BROOKE COUNTY PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund)

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BROOKE COUNTY PUBLIC SERVICE DISTRICT

SEWER REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA INFRASTRUCTURE FUND)

BOND RESOLUTION

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BROOKE COUNTY PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF BROOKE COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF $2,517,800 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF BROOKE COUNTY PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution (together with any order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is adopted pursuant to the provisions of Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. Brooke County Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Brooke County of said State.

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

public sewerage system of the Issuer, consisting of construction of a wastewater collection system to provide sewerage service to the Mahan Lane, Bruin Drive and Eldersville areas of Brooke County, together with all appurtenant facilities (collectively, the "Project"), which constitute properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (the existing public sewer facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), in connection with the West Virginia Infrastructure Fund pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds in a single series being the Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), in the aggregate principal amount of $2,517,800 (the "Series 2010 A Bonds"), to permanently finance a portion of the costs of acquisition and construction of the Project. The remaining costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2010 A Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Accounts (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, including the initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2010 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2010 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

E. The period of usefulness of the System after completion of the Project is not less than 40 years.

F. It is in the best interests of the Issuer that its Series 2010 A Bonds be sold to the Authority pursuant to the terms and provisions a loan agreement by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), in form satisfactory to the respective parties (the "Loan Agreement"), approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2010 A Bonds as to liens, pledge and source of and security for payment, being the Issuer's Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated October 10, 2003, issued in the original aggregate principal amount of $712,050 (the "Series 2003 A Bonds"); Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program), dated December 12, 1997, issued in the original aggregate principal amount of $450,000 (the "Series 1997 A Bonds"); Sewer Revenue Bonds, Series 1997 B (West Virginia Infrastructure Fund), dated December 9, 1997, issued in the original aggregate principal amount of $2,163,971 (the "Series 1997 B Bonds"); and Sewer Revenue Bonds, Series 1997 C (West Virginia Infrastructure Fund), dated December 9, 1997, issued in the original aggregate principal amount of $450,000 (the "Series 1997 C Bonds") (hereinafter collectively, the "Prior Bonds").

The Series 2010 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all respects. Prior to the issuance of the Series 2010 A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2010 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the covenants of the Prior Bonds and the Prior Resolutions.

H. The estimated revenues to be derived in each year following completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest, if any, on the Series 2010 A Bonds and the Prior Bonds, and to make payments into all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System, and issuance of the Series 2010 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the approval of the Project and the financing thereof by the Council and the obtaining of a certificate of public convenience and necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2010 A Bonds or such final order will not be subject to appeal or rehearing and the Issuer shall supply an opinion of counsel to such effect.

J. The Project has been reviewed and determined to be technically and financially feasible by the Council as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

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

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

"Act" means, collectively, Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2010 A Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the Council under the Act.

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

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

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

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

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

"Bond Year" means the 12-month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, except that the first Bond Year shall begin on the Closing Date.

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

"Closing Date" means the date upon which there is an exchange of the Series 2010 A Bonds for all or a portion of the proceeds of the Series 2010 A Bonds from the Authority.

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

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

"Consulting Engineers" means Thrasher Engineering, Inc., Clarksburg, West Virginia, or any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System or portion thereof in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions.

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

"Council" means the West Virginia Infrastructure and Jobs Development Council or any other agency of the State of West Virginia that succeeds to the functions of the Council.

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

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

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

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

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

"Grants" means all monies received by the Issuer on account of any Grant for the Project.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and

reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 8.01 hereof) or any Tap Fees, as hereinafter defined.

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

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

"Issuer" means Brooke County Public Service District, formerly Grant-Union Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia in Brooke County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered into by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2010 A Bonds from the Issuer by the Authority, the forms of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

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

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

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

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

"Parity Bonds" means additional Bonds issued under the provisions and within the limitations prescribed by Section 7.07 hereof.

"Paying Agent" means the Commission or other entity designated as such for the Series 2010 A Bonds in the Supplemental Resolution.

"Prior Bonds" means, collectively, the Series 1997 A Bonds, Series 1997 B Bonds, Series 1997 C Bonds, and Series 2003 A Bonds.

"Prior Resolutions" means, collectively, the Resolutions authorizing the Prior Bonds.

"Project" means the Project as described in Section 1.02B hereof.

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

(a) Government Obligations;

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

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

(d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

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

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

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

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

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

"Registrar" means the Bond Registrar.

"Regulations" means temporary and permanent regulations promulgated under the Code or any predecessor to the Code.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund continued by the Section 5.01 hereof.

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Series 2010 A Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in the Reserve Accounts of the Series 2010 A Bonds and the Prior Bonds.

"Revenue Fund" means the Revenue Fund established by Section 5.01 hereof.

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

"Series 1997 A Bonds" means the Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program), dated December 9, 1997, issued in the original aggregate principal amount of $450,000, of the Issuer, authorized by the Prior Resolutions.

"Series 1997 B Bonds" means the Sewer Revenue Bonds, Series 1997 B (West Virginia Infrastructure Fund), dated December 9, 1997, issued in the original aggregate principal amount of $2,163,971, of the Issuer, authorized by the Prior Resolutions.

"Series 1997 C Bonds" means the Sewer Revenue Bonds, Series 1997 C (West Virginia Infrastructure Fund), dated December 9, 1997, issued in the original aggregate principal amount of $450,000, of the Issuer, authorized by the Prior Resolutions.

"Series 2003 A Bonds" means the Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated October 10, 2003, issued in the original aggregate principal amount of $712,050, of the Issuer, authorized by the Prior Resolutions.

"Series 2010 Bonds" means the Series 2010 A Bonds.

"Series 2010 A Bonds" means the Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Resolution.

"Series 2010 A Bonds Construction Trust Fund" means the Series 2010 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2010 A Bonds Reserve Account" means the Series 2010 A Bonds Reserve Account established in the Series 2010 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2010 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on the Series 2010 A Bonds in the then current or any succeeding year.

"Series 2010 A Bonds Sinking Fund" means the Series 2010 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 2010 Bonds and the Prior Bonds.

"State" means the State of West Virginia.

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

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

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

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

"West Virginia Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Chapter 31, Article 15A, Section 9 of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

Additional terms and phrases are defined in this Resolution as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of $13,165,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2010 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, in an amount and otherwise compatible with the financing plan submitted to the Authority and the Council.

The cost of the Project is estimated to be $13,165,000, of which approximately $2,517,800 will be obtained from proceeds of the Series 2010 A Bonds, and approximately $775,000 will be obtained from a grant from the Council and $9,872,200 will be obtained from a U.S. Environmental Protection Agency grant.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2010 A Bonds, funding the Reserve Account for the Series 2010 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2010 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 2010 A Bonds of the Issuer. The Series 2010 A Bonds shall be issued in as a single bond, designated as "Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund)," in the principal amount of $2,517,800, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2010 A Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalizing interest on the Series 2010 A Bonds, if any, shall be deposited in or credited to the Bond Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2010 A Bonds shall be issued in such principal amount; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such

amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2010 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2010 A Bonds, if any, shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2010 A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2010 A Bonds. The Series 2010 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. Such Bonds shall bear interest, if any, and shall be dated as set forth in a Supplemental Resolution.

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

Section 3.04. Authentication and Registration. The Bond Registrar for the Series 2010 A Bonds shall be the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns. No Series 2010 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the forms set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2010 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary

that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

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

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

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

In all cases in which the privilege of exchanging Series 2010 A Bonds or transferring the registered Series 2010 A Bonds are exercised, all Series 2010 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2010 A Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Series 2010 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2010 A Bonds or, in the case of any proposed redemption of Series 2010 A Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2010 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be

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

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

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds. The payment of the debt service of the Series 2010 A Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2010 A Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2010 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2010 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2010 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2010 A Bonds to the original purchasers;

C. An executed and certified copy of the Bond Legislation;

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2010 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2010 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 2010 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BROOKE COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2010 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: This ____ day of _____, 2010, that BROOKE COUNTY PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Brooke County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, _____, to and including _____ 1, 20____ as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated _____, 2010.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of improvements and extensions to the existing public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage system of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31,

Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Resolution duly adopted by the Issuer on _____, 2010, and a Supplemental Resolution duly adopted by the Issuer on _____, 2010 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S: (1) SEWER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 10, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $712,050 (THE "SERIES 2003 A BONDS"); (2) SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 12, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $450,000 (THE "SERIES 1997 A BONDS"); (3) SEWER REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 9, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,163,971 (THE "SERIES 1997 B BONDS"); AND (4) SEWER REVENUE BONDS, SERIES 1997 C (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 9, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $450,000 (THE "SERIES 1997 C BONDS") (HEREINAFTER COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Series 2010 A Bonds and the Prior Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2010 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2010 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Bonds, including the Series 2010 A Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2010 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations

outstanding on a parity with or junior to the Bonds, including the Series 2010 A Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

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

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2010 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2010.

THE HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $		(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2010 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "EXHIBIT A" and made a part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, are hereby approved and incorporated into this Bond Legislation.

Section 3.12. "Amended Schedule" Filing. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Authority and the Council a schedule, the forms of which will be provided by the Council, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are hereby created (or continued) and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

(1) Revenue Fund (established by the Prior Resolutions);

(2) Renewal and Replacement Fund (established by the Prior Resolutions); and

(3) Series 2010 A Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 1997 A Bonds Sinking Fund (established by the Prior Resolutions and continued hereby);

(2) Series 1997 A Bonds Reserve Account (established by the Prior Resolutions and continued hereby);

(3) Series 1997 B Bonds Sinking Fund (established by the Prior Resolutions and continued hereby;

(4) Series 1997 B Bonds Reserve Account (established by the Prior Resolutions and continued hereby);

(5) Series 1997 C Bonds Sinking Fund (established by the Prior Resolutions and continued hereby);

(6) Series 1997 C Bonds Reserve Account (established by the Prior Resolutions and continued hereby);

(7) Series 2003 A Bonds Sinking Fund (established by the Prior Resolutions and continued hereby);

(8) Series 2003 A Bonds Reserve Account (established by the Prior Resolutions and continued hereby);

(9) Series 2010 A Bonds Sinking Fund; and

(10) Series 2010 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order of priority:

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission, the amounts required by the Prior Resolutions to pay interest on the Series 1997 C Bonds.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission, (i) the amounts required by the Prior Resolutions to pay principal of the Prior Bonds; and (ii) commencing 4 months prior to the first date of payment of principal of the Series 2010 A Bonds, for deposit in the Series 2010 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2010 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2010 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission, (i) for deposit in the Reserve Accounts for the Prior Bonds, the amounts required by the Prior Resolutions; and (ii) commencing 4 months prior to the first date of payment of principal of the Series 2010 A Bonds, if not fully funded upon issuance of the Series 2010 A Bonds, for deposit in the Series 2010 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2010 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2010 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2010 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank (i) for deposit in the Depreciation Reserve, the amount required by the Prior Resolutions; and (ii) for deposit in the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Resolutions and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be

promptly eliminated with monies from the Renewal and Replacement Fund.

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

All investment earnings on monies in the Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account, shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Bond Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2010 A Bond and then to the next ensuing principal payment due thereon, all on a pro rata basis.

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

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

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

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

The Commission is hereby designated as the fiscal agent for the administration of the Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account, created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. The Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

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

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

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve account payments with respect to the Series 2010 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

C. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Loan Agreement, and submit a copy of said form along with a copy of its payment check to the Authority by the 5th day of such calendar month.

D. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the respective parties shall require, such additional sums as shall be necessary to pay their respective charges and fees then due. In the case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority at anytime, make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

F. The monies in excess of the maximum amounts insured by FDIC in all funds and accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the

same order as payments are to be made pursuant to this Section 5.03, and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2010 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2010 A Bonds, there shall first be deposited with the Commission in the Series 2010 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2010 A Bonds for the period commencing on the date of issuance of the Series 2010 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 2010 A Bonds, there shall be deposited with the Commission in the Series 2010 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2010 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2010 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2010 A Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2010 A Bonds.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2010 A Bonds shall be applied as directed by the Council.

Section 6.02. Disbursements From the Bond Construction Trust Fund. The Issuer shall each month provide the Council with a requisition for the costs incurred for the Project, together with such documentation as the Council shall require. Payments of all Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2010 A Bonds Construction Trust Fund shall be made only after submission to and approval from the Council, of a certificate, signed by an Authorized Officer stating that:

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

(b) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

(c) Each of such costs has been otherwise properly incurred; and

(d) Payment for each of the items proposed is then due and owing.

The Issuer shall expend all proceeds of the Series 2010 A Bonds within 3 years of the date of issuance of the Council's bonds, the proceeds of which were used to make the loan to the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2010 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2010 A Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The payment of the debt service of the Series 2010 A Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2010 A Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Bonds. The payment of the debt service of the Series 2010 A Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2010 A Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Loan

Agreement and the Issuer shall supply a certificate of certified public accountant to such effect. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Recommended Decision of the Public Service Commission of West Virginia entered November 19, 2008, in Case No. 08-0164-PSD-CN, and such rates are hereby adopted.

So long as the Series 2010 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2010 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Series 2010 A Bonds and the Prior Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the Council, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2010 A Bonds, immediately be remitted to the Commission for deposit in the Sinking Funds, and, with the written permission of the Authority and the Council, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2010 A Bonds. Any balance remaining after the payment of the Series 2010 A Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution duly adopted, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and

may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amount required to be paid into said fund by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2010 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2010 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2010 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2010 A Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2010 A Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

The Issuer shall give the Authority and the Council prior written notice of its issuance of any other obligations to be used for the System, payable from the revenues of the System or from any grants, or any other obligations related to the Project or the System.

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolution shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2010 A Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and the Council and without complying with the conditions and requirements herein provided.

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

No such Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of additions extensions, improvements or betterments to the System or refunding any outstanding Bonds, or both such purposes.

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

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any increase in rates adopted by the Issuer and approved by the Public Service Commission of West Virginia, the time for appeal of which shall have expired prior to the issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Secretary prior to the issuance of such Parity Bonds.

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

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. All Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and

on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 2010 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2010 A Bonds.

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

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the Council, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the Council such documents and information as they may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

The Issuer shall permit the Authority and the Council, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds issued pursuant to this Bond Legislation shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The

Governing Body shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Council and the Authority, or any other original purchaser of the Series 2010 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2010 A Bonds, requesting the same, an annual report containing the following:

(A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from and relating to the System.

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation, and the status of all said funds and accounts.

(C) The amount of any Bonds, notes or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required, in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2010 A Bonds, and shall submit said report to the Council and the Authority, or any other original purchaser of the Series 2010 A Bonds. Such audit report submitted to the Authority and the Council shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the Loan Agreement and the Act, the Issuer has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared by the Consulting Engineers. All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

The Issuer shall permit the Authority and the Council, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction of the Project, the Issuer shall also provide the Authority and the Council, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the Council with respect to the System pursuant to the Act.

Section 7.09.Rates. Prior to the issuance of the Series 2010 A Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the

manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2010 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2010 A Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2010 A Bonds Reserve Account and the reserve accounts for obligations on a parity with or junior to the Series 2010 A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2010 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2010 A Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the Council within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the Council and to any Holder of any Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority and the Council and to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for two years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement, and forward a copy of such report to the Authority and the Council by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

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

The Issuer shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of the Loan Agreement.

The Issuer shall serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer shall not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Water Development Authority (the "Authority"). Following completion of the Project the Issuer shall certify to the Authority the number of customers added to the System.

Section 7.12. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the water facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water provider, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

Section 7.14. No Free Services. Except as required by law, the Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan

Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than $500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

(5) BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

(6) FIDELITY BONDS will be provided as to every officer, member and employee of the Issuer or the Governing Body having custody of the revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

B. The Issuer shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract. The Issuer shall verify such bonds prior to commencement of construction.

The Issuer shall also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided that the amounts and terms of such coverage are satisfactory to the Authority and the Issuer shall verify such insurance prior to commencement of construction. In the event the Loan Agreement so requires, such insurance shall be made

payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

Section 7.16. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Division of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Division of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 7.17. Completion and Operation of Project; Permits and Orders. The Issuer will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer has obtained all permits required by State and federal laws for the acquisition and construction of the Project and all orders and approvals from the Public Service Commission of West Virginia and the Council necessary for the acquisition and construction of the Project, the operation of the System and all approvals for issuance of the Bonds required by State law, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect.

