus the current portion thereof, whether issued, assumed or guaranteed, and whether the Borrower and its consolidated subsidiaries, if any, is otherwise obligated to, or customarily pays, the principal or interest thereof or thereon; (2) all long-term capital leases and other agreements and obligations representing the deferred purchase price of property or services minus the current portion thereof; and (3) all other long-term obligations, minus the current portion thereof, whether or not assumed or guaranteed, secured by Liens on, or payable out of the proceeds or products of, property now or hereafter owned or acquired; and (b) “Total Capitalization” means Total Debt plus Net Worth (both as defined below). For purposes hereof, (a) “Total Debt” means all debt of the Borrower, and its consolidated subsidiaries, if any, including obligations pursuant to patron investment program and (b) “Net Worth” means total assets less total liabilities, except that in determining Total Capitalization, contributions in aid of construction, advances for construction, customer deposits, or similar items reducing rate base calculations will be excluded.~~

Comment [A3]: Can this requirement be removed? Neither RD nor VRA require this type of calculation. This would be an unduly burdensome requirement for the WSA.

ARTICLE 8 Default.

8.1 Each of the following will constitute an “Event of Default” hereunder:

(a) **Payment Default.** The Borrower should fail to make any payment to Lender when due.

(b) **Representations and Warranties.** Any representation, warranty, certification or statement of fact made at any time by the Borrower, herein or in any other Loan Document, or in any certificate, other instrument or statement furnished to Lender by or on behalf of the Borrower, will have been false or misleading in any material respect as of the time it was made or furnished.

(c) **Covenants.** The Borrower will default in the observance or performance of any covenant set forth in Article 5 (other than Sections 5.1(c), 5.1(d), 5.1(e)(1), and 5.1(e)(2) above), and such default continues for 30 days after written notice thereof will have been delivered to the Borrower by Lender.

(d) **Other Covenants and Agreements.** The Borrower will default in the observance or performance of Sections 5.1(c), 5.1(d), 5.1(e)(1), and 5.1(e)(2) or any other covenant or agreement

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contained herein or in any other Loan Document or will use the proceeds of any loan for any unauthorized purpose.

(e) **Cross Default.** The Borrower should, after any applicable grace period, breach or be in default under the terms of any other Loan Document (including, without limitation, any security instrument or document) or any other agreement between the Borrower and Lender, or between the Borrower and any affiliate of Lender, including without limitation Farm Credit Leasing Services Corporation.

(f) **Other Indebtedness.** The Borrower should fail to pay when due any indebtedness to any other person or entity for borrowed money or any long-term obligation for the deferred purchase price of property (including any capitalized lease), or any other event occurs that, under any agreement or instrument relating to such indebtedness or obligation, has the effect of accelerating or permitting the acceleration of such indebtedness or obligation, whether or not such indebtedness or obligation is actually accelerated or the right to accelerate is conditioned on the giving of notice, the passage of time, or otherwise.

(g) **Judgments.** A judgment, decree, or order for the payment of money will have been rendered against the Borrower and either: (1) enforcement proceedings will have been commenced; (2) a Lien prohibited by this Agreement, any security instrument, or any other Loan Document, will have been obtained; or (3) such judgment, decree, or order will continue unsatisfied and in effect for a period of 30 consecutive days without being vacated, discharged, satisfied, bonded, or stayed pending appeal.

(h) **Loan Document Unenforceable.** Any of the Loan Documents ceases to be a legal, valid, and binding agreement enforceable against the Borrower or is in any way terminated (except in accordance with its terms) or becomes or is declared ineffective or inoperative.

(i) **Revocation of Guaranty.** INTENTIONALLY OMITTED.

(j) **Insolvency, Etc.** The Borrower will: (1) become insolvent or will generally not, or will be unable to, or will admit in writing its inability to, pay its debts as they become due; or (2) suspend its business operations or a material part thereof or make an assignment for the benefit of creditors; or (3) apply for, consent to, or acquiesce in the appointment of a trustee, receiver, or other custodian for it or any of its property; or (4) have commenced against it any action or proceeding for the appointment of a trustee, receiver, or other custodian and such action or proceeding is not dismissed within 30 days of the date thereof, or a trustee, receiver, or other custodian is appointed for all or any part of its property; or (5) receive notice from any regulatory or governmental authority to the effect that such authority intends to replace the management of the Borrower or assume control over the Borrower; or (6) commence or have commenced against it any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution, or liquidation law of any jurisdiction.

(k) **Material Adverse Change.** Any Material Adverse Change occurs, as reasonably determined by Lender.

8.2 Remedies. Upon the occurrence and during the continuance of an Event of Default or Potential Default, Lender will have no obligation to extend or continue to extend credit to the Borrower and may discontinue doing so at any time without prior notice or other limitation. In addition, upon the occurrence and during the continuance of any Event of Default, Lender may, upon notice to the Borrower:

THE GREENSVILLE COUNTY WATER AND SEWER AUTHORITY
Emporia, Virginia
Agreement No. 00101411SLA

(a) **Termination and Acceleration.** Terminate any commitment and declare the unpaid principal balance of the loans, all accrued interest thereon, and all other amounts payable under this Agreement, each Promissory Note, and all other Loan Documents to be immediately due and payable. Upon such a declaration, the unpaid principal balance of the loans and all such other amounts will become immediately due and payable, without protest, presentment, demand, or further notice of any kind, all of which are hereby expressly waived by the Borrower.

(b) **Enforcement.** Proceed to protect, exercise, and enforce such rights and remedies as may be provided by this Agreement, any security instrument or document, any other Loan Document, or under Law. Each and every one of such rights and remedies will be cumulative and may be exercised from time to time, and no failure on the part of Lender to exercise, and no delay in exercising, any right or remedy will operate as a waiver thereof, and no single or partial exercise of any right or remedy will preclude any future or other exercise thereof, or the exercise of any other right. Without limiting the foregoing, Lender may hold and/or set off and apply against the Borrower's obligations to Lender the proceeds of any equity in Lender, any cash collateral held by Lender, or any balances held by Lender for the Borrower's account (whether or not such balances are then due).

(c) **Application of Funds.** Lender may apply all payments received by it to the Borrower's obligations to Lender in such order and manner as Lender may elect in its sole discretion.