Section 7.18. RESERVED.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2010 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2010 A Bonds and shall be on a parity with the Prior Bonds.

Section 7.20. Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the Council with copies of all documents submitted to the Authority.

The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, the Council or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

The Issuer shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia.

Section 7.21. Securities Laws Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.22. Contracts; Change Orders; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2010 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Council for written approval. The Issuer shall obtain the written approval of the Council before expending any proceeds of the Series 2010 A Bonds held in "contingency" as set forth in the schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the Council before expending any proceeds of the Series 2010 A Bonds made available due to bid or construction or project underruns.

C. The Issuer shall list the funding provided by the Authority and the Council in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any ground breaking or dedication of the Project.

ARTICLE VIII

INVESTMENT OF FUNDS

Section 8.01. Investments. Any monies held as a part of the funds and accounts created by this Bond Legislation other than the Revenue Fund, shall be invested and reinvested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the Issuer in any

Qualified Investments to the fullest extent possible under applicable laws, this Bond Legislation, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 8.01.

Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank, or such other bank or national banking association, as the case may be, may make any and all investments permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2010 A Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest, if any, on the Series 2010 A Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use of Proceeds; Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2010 A Bonds as a condition to issuance of the Series 2010 A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2010 A Bonds as may be necessary in order to maintain the status of the Series 2010 A Bonds as public purpose bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2010 A Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the Council, as the case may be, from which the proceeds of the Series 2010 A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the Council, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2010 A Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2010 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2010 A Bonds; or

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

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

(4) If default occurs with the Prior Bonds.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2010 A Bonds shall be on a parity with the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof.

If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of the System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2010 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2010 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2010 A Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2010 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2010 A Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2010 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2010 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein respectively pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds, required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest, if any, on the Series 2010 A Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2010 A Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution, or the Series 2010 A Bonds.

Section 11.04. Headings, Etc. The headings and catchlines of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 11.05. Conflicting Provisions Repealed. All orders or resolutions, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Resolution and the Prior Resolutions, the Prior Resolutions shall control (unless less restrictive), so long as the Prior Bonds are Outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 11.07. Effective Date. This Resolution shall take effect immediately upon adoption.

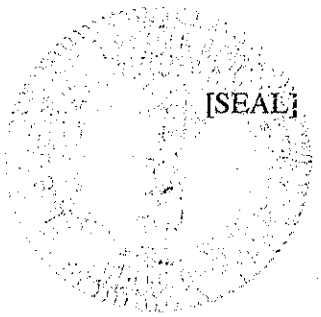
Adopted this 10th day of March, 2010.

Jerry Benaventura
Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of BROOKE COUNTY PUBLIC SERVICE DISTRICT on the 10th day of March, 2010.

Dated: March 18, 2010.



Secretary

109090.00001

EXHIBIT A

Loan Agreement included in bond transcript as Documents 3.

BROOKE COUNTY PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds Series 2010 A
(West Virginia Infrastructure Fund)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF BROOKE COUNTY PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Brooke County Public Service District (the "Issuer") has duly and officially adopted a bond resolution on March 10, 2010 (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF BROOKE COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF $2,517,800 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Resolution provides for the issuance of Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), of the Issuer (the "Bonds"), in the aggregate principal amounts not to exceed $2,517,800, and has authorized the execution and delivery of the loan agreement relating to the Series 2010 A Bonds, by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council") (the "Loan Agreement"), all in accordance with Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Resolution it is provided that the form of the Loan Agreement and the exact principal amount, dates, maturity dates, redemption provisions, interest rates, interest and principal payment dates, sale prices and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and ratified by the Issuer, that the exact principal amounts, the dates, the maturity dates, the redemption provisions, the interest rates, the interest and principal payment dates, the sale prices and other terms of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF BROOKE COUNTY PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Bond Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the following bonds of the Issuer's Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $2,517,800. The Series 2010 A Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2050, and shall bear no interest. The principal of the Series 2010 A Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2012, to and including March 1, 2050, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2010 A Bonds. The Series 2010 A Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2010 A Bonds.

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

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

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

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

Section 6. The Issuer does hereby appoint and designate WesBanco Bank, Inc., Wellsburg, West Virginia, to serve as Depository Bank under the Bond Resolution.

Section 7. Series 2010 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2010 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2010 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2010 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 2010 A Bonds shall be deposited in or credited to the Bond Construction Trust Fund for payment of the costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 10. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds to be issued hereby and by the Bond Resolution approved and provided for, to the end that the Bonds may be delivered on or about March 18, 2010, to the Authority pursuant to the Loan Agreement.

Section 11. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 12. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Bond Resolution held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Moneys in the Sinking Funds, including the Reserve Accounts therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 13. This Supplemental Resolution shall be effective immediately following adoption hereof.

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Adopted this 10th day of March, 2010.

BROOKE COUNTY PUBLIC
SERVICE DISTRICT

By: Jerry Benaventura
Its: Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Brooke County Public Service District on the 10th day of March, 2010.

Dated: March 18, 2010.

[SEAL]

Secretary

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IC-1
(08/09)

LOAN AGREEMENT

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

BROOKE COUNTY PUBLIC SERVICE DISTRICT
(2000S-538a/539a)

(Governmental Agency)

W I T N E S S E T H:

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

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

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

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

WHEREAS, the Governmental Agency has completed and filed with the Authority an Application for a Construction Loan with attachments and exhibits and an

Amended Application for a Construction Loan also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference; and

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

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

ARTICLE I

Definitions

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

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

1.3 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any qualified successor thereto; provided, however, when a Loan is made for a Project financed, in part, by the Office of Abandoned Mine Lands, "Consulting Engineers" shall mean the West Virginia Department of Environmental Protection, or any successor thereto.

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

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

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

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

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

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

2.6 The Governmental Agency agrees that it will permit the Authority and the Council and their agents and representatives to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof or if the Project is an improvement to an existing system at any reasonable time following commencement of construction.

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

2.8 The Governmental Agency shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Council and the Authority and shall verify or have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Governmental Agency, the Governmental Agency or (at the option of the Governmental Agency) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent

(100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor and all subcontractors, as their interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Governmental Agency on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds is outstanding. Prior to commencing operation of the Project, the Governmental Agency must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

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

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

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

2.12 The Governmental Agency, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project, shall each month complete a Monthly Financial Report, the form of which is attached hereto as Exhibit C and incorporated herein by reference, and forward a copy by the 10th of each month to the Authority and Council.

2.13 The Governmental Agency shall serve the additional customers at the location(s) as set forth in Schedule X. The Governmental Agency shall not reduce the amount of additional customers served by the project without the prior written approval of the WDA Board. Following completion of the Project the Governmental Agency shall certify to the Authority the number of customers added to the System.

2.14 The Governmental Agency shall perform an annual maintenance audit which maintenance audit shall be submitted to the WDA and the Public Service Commission of West Virginia.

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

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

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

(f) The Governmental Agency shall have obtained any and all approvals for the issuance of the Local Bonds required by State law, and the Authority and the Council shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority, to such effect;

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

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

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

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

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

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

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

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the

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

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

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

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

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by a pledge of either the gross or net revenues of the System, as more fully set forth in Schedule X attached hereto and in the Local Act;

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

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

(iv) That, except as otherwise required by State law or with the written consent of the Council and the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Local Bonds outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

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

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

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

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

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

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

(xi) That the Governmental Agency shall annually cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority and

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

(xii) That the Governmental Agency shall annually adopt a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding fiscal year and shall submit a copy of such budget to the Authority and the Council within 30 days of adoption thereof;

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

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

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

(xvi) That the West Virginia Municipal Bond Commission (the "Commission") shall serve as paying agent for the Local Bonds;

(xvii) That the Governmental Agency shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payment. The Governmental Agency shall complete the Monthly Payment Form, attached hereto as Exhibit D and incorporated herein by reference, and submit a copy of said form along with a copy of the check or electronic transfer to the Authority by the 5th day of such calendar month. When required by the Authority, the Local Entity shall make monthly payments to the Commission by electronic transfer;

(xviii) That, unless it qualifies for an exception to the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, which exception shall be set forth in an opinion of bond counsel, the Governmental Agency will furnish to the Authority, annually, at such time as it is required to perform its rebate calculations under the Internal Revenue Code of 1986, as amended, a certificate with respect to its rebate calculations and, at any time, any additional information requested by the Authority;

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

(xx) That the Governmental Agency shall have obtained the certificate of the Consulting Engineer in the form attached hereto as Exhibit A, to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

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

(xxii) That the Governmental Agency shall furnish to the Authority such information with respect to earnings on all funds constituting "gross proceeds" of the Local Bonds (as that term is defined in the Internal Revenue Code of 1986, as amended) from time to time as the Authority may request;

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

(xxiv) That the Governmental Agency shall list the funding provided by the Authority and the Council in any press release, publication, program bulletin,

sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project; and

(xxv) That, unless it qualifies for an exception, the Governmental Agency shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the "West Virginia Jobs Act") and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act. The Governmental Agency shall provide the Council and the Authority with a certificate stating that (I) the Governmental Agency will comply with all the requirements of the West Virginia Jobs Act; (II) the Governmental Agency has included the provisions of the West Virginia Jobs Act in each contract and subcontract for the Project; (III) the Governmental Agency has received or will receive, prior to entering into contracts or subcontracts, from each contractor or subcontractor a certificate demonstrating compliance with Section 4 of the West Virginia Jobs Act or waiver certificates from the West Virginia Division of Labor ("DOL"); and (IV) the Governmental Agency will file with the DOL and the Council copies of the waiver certificates and certified payrolls or comparable documents that include the number of employees, the county and state wherein the employees reside and their occupation, following the procedures established by the DOL. The monthly requisitions submitted to the Council shall also certify that the Governmental Agency is monitoring compliance by its contractors and subcontractors and that the required information has been submitted.

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

4.2 The Loan shall be secured by the pledge and assignment by the Governmental Agency, as effected by the Local Act, of the fees, charges and other revenues of the Governmental Agency from the System as further set forth by and subject only to such reservations and exceptions as are described in Schedules X and Y hereto or are otherwise expressly permitted in writing by the Authority and the Council.

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

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

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

Governmental Agency. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series, as reflected by Schedule X hereto.

4.6 The Governmental Agency agrees to expend the net proceeds of the Local Bonds for the Project within 3 years of the issuance of the bonds which are the source of money used to purchase the Local Bonds, unless otherwise agreed to by the Council.

ARTICLE V

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

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

5.2 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Local Bonds shall prove to be insufficient to produce the required sums set forth in the Local Act and this Loan Agreement, the Governmental Agency hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges (or where applicable, immediately file with the PSC for a rate increase) and take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and this Loan Agreement.

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

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

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

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

6.4 The Governmental Agency hereby agrees to give the Authority and the Council prior written notice of the issuance by it of any other obligations to be used for the System, payable from the revenues of the System or from any grants for the Project or otherwise related to the Project or the System.

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

ARTICLE VII

Miscellaneous

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

7.2 Schedules X and Y shall be attached to this Loan Agreement by the Authority as soon as practicable after the Date of Loan Closing is established and shall be approved by an official action of the Governmental Agency supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority and the Council.

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

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

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

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

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

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

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

7.10 This Loan Agreement shall terminate upon the earlier of:

(i) the end of ninety (90) days after the date of execution hereof by the Authority or such later date as is agreed to in writing by the Council if the Governmental Agency has failed to deliver the Local Bonds to the Authority;

(ii) termination by the Authority and the Council pursuant to Section 6.1 hereof; or

(iii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Governmental Agency to the Authority, acting on behalf of the Council.

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

BROOKE COUNTY PUBLIC SERVICE DISTRICT

(SEAL)

By: Jerry Bonaventuro
Its: Chairperson
Date: March 18, 2010

Attest:

Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By:
Its: Executive Director
Date: March 18, 2010

Attest:

Its: Secretary-Treasurer

{C1686701.1}

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

_____
(Name of Bonds)

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

1. My firm is engineer for the acquisition and construction of _____ to the _____ system (the "Project") of _____ (the "Issuer"), to be constructed primarily in _____ County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the same meanings set forth in the bond _____ adopted or enacted by the Issuer on _____, and the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), dated _____.

2. The Bonds are being issued for the purposes of (i) _____, and (ii) paying certain issuance and other costs in connection therewith.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by [DEP/BPH/PSC] and any change orders approved by the Issuer, the Council and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least ___years if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and my firm[1] has ascertained that all

[1]If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then insert the following: [and in reliance upon the opinion of _____,

successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the [DEP/BPH/PSC] and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof, [2]the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project set forth in the Schedule B attached hereto and approved by the Council; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Costs of Financing" for the Project.

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

[SEAL]

_____

By: _____
West Virginia License No. _____

Esq.] and delete "my firm has ascertained that".

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

EXHIBIT B

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

West Virginia Infrastructure and
Jobs Development Council
300 Summers Street, Suite 980
Charleston, West Virginia 25301

West Virginia Water Development Authority
180 Association Drive
Charleston, West Virginia 25311

Ladies and Gentlemen:

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

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

The Local Bonds are issued for the purposes of (i) _____, and (ii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond _____ duly adopted or enacted by the Governmental Agency on _____, as supplemented by the supplemental resolution duly adopted by the Governmental Agency on _____ (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement has been undertaken. The Local Bonds are subject to redemption prior

to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

3. The Governmental Agency is a duly organized and validly existing _____, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Local Act and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

4. The Local Act and all other necessary orders and resolutions have been legally and effectively adopted or enacted by the Governmental Agency and constitute valid and binding obligations of the Governmental Agency, enforceable against the Governmental Agency in accordance with their terms. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

5. The Local Bonds have been duly authorized, issued, executed and delivered by the Governmental Agency to the Authority and are valid, legally enforceable and binding special obligations of the Governmental Agency, payable from the net or gross revenues of the System set forth in the Local Act and secured by a first lien on and pledge of the net or gross revenues of the System, all in accordance with the terms of the Local Bonds and the Local Act.

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

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

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

Very truly yours,

EXHIBIT C

MONTHLY FINANCIAL REPORT

Name of Governmental Agency _____
Name of Bond Issue(s) _____
Type of Project _____ **Water** _____ **Wastewater**
Fiscal Year _____ **Report Month** _____

Item	Current Month	Total Year To Date	Budget Year To Date	Budget Year To Date Minus Total Year To Date
1. Gross Revenues				
2. Operating Expenses				
3. Bond Payments:				
Type of Issue				
Clean Water SRF				
Drinking Water TRF				
Infrastructure Fund				
Water Development Authority				
Rural Utilities Service				
Economic Development Administration				
Other (Identify)				
_____				
_____				
4. Renewal and Replacement Fund Deposits				

_____
Name of Person Completing Form

_____
Address

_____
Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

Item 1 You will need a copy of the current fiscal year budget adopted by the Governmental Agency to complete Items 1 and 2. In Item 1, provide the amount of actual **Gross Revenues** for the current month and the total amount year-to-date in the respective columns. Divide the budgeted annual Gross Revenues by 12. For example, if Gross Revenues of $1,200 are anticipated to be received for the year, each month the base would be increased by $100 ($1,200/12). This is the incremental amount for the Budget Year-to-Date column.

Item 2 Provide the amount of actual **Operating Expenses** for the current month and the total amount year-to-date in the respective columns. Any administrative fee should be included in the Operating Expenses. Divide the budgeted annual Operating Expenses by 12. For example, if Operating Expenses of $900 are anticipated to be incurred for the year, each month the base would be increased by $75 ($900/12). This is the incremental amount for the Budget Year-to-Date column.

Item 3 Provide the **Bond Payments (principal, interest and reserve account)** for all the outstanding bonds of the Governmental Agency according to the source of funding. For example, Clean Water State Revolving Fund loan from Department of Environmental Protection, Drinking Water Treatment Revolving Fund loan from Bureau for Public Health, Infrastructure Fund loan from Infrastructure and Jobs Development Council, or a loan from the Water Development Authority, etc.

Item 4 Provide the amount deposited into the **Renewal and Replacement Fund** each month. This amount is equal to 2.5% of Gross Revenues minus the total reserve account payments included in Item 3. If Gross Revenues are $1,200, then $30 (2.5% of $1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Governmental Agency.

The Governmental Agency must complete the Monthly Financial Report and forward it to the Water Development Authority by the 10th day of each month, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project.