(d) **CONSENT TO SUIT. TO THE EXTENT PERMITTED BY LAW, THE BORROWER CONSENTS TO THE REMEDIES PROVIDED HEREIN, INCLUDING WITHOUT LIMITATION, SUIT FOR ENFORCEMENT OF THE TERMS OF THIS AGREEMENT, EACH PROMISSORY NOTE, AND ALL OTHER LOAN DOCUMENTS, AND ALL APPROPRIATE REMEDIES AT LAW OR IN EQUITY, NOTWITHSTANDING PRINCIPLES OF SOVEREIGN IMMUNITY WHICH OTHERWISE MAY BE APPLICABLE.**

In addition to the rights and remedies set forth above and notwithstanding any Promissory Note: (1) upon the occurrence and during the continuance of an Event of Default, at Lender's option in each instance, the entire indebtedness outstanding hereunder and under each Promissory Note will bear interest from the date of such Event of Default until such Event of Default will have been waived or cured in a manner satisfactory to Lender at 4.00% per annum in excess of the rate(s) of interest that would otherwise be in effect on that loan under the terms of the applicable Promissory Note; and (2) after the maturity of any loan (whether as a result of acceleration or otherwise), the unpaid principal balance of such loan (including without limitation, principal, interest, fees and expenses) will automatically bear interest at 4.00% per annum in excess of the rate(s) of interest that would otherwise be in effect on that loan under the terms of the Promissory Note. All interest provided for herein will be payable on demand from legally available funds and will be calculated on the basis of a year consisting of 360 days.

ARTICLE 9 Miscellaneous.

9.1 Amendments; Waivers; Etc. No amendment, modification, or waiver of any provision of this Agreement or the other Loan Documents, and no consent to any departure by the Borrower herefrom or therefrom, will be effective unless approved by Lender and contained in a writing signed by or on behalf of Lender, and then such waiver or consent will be effective only in the specific instance and for the specific purpose for which given. In the event this Agreement is amended or restated, each such amendment or restatement will be applicable to all Promissory Notes hereto.

ARTICLE 10 Expenses; Indemnification; Damage Waiver.

10.1 Costs and Expenses. To the extent allowed by Law, the Borrower agrees to pay from legally available funds all reasonable out-of-pocket costs and expenses (including the fees and expenses of counsel retained or employed by Lender) incurred by Lender and any participants of Lender in connection with the origination, administration, collection and enforcement of this Agreement and the other Loan Documents, including, without limitation, all costs and expenses incurred in obtaining, perfecting, maintaining, determining the priority of, and releasing any security for the Borrower's obligations to Lender, and any stamp, intangible, transfer or like tax incurred in connection with this Agreement or any other Loan Document or the recording hereof or thereof.

10.2 Indemnification. To the extent permitted by Law, the Borrower indemnifies Lender, its affiliates and its and their respective officers, directors, employees, agents and advisors (each an "Indemnitee") against, and holds each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including fees and expenses of employed or retained counsel) incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Borrower arising out of or as a result of (a) the execution or delivery of any Loan Document, the performance or nonperformance by the Borrower of its obligations under any Loan Document or the consummation of the transactions contemplated thereby, including the use of the proceeds therefrom, (b) breach of representations, warranties or covenants of the Borrower under any Loan Document, or (c) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, including any such items or losses relating to or arising under environmental Laws or pertaining to environmental matters, regardless whether any Indemnitee is a party thereto; provided that such indemnity will not, as to an Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee.

10.3 Waiver of Consequential Damages. To the fullest extent permitted by applicable Law, the Borrower will not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages arising out of, in connection with, or as a result of, any Loan Document, the transactions contemplated thereby or the use of the proceeds thereof.

10.4 Notices. All notices hereunder will be in writing and will be deemed to have been duly given when addressed to the party intended to receive the same at the address of such party set forth below (or such other address either party may specify by like notice), (a) upon delivery if personally delivered to a party at such address, (b) three days after the same is deposited in the United States mail as first class, certified mail, return receipt requested, postage paid, (c) one business day after the same has been deposited with Federal Express or another nationally recognized overnight courier service if designated for next-day delivery, and (d) upon delivery if sent by facsimile or electronic mail with confirmation of delivery of the same:

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If to Lender, as follows:

For general correspondence purposes:
P.O. Box 5110
Denver, Colorado 80217-5110

For direct delivery purposes, when desired:
6340 S. Fiddlers Green Circle
Greenwood Village, Colorado 80111-1914

Attention: Credit Information Services
Fax No.: (303) 224-6101

If to the Borrower, as follows:

The Greensville County Water and Sewer Authority
1781 Greensville County Circle
Emporia, Virginia 23847

1781 Greensville County Circle
Emporia, Virginia 23847

Attention: ~~Director of Administrative Services~~ Secretary-
Treasurer
Fax No.: _____

10.5 Effectiveness and Severability. This Agreement will continue in effect until: (a) all indebtedness and obligations of the Borrower under this Agreement and the other Loan Documents have been paid or satisfied; (b) Lender has no commitment to extend credit to or for the account of the Borrower under any Promissory Note; and (c) either party sends written notice to the other party terminating this Agreement. Any provision of this Agreement or any other Loan Document that is prohibited or unenforceable in any jurisdiction will be ineffective to the extent of such prohibition or unenforceable without invalidating the remaining provisions hereof or thereof.

10.6 Successors and Assigns.

(a) **Successors and Assigns Generally.** This Agreement and the other Loan Documents will be binding upon and inure to the benefit of the Borrower and Lender and their respective successors and assigns, except that the Borrower may not assign or transfer its rights or obligations under this Agreement or the other Loan Documents without the prior written consent of Lender.

(b) **Participations, Etc.** From time to time, Lender may sell to one or more banks, financial institutions, or other lenders a participation in one or more of the loans or other extensions of credit made pursuant to this Agreement. However, no such participation will relieve Lender of any commitment made to the Borrower hereunder. In connection with the foregoing, Lender may disclose information concerning the Borrower and its subsidiaries, if any, to any participant or prospective participant, provided that such participant or prospective participant agrees to keep such information confidential. A sale of a participation interest may include certain voting rights of the participants regarding the loans hereunder (including without limitation the administration, servicing, and enforcement thereof). Lender agrees to give written notification to the Borrower of any sale of a participation interest.

10.7 Integration; Other Types of Credit; Counterparts.

(a) **Integration.** The Loan Documents are intended by the parties to be a complete and final expression of their agreement. Each Promissory Note will be deemed to incorporate all of the terms and conditions of this Agreement as if fully set forth therein. Without limiting the foregoing, any capitalized term utilized in any Promissory Note (or in any amendment to this Agreement or Promissory Note) and not otherwise defined in the Promissory Note (or amendment) will have the meaning set forth herein or, if applicable, in the Accounting Standards. In the event the Accounting Standards are changed after the date hereof, then all such changes will be applicable hereto, unless Lender otherwise specifies in writing.