EXHIBIT D

MONTHLY PAYMENT FORM

West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311

Re: [Name of bond issue]

Ladies and Gentlemen:

The following deposits were made to the West Virginia Municipal Bond Commission on behalf of [Name of Governmental Agency] on [Date].

Sinking Fund:	
Interest	$
Principal	$
Total:	$
Reserve Account:	$

Witness my signature this ___ day of_____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds $2,517,800
Purchase Price of Local Bonds $2,517,800

The Local Bonds shall bear no interest. Commencing June 1, 2012, principal on the Local Bonds is payable quarterly. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Governmental Agency shall authorize the Commission to electronically debit its monthly payments. The Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority.

The Local Bonds are fully registered in the name of the Authority as to interest, if any, and principal and the Local Bonds shall grant the Authority a first lien on the gross or net revenues of the Governmental Agency's system as provided in the Local Act.

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

As of the date of the Loan Agreement, the Local Bonds are on a parity as to liens, pledge and source of and security for payment with the following obligations of the Governmental Agency:

(i) Brooke County Public Service District Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated October 10, 2003, issued in the original aggregate principal amount of $712,050;

(ii) Brooke County Public Service District Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program), dated December 12, 1997, issued in the original aggregate principal amount of $450,000;

(iii) Brooke County Public Service District Sewer Revenue Bonds, Series 1997 B (West Virginia Infrastructure Fund), dated December 9, 1997, issued in the original aggregate principal amount of $2,163,971; and

(iv) Brooke County Public Service District Sewer Revenue Bonds, Series 1997 C (West Virginia Infrastructure Fund), dated December 9, 1997, issued in the original aggregate principal amount of $450,000.

Number of New Customers to Be Served: 460
Location: Mahan Lane, Eldersville Road and Bruin Drive areas of Brooke County

SCHEDULE Y
DEBT SERVICE SCHEDULE

Brooke County PSD

IF

0% Interest Rate

40 Years from Closing Date

Dated Date	3/18/10	
Delivery Date	3/18/10	

Period Ending	Principal	Interest	Debt Service
3/18/10			
6/1/12	16,565		16,565
9/1/12	16,565		16,565
12/1/12	16,565		16,565
3/1/13	16,565		16,565
6/1/13	16,565		16,565
9/1/13	16,565		16,565
12/1/13	16,565		16,565
3/1/14	16,565		16,565
6/1/14	16,565		16,565
9/1/14	16,565		16,565
12/1/14	16,565		16,565
3/1/15	16,565		16,565
6/1/15	16,565		16,565
9/1/15	16,565		16,565
12/1/15	16,565		16,565
3/1/16	16,565		16,565
6/1/16	16,565		16,565
9/1/16	16,565		16,565
12/1/16	16,565		16,565
3/1/17	16,565		16,565
6/1/17	16,565		16,565
9/1/17	16,565		16,565
12/1/17	16,565		16,565
3/1/18	16,565		16,565
6/1/18	16,565		16,565
9/1/18	16,565		16,565
12/1/18	16,565		16,565
3/1/19	16,565		16,565
6/1/19	16,565		16,565
9/1/19	16,565		16,565
12/1/19	16,565		16,565
3/1/20	16,565		16,565
6/1/20	16,565		16,565
9/1/20	16,565		16,565
12/1/20	16,565		16,565
3/1/21	16,565		16,565
6/1/21	16,565		16,565
9/1/21	16,565		16,565
12/1/21	16,565		16,565
3/1/22	16,565		16,565
6/1/22	16,565		16,565
9/1/22	16,565		16,565
12/1/22	16,565		16,565

	Brooke County PSD			
	IF			
	0% Interest Rate			
	40 Years from Closing Date			
	Period Ending	Principal	Interest	Debt Service
	3/1/23	16,565		16,565
	6/1/23	16,565		16,565
	9/1/23	16,565		16,565
	12/1/23	16,565		16,565
	3/1/24	16,565		16,565
	6/1/24	16,565		16,565
	9/1/24	16,565		16,565
	12/1/24	16,565		16,565
	3/1/25	16,565		16,565
	6/1/25	16,565		16,565
	9/1/25	16,565		16,565
	12/1/25	16,565		16,565
	3/1/26	16,565		16,565
	6/1/26	16,565		16,565
	9/1/26	16,565		16,565
	12/1/26	16,565		16,565
	3/1/27	16,565		16,565
	6/1/27	16,565		16,565
	9/1/27	16,565		16,565
	12/1/27	16,565		16,565
	3/1/28	16,565		16,565
	6/1/28	16,565		16,565
	9/1/28	16,565		16,565
	12/1/28	16,565		16,565
	3/1/29	16,565		16,565
	6/1/29	16,565		16,565
	9/1/29	16,565		16,565
	12/1/29	16,565		16,565
	3/1/30	16,564		16,564
	6/1/30	16,564		16,564
	9/1/30	16,564		16,564
	12/1/30	16,564		16,564
	3/1/31	16,564		16,564
	6/1/31	16,564		16,564
	9/1/31	16,564		16,564
	12/1/31	16,564		16,564
	3/1/32	16,564		16,564
	6/1/32	16,564		16,564
	9/1/32	16,564		16,564
	12/1/32	16,564		16,564
	3/1/33	16,564		16,564
	6/1/33	16,564		16,564
	9/1/33	16,564		16,564
	12/1/33	16,564		16,564
	3/1/34	16,564		16,564
	6/1/34	16,564		16,564
	9/1/34	16,564		16,564
	12/1/34	16,564		16,564

	Brooke County PSD			
	IF			
	0% Interest Rate			
	40 Years from Closing Date			
	Period Ending	Principal	Interest	Debt Service
	3/1/35	16,564		16,564
	6/1/35	16,564		16,564
	9/1/35	16,564		16,564
	12/1/35	16,564		16,564
	3/1/36	16,564		16,564
	6/1/36	16,564		16,564
	9/1/36	16,564		16,564
	12/1/36	16,564		16,564
	3/1/37	16,564		16,564
	6/1/37	16,564		16,564
	9/1/37	16,564		16,564
	12/1/37	16,564		16,564
	3/1/38	16,564		16,564
	6/1/38	16,564		16,564
	9/1/38	16,564		16,564
	12/1/38	16,564		16,564
	3/1/39	16,564		16,564
	6/1/39	16,564		16,564
	9/1/39	16,564		16,564
	12/1/39	16,564		16,564
	3/1/40	16,564		16,564
	6/1/40	16,564		16,564
	9/1/40	16,564		16,564
	12/1/40	16,564		16,564
	3/1/41	16,564		16,564
	6/1/41	16,564		16,564
	9/1/41	16,564		16,564
	12/1/41	16,564		16,564
	3/1/42	16,564		16,564
	6/1/42	16,564		16,564
	9/1/42	16,564		16,564
	12/1/42	16,564		16,564
	3/1/43	16,564		16,564
	6/1/43	16,564		16,564
	9/1/43	16,564		16,564
	12/1/43	16,564		16,564
	3/1/44	16,564		16,564
	6/1/44	16,564		16,564
	9/1/44	16,564		16,564
	12/1/44	16,564		16,564
	3/1/45	16,564		16,564
	6/1/45	16,564		16,564
	9/1/45	16,564		16,564
	12/1/45	16,564		16,564
	3/1/46	16,564		16,564
	6/1/46	16,564		16,564
	9/1/46	16,564		16,564
	12/1/46	16,564		16,564

Brooke County PSD

IF

0% Interest Rate

40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
3/1/47	16,564		16,564
6/1/47	16,564		16,564
9/1/47	16,564		16,564
12/1/47	16,564		16,564
3/1/48	16,564		16,564
6/1/48	16,564		16,564
9/1/48	16,564		16,564
12/1/48	16,564		16,564
3/1/49	16,564		16,564
6/1/49	16,564		16,564
9/1/49	16,564		16,564
12/1/49	16,564		16,564
3/1/50	16,565		16,565
	2,517,800		**2,517,800**

SCHEDULE Z

None.

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

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

Case No. 08-0164-PSD-CN

Brooke County Public Service District

Application for a certificate of convenience and necessity to construct a wastewater collection system to provide public sewage service in the Mahan Lane, Bruin Drive and Eldersville Road areas of Brooke County, including all or portions of the following roads: Sunview Lane, Woodvue Lane, Latimer Avenue, Walder Road, Madonna Lane, Forest Lane, Brookview Drive, Evergreen Acres, Browns Road, Homone Avenue, County Route 7/2, Cross Creek Road, Leon Street and Grimms Lane

COMMISSION ORDER

The Commission denies the petition to reopen filed by the City of Follansbee ("Follansbee").

BACKGROUND

On September 23, 2009, Follansbee petitioned the Commission to reopen this proceeding. Follansbee stated in its petition that it believes the Brooke County Public Service District ("District") has violated the final order entered in this case on January 12, 2009. Follansbee asserts that because the District had to redesign the previously approved wastewater project to change a connection point with the City of Wellsburg ("Wellsburg"), the District was required to request approval from the Commission for that change. Furthermore, Follansbee asserts that at a July 22, 2009 meeting of the Board of Directors of the District, Follansbee offered the District a new treatment rate of $1.60 per thousand gallons, a figure well below the $2.34 per thousand gallons to be charged by Wellsburg. Follansbee insists that this reduction in the treatment rate should give rise to a reconsideration of the comparative benefits of the Wellsburg and Follansbee alternatives.

The District filed responses through both its Chairman and its attorney. The District requests that the case not be reopened, asserting that the proposed change is not a change in scope and that the offer of the new treatment rate by Follansbee is too late for consideration. The District also states its concern that the lower rate offered by Follansbee would mean that the current customers of Follansbee would subsidize the customers from the District should Follansbee be chosen to treat the wastewater from the District. Finally, the District states its fear that further delays may cause the District to lose its $9,8720,000 STAG grant.

On October 28, 2009, Commission Staff filed its Initial and Final Joint Staff Memorandum Upon Reopening, stating that it has determined that the change in connection point does not constitute a change in the scope of the project. Staff notes that the West Virginia Department of Environmental Protection has approved the minor change and had this change occurred during construction, it would have been handled with a simple change order. Further, Staff notes that there is no data to support the new lower rate offered by Follansbee, or any explanation regarding how it was able to reduce its treatment rate by 32%. Staff also notes that the City should have offered this rate when the case was still opened in 2008. Staff notes further that the current treatment rate of $2.34 per thousand gallons was calculated by Staff during the Certificate case. Staff indicates a treatment rate of $1.60 per thousand gallons would not cover the cost of service to be provided by Follansbee. For these reasons, Staff recommends that the Commission deny the petition to reopen.

DISCUSSION

The Commission agrees with Staff that the change in the point of connection with the Wellsburg system does not constitute a change in scope of the project and that the lower treatment rate offered by the City is not timely. The Commission will, therefore, deny reopening of this matter.

FINDINGS OF FACT

1. On January 12, 2009, the Commission entered a Final Order adopting the November 19, 2008 Recommended Decision approving an application by the District for a Certificate of Convenience and Necessity to construct a wastewater collection system to provide public sewer service in the Mahan Lane, Bruin Drive and Eldersville Road areas of Brooke County. The adopted Recommended Decision approved the Wellsburg alternative for the project as well as the proposed financing and Staff recommended rates.

2. On September 23, 2009, Follansbee filed a petition to reopen, asserting that the District had changed the scope of the project without the approval of the Commission and was therefore not in compliance with the January 12, 2009 Commission Order. Follansbee also asserted that its offer of a lower treatment rate should give rise to a reconsideration of the comparative benefits of the Wellsburg and Follansbee alternatives.

CONCLUSIONS OF LAW

1. The specified change in the point of connection with the Wellsburg system does not constitute a change in scope of the previously approved wastewater project.

2. The lower treatment rate offered by Follansbee is untimely and does not therefore give rise to a reconsideration of the comparative benefits of the Wellsburg and Follansbee alternatives.

ORDER

IT IS THEREFORE ORDERED that the petition to reopen filed by Follansbee on September 23, 2009, is hereby denied.

IT IS FURTHER ORDERED that upon entry of this Order this matter is to be removed from the Commission docket of active cases.

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

A True Copy, Teste: Sandra Squire
Sandra Squire
Executive Secretary

RWC:tt
080164cc.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered by the Public Service Commission of West Virginia, in the City of Charleston on this 13th day of April 2009.

CASE NO. 08-0164-PSD-CN

BROOKE COUNTY PUBLIC SERVICE DISTRICT
Application for a certificate of convenience and necessity to construct a wastewater collection system to provide public sewage service in the Mahan Lane, Bruin Drive and Eldersville following roads: Sunview Lane, Woodvue Lane, Latimer Avenue, Walder Road, Madonna Lane, Forest Lane, Brookview Drive, Evergreen Acres, Browns Road, Homone Avenue, County Route 7/2, Cross Creek Road, Leon Street and Grimms Lane.

The Supreme Court of Appeals of West Virginia has entered an order in the above-styled proceeding on the 8th day of April 2009, which order is spread upon the record in the words and figures as follows:

"STATE OF WEST VIRGINIA

At a Regular Term of the Supreme Court of Appeals continued and held at Charleston, Kanawha County, on the 8th day of April 2009, the following order was made and entered:

City of Follansbee, Petitioner

vs.) No. 090220

Public Service Commission of West Virginia and
Brooke County Public Service District, Respondents

On a former day, to-wit, February 11, 2009, came the petitioner, the City of Follansbee, by Robert R. Rodecker, its attorney, and presented to the Court its petition praying for an appeal from, suspension and review of the final order of the Public Service Commission of West Virginia made and entered on January 12, 2009, in a proceeding before it instituted and designated as Case No. 08-0164-PSD-CN.

Thereafter, on March 16, 2009, came the respondent, Public Service Commission of West Virginia, by John R. Auville and Richard E. Hitt, its attorneys, and presented to the Court its statement of reasons.

Upon consideration whereof, the Court is of the opinion to and doth hereby refuse said petition for appeal.

A True Copy:

Attest: Rory L. Perry, II
Clerk, Supreme Court of Appeals"

FOR THE COMMISSION:

A True Copy, Teste: Sandra Squire
Sandra Squire
Executive Secretary

SS/jan

080164sd.wpd

STATE OF WEST VIRGINIA

At a Regular Term of the Supreme Court of Appeals continued and held at Charleston, Kanawha County, on the 8th of April, 2009, the following order was made and entered:

City of Follansbee, Petitioner

vs.) No. 090220

Public Service Commission of West Virginia
and Brooke County Public Service District,
Respondents

On a former day, to-wit, February 11, 2009, came the petitioner, the City of Follansbee, by Robert R. Rodecker, its attorney, and presented to the Court its petition praying for an appeal from, suspension and review of the final order of the Public Service Commission of West Virginia made and entered on January 12, 2009, in a proceeding before it instituted and designated as Case No. 08-0164-PSD-CN.

Thereafter, on March 16, 2009, came the respondent, Public Service Commission of West Virginia, by John R. Auville and Richard E. Hitt, its attorneys, and presented to the Court its statement of reasons.

Upon consideration whereof, the Court is of opinion to and doth hereby refuse said petition for appeal.

A True Copy

Attest: _____
Clerk, Supreme Court of Appeals

RECEIVED
2009 APR 13 AM 8 19
WV PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 12th day of January, 2009.

CASE NO. 08-0164-PSD-CN

BROOKE COUNTY PUBLIC SERVICE DISTRICT

Application for a certificate of convenience and necessity to construct a wastewater collection system to provide public sewage service in the Mahan Lane, Bruin Drive and Eldersville Road areas of Brooke County, including all or portions of the following roads: Sunview Lane, Woodvue Lane, Latimer Avenue, Walder Road, Madonna Lane, Forest Lane, Brookview Drive, Evergreen Acres, Browns Road, Homone Avenue, County Route 7/2, Cross Creek Road, Leon Street and Grimms Lane.

COMMISSION ORDER

The Commission denies the exceptions of the Village of Beech Bottom and the City of Follansbee and adopts the November 19, 2008 Recommended Decision as the Final Order of the Commission, as modified and discussed herein.

BACKGROUND

This case is pending before the Commission on Exceptions filed by the Village of Beech Bottom ("Village") on December 1, 2008 and the City of Follansbee ("City") on December 5, 2008.