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(b) **Other Types of Credit.** From time to time, Lender may issue letters of credit or extend other types of credit to or for the account of the Borrower. In the event the parties desire to do so under the terms of this Agreement, then the agreement of the parties with respect thereto may be set forth in a Promissory Note and this Agreement will be applicable thereto.

(c) **Counterparts.** This Agreement may be executed in counterparts, each of which will constitute an original, but all of which when taken together will constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic means will be as effective as delivery of a manually executed counterpart of this Agreement.

10.8 Applicable Law; Submission to Jurisdiction; Service of Process; Waiver of Venue; Waiver of Jury Trial.

(a) **Applicable Law.** ~~Unless Laws governing the Borrower specifically mandate otherwise, without otherwise, w~~Without giving effect to the principles of conflict of laws and except to the extent governed by federal law, the Laws of the ~~State of Colorado~~Commonwealth of Virginia, without reference to choice of law doctrine, will govern this Agreement, each Promissory Note and any other Loan Document for which ~~Colorado~~-Virginia is specified as the applicable law, and all disputes and matters between the parties to this Agreement, including all disputes and matters whatsoever arising under, in connection with or incident to the lending and/or leasing or other business relationship between the parties, and the rights and obligations of the parties to this Agreement or any other Loan Document by and between the parties for which ~~Colorado~~-Virginia is specified as the applicable law.

(b) **Submission to Jurisdiction; Service of Process.** INTENTIONALLY OMITTED~~Unless Laws governing the Borrower specifically mandate otherwise, the Borrower hereby irrevocably consents to the nonexclusive jurisdiction of any state or federal court in Denver, Colorado, and consents that Lender may effect any service of process in the manner and at the Borrower's address set forth herein for providing notice or demand; provided that nothing contained in this Agreement will prevent Lender from bringing any action, enforcing any award or judgment or exercising any rights against the Borrower individually, against any collateral or against any property of the Borrower within any other county, state or other foreign or domestic jurisdiction.~~

(c) **Waiver of Venue.** INTENTIONALLY OMITTED.

(d) **Waiver of Jury Trial.** ~~Unless Laws governing the Borrower specifically mandate otherwise~~To the extent permissible by Law, the Borrower and Lender each hereby irrevocably waives any right it may have to a trial by jury in connection with any action directly or indirectly arising out of or relating to this Agreement or any other Loan Document. Each party hereto (1) certifies that no representative, administrative agent or attorney of any other person has represented, expressly or otherwise, that such other person would not, in the event of litigation, seek to enforce the foregoing waiver and (2) acknowledges that it and the other parties hereto have been induced to enter into this Agreement and other Loan Documents by, among other things, the mutual waivers and certifications in this section.

10.9 USA Patriot Act Notice. Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify, and record information that identifies the Borrower in accordance with the USA Patriot Act. The Borrower covenants and agrees it will not, and agrees to cause each of its subsidiaries not to, at any time, directly or indirectly be (a) a person with whom Lender is restricted from doing business under any Anti-Terrorism Law, (b) engaged in any

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business involved in making or receiving any contribution of funds, goods or services to or for the benefit of such a person or in any transaction that evades or avoids, or has the purpose of evading or avoiding, the prohibitions set forth in any Anti-Terrorism Law, or (c) otherwise in violation of any Anti-Terrorism Law (the Borrower will and will cause each of its subsidiaries to provide to Lender any certifications or information that Lender requests to confirm compliance by the Borrower and its subsidiaries with any Anti-Terrorism Law). "Anti-Terrorism Law" means any Law relating to terrorism or money laundering, including Executive Order No. 13224, the USA Patriot Act, the Laws comprising or implementing the Bank Secrecy Act, and the Laws administered by the United States Treasury Department's Office of Foreign Asset Control, as any of the foregoing Laws may from time to time be amended, renewed, extended, or replaced.

SIGNATURE PAGE FOLLOWS

THE GREENSVILLE COUNTY WATER AND SEWER AUTHORITY
Emporia, Virginia
Agreement No. 00101411SLA

SIGNATURE PAGE TO CREDIT AGREEMENT

IN WITNESS WHEREOF, the parties hereto, by their duly authorized officers, have executed this Agreement.

COBANK, ACB

By: _____

Name: _____

Title: _____

**THE GREENSVILLE COUNTY WATER AND
SEWER AUTHORITY**

By: _____

Name: _____

Title: _____



Loan No. 00101411T04

**SINGLE ADVANCE TERM PROMISSORY NOTE
(Long-Term Development Loan)**

THIS SINGLE ADVANCE TERM PROMISSORY NOTE (this "Promissory Note") to the Credit Agreement dated ~~June 22~~ September __, 2016 (the "Credit Agreement"), is entered into as of ~~June 22, 2016~~ _____, 201_, between COBANK, ACB, a federally chartered instrumentality of the United States ("CoBank" or "Lender"), and THE GREENSVILLE COUNTY WATER AND SEWER AUTHORITY, Emporia, Virginia, a public body politic and corporate and a political subdivision of the Commonwealth of Virginia (together with its permitted successors and assigns, the "Borrower"). Capitalized terms not otherwise defined in this Promissory Note will have the meanings set forth in the Credit Agreement.

SECTION 1. SINGLE ADVANCE TERM COMMITMENT. On the terms and conditions set forth in the Credit Agreement and this Promissory Note, Lender agrees to make a single advance loan to the Borrower in an amount not to exceed \$2,710,000.00 (the "Commitment").

SECTION 2. PURPOSE. The purpose of the Commitment is to provide long-term financing of CoBank Loan No. 00101411T03. This Note has been authorized pursuant to a resolution duly adopted by the Borrower on August 1, 2016, and is issued pursuant to the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2, Code of Virginia of 1950, as amended), to provide funds, together with other available funds, to finance the the construction and equipping of a raw water reservoir, new intake and pump station on the Nottoway River.

SECTION 3. TERM. The Commitment will expire at 12:00 p.m. Denver, Colorado time on ~~December 31, 2019~~ June 30, 2020, or on such later date as Lender may, in its sole discretion, authorize in writing (the "Term Expiration Date").

SECTION 4. LIMITS ON ADVANCES, AVAILABILITY, ETC. Notwithstanding Article 2 of the Credit Agreement and provided that each of the conditions precedent set forth in the Credit Agreement have been satisfied, the loan will be made available to the Borrower on a date to be agreed upon by the parties (the "Closing Date"). On or after the Closing Date and prior to the Term Expiration Date, on a date mutually agreed to between Borrower and Lender (the "Funding Date"), the loan will be made available in a single advance by Lender advancing and applying the proceeds of the loan to repay in full the principal balance owed by Borrower under CoBank Loan No. 00101411T03.