On February 15, 2008, Brooke County Public Service District ("District") filed with the Public Service Commission ("Commission"), pursuant to W.Va. Code §§16-13A-25 and 24-2-11, an application for a certificate of convenience and necessity to construct a wastewater collection system to provide public sewage service in the Mahan Lane, Bruin Drive and Eldersville Road areas of Brooke County. The District also requested a 19.5% rate increase (ultimately reduced to 13.5%). Supporting documentation was filed. Also filed for Commission approval was an unexecuted agreement between the District and the City of

Wellsburg ("Wellsburg") for Wellsburg to treat the District's wastewater at the rate of $2.54 per thousand gallons.

On February 15, 2008, the Commission directed the District to publish a Notice of Filing that provided that, if no protest was filed within thirty days after the date of publication, the Commission might waive formal hearing and grant the application based upon its review of the evidence submitted with the application. The Commission issued an Amended Notice of Filing on February 20, 2008.

On February 27, 2008, the Commission referred this matter to the Division of Administrative Law Judges ("ALJ ") for decision no later than September 12, 2008, if a timely protest was received, and no later than June 30, 2008, if no such protest was filed.

On March 12, 2008, the District filed an affidavit of publication establishing that the Amended Notice of Filing had been published on February 29, 2008, in The Brooke County Review.

On March 13, 2008, Staff filed an Initial Joint Staff Memorandum that explained that the project at issue in this matter is Phase I of a two-phase project. The two phases, estimated to cost a total of $23,000,000, will provide a central collection system for approximately 1,101 customers and will convey the wastewater to the Wellsburg wastewater treatment plant. Phase I will provide sewer service in the Mahan Lane, Bruin Drive and Eldersville Road areas of Brooke County, including all or portions of the following roads: Sunview Lane, Woodvue Lane, Latimer Avenue, Walder Road, Madonna Lane, Forest Lane, Brookview Drive, Evergreen Acres, Browns Road, Homone Avenue, County Route 7/2, Cross Creek Road, Leon Street and Grimms Lane. Staff explained that Phase I will extend sewer service to approximately 460 new customers, including a new school, and is estimated to cost approximately $13,165,000. It has been approved by the West Virginia Infrastructure and Jobs Development Council ("WVIJDC") with funding through a $9,872,200 Special Appropriations Grant ("SAP"), a $775,000 WVIJDC grant, and a $2,517,800 WVIJDC loan payable at 0% interest for 40 years.

On May 12, 2008, the Village and the City were both granted intervenor status.

The ALJ conducted a hearing on July 22, 2008, and a further hearing was scheduled in Charleston for August 5, 2008. The District advised that it would be requesting tolling of the statutory deadline and a further continuance of the hearing. No protestant appeared other than the Villages of Windsor Heights and Beech Bottom, by counsel, who explained that they each objected to any rate increase because they would be receiving no benefit from the project and most of the members of their communities do not have adequate income to pay higher rates. (I Tr. 10-14[1]).

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[1]Citations to the transcript of the July 22, 2008 hearing are designated "I Tr." whereas citations to the transcript of the second hearing, held on September 12, 2008, are designated "II Tr."

On August 1, 2008, the District, by counsel, filed a motion for tolling of the statutory deadline and for an extension of the ALJ decision due date, which the Commission granted by Order issued August 4, 2008. The statutory deadline was tolled until January 10, 2009, and the ALJ decision due date was extended until November 12, 2008. On November 7, 2008, the Commission issued an order extending the ALJ decision due date until November 17, 2008.

A second hearing was held on September 12, 2008, at which the District confirmed that it did not oppose the Staff-recommended rates.

Recommended Decision and Exceptions

By Recommended Decision dated November 19, 2008, the ALJ Division issued a Recommended Decision granting the certificate application and approving the proposed financing and Staff-recommended rates. On December 1, 2008, the Village filed exceptions, and on December 5, 2008, the City filed exceptions, to that Recommended Decision.

In its exceptions, the Village argues that the minimum charge of $41.04 per month based on 4,000 gallons of usage is too great. The Village urges the Commission to lower this minimum charge, arguing that it is not fair to those individual customers of the Village who are single or elderly or living on a fixed income and whose usage would not be likely to reach 4,000 gallons per month. The Village also asserts that its residents receive no added benefit from the Project, but must nonetheless bear part of the burden of the cost. The Village requests that the Commission lower the minimum charge by half to $20.52 based on 2,000 gallons of usage.

Staff responded to the Village's exception, recommending denial because such a reduction would require deviation from the current tariff and that such a deviation should occur only in a filing in which the rate change is supported by a class cost of service study, as required by Tariff Rule 19.7. See Staff Response to Exceptions, December 15, 2008. Staff noted further that in a certificate proceeding, as in the instant case, Staff can adjust rates across the board, but cannot make the kind of piecemeal adjustment the Village requests. See Id. In this case, Staff was limited to reviewing only the project submitted for approval by the District and did not, therefore, conduct a full rate review and audit. In the Recommended Decision of November 19, 2008, the ALJ Division denied the Village's request, noting that to grant that treatment would create a separate schedule of rates for the Village instead of a unified rate. See Recommended Decision, Conclusion of Law No. 8.

The City filed four exceptions to the Recommended Decision, as follows:

1. The ALJ erred in concluding that "[a]s a state infrastructure agency as defined in W. Va. Code §31-15A-e(u), the Public Service Commission (PSC) may not take any action inconsistent with the recommendation of the WVIJDC unless it expressly finds and determines that the

WVIJDC's recommendation is not in the best interest of the state of the area in which the project is to be located."

2. The ALJ improperly shifted the burden of proof under the provisions of W.Va. Code §24-2-11 to the City of Follansbee.

3. The ALJ's conclusion that both Follansbee and Wellsburg have "stranded investment and stranded investment cannot be a controlling factor in this decision, is not based upon evidence of record and is in error.

4. The ALJ's conclusion that the public convenience and necessity require the proposed project is not supported by the evidence of record and is in error.

On December 15, 2008, both the District and Staff filed responses to the exceptions.

DISCUSSION

The Exception of the Village

The exception of the Village essentially requests that the Commission create a schedule of rates for the residents of the Village different from the Staff-recommended rates to be paid by other customers of the District. The Commission believes that the ALJ correctly held that similarly served customers of a utility should be charged a unified rate.

In addition, Staff notes in its responses to the exceptions to the Recommended Decision that such a reduction would require deviation from the current tariff of the District. The District's currently approved tariff uses the equivalent of 4,000 gallons of usage as the basis for the minimum charge. The minimum rate approved in this case uses the same amount of usage but reflects an increase in rates on an across the board basis. Such a deviation should occur in a certificate filing, or rate filing supported by a class cost of service study, as required by Tariff Rule 19.7. See Staff Response to Exceptions, December 15, 2008. In rate proceedings, the Commission determines costs to be assigned to a particular class and spreads those costs over all customers in a class. Although at a particular point in time, costs may be incurred that do not benefit all customers, in the long run all customers benefit from the "sharing" of costs among all customers. For instance, in this case, when the time comes that the District must incur costs directly related to customers residing in the Village, these customers will benefit by spreading those costs over all residential customers. The instant case is not a case in which Staff would conduct a full rate review, audit and class cost of service study. The Commission will, therefore, deny the exception of the Village.

The Exceptions of the City

The First Exception

The City argues that the ALJ erred in concluding that W.Va. Code § 31-15A-1 *et seq.* establishes the WVIJDC as "the entity with the authority to determine whether a water or sewer public utility project should be constructed." In its restatement of the ALJ Recommended Decision, the City misstates the ALJ's discussion and apparently does not understand its purpose.

The WVIJDC receives applications from project sponsors and, according to W.Va. Code § 31-15A-5(b), reviews those applications within 30 days of receipt, thereafter making a written recommendation about the infrastructure project or project financing, in terms of the kind, amount and source of funding that the project sponsor should pursue and that the state infrastructure agency should consider an appropriate investment of public funds. In the alternative, the WVIJDC might make a finding that the project sponsor does not need and should not seek funding from any state infrastructure agency. Section 31-15A-5(c) does indeed state that "[n]o state infrastructure agency shall take any action inconsistent with the recommendation of the council unless the governing body of the agency... expressly finds and determines that the recommendation is not in the best interest of the state or the area in which the proposed infrastructure project or project is to be located." This, however, does not divest the Commission of its authority under W.Va. Code § 24-2-11.

The WVIJDC does not make the requisite findings as to the convenience and necessity of an infrastructure project and order that a project sponsor be granted a certificate. Only the Commission makes that finding under W.Va. Code § 24-2-11. If the Commission finds that a project does not meet the standard set forth in W.Va. Code § 24-2-11, it will not grant the certificate. This does not mean that the Commission takes action inconsistent with the recommendation of the WVIJDC. The WVIJDC does not *direct* that a project be built. It places its imprimatur on a project as part of the WVIJDC application for that approval, and recommends the "kind , amount and source of funding" project sponsors should pursue. By the same token, if the Commission grants a certificate, it will not alter the terms of the funding approved by the WVIJDC.

In the Recommended Decision, the ALJ recited the language of W.Va. Code § 31-15A-5(c) correctly, but failed to elaborate about how the WVIJDC and the Commission work together on infrastructure projects in the State of West Virginia. The Commission is therefore obligated to clarify the Recommended Decision in that regard. The WVIJDC determines whether funding is appropriate for a particular project subject to the Commission's review in a certificate application. In other words, the funding decision is always contingent upon the Commission's decision to certificate a project. Commission Order, pp. 16-17, Logan Water Department, Case No. 99-0592-W-CN (January 24, 2000).

Once the District established a prima facie case supporting its certificate application, the burden of persuasion shifted to the City to rebut that showing. The City is attempting to show that the public interest would be better served if it provided the service. However, the City must show that the District project is not convenient or necessary – this, it has not done. Furthermore, it does not have a funded project and is challenging a project that has WVIJDC funding. In that regard, in order to succeed, the City must show that issuing a certificate "is not in the best interest of the state or the area." Again, the City has failed to make this showing.

The Recommended Decision includes findings and conclusions that are unaffected by the clarification of Conclusion of Law No. 1. The septic systems in the project area are failing. See Recommended Decision, Finding of Fact No. 3. The District negotiated with the City, but could not come to an agreement as to the wastewater project. See Recommended Decision, Finding of Fact No. 5. The District and Wellsburg agreed on a treatment rate for the wastewater. See Recommended Decision, Finding of Fact No. 4. After the District and Wellsburg reached an agreement, the City then, and only then, offered a lower rate and, during the proceedings before the ALJ, lowered its aid-in-construction demand. See Recommended Decision, Finding of Fact No. 9. The project with Wellsburg has been approved by the WVIJDC and commitments have been made for fully funding the project. See Recommended Decision, Finding of Fact No. 10. The project with Wellsburg and the alternative offered by the City both present risks of odor, requiring a Bioxide feed system in both cases. See Recommended Decision, Finding of Fact No. 13. Rejecting the Wellsburg project and requiring the District to adopt the alternative offered by the City would entail a review of the alternative by the District engineer, new approval by the WVIJDC, new funding, and re-application to the Commission for a certificate of convenience and necessity. See Recommended Decision, Findings of Fact Nos. 15, 16, and 20. The Commission believes that these Findings of Fact and the remaining Conclusions of Law are accurate and reasonable and support the adoption of the Recommended Decision, as modified.

The Second Exception

The City argues that the ALJ erroneously shifted the burden of proof to the City to show that the project proposed by the City is a better alternative to that sponsored by the District. With this exception, the City contends that it can require the District to prove that the project the District has proposed – a project that has been fully planned, approved by the WVIJDC, fully funded, and evaluated by Commission Staff – is superior to the alternative proposed by the City, despite the fact that the project described by the City was found by the ALJ, the trier of fact in this matter, to be based on "suggestions and estimates."

In this case, there was but one project before the Commission for review, the project proposed by the District to convey wastewater to Wellsburg. The Commission does not believe that it is reasonable to require the District to consider and reject every alternative option to the project that has been submitted for Commission approval. The Commission can examine possible alternatives in evaluating the reasonableness, convenience and necessity

of the project at issue. We think it is clear from the record and the Recommended Decision that the ALJ did that. As noted by the ALJ, the District negotiated with the City for the City to treat half of the project wastewater, but could not come to any agreement with the City because the City wanted to treat *all* of the project wastewater and because the treatment rate offered by the City and the aid-in-construction demanded by the City were too high. (See Finding of Fact No. 5, Recommended Decision, citing I Tr. 23-25, 56-58). Only after the District entered into an agreement with Wellsburg did the City offer to reduce its rates to a competitive level.

The Third Exception

The ALJ found that "stranded investment" could not be a controlling factor in the decision of this case because both Wellsburg and the City have excess capacity that would be left unused without wastewater flowing to them from the District. See Recommended Decision, p. 17. The City argues that this finding by the ALJ is not supported by the record and is in error. The project sponsored by the District would collect wastewater and convey it to Wellsburg, a town now with excess sewer capacity because of the departure of a former customer. The City argues that it also has excess capacity and would be in the same position as Wellsburg – in possession of wasted or excess capacity, the "stranded" investment – if it is not the recipient of the wastewater from the District. The City, however, attempts to support its claim to the wastewater by asserting that it built excess capacity in the City system to service the customers now to be serviced by Wellsburg via the project proposed by the District. Both Staff and the ALJ have noted, however, that the excess capacity of the City was constructed for redress of violation of the NPDES, not servicing the customers of the District. The Commission believes that the claim that the City has a superior right to that of Wellsburg is not supported by the record.

The Fourth Exception

The City asserts as its fourth exception that the finding of the ALJ that public convenience and necessity require approval of the project proposed by the District is not supported by the evidence. The City appears to be chiefly concerned with the contention of the ALJ that denying the District a certificate would result in substantial delays for a wastewater project for which there has been a demonstrated need. The Commission has reviewed the analysis of the ALJ on this issue and believes the ALJ is correct. The ALJ noted that "[d]enying the application and requiring the District to begin anew in bringing a project incorporating the [City's] alternative to fruition would cause delays, because redesigning the project will take some time and the WVIJDC would need to review the revised project for its approval and for funding. This time frame did not include the time required for a new certificate application before the Public Service Commission." See Recommended Decision, Finding of Fact (citing I Tr. 9; II Tr. 81-84).

The City ignores the fact that its "alternative" has not yet been fully engineered or funded and still must undergo the Commission application process for a certificate of

convenience and necessity as the project proposed by the District. The Commission does not, therefore, deem it reasonable to reject the argument that convenience and necessity require granting the District a certificate, nor can the Commission find reason to dispute the finding of the ALJ that the alternative offered by the City is, at this time, based largely on "suggestions and estimates." See Recommended Decision, p. 19.

FINDINGS OF FACT

1. On February 15, 2008, the District filed with the Commission, pursuant to W.Va. Code §§16-13A-25 and 24-2-11, an application for a certificate of convenience and necessity to construct a wastewater collection system to provide public sewage service in the Mahan Lane, Bruin Drive and Eldersville Road areas of Brooke County.

2. On February 27, 2008, the Commission referred this matter to the ALJ for decision.

3. Following two hearings in this matter, the ALJ issued a Recommended Decision on November 19, 2008, granting the certificate application and approving the proposed financing and Staff-recommended rates.

4. On December 1, 2008, the Village filed exceptions and on December 5, 2008, the City filed exceptions.

5. On December 15, 2008, both the District and Staff filed responses to the exceptions.

6. The Village raised no substantive issues in its exception that were not adequately addressed in the Recommended Decision.

7. Only the first exception of the City raised any issues not adequately addressed in the Recommended Decision.

CONCLUSIONS OF LAW

1. Section 31-15A-1 *et seq.* of the West Virginia Code does not divest the Commission of its authority under W.Va. Code § 24-2-11 to grant or deny a certificate of convenience and necessity, regardless of the findings and recommendations of the WVIJDC.

2. With the clarification of Conclusion of Law No. 1, and any supporting discussion thereof, it is reasonable for the Commission to adopt the November 19, 2008

Recommended Decision of the ALJ as its final order, granting the District a certificate of convenience and necessity for its proposed project.

ORDER

IT IS THEREFORE ORDERED that with the clarification of Conclusion of Law No. 1, and any supporting discussion thereof, the Commission adopts the November 19, 2008 Recommended Decision as its final order.

IT IS FURTHER ORDERED that upon entry hereof, this case shall be removed from the Commission docket of open cases.