SECTION 5. INTEREST. The Borrower agrees to pay interest on the unpaid balance of the loan(s) in accordance with the following interest rate option(s):

(A) **Quoted Rate.** At a fixed rate per annum to be quoted by CoBank in its sole discretion in each instance. Under this option, rates may be fixed on such balances and for such periods, as may be agreeable to CoBank in its sole discretion in each instance, provided that: (1) the minimum fixed period will be 180 days; (2) amounts may be fixed in increments of \$100,000.00 or multiples thereof; and (3) the maximum number of fixes in place at any one time will be five.

On or before the Funding Date, the Borrower shall work with the Lender to fix the interest rate applicable hereunder from the Funding Date through maturity.

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Emporia, Virginia
Promissory Note No. 00101411T04

Interest will be calculated on the actual number of days each loan is outstanding on the basis of a year consisting of 360 days and will be payable monthly in arrears by the 20th day of the following month or on such other day as Lender will require in a written notice to the Borrower ("Interest Payment Date").

Comment [MG1]: We will want 25 year fixed rate set forth in the Promissory Note prior to execution.

Comment [MG2]: What is calculation for determining long-term rate?

Comment [MG3]: Please change to actual/actual or 30/360.

Such installments shall be payable in lawful money of the United States of America by check or draft mailed to the registered owner at its address as it appears on the registration books kept for that purpose at the office of the Authority's Secretary-Treasurer who has been appointed Registrar, except that the final installment shall be payable upon presentation and surrender hereof at the office of the Registrar.

SECTION 6. PROMISSORY NOTE. The Borrower promises to repay the unpaid principal balance of the loan in 300 consecutive, monthly installments, payable on the 20th day of each month, with the first installment due on ~~January 20, 2020~~, 20__, and the last installment due on ~~December 20, 2044~~, 20__. The amount of each installment will be the same principal amount that would be required to be repaid if the loan(s) were scheduled to be repaid in level payments of principal and interest and such schedule was calculated utilizing the rate of interest in effect on the date funds are advanced under this Promissory Note. Principal due on the first payment date will constitute a month's amortization, regardless of any partial month's interest due in accordance with the provisions set forth herein.

In addition to the above, the Borrower promises to pay interest on the unpaid principal balance of the loan at the times and in accordance with the provisions set forth herein.

SECTION 7. PREPAYMENT. Subject to the broken funding surcharge provision of the Credit Agreement, the Borrower may, on one Business Day's prior written notice, prepay all or any portion of the loan(s). Unless otherwise agreed by Lender, all prepayments will be applied to principal installments in the inverse order of their maturity and to such balances, fixed or variable, as Lender will specify.

SECTION 8. SECURITY. The Borrower's obligations hereunder and, to the extent related thereto, under the Credit Agreement, will be secured as provided in Section 2.3 of the Credit Agreement. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE BORROWER, IS DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS NOTE OR OTHER COSTS INCIDENT THERETO OR TO LEVY ANY TAXES THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT EXCEPT FROM THE FUNDS OF THE BORROWER PLEDGED FOR SUCH PURPOSE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE BORROWER, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS NOTE OR OTHER COSTS INCIDENT HERETO. THIS NOTE SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE BORROWER HAS NO TAXING POWER.

SECTION 9. FEES. INTENTIONALLY OMITTED.

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Emporia, Virginia
Promissory Note No. 00101411T04

SECTION 10. FINANCIAL COVENANT. While this Promissory Note is in effect and unless Lender otherwise consents in writing, the Borrower will establish ~~by September 30, 2019~~ upon execution of this Promissory Note and maintain a debt service reserve account (the "Reserve") in the amount of ~~\$185,000.00~~. The funds in the Reserve will be held in a financial institution acceptable to Lender or in a cash investment services account at Lender and invested in obligations of Lender. The Borrower hereby pledges and grants to Lender a security interest in the Reserve (including all interest earned thereon) as security for the Borrower's obligations to Lender under the Loan Documents. If requested by Lender, the Borrower will cooperate with Lender in obtaining control with respect to the Reserve if it is maintained with a financial institution other than Lender (the "Bank") including entering into a written agreement among the Bank, the Borrower and Lender that the Bank will comply with instructions originated by Lender directing disposition of funds in the Reserve without further consent by the Borrower. However, as long as no Event of Default or Potential Default will have occurred and be continuing, interest on the Borrower's investments in the Reserve may be paid to the Borrower in the ordinary course. Investments in Lender are uninsured and unsecured general obligations of Lender. Lender is regulated by the Farm Credit Administration and exempt from registration under federal law.

Comment [MG4]: Can this be changed to maximum annual debt service at closing rather than fixed amount?

This Note is fully registered as to both principal and interest in the name of United States of America. Transfer of this Note may be registered upon the registration books of the Registrar. Prior to due presentment for registration of transfer the Registrar shall treat the registered owner as the person exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the owner.

All acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or be performed precedent to and in the issuance of this Note have happened, exist and have been performed.

SIGNATURE PAGE FOLLOWS

THE GREENSVILLE COUNTY WATER AND SEWER AUTHORITY
Emporia, Virginia
Promissory Note No. 00101411T04

SIGNATURE PAGE TO PROMISSORY NOTE

IN WITNESS WHEREOF, the parties have caused this Promissory Note to the Credit Agreement to be executed by their duly authorized officer(s).

COBANK, ACB

By: _____

Name: _____

Title: _____

Comment [MG5]: TBD. I am used to seeing the debt instrument only executed by the Borrower.

GREENSVILLE COUNTY WATER
AND SEWER AUTHORITY

By _____
Chairman, ~~Greenville County~~
~~Water and Sewer Authority~~

(SEAL)

ATTEST:

Secretary-Treasurer, ~~Greenville County~~
~~Water and Sewer Authority~~

SIGNATURE PAGE TO PROMISSORY NOTE

THE GREENSVILLE COUNTY WATER AND SEWER AUTHORITY
Emporia, Virginia
Promissory Note No. 00101411T04

~~IN WITNESS WHEREOF, the parties have caused this Promissory Note to the Credit Agreement to be executed by their duly authorized officer(s).~~

~~COBANK, ACB~~

~~By: _____~~

~~Name: _____~~

~~Title: _____~~

~~THE GREENSVILLE COUNTY WATER AND SEWER
AUTHORITY~~

~~By: _____~~

~~Name: _____~~

~~Title: _____~~



CoBank, ACB
INCUMBENCY CERTIFICATE

The undersigned, as Secretary/Treasurer of the Borrower named below, hereby certifies that the following persons are the current, duly elected or appointed Authorized Signatories enumerated in applicable Resolutions of the Borrower's Members.