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

A True Copy, Teste:
Sandra Squire
Executive Secretary

RWC/tt
080164cb.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: November 19, 2008

EXCEPTIONS FILED

CASE NO. 08-0164-PSD-CN

BROOKE COUNTY PUBLIC SERVICE DISTRICT

Application for a certificate of convenience and necessity to construct a wastewater collection system to provide public sewage service in the Mahan Lane, Bruin Drive and Eldersville Road areas of Brooke County, including all or portions of the following roads: Sunview Lane, Woodvue Lane, Latimer Avenue, Walder Road, Madonna Lane, Forest Lane, Brookview Drive, Evergreen Acres, Browns Road, Homone Avenue, County Route 7/2, Cross Creek Road, Leon Street and Grimms Lane.

RECOMMENDED DECISION

PROCEDURE

On February 15, 2008, Brooke County Public Service District ("District") filed with the Public Service Commission ("Commission"), pursuant to W.Va. Code §§16-13A-25 and 24-2-11, an application for a certificate of convenience and necessity to construct a wastewater collection system to provide public sewage service in the Mahan Lane, Bruin Drive and Eldersville Road areas of Brooke County. The District also requested a 19.5% rate increase. Supporting documentation was filed. Also filed for Commission approval was an unexecuted agreement between the District and the City of Wellsburg ("Wellsburg") for Wellsburg to treat the District's wastewater at the rate of $2.54 per thousand gallons.

Also on February 15, 2008, the Commission directed the District to publish a Notice of Filing, which provided that, if no protest was filed within thirty days after the date of publication, the Commission might waive formal hearing and grant the application based upon its review of the evidence submitted with the application. The Commission issued an Amended Notice of Filing on February 20, 2008.

On February 27, 2008, by Order, the Commission referred this matter to the Division of Administrative Law Judges ("ALJ Division") for decision no later than September 12, 2008, if a timely protest was received, and no later than June 30, 2008, if no such protest was filed.

On March 12, 2008, the District filed an affidavit of publication establishing that the Amended Notice of Filing had been published on February 29, 2008, in The Brooke County Review.

On March 13, 2008, Staff Attorney John Auville filed an Initial Joint Staff Memorandum, with an attached memorandum from Ralph E. Clark, of the Engineering Division, and Michael Quinlan, of the Water and Wastewater Division, which explained that the project at issue in this matter is Phase I of a two-phase project. The two phases, estimated to cost in total $23,000,000, will provide a central collection system for approximately 1,101 customers and will convey the wastewater to the Wellsburg wastewater treatment plant. Phase I will provide sewer service in the Mahan Lane, Bruin Drive and Eldersville Road areas of Brooke County, including all or portions of the following roads: Sunview Lane, Woodvue Lane, Latimer Avenue, Walder Road, Madonna Lane, Forest Lane, Brookview Drive, Evergreen Acres, Browns Road, Homone Avenue, County Route 7/2, Cross Creek Road, Leon Street and Grimms Lane. Staff explained that Phase I will extend sewer service to approximately 460 new customers, including a new school, and is estimated to cost approximately $13,165,000. It has been approved by the West Virginia Infrastructure and Jobs Development Council ("WVIJDC") and is proposed to be funded through a $9,872,200 Special Appropriations Grant ("SAP"), a $775,000 WVIJDC grant, and a $2,517,800 WVIJDC loan payable at 0% interest for 40 years.

On March 14, 2008, the City of Follansbee ("Follansbee" or "City"), by counsel Robert R. Rodecker, filed a petition to intervene in this matter. Follansbee explained that it provides water service to the sewer customers that will be added by Phase I and that, as Phase I was originally designed, Follansbee was to treat the wastewater from those customers rather than Wellsburg. Follansbee contended that "it has the ability to provide treatment services to the District utilizing existing facilities at a lower cost to the District than is proposed in the application."

Between March 24 and April 14, 2008, one hundred thirteen (113) letters of protest to a rate increase were filed. The protests were each to the requested rate increase; none objected to the project itself. Except for two, the letters of protest were exactly the same, stating that the signatory was a resident of Beech Bottom, West Virginia, and opining that a rate increase would create an unreasonable hardship on the residents, because the mean average annual income of the community is $33,000 and many of the residents live on limited pensions.

On April 1, 2008, the Village of Windsor Heights ("Windsor Heights"), by its mayor, also protested the rate increase, on essentially the same basis as the other letters, and requested intervention in this matter, and, on April 9, 2008, Joseph E. Barki, III, filed his appearance as counsel for Windsor Heights. On May 2, 2008, Mr. Barki also entered his appearance as counsel for the Village of Beech

Bottom ("Beech Bottom"), noting that many residents of Beech Bottom had filed protests. Mr. Barki stated, "[A]dvise me if you would like a formal request to intervene to be filed with your office."

On May 2, 2008, Mr. Auville filed a Further Joint Staff Memorandum, requesting an extension of time for Staff to file its final memorandum because Staff lacked a copy of the final engineering report of Phase I.

Also on May 2, 2008, Follansbee, by counsel, filed a first set of discovery requests it was serving on the District.[1]

On May 5, 2008, Wayne R. Mielke entered his appearance as counsel for the District.

On May 12, 2008, the undersigned issued a Procedural Order requiring the District to file, as soon as possible, a statement of compliance with the requirement of Rule 10.3.d of the Commission's Rules of Practice and Procedure that a utility notify each customer by mail of a requested rate increase when it is requesting a rate increase as part of a certificate case. Follansbee and Windsor Heights were granted intervenor status, as was Beech Bottom, in that Beech Bottom's letter had been clear in its wish to be an intervenor. .The parties and Staff were required to agree on two dates for hearing and Mr. Auville was asked to advise the undersigned of those dates. Staff was required to file its final memorandum no later than June 30, 2008.

On May 19, 2008, the District filed an affidavit establishing that the District had mailed the notice, as required by Rule 10.3.d, on February 29, 2008. Also filed was the final engineering report.

On May 20, 2008, the District, by counsel, filed a first set of discovery requests it was serving on Follansbee.

On May 22, 2008, the District, by counsel, filed its responses to Follansbee's first set of discovery requests.

On May 23, 2008, the District filed an amendment to the final engineering report.

On June 3, 2008, the undersigned issued a Procedural Order that scheduled this matter for hearing at 9:30 a.m on July 22, 2008, in Council Chambers, Wellsburg City Building, 70 7th Street, Wellsburg, West Virginia, and ordered the District to publish no earlier than July 8th or later than July 17th an attached Notice of Hearing.

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[1]This procedural history omits any reference to the discovery filings of Staff and responses thereto by the parties because there was no dispute regarding them.

On June 4, 2008, Follansbee, by counsel, filed a second set of discovery requests it was serving on the District.

On June 9, 2008, Follansbee, by counsel, filed its responses to the District's first set of discovery requests.

On June 24, 2008, the District filed summaries of the competing costs for the District's wastewater to be treated by Wellsburg and by Follansbee.

On June 26, 2008, Follansbee, by counsel, filed a third set of discovery requests it was serving on the District.

On June 27, 2008, the District, by counsel, filed its responses to Follansbee's second set of discovery requests.

On June 30, 2008, Follansbee, by counsel, filed a copy of a letter it had sent to the District, asking the District to provide information regarding the Follansbee alternative that should have been included in the District's responses to a Staff discovery request.

On July 1, 2008, Mr. Auville filed a Final Joint Staff Memorandum, with an attached memorandum from Mr. Clark and Mr. Quinlan. Mr. Auville synopsized part of Technical Staff's memorandum as follows:

> Technical Staff starts with a discussion of the differences between this project and the project as proposed by Follansbee. For all intents and purposes, both projects cost the same. Technical Staff does express some concern over the residence times of this project as opposed to the Follansbee option and the potential for septic discharge and odor problems. However, Technical Staff does not think that concern is enough to justify rejecting the District's project, especially considering the District's project is fully funded and Follansbee's project is not. Also, the District tried to negotiate with Follansbee in the past to take this sewage, but no agreement could be reached. Technical Staff does not accept Follansbee's argument that [its] plant was upgraded in 1997/98 to accept these flows, and, therefore, [it has] a right to serve these customers. A review of Case No. 97-0649-S-CN reveals the upgrades to Follansbee's treatment facilities were driven by discharge violations of [its] NPDES permit. So, Technical Staff cannot reject the District's project in favor of Follansbee's proposal.

Staff stated that the rate of $2.54 per thousand gallons provided by the agreement between the District and Wellsburg had been based on outdated numbers. Staff stated that, based upon 2007 numbers, the rate should be $2.44 per thousand gallons. Accordingly, Staff recommended that the District's overall rate increase be 13.5% rather than 19.5%. Consequently, while the District had proposed tariff rates

for metered customers of $10.80 per thousand gallons for the first 5,000 gallons of water used, and $8.65 per thousand gallons for all higher usage, Staff recommended that those rates be $10.26 and $8.22, respectively. Staff recommended that the project and its funding be approved. Staff finally recommended that the agreement be approved, contingent upon a revised version's being filed that included the Staff-recommended rate of $2.44 per thousand gallons.

On July 2, 2008, Wellsburg filed a letter stating that it would be able to process the approximately 200,000 gallons per day of wastewater that the project would add to the inflow at Wellsburg's treatment plant. The letter did not respond to Staff's request for a rate change.

On July 16, 2008, the District filed an affidavit of publication of the Notice of Hearing on July 11, 2008, in The Brooke County Review.

On July 16, 2008, Follansbee, by counsel, filed a motion that the hearing be rescheduled or the District's application be dismissed. Follansbee stated that the District had not provided the information requested by the letter from Follansbee filed June 30, 2008, and that the missing information was needed for Follansbee to prepare for hearing.

On July 17, 2008, the District, by counsel, filed a response, contending that its filing of June 24th had provided the information requested by Follansbee.

On July 18, 2008, Mr. Auville filed a response, as follows: "Staff does not know whether the District has sufficiently answered all of the City's outstanding data requests. Any questions that have not been answered should be answered immediately. Failure to do so could lead to support of dismissal of this case from the Staff. Staff cannot support dismissal now[,] however[,] as there is still time to get the information to the City (who indeed may already have it)." Staff also did not support continuing the hearing because the public had already been provided notice of it. Staff suggested that at the July 22nd hearing public protest be taken first. "After that, the evidentiary portion of the hearing should commence. If the District can get the required information to the City in an expeditious manner, the whole hearing can be conducted." If not, Mr. Auville concluded, another hearing could be scheduled.

On July 18, 2008, the undersigned issued a Procedural Order clarifying that, in that the District had not opposed Staff's recommended rates, she would accept that there was no conflict between the District and Staff on that issue. The parties were encouraged to confer so that all needed information would be exchanged as soon as possible. The City's motion to continue the July 22nd hearing or dismiss the application was denied, pursuant to the following reasoning:

> The undersigned agrees with Staff's reasoning regarding Follansbee's motion. It may be added that, although Follansbee states that it has been requesting information from the District for months, it never filed a motion to compel. Had Follansbee filed a

motion to compel and the District had not produced information ordered after the filing of the motion to compel, dismissal of the District's application might have been appropriate. See Rule 13.6.f of the Commission's Rules of Practice and Procedure, 150 CSR 1.13.6.f. Dismissal is not appropriate under the circumstances of this case.

Hearing will be held on July 22nd, as scheduled. Protests will be heard. It may be that Windsor Heights and Beech Bottom accept Staff's recommended rates, in that they are lower than the District's proposed rates, but, in any case, at the July 22nd hearing Windsor Heights and Beech Bottom will be provided opportunity to offer any evidence in opposition to the Staff-recommended rates, should the project be approved.

The District is apparently ready for hearing. Since the District has the burden of establishing that the project should be approved and will present its case first, the undersigned agrees with Staff that it should go forward with presenting its case at the July 22nd hearing. If all evidence of the parties cannot be presented at that hearing, further hearing will be held in Charleston.

On July 21, 2008, the District, by counsel, filed its answers to the City's third set of discovery requests.

On July 22, 2008, hearing was held as scheduled. Messrs. Mielke, Rodecker and Auville appeared, and Mr. Mielke presented the case-in-chief for the District. Further hearing was scheduled in Charleston for August 5, 2008, but the District advised that it would be requesting tolling of the statutory deadline and a further continuance of the hearing. No protestant appeared other than the Villages of Windsor Heights and Beech Bottom, by counsel, who explained that the Villages objected to any rate increase for them because they would be receiving no benefit from the project and most of the members of their communities do not have adequate income to pay higher rates. (I Tr. 10-14).

On July 25, 2008, Mr. Auville filed a Further Final Joint Staff Memorandum, with an attached memorandum from Mr. Clark, comparing the costs of the Follansbee and Wellsburg alternatives and stating that Staff remained of the view that the application should be granted.

On July 28, 2008, the City, by counsel, filed its fourth set of discovery requests.

On August 1, 2008, the District, by counsel, filed a motion for tolling of the statutory deadline and for an extension of the ALJ decision due date, which the Commission granted by Order issued August 4, 2008. The statutory deadline was tolled until January 10, 2009, and the ALJ decision due date was extended until November 12, 2008.

On August 4, 2008, the undersigned issued a Procedural Order canceling the hearing scheduled for August 5th and rescheduling the further hearing for 9:30 a.m. on September 12, 2008, in the First

Floor Conference Room, Commission Building, 201 Brooks Street, Charleston, West Virginia. It was ordered that initial briefs be filed no later than October 10, 2008, and any reply briefs be filed no later than October 17, 2008.

On August 18, 2008, the District, by counsel, filed its responses to the City's fourth set of discovery requests and a supplemental submission showing revised construction costs, treatment costs and present worth analyses for the Wellsburg and Follansbee alternatives.

Hearing was held as scheduled on September 12th and the appearances were the same as the July 22nd hearing. Mr. Rodecker presented his case in chief, as did Mr. Auville, and rebuttal evidence was presented by Mr. Mielke. Mr. Mielke confirmed that the District did not oppose the Staff-recommended rates. (II Tr. 221).

On September 22, 2008, the District, by counsel, filed a revised intergovernmental agreement between it and Wellsburg, which adopted the Staff-recommended rate of $2.44 per thousand gallons.

The District, Follansbee, and Staff filed initial briefs on October 10, 2008, and reply briefs on October 17, 2008.

On November 7, 2008, the Commission issued an order extending the ALJ decision due date until November 17, 2008.

On November 13, 2008, Mr. Auville filed a Further Final Joint Staff Memorandum, with an attached memorandum from Mr. Quinlan, stating that the Commission decision Claywood Park Public Serv. Dist., Case No. 07-0175-PWD-19A (2008), had no effect on the Staff-recommended rates, explaining, stating that they had been "derived by netting out 34% of the District's existing surplus to fund a portion of the project-related expenses and offset the level of rate increase."

EVIDENCE

Preliminary comment: Some of the evidence will not be provided in any detail, such as evidence on the relative costs of the two alternatives provided at the July 22nd hearing, which was updated and superseded by evidence provided at the later hearing. Also, detailed evidence was presented on issues that the undersigned has determined should not substantially affect the outcome of this matter, as addressed in the "Positions of the Parties and Discussion" section of this decision. The transcript of the July hearing is cited as "I Tr.", while the transcript from the September hearing is cited as "II Tr".

July Hearing

District's witness Theodore L. Bonatura

Mr. Bonatura, the chairman of the District's board and a member of the board since 2001, testified regarding the negotiations that began in approximately 2002 between the District and Follansbee for Follansbee to treat the wastewater that would be generated by the customers that this project would add to the District's customer base ("project customers"). At that time "Follansbee was the only way to go." The problems were that Follansbee wanted to provide service to all of the project customers while the District was agreeable to Follansbee's serving only about half of them (with Wellsburg serving the rest) and that the treatment rate of $3.06 per thousand gallons offered by Follansbee was too high. When agreement could not be reached with Follansbee, the District approached Wellsburg and Wellsburg offered a rate of $2.54 per thousand gallons and agreement was reached between the District and Wellsburg. After agreement was reached with Wellsburg, the District made no further efforts with Follansbee, but thereafter Follansbee offered the rate of $2.34 per thousand gallons and continued to offer it throughout the proceedings before the WVIJDC. (I Tr. 18-38; timeline on 14th p. of City Ex. 1).

District's witness Michael Griffith

Mr. Griffith, the certified public accountant who prepared the District's Rule 42 Exhibit, which was entered into evidence as District Ex. 1, testified that the rate of $2.44 per thousand gallons recommended by Staff was calculated by removing a transmission fee from the $2.54 per thousand gallons rate. Mr. Griffith discussed Staff's financial analysis and found it to be reasonable. (I Tr. 40-46).

District's witness William "Randy" Watson

Mr. Watson, employed by Thrasher Engineering and the project engineer on this project since 2004 or 2005, testified that the project was necessary because the customers who will be served by it are presently relying on failing septic systems. (I Tr. 50). He described the area to be served and clarified that Phase I will provide service to 428 customers plus Brooke County High School ("BCHS"), which has an equivocal dwelling unit of 32; accordingly, the project is considered to provide service to 460 new customers. As a result of an engineering study by another firm, Burgess & Niple, the original design of the project was for the sewage to go to Follansbee. After the District and Wellsburg had negotiated the rate of $2.54, the project was reengineered for the sewage to go to Wellsburg. It was not until Banner Fibreboard closed down in 2006 or 2007 and Wellsburg accordingly lost the company's wastewater for treatment that the District could consider Wellsburg as an alternative to Follansbee. Mr. Watson provided the history of what was done to further the project, including that the WVIJDC had approved it. The Final Engineering Report and Amendment #1 thereto were admitted into evidence as District Ex. 2 and 3, respectively. Mr. Watson stated the

components of the funding for the project, clarifying that it is fully funded. (I Tr. 50-55; 58). The letters of commitment were entered into evidence as District Exhibits 4 and 5. Asked why the District could not reach an agreement with Follansbee, Mr. Watson answered that the rate Follansbee offered was too high, as was the aid-in-construction Follansbee demanded; it went from $350,000 to $550,000 in 2005, and later to $831,000, compared to the $450,000 aid-in-construction Wellsburg wanted. (I Tr. 56-58). The estimated flow of 200,000 gallons per day was used by Staff and was appropriate. (I Tr. 61).

Mr. Watson testified to the evaluations of the Wellsburg and Follansbee alternatives in District Ex. 2 and 3. At issue are the initial cost and the present worth of each of the two alternatives. The initial cost is the total of the estimated construction costs of all contracts for Phase I, the aid-to-construction amount, and the extra engineering costs. The present worth, based on twenty years, is the total of the initial cost and the costs for operation and maintenance ("O & M") and debt service. The debt service for either alternative was the same. Entered into evidence as City Exhibit 2 are comparisons of the two alternatives' three total estimated construction costs taken from the engineering reports and discovery filings. The estimated construction costs are divided into Contracts 1, 2, and 3, and, as Mr. Watson confirmed, the estimated costs of construction for Contracts 2 and 3 for the two alternatives in each of the three instances are the same. The differences in construction costs relate, accordingly, exclusively to Contract 1. The most recent figures of City Exhibit 2 are that Contract 1 construction costs are estimated at $2,194,371 for the Follansbee alternative and $1,902,944 for the Wellsburg alternative. (I Tr. 66-81).

Mr. Watson testified that the NPDES construction permit has not been issued by DEP, but it should not take long to get it; the fees for it are not paid until right before beginning construction. (I Tr. 85, 87). Asked what would have to be done should the Follansbee be substituted for the Wellsburg alternative, Mr. Watson replied that the plans and specifications would have to be revised and submitted to regulatory agencies, and further approval of the WVIJDC would be needed; those efforts would require at least ninety days. Mr. Watson doubted that the funding would be affected, but pointed out that the funding would have to be further considered by the WVIJDC. (I Tr. 96-97). The witness also stated that the Wellsburg plant is operating at 33% capacity; it is a 1.25 million-gallons-per-day plant and is treating approximately 300,000 gallons per day. (I Tr. 86-87).

The witness further testified that the project will include construction of eight pump stations and that the main pump station will be located behind BCHS and will pump all of the sewage from the collection system of the project. (I Tr. 102). Regarding the term "residence time" used in the Final Joint Staff Memorandum, Mr. Watson explained that residence time is how long sewage remains in a force main and that, if sewage lacks oxygen, it can turn septic and cause odors. As for Staff's concerns about odor, Mr. Watson stated that, in that a carbon filter and a chemical drip system will be installed at the BCHS pump station, he did not believe that there would be an odor problem; he added that, even if there were, it would only be right after the system is set up. (I Tr. 89).

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Mr. Watson's testimony continued with his being cross-examined about the District's supplemental submission showing revised construction costs, treatment costs and present worth analysis for each of the alternatives, District Ex. 5A[2], which the District had filed in August. The revised treatment costs were based on the $2.44 per thousand gallon rate for the Wellsburg alternative and the $2.34 rate for the Follansbee alternative. The total anticipated O&M costs were $173,081 and $160,233 per year for the Wellsburg alternative and the Follansbee alternative, respectively; the annual O&M costs for the Follansbee alternative were, accordingly, $12,848 per year lower than for the Wellsburg alternative. District Ex. 5A shows the estimated construction cost for Contract 1 to be $1,962,944 for the Wellsburg alternative, $60,000 higher than the previous estimate, and $2,224,371 for the Follansbee alternative, $30,000 higher than the previous estimate. For both alternatives $30,000 for "Chemical Injection for Odor Control at Pump Station #1" had been added; the other $30,000 for the Wellsburg alternative was for "Potassium Permanganate Injection for Oxidation at P.S. #1." Mr. Watson explained that the $30,000 that the alternatives share are for a carbon absorption filter at the pump station at BCHS. The extra $30,000 for the Wellsburg alternative was for a Bioxide drip feed system, whereby Bioxide is put into the sewage in order to help eliminate odors in Wellsburg. (II Tr. 15). He agreed that the Wellsburg alternative has a potential odor problem in Wellsburg that the Follansbee alternative does not. (II Tr. 15). Mr. Watson further testified that there would be O&M expenses from the Bioxide feed system; $9,500 in O&M expenses shown on District Ex. 5A are for those costs. (II Tr. 16). He explained that the odor control expenses had not been included in the District's earlier figures because it was decided "to play devil's advocate" and include them; if they are not needed for the project, they can be deducted. (II Tr. 19). District Ex. 5A continues to show that the estimated construction costs for Contracts 2 and 3 are the same for both alternatives ($2,070,549 for Contract 2 and $4,530,854 for Contract 3). The initial costs for the Wellsburg and Follansbee alternatives are stated to be $9,139,347 and $9,375,774, respectively, including additional engineering costs of $125,000 and $100,000 for the Wellsburg and Follansbee alternatives, respectively, and $450,000 as the aid-in-construction for both alternatives. The present worth figures for the Wellsburg and Follansbee alternatives are $11,145,355 and $11,232,759 (rounded figures), respectively.

Mr. Rodecker advised Mr. Watson that, in the City's response to Staff's first discovery request, filed June 19, 2008, the City had lowered its requested aid-in-construction to $400,000 and provided the capital cost estimate for the upgrades at Follansbee, totaling that amount. The City's response was admitted into evidence as City Ex. 5. (II Tr. 25).

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[2]The document was admitted into evidence as District Ex. 5. It has been relabeled as District Ex. 5A because a District Ex. 5 was admitted into evidence at the July hearing.

District's witness Jim Edward Lenthe

Mr. Lenthe testified that the $2.44 rate had been accepted by Wellsburg. (II Tr. 35).

District's witness A. Dayton Carpenter

Mr. Carpenter, the president of Carpenter Treatment Solutions, PLLC, testified that he has been a consultant for Thrasher Environmental and Thrasher Engineering on this project. (II Tr. 48). He had examined whether odor might emanate from the vent at the lift station at BCHS and in Wellsburg, from the collection system, due to the low flows and long force mains. (II Tr. 49). The higher the flow, the more aerobic it is and the less likely to cause odor problems. He was designing systems to address any odor problem the project might cause at the school and in Wellsburg. (II Tr. 50-51). Mr. Carpenter could not categorically declare that there would be no odor at the manhole in Wellsburg that will receive the sewage, but he opined that, if the system is properly maintained and the proper dosages of Bioxide are fed into the force mains, there is a "very low risk of any substantial odors in Wellsburg." (II Tr. 52). He clarified that District Ex. 5A was incorrect in referring to potassium permanganate and agreed that the cost of Bioxide is significantly higher than that of potassium permanganate, although he did not know whether the $9,500 per year provided in District Ex. 5A for chemicals would cover that cost. (II Tr. 53-57). He had provided to Mr. Watson the estimate of $30,000 to install the Bioxide system. (II Tr. 60). Mr. Carpenter clarified that the Bioxide system being installed at the high school was to address any problems within Wellsburg, not any problems at the school; the filter installed at the school, which he described, was to address any odor problems at the school. (II Tr. 54-62).

On cross-examination Mr. Carpenter clarified that, under the Wellsburg plan, the sewage would be received by a manhole in Wellsburg, which would be open to the air, and under the Follansbee plan the sewage would be received at the headworks of the Follansbee treatment plant. (II Tr. 63). He did not know if the Follansbee plan would require a Bioxide system; if Follansbee already had odor control at its headworks, there would be no need for a Bioxide system. (II Tr. 67).

City's witness Yogef Patel

Mr. Patel testified that he is the assistant director of the Division of Water and Waste Management and the permitting section of DEP, and is particularly involved in NPDES permitting. (II Tr. 78-79). He testified that, if a facility plans to accept an additional 5% or more in flow, a major modification of its NPDES permit is required. (II Tr. 81). No application from Wellsburg for modification of its permit had crossed his desk. (II Tr. 83). The DEP regulations require public notice of an application for a major modification and a public hearing, if protests are filed, while no such notice is required for an application for a minor modification. (II Tr. 83). The processing of a major modification requires 180 days and can take longer if protests are filed. (II Tr. 83). DEP determines whether a major or a minor modification is needed. (II Tr. 84).

Admitted into evidence as District Ex. 6 was the application filed by Wellsburg on September 9, 2008, for modification of its NPDES permit. The exhibit states that the Wellsburg treatment plant has a design flow of 1.25 million gallons per day; the current average is .33 mgpd. Mr. Patel agreed that any increase in flow over 62,000 gallons per day would require a major modification. (II Tr. 92).

City's witness Edward Abraham

Mr. Abraham, a certified public accountant and the accountant for Follansbee, testified in detail how he had calculated the $2.34 per gallon rate that Follansbee was offering to the District, and those calculations were provided in City Exhibit 6. (II Tr. 96-109). He confirmed that $2.34 per thousand gallons would be the rate the City would charge the District by agreement. (II Tr. 115). On cross-examination he agreed that the City was behind in its payments to the Municipal Bond Commission. (II Tr. 109). Admitted into evidence as District Ex. 7 was a complaint filed on May 22, 2008, by the West Virginia Water Development Authority against the City, Case 08-0858-S-C, wherein the complainant alleged that the City was over $71,000 in default on its sewer revenue bonds.

City's witness Paul Ghosh

Mr. Ghosh testified that he has been a registered professional engineer since 1978, is an engineer with Ghost Engineers and works totally in the design and construction of wastewater facilities. His firm has been the City's engineer since 1992. (II Tr. 117). He testified that the project that was the subject of Case No. 97-0649-S-CN included replacing the City's 500,000 gallons-per-day treatment plant with a 1.6 million gallons-per-day plant. The plant has the capacity to treat 1.6 million gallons of average daily flow; it can withstand 3.5 million gallons per day of sustained peak flow over 72 hours without violating its permit. Part of the City's 1993 comprehensive sewer study was put into evidence as City Ex. 7, which included information that had been considered "[i]n determining the future design flow"; the exhibit shows that the total projected flow of .681 million gallons per day included "Hooverson-Heights – Residential 0.256 mgd," which is consistent with the 200,000 thousand gallons of sewage per day that will result from Phase I. (II Tr. 122, 131). Mr. Ghosh testified that that area was the area at issue in this matter, and identified that area on maps, City Exs. 8 and 10. (II Tr. 122). He declared that the treatment plant would not have been designed for a 1.6 mgd capacity if not for future service to that area. (II Tr. 126). City Ex. 10 shows how the project would be the same for both alternatives until it reached a juncture at Route 2 and the Ohio River. The main from that juncture to the receiving manhole in Wellsburg would be 7,640 linear feet, and the main from that juncture to the treatment plant in Follansbee would be 6,650 linear feet. As illustrated in City Ex. 11, Mr. Ghosh described the routes of the two alternatives and stated his belief that the plan should be modified by reducing the planned ten-inch line from the pump station at the high school along Route 2 to an eight-inch line. Where the sewage from Follansbee would meet the sewage from the new customers, a ten-inch line would still be used. (II Tr. 134-138). Mr. Ghosh testified that no odor control system would be needed at the Follansbee treatment plant. (II Tr. 138).

City Ex. 11 includes Follansbee's construction estimate for Contract 1, with a total estimated construction cost of $1,956,436, which includes $30,000 for odor control at BCHS. Mr. Ghosh described in detail the Follansbee plan, as he had revised it, and he referred to drawings in City Ex. 11. (II Tr. 139-143). Mr. Ghosh also testified that he prepared City Ex. 5, and that the $400,000 capital cost estimate for Follansbee is accurate and, therefore, supports a $400,000 aid in construction. (II Tr. 143-144). He also testified that the City will not need to borrow any money to carry out the construction it would need to do; that money was borrowed in 1998. (II Tr. 144).

Mr. Ghosh sponsored City Ex. 12, which is a project cost and present worth comparison between the two alternatives. In it again the estimated construction costs for Contracts 2 and 3 are identical for the two alternatives. The estimated construction costs for Contract 1 are $1,962,944 for the Wellsburg alternative and $1,956,436 for the Follansbee alternative. The extra engineering costs are $125,000 for the Wellsburg alternative and $100,000 for the Follansbee alternative. The aids-to-construction are $450,000 for the Wellsburg alternative and $400,000 for the Follansbee alternative. The initial capital costs are $9,139,347 for the Wellsburg alternative and $9,057,839 for the Follansbee alternative, a difference of $81,508. The annual O&M cost is $173,081 for the Wellsburg alternative and $160,233 for the Follansbee alternative and the total present worth is $11,145.356 for the Wellsburg alternative and $10,914,824 for the Follansbee alternative, a difference of $230,532. (II Tr. 146-148).

Mr. Ghosh testified that the Wellsburg alternative includes removing three combined sewer overflows, called CSOs; Wellsburg has seven others. He opined that, in wet weather, some of the project sewage would overflow at the one of the pump stations it would pass through, which has a CSO, and go into the Ohio River. Although his testimony is not clear, Mr. Ghosh indicated that, during wet weather, the Wellsburg plant pump station could not handle the extra wastewater and cannot treat all of its wastewater in wet weather even now. (II Tr. 148-151). He testified that, under the Follansbee alternative, none of the sewage would go through a pump station with a CSO; the Follansbee plan is better than the Wellsburg plan environmentally. (II Tr. 151-152). Admitted into evidence as City Ex. 13 was an application from Follansbee to DEP, dated September 10, 2008, requesting a modification of its NPDES permit. (II Tr. 156).

On cross-examination Mr. Ghosh testified that City Ex. 7, the 1993 amendment to the comprehensive sewer study, had been submitted to DEP. (II Tr. 158). He reiterated that the certificate application with the Commission was to build a 1.6 mgd treatment plant, and 256,000 gallons per day of that capacity was to be used for sewage coming from the project area. (II Tr. 160). He clarified that the average flow into the Follansbee treatment plant is 500,000 gallons per day and that its maximum wet weather flow of 3.5 mgd has never been exceeded. (II Tr. 164). Mr. Ghosh explained that he had recommended the pipe reduction from ten to eight inches in order to reduce the residence time. (II Tr. 166). He reiterated that, on a wet day, some of the sewage would not reach the treatment plant under the Wellsburg alternative, but all of the flow would reach the treatment plant under the Follansbee alternative. (II Tr. 178-180). He further explained that some of the sewage would not get to the

Wellsburg treatment plant because, even now, any sewage above 1.8 mgd does not go into the treatment plant. He also stated that all of Wellsburg's CSOs are on its main transmission line. (II Tr. 183).

Mr. Ghosh conceded that the main concern in 1997 was to fix the problems of the DEP discharge violations, and that was the reason for building the plant. He reiterated that the size of the plant was to accommodate the future flow, as provided in City Ex. 7. He conceded that the decision in Case No. 97-0649-S-CN does not address future need for capacity. (II Tr. 196). The Comprehensive Sewer Study of May 1991, which City Ex. 7 amended, was put into evidence as City Ex. 15. Like City Ex. 7, it includes a 0.256 mgd flow projection from the area at issue in this matter. (II Tr. 200). Mr. Ghosh stressed that the projected 0.256 flow of City Ex. 7 and 9 is the flow from the project area. (II Tr. 204). He clarified that the average daily flow to the old plant had been 400,000 to 500,000 gallons per day, the same amount as presently flows into the new plant. (II Tr. 206).