AUTHORIZED SIGNATORIES

NOTE: INSERT THE NAMES AND OBTAIN THE SIGNATURES OF ONLY THOSE AUTHORIZED BY THE RESOLUTION REFERRED TO ABOVE. THIS INCUMBENCY CERTIFICATE REVOKES AND REPLACES ALL PREVIOUS INCUMBENCY CERTIFICATES.

CHAIRMAN
_____ Signature
_____ TYPE or PRINT name
SECRETARY/TREASURER
_____ Signature
_____ TYPE or PRINT name
DIRECTOR OF ADMINISTRATIVE SERVICES
_____ Signature
_____ TYPE or PRINT name
_____ Signature
_____ TYPE or PRINT name

VICE CHAIRMAN
_____ Signature
_____ TYPE or PRINT name
DIRECTOR
_____ Signature
_____ TYPE or PRINT name
COUNTY ADMINISTRATOR
_____ Signature
_____ TYPE or PRINT name
_____ Signature
_____ TYPE or PRINT name

Dated this ___ day of _____, 20__.

GREENSVILLE COUNTY WATER AND SEWER AUTHORITY

By: _____
Name: _____
Title: Secretary/Treasurer



Loan No. 00101411T01

**MULTIPLE ADVANCE TERM PROMISSORY NOTE
(RD Interim Loan)**

THIS MULTIPLE ADVANCE TERM PROMISSORY NOTE (this "Promissory Note") to the Credit Agreement dated ~~June 22~~September __, 2016 (the "Credit Agreement"), is entered into as of ~~June 22~~September __, 2016, between COBANK, ACB, a federally chartered instrumentality of the United States ("CoBank" or "Lender"), and GREENSVILLE COUNTY WATER AND SEWER AUTHORITY, Emporia, Virginia, a public body politic and corporate and a political subdivision of the Commonwealth of Virginia (together with its permitted successors and assigns, the "Borrower"). Capitalized terms not otherwise defined in this Promissory Note will have the meanings set forth in the Credit Agreement.

SECTION 1. MULTIPLE ADVANCE TERM COMMITMENT. On the terms and conditions set forth in the Credit Agreement and this Promissory Note, Lender agrees to make loans to the Borrower from time to time during the period set forth below in an aggregate principal amount not to exceed \$22,153,000.00 (the "Commitment"). Under the Commitment, amounts borrowed and later repaid may not be re-borrowed.

SECTION 2. PURPOSE. The purpose of the Commitment is to provide interim financing for capital expenditures for system improvements, specifically the construction and equipping of a raw water reservoir, new intake and pump station on the Nottoway River (the "Project") as approved by the United States Department of Agriculture, acting through Rural Development or the Rural Utilities Service ("RD/RUS"). This Note has been authorized pursuant to a resolution duly adopted by the Borrower on ~~August 4~~September 6, 2016, and is issued pursuant to the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2, Code of Virginia of 1950, as amended), to provide funds, together with other available funds, to finance the Project.

SECTION 3. TERM. The term of the Commitment will be from the date hereof, up to 12:00 p.m. Denver, Colorado time on June 30, 2020, or on such later date as Lender may, in its sole discretion, authorize in writing (the "Term Expiration Date").

SECTION 4. LIMITS ON ADVANCES, AVAILABILITY, ETC. Funds will become available to be drawn after receipt of the RD/RUS Commitment to Lend in form acceptable to Lender. Thereafter, loans will be made available as provided in Article 2 of the Credit Agreement; provided, that, Lender will be obligated to fund each draw requested hereunder upon receipt of evidence satisfactory to Lender that RD/RUS has approved the expenditures and amount requested to be drawn.

SECTION 5. INTEREST. The Borrower agrees to pay interest on the unpaid balance of the loan(s) in accordance with the following interest rate option(s):

(A) **One-Month LIBOR Index Rate.** At a rate (rounded upward to the nearest 1/100th and adjusted for reserves required on Eurocurrency Liabilities (as hereinafter defined) for banks subject to FRB Regulation D (as hereinafter defined) or required by any other federal law or regulation) per annum equal at all times to 1.250% above the higher of: (1) zero percent (0.000%); or (2) the rate reported at 11:00 a.m. London time for the offering of one (1)-month U.S. dollars deposits, by Bloomberg Information Services (or any successor or substitute service providing rate quotations comparable to those

Comment [MG1]: What is the source/ticker used to pull this calculation?

GREENSVILLE COUNTY WATER AND SEWER AUTHORITY
Emporia, Virginia
Promissory Note No. 00101411T01

currently provided by such service, as determined by CoBank from time to time, for the purpose of providing quotations of interest rates applicable to dollar deposits in the London interbank market) on the first U.S. Banking Day (as hereinafter defined) in each week, with such rate to change weekly on such day. The rate will be reset automatically, without the necessity of notice being provided to CoBank, the Borrower, or any other party, on the first U.S. Banking Day of each succeeding week, and each change in the rate will be applicable to all balances subject to this option. Information about the then-current rate will be made available upon telephonic request. For purposes hereof: (a) "U.S. Banking Day" means a day on which CoBank is open for business and banks are open for business in New York, New York; (b) "Eurocurrency Liabilities" will have the meaning as set forth in "FRB Regulation D"; and (c) "FRB Regulation D" means Regulation D as promulgated by the Board of Governors of the Federal Reserve System, 12 CFR Part 204, as amended.

Comment [MG2]: Please explain how this affects LIBOR calculation.

Interest will be calculated on the actual number of days each loan is outstanding on the basis of a year consisting of 360 days and will be payable monthly in arrears by the 20th day of the following month or on such other day as Lender will require in a written notice to the Borrower ("Interest Payment Date").

Comment [MG3]: Please change to actual/actual or 30/360.

Such installments shall be payable in lawful money of the United States of America by check or draft mailed to the registered owner at its address as it appears on the registration books kept for that purpose at the office of the Authority's Secretary-Treasurer who has been appointed Registrar, except that the final installment shall be payable upon presentation and surrender hereof at the office of the Registrar.

SECTION 6. PROMISSORY NOTE. The Borrower promises to repay the unpaid principal balance of the loans on the Term Expiration Date.

In addition to the above, the Borrower promises to pay interest on the unpaid principal balance of the loans at the times and in accordance with the provisions set forth herein.

SECTION 7. PREPAYMENT. ~~Subject to the broken funding surcharge provision of the Credit Agreement,~~ The Borrower

(A) **Voluntary Prepayment.** May prepay all or any portion of the loan(s).

(B) **Mandatory Prepayment.** Will prepay the loan(s) hereunder immediately upon the receipt of loan proceeds from RD/RUS for the purpose of providing long term financing for the Project for which the funds from this Commitment were used, which long-term financing may be provided by RD/RUS in phases during the construction period. As partial prepayments are made from phased loan proceeds received from RD/RUS, the Commitment will be reduced by the full amount of the principal prepaid. Full and final repayment under this provision from the last of the phased loan proceeds received from RD/RUS will evidence the Borrower's request for cancellation of the Commitment.

Unless otherwise agreed, all prepayment whether voluntary or mandatory will be applied to principal installments in the inverse order of their maturity. For the avoidance of doubt, no penalty will be applied to the prepayment of the loan and such prepayment will not be subject to the broken funding surcharge provision of the Credit Agreement.

SECTION 8. SECURITY. The Borrower's obligations hereunder and, to the extent related thereto, under the Credit Agreement, will be unsecured. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE BORROWER, IS DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATED TO

GREENSVILLE COUNTY WATER AND SEWER AUTHORITY
Emporia, Virginia
Promissory Note No. 00101411T01

PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS NOTE OR OTHER COSTS INCIDENT THERETO OR TO LEVY ANY TAXES THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT EXCEPT FROM THE FUNDS OF THE BORROWER PLEDGED FOR SUCH PURPOSE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE BORROWER, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS NOTE OR OTHER COSTS INCIDENT HERETO. THIS NOTE SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE BORROWER HAS NO TAXING POWER.

SECTION 9. FEES. INTENTIONALLY OMITTED.

This Note is fully registered as to both principal and interest in the name of United States of America. Transfer of this Note may be registered upon the registration books of the Registrar. Prior to due presentment for registration of transfer the Registrar shall treat the registered owner as the person exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the owner.

All acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or be performed precedent to and in the issuance of this Note have happened, exist and have been performed.

SIGNATURE PAGE FOLLOWS

GREENSVILLE COUNTY WATER AND SEWER AUTHORITY
Emporia, Virginia
Promissory Note No. 00101411T01

SIGNATURE PAGE TO PROMISSORY NOTE

IN WITNESS WHEREOF, the parties have caused this Promissory Note to the Credit Agreement to be executed by their duly authorized officer(s).

COBANK, ACB

By: _____
Name: _____
Title: _____

~~GREENSVILLE COUNTY WATER AND SEWER
AUTHORITY~~

~~By: _____
Name: _____
Title: _____~~

GREENSVILLE COUNTY WATER
AND SEWER AUTHORITY

By _____
Chairman, ~~Greensville County~~
~~Water and Sewer Authority~~

(SEAL)

ATTEST:

Secretary-Treasurer, ~~Greensville County~~
~~Water and Sewer Authority~~



Loan No. 00101411T03

**MULTIPLE ADVANCE TERM PROMISSORY NOTE
(Interim Development Loan)**

THIS MULTIPLE ADVANCE TERM PROMISSORY NOTE (this "Promissory Note") to the Credit Agreement dated ~~June 22, 2016~~ September __, 2016 (the "Credit Agreement"), is entered into as of ~~June 22, 2016~~ _____, 201_, between COBANK, ACB, a federally chartered instrumentality of the United States ("CoBank" or "Lender"), and THE GREENSVILLE COUNTY WATER AND SEWER AUTHORITY, Emporia, Virginia, a public body politic and corporate and a political subdivision of the Commonwealth of Virginia (together with its permitted successors and assigns, the "Borrower"). Capitalized terms not otherwise defined in this Promissory Note will have the meanings set forth in the Credit Agreement.

SECTION 1. MULTIPLE ADVANCE TERM COMMITMENT. On the terms and conditions set forth in the Credit Agreement and this Promissory Note, Lender agrees to make loans to the Borrower from time to time during the period set forth below in an aggregate principal amount not to exceed \$2,710,000.00 (the "Commitment"). Under the Commitment, amounts borrowed and later repaid may not be re-borrowed.

SECTION 2. PURPOSE. The purpose of the Commitment is to provide interim financing for capital expenditures for system improvements, specifically the construction and equipping of a raw water reservoir, new intake and pump station on the Nottoway River (the "Project") as approved by the United States Department of Agriculture, acting through Rural Development or the Rural Utilities Service ("RD/RUS"). This Note has been authorized pursuant to a resolution duly adopted by the Borrower on September 6, 2016, and is issued pursuant to the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2, Code of Virginia of 1950, as amended), to provide funds, together with other available funds, to finance the Project. ~~The purpose of the Commitment is to provide interim financing for capital expenditures for system improvements (the "Project") as approved by the United States Department of Agriculture, acting through Rural Development or the Rural Utilities Service ("RD/RUS").~~

SECTION 3. TERM. The term of the Commitment will be from the date hereof, up to 12:00 p.m. Denver, Colorado time on ~~December 31, 2019~~ June 30, 2020, or on such later date as Lender may, in its sole discretion, authorize in writing (the "Term Expiration Date").

SECTION 4. LIMITS ON ADVANCES, AVAILABILITY, ETC. Funds will become available to be drawn after receipt of the RD/RUS Commitment to Lend in form acceptable to Lender. Thereafter, loans will be made available as provided in Article 2 of the Credit Agreement; provided, that, Lender will be obligated to fund each draw requested hereunder upon receipt of evidence satisfactory to Lender that RD/RUS has approved the expenditures and amount requested to be drawn.

SECTION 5. INTEREST. The Borrower agrees to pay interest on the unpaid balance of the loan(s) in accordance with the following interest rate option(s):

(A) **One-Month LIBOR Index Rate.** At a rate (rounded upward to the nearest 1/100th and adjusted for reserves required on Eurocurrency Liabilities (as hereinafter defined) for banks subject to FRB Regulation D (as hereinafter defined) or required by any other federal law or regulation) per annum equal at all times to 1.250% above the higher of: (1) zero percent (0.000%); or (2) the rate reported at

Comment [MG1]: What is the source/ticker used to pull this calculation?

THE GREENSVILLE COUNTY WATER AND SEWER AUTHORITY
Emporia, Virginia
Promissory Note No. 00101411T03

11:00 a.m. London time for the offering of one (1)-month U.S. dollars deposits, by Bloomberg Information Services (or any successor or substitute service providing rate quotations comparable to those currently provided by such service, as determined by CoBank from time to time, for the purpose of providing quotations of interest rates applicable to dollar deposits in the London interbank market) on the first U.S. Banking Day (as hereinafter defined) in each week, with such rate to change weekly on such day. The rate will be reset automatically, without the necessity of notice being provided to CoBank, the Borrower, or any other party, on the first U.S. Banking Day of each succeeding week, and each change in the rate will be applicable to all balances subject to this option. Information about the then-current rate will be made available upon telephonic request. For purposes hereof: (a) "U.S. Banking Day" means a day on which CoBank is open for business and banks are open for business in New York, New York; (b) "Eurocurrency Liabilities" will have the meaning as set forth in "FRB Regulation D"; and (c) "FRB Regulation D" means Regulation D as promulgated by the Board of Governors of the Federal Reserve System, 12 CFR Part 204, as amended.