City's witness John DeStefano

Mr. DeStefano has been Follansbee's city manager for four years. He testified that he can speak for the City and that the City is offering the $2.34 per thousand gallons rate and the $400,000 aid-in-construction. (II Tr. 209-210). Entered into evidence as City Ex. 16 was a letter from the Municipal Bond Commission, dated September 3, 2008, stating that the City was in arrears $33,100.09 in its payments on its sewer bonds. Mr DeStefano testified that he would send a check for the entire amount the next business day. (II Tr. 211). He confirmed that the City will not need to borrow any money for the project, should its alternative be adopted, and explained that the City has an account with a balance of over ten million dollars, and uses the interest from that account for capital improvements such as this project. (II Tr. 211-212).

Staff's witness Ralph Clark

Mr. Clark, a professional engineer, testified that the DEP permit number in the Final Joint Staff Memorandum, entered into evidence as Staff Ex. 3, was in error; the correct number is 0026832. (II Tr. 232). He opined that there is not a real difference between the costs of the alternative projects and, with the addition to the project of odor prevention systems, he had no real problem with the project and remained of the view that the application should be granted. (II Tr. 233-234). Mr. Clark agreed that, when comparing the costs of the two alternatives in Staff Ex. 3, he had used $450,000 for the aid-in-construction to Follansbee and that he had included in the construction costs for the Follansbee alternative a $450,000 construction aid to Wellsburg. Mr. Clark explained that the money was to remove three CSOs in Wellsburg, which needed to be done even if the Wellsburg alternative was not chosen, and the District was willing to pay for removing the CSOs even if the Wellsburg alternative was not chosen. (II Tr. 238). He also explained that DEP had committed a lot of money to the project and wanted the CSOs removed. (II Tr. 240). Mr. Clark agreed that the $450,000 would be a donation to Wellsburg by the District and made the Follansbee alternative more expensive. (II Tr. 238).

Staff's witness Michael Quinlan

Mr. Quinlan testified that Staff had reduced the rate increase from a 19.5% increase to an increase of 13.5%. (II Tr. 219-220). Mr. Quinlan clarified that his O&M calculations had not included the cost of Bioxide, but pointed out that such cost could be taken out of the $26,500 surplus Staff had allowed the District. (II Tr. 227). He stated that the Commission's decision in Claywood Park Public Serv. Dist. had not been considered by Staff when calculating the Staff-recommended rates. (II Tr. 229).

District's witness Mr. Watson

Mr. Watson was recalled as a rebuttal witness. He was shown an e-mail dated September 10, 2008, from Craig Richards, which was marked District Ex. 9; Mr. Richards is an engineer for Burgess & Niple and is Wellsburg's engineer. (II Tr. 247). The e-mail includes the statement, "As a result of the City's sewer separation project, wastewater discharged from BCPSD into the City's collection system **will not** pass through any CSO diversion structure (i.e. no wastewater from BCPSD will pass through a CSO and into the Ohio river). Wastewater from BCPSD will receive treatment at the City's WWTP. Mr. Rodecker objected to admission of District Ex. 9 on the basis of hearsay; the exhibit was entered into evidence because hearsay evidence can be accepted in an administrative hearing; the undersigned stated that, nevertheless, it might not be accorded any probative value. (II Tr. 249).

District's witness Elbert Morton

Mr. Morton testified that he is a project engineer with the clean water SRF program and has had "a long history with the City of Wellsburg's wastewater treatment plant." (II Tr. 254). He disagreed with Mr. Ghosh's opinion that the wastewater from the project would not reach the treatment plant, stating that none of the CSOs are on the main intersection line. (II Tr. 255). Asked if the sewage would go directly into the intersection line, he replied that, once the three CSOs are eliminated, only one CSO would remain above the 11th Street pump station. That overflow structure flows approximately twelve times a year. (II Tr. 256). He testified that none of the project sewage would go through a CSO to the river under normal operating conditions. (II Tr. 257). He explained that Wellsburg lies in a flood plain, and, in a twenty-five year flood, it is common that three-fourths of Wellsburg is flooded. (II Tr. 257). He did not consider it an abnormal condition that Wellsburg has approximately fifteen CSO events per year. (II Tr. 258). He did not disagree that it can be expected that about fifteen times a year sewage is discharged into the Ohio River, and continued by stating that it is the interceptors that cannot handle the load, not the treatment plant; there is a bypass at the treatment plant also. (II Tr. 259). Mr. Morton stated that the discharged wastewater is very diluted; it does not get the normal secondary treatment but it is screened. (II Tr. 259). He also stated that, while the overflows occur approximately fifteen times a year, "99% of the time" the sewage will get to the plant. "There could be a blockage or something like that that's not properly maintained. And it could go back up and spill out the overflow. But under the normal hydraulics of the system it shouldn't."

(II Tr. 260). Mr. Morton stated that, as part of the negotiations for Wellsburg to accept the project wastewater, DEP had demanded that the three CSOs be removed, and the three CSOs would be affected by the project flow if not removed. (II Tr. 261-262).

Mr. Morton clarified that the Wellsburg alternative entailed the flow of the project sewage into the 27th Street station, then along the river to the 11th Street pump station, and then to the plant pump station. (II Tr. 266). Mr. Morton opined that the 11th Street pump station cannot handle 70,000 gallons per day because the interceptor is not large enough to do so. (II Tr. 267). On redirect, Mr. Morton agreed that the current design of the project is environmentally good. (II Tr. 272).

District's witness Dayton Carpenter:

He denied that changing the force main from ten inches to eight inches would eliminate odor problems and opined that either alternative would require odor controls due to the low flows and the long retention time for each of them. He also testified that, although under the Follansbee alternative the force main would be closed until it got to the treatment plant, odor control would be necessary to address odor at the plant; it would be dangerous to the employees at the plant not to do so. (II Tr. 277). He also noted that using an eight-inch line would create other costs, such as higher electricity usage. (II Tr. 280).

POSITIONS OF THE PARTIES AND DISCUSSION

All parties recognize that there is no issue regarding need in this matter because the project customers presently rely on failing septic systems. The issue is whether the District established the convenience of the Wellsburg alternative.

In Staff Ex. 3 Staff found the two alternatives to cost essentially the same and that, although Staff had some concerns about possible odor problems of the Wellsburg alternative, "Staff does not think that concern is enough to justify rejecting the District's project, especially considering the District's project is fully funded and Follansbee's is not." In its brief, Staff also stresses that the Wellsburg alternative has been approved by the WVIJDC. The undersigned agrees.

With enactment in 1994 of the West Virginia Infrastructure and Jobs Development Act, West Va. Code Section 31, Article 15A, the WVIJDC, comprised of eleven members from the public and various agencies, including the Commission, became the initial reviewer of, and clearinghouse for, public water and wastewater projects in West Virginia. Generally, if the WVIJDC doesn't approve it, a project doesn't get off the ground and is never seen by the other agencies which review and approve water and sewer projects. While water and sewer projects must also be reviewed by the Bureau for the Public Health (water) and by the DEP (sewer) under their statutory authority and by the Commission upon application for a certificate of convenience and necessity under W.Va. Code §24-2-

11, that provision was amended in 2005 to reflect the importance of the WVIJDC's approval of a project by limiting the time for the Commission to review a project approved by the WVIJDC to one hundred eighty days as opposed to the traditional two hundred seventy days, if there are no protests to the WVIJDC-approved application. See Code §24-2-11(e). The record clearly reflects that the project, as approved by the WVIJDC, fulfills a prima facie showing of convenience in that it is economically feasible and adequate to address the need for sewer facilities, from an engineering and ecological standpoint. The burden was on Follansbee to show that its alternative, although not yet designed or approved for funding, would be clearly superior to the approved project, and that Follansbee has not done. In its Initial Brief, Follansbee argues that the District had the burden to prove that the Wellsburg alternative was superior to the Follansbee alternative. That simply is not the case.

Much evidence and briefing has been devoted to whether 200,000 gpd of flow from the project area was considered by Follansbee and the reviewing agencies in setting the capacity of Follansbee's treatment plant that was approved in Follansbee Sewer Dept., Case No. 97-0649-S-CN (1998). Follansbee cites Kenova Mun. Water Dept., Case No. 97-0496-W-PWD-PC (1997), in contending that its reliance on that flow in setting the capacity of the plant should be weighed in its favor in this matter because denial of that flow would create stranded investment. Throughout these proceedings Staff has argued that nowhere in the decision in Case No. 97-0649-S-CN was it mentioned that future usage was considered in setting the capacity at 1.6 million gallons per minute, and in its reply brief Staff counters Follansbee's argument with reliance on Greater Harrison Co. Pub. Serv. Dist., Case No. 07-0233-PWD-W-C (2007), wherein the Commission held that, since the petitioner had expanded its treatment plant with the idea of providing water to another utility, but had no agreement with that utility, the petitioner had done so at its peril; any reliance was unjustified and did not warrant requiring the other utility to buy its water from the petitioner.

The decision in Case No. 97-0649-S-CN provided the reason for building the plant, which Mr. Ghosh agreed was to stop violations of Follansbee's NPDES permit. The only reference to the size of the plant in that decision was that, with a plant larger than the previous 500,000 gpd, bypasses would cease. It should be noted that Follansbee's application in that proceeding did not refer in any way to increasing plant capacity to serve future growth. Nor did the Order granting Follansbee's application. (Staff Exhs. 1 and 2) . While Follansbee obviously was hoping for future growth, that unfulfilled hope cannot be used as the basis for a decision in this case. As for the decisions cited by Follansbee and Staff, neither is found to be on point. Concern about stranded investment is not controlling in this matter because Follansbee and Wellsburg both face stranded investment. Follansbee is using between 400,000 and 500,000 gpd of its plant's 1,600,000 gpd capacity, and Wellsburg is using approximately 330,000 gpd of its plant's 1,250,000 gpd capacity. The history behind those unused capacities does not matter.

The District blames Follansbee's recalcitrance in offering a reasonable rate and a reasonable aid-in-construction amount for its turning to Wellsburg for treatment of the project sewage, and the record supports that view. However, what is crucial for determining which alternative should be

accepted is what are the present facts, circumstances and offers, and it is accepted that Follansbee is offering the rate of $2.34 per thousand gallons and has lowered its aid-in-construction demand to $400,000.

Sharply disputed in this matter is which initial cost would be lower. While Follansbee in its brief argues that the $450,000 for removing three CSOs in Wellsburg should not be included in the initial cost for the Follansbee alternative, since such removal is not necessary to complete the Follansbee alternative, it is striking that Follansbee presented no expert evidence indicating that DEP would allow the elimination of the three CSOs to be omitted from the project. Accordingly, the aid-in-construction amount for the Follansbee alternative must be considered $950,000 ($400,000 plus $450,000), while the aid-in-construction for the Wellsburg alternative would be $450,000. In dispute was whether the Follansbee alternative would need a Bioxide system to prevent any odors at its treatment plant, and the evidence was conflicting on that issue. Mr. Carpenter's opinion that a Bioxide system would be necessary is accepted because he is the expert on odor control. District Ex. 5A set the estimated Contract 1 cost at $1,962,944 for the Wellsburg alternative and $2,224,371 for the Follansbee alternative, but the $2,224,371 did not include $30,000 for a Bioxide system for the Follansbee alternative. With the figures so revised, the initial cost would be $9,139,397 for the Wellsburg alternative and $9,805,774 for the Follansbee alternative; i.e., the initial cost for the Wellsburg alternative would be $666,377 cheaper than the Follansbee alternative. Follansbee's position is that, with the revisions to the project discussed by Mr. Ghosh, the estimated Contract 1 cost would be only $1,956,436 for the Follansbee alternative, as shown on City Exs. 11 and 12. With that figure, and with the exclusion of the $450,000 aid-in-construction for eliminating the 3 CSOs, the initial cost of the Follansbee alternative would be $9,057,839, which is only $81,508 less than that of the Wellsburg alternative, a difference of approximately six thousandths of a percent of the total proposed project cost of $13,165,000.

The undersigned cannot decide what would be the cost of Contract 1. As emphasized by Staff, the contract costs are estimates only, and the parties' dispute involves at most less than 2% of the initial cost of the project. A finding of fact proposed by Staff, that "there really is no cost difference between the two options at this point because construction estimates have tolerances larger than the difference" is accurate. It also must be stressed that, if Follansbee's position was accepted, the District, not Follansbee, would be in charge of redesigning the project so that the sewage would be taken to the Follansbee plant. Mr. Ghosh's proposed redesign might or might not be used. Accordingly, the relative initial costs of the project must be considered a wash.

The next issue is whether the O&M costs of the two alternatives would be significantly different. The yearly O&M costs for the Follansbee alternative provided by District Ex. 5A, $160,223, did not include any costs for a Bioxide system, while that exhibit's figure of $173,081 per year in O&M expenses for the Wellsburg alternative did include such costs. Accordingly, it is determined that, like the initial costs, no significant difference in O&M costs can be found for the two alternatives.

The final comparison was the ecological impact of each of the alternatives. Each alternative would have a filter system for preventing an odor problem at Brooke County High School. As discussed, the evidence also supported that both alternatives would require a Bioxide system and it also supported that a Bioxide system would be effective in eliminating any odor problem for each alternative.

Follansbee's final argument regarding the ecological impact of the Wellsburg alternative is stated as follows in its initial brief:

> While the testimony at the hearing was at times difficult to follow, when the wheat is separated from the chaff, the testimony of the District's Rebuttal witness, Elbert Morton, entirely supports the testimony of Mr. Ghosh on an important point. Mr. Ghosh stated that [the] two alternatives are not equal in that the Follansbee Alternative will result in all of the flow from the District being treated, while under the Wellsburg Alternative, even with the elimination of 3 CSOs in Wellsburg, on a wet day, some of the flow from the District will be bypassed to the Ohio River. (Tr. 2 at 147-53).

The evidence did indicate that the Follansbee alternative would result in treatment of all of the sewage from the project area and Mr. Ghosh's testimony supported that the sewage would be subject to overflows under the Wellsburg alternative. However, Mr. Ghosh is not Wellsburg's engineer and is not as familiar with the Wellsburg system as is Mr. Morton, and Mr. Morton testified that the CSOs are not on the main intersection line and that the sewage would reach the treatment plant. Moreover, as the quote above recognizes, the testimony of neither witness was very clear and, finally, while the evidence indicated there were problems with Wellsburg's system because it is on a flood plain and is, therefore, subject to floods, there was no testimony that Follansbee is not on the same flood plain, given that they both are located on the banks of the Ohio River, approximately six miles apart. That is, in that no other factor supported that the Follansbee alternative was clearly superior to the Wellsburg alternative, and, therefore, any denial of the District's application would have to be based on unclear testimony that did not compare all ecological aspects of the two systems, such denial is not warranted, particularly, again, since the Wellsburg alternative was approved by the WVIJDC and the Follansbee alternative has not been designed or funded.

Additionally, it must be pointed out that all of the testimony regarding the "Follansbee alternative" is speculative at best. No plans and specifications for the Follansbee alternative have been submitted to the Commission for its review. While Mr. Ghosh is confident of his proposed design for the Follansbee alternative, as noted above, it is the District and its project engineer who would be responsible for redesigning the project to take the sewage flows to Follansbee for treatment, rather than to Wellsburg. Mr. Ghosh's proposals are, in fact, simply suggestions and estimates. Therefore, one cannot make specific findings with any certainty or clarity about the Follansbee alternative, because that proposal has not received the same degree of review and "vetting" as the Wellsburg alternative

has received, with its plans having been reviewed now by the WVIJDC, the DEP and Commission Staff.

The final factor also weighs in Wellsburg's favor, and that is that denying the application would cause further delays, including lengthening the time that failing septic systems would continue to be used, which in itself is an ecological consideration weighing in favor of the Wellsburg alternative. While the evidence centered on delays that might not be lengthy, such as new permitting, it is unassailable that starting over and going back to the WVIJDC, with the concomitant need for reapproval of funding, could delay the project not just for months but, conceivably, for years. Also, only after the Follansbee alternative has been reviewed by the WVIJDC and DEP would the certificate process before the Commission begin. Changing the location and identification of the sewage treatment provider is not quite the same as going back to the WVIJDC for additional funding because the bids came in over the approved project cost. None of the parties could say with any certainty that such a change might not result in a significant delay.