Comment [MG2]: Please explain how this affects LIBOR calculation.

Interest will be calculated on the actual number of days each loan is outstanding on the basis of a year consisting of 360 days and will be payable monthly in arrears by the 20th day of the following month or on such other day as Lender will require in a written notice to the Borrower ("Interest Payment Date").

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Such installments shall be payable in lawful money of the United States of America by check or draft mailed to the registered owner at its address as it appears on the registration books kept for that purpose at the office of the Authority's Secretary-Treasurer who has been appointed Registrar, except that the final installment shall be payable upon presentation and surrender hereof at the office of the Registrar.

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SECTION 7. PREPAYMENT. Subject ~~to the broken funding surcharge provision of the Credit Agreement,~~ The Borrower

(A) **Voluntary Prepayment.** May prepay all or any portion of the loan(s).

(B) **Mandatory Prepayment.** Will prepay the loan(s) hereunder immediately upon the receipt of loan proceeds from CoBank Loan No. 00101411T04 for the purpose of providing long term financing for the Project for which the funds from this Commitment were used. Full repayment under this provision will evidence the Borrower's request for cancellation of the Commitment.

Unless otherwise agreed, all prepayment whether voluntary or mandatory will be applied to principal installments in the inverse order of their maturity. For the avoidance of doubt, no penalty will be applied to the prepayment of the loan and such prepayment will not be subject to the broken funding surcharge provision of the Credit Agreement.

SECTION 8. SECURITY. The Borrower's obligations hereunder and, to the extent related thereto, under the Credit Agreement, will be unsecured. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE BORROWER, IS DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATED TO

THE GREENSVILLE COUNTY WATER AND SEWER AUTHORITY
Emporia, Virginia
Promissory Note No. 00101411T03

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SECTION 9. FEES. INTENTIONALLY OMITTED.

This Note is fully registered as to both principal and interest in the name of United States of America. Transfer of this Note may be registered upon the registration books of the Registrar. Prior to due presentment for registration of transfer the Registrar shall treat the registered owner as the person exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the owner.

All acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or be performed precedent to and in the issuance of this Note have happened, exist and have been performed.

SECTION 9.

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SIGNATURE PAGE FOLLOWS

THE GREENSVILLE COUNTY WATER AND SEWER AUTHORITY
Emporia, Virginia
Promissory Note No. 00101411T03

SIGNATURE PAGE TO PROMISSORY NOTE

IN WITNESS WHEREOF, the parties have caused this Promissory Note to the Credit Agreement to be executed by their duly authorized officer(s).

COBANK, ACB

By: _____

Name: _____

Title: _____

~~THE GREENSVILLE COUNTY WATER AND SEWER
AUTHORITY~~

~~By: _____~~

~~Name: _____~~

~~Title: _____~~

GREENSVILLE COUNTY WATER
AND SEWER AUTHORITY

By _____
Chairman,

(SEAL)

ATTEST:

Secretary-Treasurer

GREENSVILLE COUNTY WATER AND SEWER AUTHORITY

TO: Greensville County Water and Sewer Authority
FROM: Glen Gibson, Utility Projects Coordinator
RE: Jarratt Water Treatment Plant Sludge Handling Upgrade Project
DATE: September 1, 2016

The Water Treatment Plant's new force main will cross the Virginia Beach pipe line. The Authority applied for and has been granted permission to cross their pipe line. The City of Virginia Beach Attorney's office prepared a Deed of Easement between the City of Virginia Beach and the Water & Sewer Authority.

I respectfully recommend that the Authority take the following action:

- Adopt the attached resolution authorizing the Chairman of the Water & Sewer Authority to execute the Deed of Easement.

Please contact me if you have questions or need additional information.

**BOARD OF DIRECTORS OF
GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**

RESOLUTION WS-16-57

IT IS HEREBY RESOLVED by the Board of Directors ("Board") of Greenville County Water and Sewer Authority ("GCWSA") that Michael W. Ferguson, Chairman of the Board, is authorized to execute and deliver a deed of easement by and between the City of Virginia Beach, Virginia ("Virginia Beach"), and GCWSA in the form this day presented, by which Virginia Beach conveys a 20' wide utility easement, together with the improvements thereon, more particularly described in said deed of easement, and by which GCWSA commits to certain duties and obligations in connection with the utility easement thereby conveyed.

ADOPTED this 6th day of September, 2016.

VOTING AYE	VOTING NAY	ABSENT/ABSTAIN
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

The undersigned hereby certifies that the foregoing is an accurate account of the vote taken at a duly convened meeting of the Board of Directors of Greenville County Water and Sewer Authority on the 6th day of September, 2016, at which a quorum was present at the time the meeting was convened and at the time said vote was taken.

Clerk

THIS INSTRUMENT PREPARED BY
VIRGINIA BEACH CITY ATTORNEY'S OFFICE
Rebecca D. Kubin, VSB #34410
TITLE INSURANCE UNDERWRITER: Unknown
EXEMPTED FROM RECORDATION TAXES
UNDER SECTIONS 58.1-811(A)(3)
AND 58.1-811(C)(5) REIMBURSEMENT
AUTHORIZED UNDER SECTION 25.1-418
CONSIDERATION: \$0.00

THIS DEED OF EASEMENT is made this _____ day of _____, 2016, by and between **CITY OF VIRGINIA BEACH, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia, (the "Grantor"), and **GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**, a public body politic and corporate and a political subdivision of the Commonwealth of Virginia, 1781 Greenville County Circle, Emporia, Virginia 23847, (the "Grantee").

WITNESSETH:

That for and in consideration of the sum of TEN DOLLARS (\$10.00) cash in hand paid, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor does hereby grant and convey, with SPECIAL WARRANTY, unto the Grantee, the following described utility easement (the "Easement"), subject to the reservations and restrictions stated herein, to wit:

All that certain utility easement, together with the improvements thereon, situate, lying, situated and being in the Nottoway District, Greenville County, Virginia, designated and described as: "PROPOSED 20' WIDE UTILITY EASEMENT," as shown on the attached Exhibit A entitled "PLAT OF A 20' WIDE UTILITY EASEMENT LOCATED IN THE NOTTOWAY DISTRICT, GREENSVILLE COUNTY, VIRGINIA," and further described on that certain plat entitled: "PLAT SHOWING ACQUISITION FOR LAKE GASTON WATER SUPPLY PROJECT (CIP 5-964) NOTTOWAY DISTRICT – GREENSVILLE COUNTY, VIRGINIA" Scale: 1" = 100' dated July 1988, prepared by Rouse-Sirine Associates, Ltd., and recorded in the Clerk's Office of the

GPIN: 7485-28-2595 Nottoway District, Greenville County, Virginia, (Lake Gaston Raw Waterline)

Circuit Court of Greensville County, Virginia, in Deed Book _____, at page _____, to which reference is made for a more particular description.

IT BEING a portion of the property conveyed to the City of Virginia Beach, Virginia by Deed from Norfolk and Western Railway Company dated _____ and recorded in the above-referenced Clerk's Office in Deed Book _____, at page _____.

The Grantee and its agents, assigns, and/or successors shall have the right to inspect the Easement and to cut and clean all undergrowth and remove other obstructions in and along the Easement or adjacent thereto that may interfere with the proper use of same, and to make use of the adjacent property for ingress and egress and for other activities necessary for the construction, reconstruction, alteration, operation and maintenance of the Easement, but in no event shall the Grantor have any rights to disturb, damage, move, remove, or otherwise interfere with the Grantor's Lake Gaston Pipeline Facilities.

The Grantor reserves to itself the right to repair or remove the Grantee's facilities in the Easement in the event of an emergency, public necessity, or public safety, and Grantee shall bear all costs and expenses of such repair and removal.

To the extent permitted by law and subject to appropriation, the Grantee shall indemnify, hold harmless, and defend the City, its agents and employees, from and against all claims, damages, losses and expenses, including reasonable attorney's fees, in case it shall be necessary to file or defend an action arising out of the Grantee's use of the Easement.

Nothing herein contained shall be construed to enlarge the permission and authority to permit the maintenance or construction of any facilities within the Easement

other than that specified herein and to the limited extent specified herein, nor to permit the maintenance and construction of any facilities by anyone other than the Grantee.

The Grantee agrees to maintain the Easement so as not to become unsightly or a hazard.

The Grantee is not to perform construction (especially open cut pipe installation) within the Easement area without a representative of the Grantor onsite to oversee construction. The Grantee must notify the City of Virginia Beach Department of Public Utilities (757-385-4171) and SUEZ (804-756-7600) at least 48 hours prior to construction within the Lake Gaston Pipeline right-of-way. Trenchless pipe installation shall comply with Section 20VAC5-309-150 titled "Requirements for Trenchless Excavation" found in the Virginia Professional Excavator's Manual.

Grantee shall notify Miss Utility (811) at least 48 hours prior to any construction to allow them time to mark utilities. The contractor must obtain a cleared Miss Utility Ticket. The 48-hour period begins at 7:00 AM the day after notifying Miss Utility. During construction, the contractor must not excavate if there is clear evidence of unmarked utilities.

If utility conflicts are discovered between proposed utilities and the Grantor's existing raw water pipeline, work shall not commence until all construction revisions are approved by the City of Virginia Beach Department of Public Utilities.

The Department of Public Utilities reserves the right to stop work during construction and require a revision if field conditions and/or field changes impact the Grantor's raw water pipeline.

If the Grantee, or contractor working on behalf of the Grantee in the Grantor's right-of-way, is aware of any damage to the City's raw water pipeline resulting from construction activities, the Grantee, or contractor, shall immediately notify the Virginia Beach Public Utilities Engineering Division (757-385-4171) and SUEZ (804-756-7600). The party responsible for the damages shall be held liable for the cost of necessary repairs to the Grantor's raw water pipeline, or right-of-way.

The Grantee must obtain all necessary federal, state and/or local permits, including, without limitation, a permit from the Civil Inspections Division of the Department of Planning in Greensville County, Emporia, Virginia, prior to commencing any construction within the Easement Area (the "Permit").

Prior to issuance of a right-of-way/utility easement Permit, the Grantee must post a bond or other security, in the amount of two times their engineer's cost estimate, to the Department of Planning to guard against damage to City property or facilities during construction.

The Grantee must submit for review and approval, a survey of the Easement area, certified by a registered professional engineer or a licensed land surveyor, and/or "as built" plans of the Facilities sealed by a registered professional engineer, if required by either the Department of Public Works City Engineer's Office or the Engineering Division of the Department of Public Utilities.

This conveyance is made subject to conditions, restrictions, easements, and reservations of record in the chain of title, if any, constituting constructive notice thereof.

IN WITNESS WHEREOF, on the date hereinabove mentioned, the City of Virginia Beach, Grantor, has caused its name to be hereunto signed by its City Manager or

his authorized designee and its seal to be affixed and attested by its Clerk, all duly authorized.

WITNESS the following signatures and seals:

CITY OF VIRGINIA BEACH

By _____ (SEAL)
City Manager/Authorized
Designee of the City Manager

(SEAL)
ATTEST:

City Clerk/Authorized
Designee of the City Clerk

STATE OF VIRGINIA
CITY OF VIRGINIA BEACH, to-wit:

The foregoing instrument was acknowledged before me this _____ day of _____, 201__, by _____, CITY MANAGER/AUTHORIZED DESIGNEE OF THE CITY MANAGER OF THE CITY OF VIRGINIA BEACH, VIRGINIA, on its behalf. He/She is personally known to me.

Notary Public (SEAL)

Notary Registration Number: _____
My Commission Expires: _____

STATE OF VIRGINIA
CITY OF VIRGINIA BEACH, to-wit:

The foregoing instrument was acknowledged before me this _____ day of _____, 201____, by _____, CITY CLERK/AUTHORIZED DESIGNEE OF THE CITY CLERK OF THE CITY OF VIRGINIA BEACH, VIRGINIA, on its behalf. She is personally known to me.

Notary Public (SEAL)

Notary Registration Number: _____

My Commission Expires: _____

APPROVED AS TO CONTENTS

APPROVED AS TO FORM

PUBLIC UTILITIES

CITY ATTORNEY

GREENSVILLE COUNTY WATER AND SEWER AUTHORITY, a public body politic and corporate and a political subdivision of the Commonwealth of Virginia

By _____(SEAL)
Michael W. Ferguson, Chairman

STATE OF VIRGINIA
CITY/COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me this _____ day of _____, 201__, by Michael W. Ferguson, Chairman for Greensville County Water and Sewer Authority, a public body politic and corporate and a political subdivision of the Commonwealth of Virginia.

_____(SEAL)
Notary Public

Notary Registration Number: _____

My Commission Expires: _____