FINDINGS OF FACT

1. On February 15, 2008, Brooke County Public Service District filed with the Public Service Commission an application for a certificate of convenience and necessity to construct a wastewater collection system to provide public sewage service in the Mahan Lane, Bruin Drive and Eldersville Road areas of Brooke County. The proposed project, Phase I of a two-phase project, will serve 428 plus Brooke County High School, which has an equivalent dwelling unit of 32; accordingly, the project is considered to provide service to 460 new customers. The project would transport the wastewater from the project area to the City of Wellsburg for treatment. (See application; I Tr. 50-51).

2. The City of Follansbee requested intervention in this matter, explaining that it provides water service to the sewer customers that will be added by Phase I. Follansbee contended that "it has the ability to provide treatment services to the District utilizing existing facilities at a lower cost to the District than is proposed in the application." Intervenor status was granted. (See filing of March 14, 2008; Procedural Order of May 12, 2008).

3. The septic systems in the project area are failing. (See I Tr. 50).

4. Wellsburg and the District agreed on a treatment rate of $2.54 per thousand gallons. Staff recalculated the rate at $2.44 per thousand gallons. The District and Wellsburg accepted the recalculated rate. (See application; II Tr. 35; filing of September 22, 2008).

5. Beginning in approximately 2002, the District negotiated with Follansbee for Follansbee to treat half of the project wastewater, but could not come to any agreement with Follansbee because Follansbee wanted to treat all of the project wastewater and because the treatment rate offered by

Follansbee and the aid-in-construction demanded by Follansbee were too high. (See I Tr. 23-25, 56-58).

6. Until Banner Fibreboard closed down in 2006 or 2007 and Wellsburg accordingly lost the company's wastewater for treatment, Follansbee was the only option available to the District and the original design for the project was for the sewage to go to Follansbee. (See I Tr. 18, 51)

7. The primary reason for building Follansbee's treatment plant was to stop overflows into the Ohio River and, therefore, to stop violations of Follansbee's DEP NPDES permit, but the flow from the project area was influential in the designing of Follansbee's treatment plant to have a capacity of 1.6 million gallons per day. (See II Tr. 117-131, 196-204; City Ex. 7-10, 15).

8. Follansbee is using between 400 and 500 gpd of its plant's 1,600,000 gpd capacity, and Wellsburg is using approximately 300,000 gpd of its plant's 1,250,000 gpd capacity. (See I Tr. 86-87; II Tr. 160-164, 206).

9. After the District and Wellsburg reached agreement on the rate of $2.54 per thousand gallons, Follansbee offered the rate of $2.34 per thousand gallons, and during these proceedings Follansbee lowered its aid-in-construction demand to $400,000. (See II Tr. 96-115, 209-210; City Ex. 6).

10. The project with Wellsburg providing the sewage treatment has been approved by the West Virginia Infrastructure and Jobs Development Council and commitments have been made for fully funding the project, by a $9,872,200 Special Appropriations Grant, a $775,000 WVIJDC grant, and a $2,517,800 WVIJDC loan payable at 0% interest for 40 years. (See application; I Tr. 53-58; Dis. Exs. 4 and 5; Staff Ex. 3).

11. The project has been estimated to cost $13,165,000, including construction costs of $9,804,782. (See application; Staff Ex. 3).

12. Follansbee's engineer, Paul Ghosh, redesigned the Follansbee alternative in several ways, including rerouting it and narrowing some of the force mains from ten-inch to eight-inch diameter piping. (See II Tr. 122-144, 158-166; City Ex. 11).

13. Under each alternative, the main pumping station, which will pump all of the sewage from the project area, will be at Brooke County High School and each alternative would include installation of a carbon filter system at the school to prevent odor problems at the school. The proposed system would be the same for both alternatives until it reached a juncture at Route 2 and the Ohio River. Under the Follansbee alternative, the wastewater from the project area would then travel 6,650 linear feet and be received at Follansbee's treatment plant. Under the Wellsburg alternative, the wastewater would then travel 7,640 linear feet and be received at a manhole in Wellsburg. The

Wellsburg alternative would create a risk of odor at the receiving manhole in Wellsburg and the Follansbee alternative would create a risk of odor at the Follansbee treatment plant, and, therefore, each alternative would require a Bioxide feed system. A Bioxide feed system would be effective in eliminating any odor problem for each alternative. (See I Tr. 89, 102; II Tr. 15, 49-67, 277).

14. One dispute is which alternative's initial cost, which is the total of the estimated construction costs of all three contracts for Phase I, the aid-to-construction amount, and the extra engineering costs. Staff included in the initial cost of the Follansbee alternative $450,000 for removing three CSOs in Wellsburg because DEP demanded that the CSOs be eliminated. No witness contradicted the testimony of the Staff witness that such inclusion was appropriate. Accordingly, the aid-in-construction for the Follansbee alternative must be considered $950,000 ($400,000 plus $450,000), while the aid-in-construction for the Wellsburg alternative would be $450,000. District Ex. 5A set the estimated Contract 1 cost at $1,962,944 for the Wellsburg alternative and $2,224,371 for the Follansbee alternative, but the $2,224,371 did not include $30,000 for a Bioxide system for the Follansbee alternative. With the figures so revised, the initial cost would be $9,139,397 for the Wellsburg alternative and $9,805,774 for the Follansbee alternative; i.e., the initial cost for the Wellsburg alternative would be $666,377 cheaper than the Follansbee alternative. Follansbee's position is that, with the revisions to the project discussed by Mr. Ghosh, the estimated Contract 1 cost would be only $1,956,436 for the Follansbee alternative, as shown on City Exs. 11 and 12. With that figure, and with the exclusion of the $450,000 aid-in-construction for eliminating the 3 CSOs, the initial cost of the Follansbee alternative would be $9,057,839, only $81,508 less than that of the Wellsburg alternative, a difference of approximately six thousandths of a percent of the total proposed project cost of $13,165,000. (See II Tr. 22, 146-148, 235-238; Dis. Ex. 5A; City Exs. 5, 11 and 12; Staff Ex. 3).

15. Throughout these proceedings Staff's view has been that the initial costs of the project should be considered no different from one another because any difference between them would be less than 2% of the project and projects usually have tolerances that large, in that construction costs are estimates only. Further, were the Follansbee alternative accepted, any revisions recommended by Mr. Ghosh might not be adopted by the District, which would be in charge of designing a revised project whereby the flow from the project area would be treated by Follansbee. (See Staff Ex. 3; II Tr. 233-234; Staff Initial Brief).

16. Changing the project from the Wellsburg alternative to the Follansbee alternative would require new approval by the WVIJDC of the project and its funding and new permitting would be required. (See I Tr. 96).

17. Prior to hearing in this matter, Staff expressed concerns about possible odor problems that the Wellsburg alternative could cause, but is no longer concerned because of the addition of an odor system to the Wellsburg alternative. Staff's present view is that, in that the costs of the projects are comparable and the Wellsburg alternative has been approved by WVIJDC and is fully funded, the

application should be granted and the project, including the Wellsburg alternative, be approved. Staff also recommended that the funding be approved. (See Staff Ex. 3; II Tr. 233-234).

18. The District calculated the O&M costs to be $173,081 per year for the Wellsburg alternative and $160,223 per year for the Follansbee alternative, but the $160,223 figure did not include costs for treating the sewage with Bioxide. Accordingly, it is determined that, like the initial costs, no significant difference in O&M costs can be found for the two alternatives. (See II Tr. 13-18; II Tr. 53-57).

19. The evidence indicated that the Follansbee alternative would result in treatment of all of the sewage from the project area and Mr. Ghosh's testimony supported that the sewage would be subject to overflows under the Wellsburg alternative. However, Mr. Ghosh is not as familiar with the Wellsburg system as is Mr. Morton, and Mr. Morton testified that the CSOs are not on the main intersection line and that the sewage would reach the treatment plant. Moreover, the testimony of neither witness was very clear and, finally, while the evidence indicated there were problems with Wellsburg's system because it is on a flood plain and is, therefore, subject to floods, there was no testimony that Follansbee is not on the same flood plain, given that Wellsburg and Follansbee are both located on the banks of the Ohio River, approximately 6 miles apart. (See II Tr. 148-152, 178-183, 255-272; Division of Highways State Map).

20. Denying the application and requiring the District to begin anew in bringing a project incorporating the Follansbee alternative to fruition would cause delays, because redesigning the project will take some time and WVIJDC would need to review the revised project for its approval and for funding. This time frame did not include the time required for a new certificate application before the Public Service Commission. (I Tr. 9; II Tr. 81-84).

21. On February 29, 2008, the District individually notified its customers of its requested rate increase and published an Amended Notice of Filing in The Brooke County Review. Numerous letters of protest to the rate increase were filed, including protests from the Villages of Windsor Heights and Beech Bottom, which were granted intervenor status in this matter. (See filings of March 24 – April 9, 2008; Procedural Order of May 12, 2008).

22. Staff recommended that a rate increase of 13.5% be approved, lower than the proposed rate increase, and the District had no objection to the Staff-recommended rates. The Commission decision in Claywood Park Public Serv. Dist., Case No. 07-0175-PWD-19A (2008), had no impact on the Staff-recommended rates. (See Staff Ex. 3; II Tr. 219-221; Further Final Joint Staff Memorandum filed November 13, 2008).

23. A Notice of Hearing was published on July 11, 2008, in The Brooke County Review, and a public hearing was held on July 22, 2008, in Wellsburg. Other than the Villages of Windsor Heights and Beech Bottom, by counsel, who explained that the Villages objected to any rate increase for them

because they would be receiving no benefit from the project and most of the members of their communities do not have adequate income to pay higher rates, no one appeared at the hearing to protest the proposed rates. (See I Tr. 10-14).

24. The District filed a revised intergovernmental agreement between it and Wellsburg, which adopted the Staff-recommended rate of $2.44 per thousand gallons, for approval. (See filing of September 22, 2008).

CONCLUSIONS OF LAW

1. The West Virginia Infrastructure and Jobs Development Council is the initial governmental reviewer of and the clearinghouse for public water and wastewater projects in West Virginia. As a state infrastructure agency as defined at West Virginia Code §31-15A-2(u), the public service commission may not take any action inconsistent with the recommendation of the WVIJDC unless it expressly finds and determines that the WVIJDC's recommendation is not in the best interest of the state or the area in which the proposed project is to be located. (W.Va. Code §31-15A-6). The record in this case does not permit that finding to be made. Compare W.Va. Code Section 31, Article 15A, and W.Va. Code §24-2-11.

2. The public convenience and necessity require the proposed project.

3. The proposed project is economically feasible since it is fully funded, with approximately 81% grant funding, and Commission Staff has proposed rates for the District's customers that are sufficient, but not more than sufficient, to cover the project's increased O&M costs and debt service.

4. The District established a prima facie showing of convenience and necessity for its project and the City of Follansbee did not establish by a preponderance of the evidence that its project was clearly superior to the proposed project, particularly since the proposed project has been approved by the WVIJDC and its funding is secure, whereas the Follansbee alternative has not been fully designed, and is lacking both approval by the WVIJDC and funding.

5. Given that both Follansbee and Wellsburg have "stranded investment" in their treatment plants, stranded investment cannot be a controlling factor in this decision.

6. It is appropriate, pursuant to W.Va. Code §§16-13A-25 and 24-2-11, to grant the application and to approve the project, contingent upon receipt and filing of all outstanding permits, because the public convenience and necessity require the project.

7. It is appropriate to approve the funding.

8. It is appropriate to approve the revised Staff-recommended rates, as provided at Appendix A hereto, to become effective upon completion of the project. To not charge the residents of the Villages of Windsor and Beech Bottom the approved rates and, therefore, to create a separate schedule of rates to apply only to them would be contrary to the Commission's preference for unified rates. The Commission has held that unified rates are appropriate for most sewer utilities, particularly when all of the customers of the utility are similarly served, as in this case. See Pendleton Co. Pub. Serv. Dist., Case No. 94-1123-PWD-CN (1996).

ORDER

IT IS, THEREFORE, ORDERED that the application filed on February 15, 2008, by Brooke County Public Service District to construct a wastewater collection system to provide public sewage service in the Mahan Lane, Bruin Drive and Eldersville Road areas of Brooke County is granted and the project is approved, contingent upon receipt and filing by Brooke County Public Service District of all outstanding permits.

IT IS FURTHER ORDERED that the funding for the project, consisting of a $9,872,200 Special Appropriations Grant, a $775,000 WVIJDC grant, and a $2,517,800 WVIJDC loan payable at 0% interest for 40 years, is approved.

IT IS FURTHER ORDERED that the intergovernmental agreement between the City of Follansbee and the Town of Wellsburg filed September 22, 2008, is approved.

IT IS FURTHER ORDERED that, if there is any change in the cost of the project, estimated at $13,165,000, which affects rates, or in the scope, design or funding of the project, Brooke County Public Service District file a petition with the Commission for approval of such revisions.

IT IS FURTHER ORDERED that Brooke County Public Service District comply with all rules and regulations of the Division of Highways regarding the use of those rights-of-way.

IT IS FURTHER ORDERED that, if there are any changes in the project costs that do not affect rates, Brooke County Public Service District file herein an affidavit duly executed by its accountant verifying that the District's rates and charges are not affected.

IT IS FURTHER ORDERED that Brooke County Public Service District notify the Commission when its engineer has performed the substantial completion inspection.

IT IS FURTHER ORDERED that the rate increase and other changes to the tariff of Brooke County Public Service District, as provided in the Approved Tariff, Appendix A hereto, are approved, to become effective on the date on which the project is certified as substantially complete.

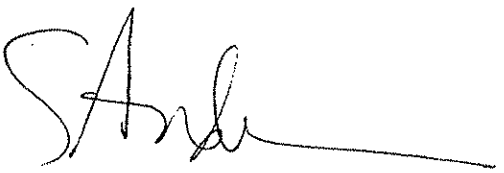
IT IS FURTHER ORDERED that this matter be removed from the Commission's docket of open cases.

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

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

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

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



Sunya Anderson
Administrative Law Judge

SA:s
080164ad.wpd

BROOKE COUNTY PUBLIC SERVICE DISTRICT
CASE NO. 08-0164-PSD-CN

APPROVED TARIFF

APPLICABILITY
Applicable within the entire territory served.

AVAILABILITY
Available for general domestic, commercial, industrial and sale for resale sewer service.

RATES (Customers with metered water supply)

First	5,000 gallons used per month	$ 10.26 per 1,000 gallons
All over	5,000 gallons used per month	$ 8.22 per 1,000 gallons

MINIMUM CHARGE
No bill will be rendered for less than $41.04 per month, which is the equivalent of 4,000 gallons of usage.

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

Equivalent to 4,500 gallons of water, $46.17 per month

DELAYED PAYMENT PENALTY
The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

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

A tap fee of $100.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $350 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

DISCONNECT/RECONNECT/ADMINISTRATIVE FEE

Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with Hammond PSD, Village of Beech Bottom or Washington Pike PSD, a disconnection fee of $20.00 shall be charged; or in the event the delinquent sewer bill is collected by the water company, an administrative fee of $20.00 shall be charged.

Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with Hammond PSD, Village of Beech Bottom or Washington Pike PSD, is reconnected, a reconnection fee of $20.00 shall be charged.

RETURNED CHECK CHARGE

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

LEAK ADJUSTMENT

$1.17 per 1,000 gallons is to be used when the bill reflects unusual water consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

SECURITY DEPOSIT

A deposit of $50.00 or 2/12ths of the average annual usage of the applicant's specific customer class, whichever is greater.

SURFACE OR GROUND WATER DISCHARGE

An additional amount shall be charged where surface or ground water is introduced into the sanitary system where evidence of a violation exists.

Surcharge formula to be applied in cases where surface drainage is connected to the utility's sewer system.

APPLICABILITY

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

S	=	A x R x .0006233 x C
S	-	The surcharge in dollars
A	-	The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet
R	-	The measured monthly rainfall, in inches
0.0006233	-	A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water
C	-	The utility's approved rate per thousand gallons of metered water usage.

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

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

SURCHARGE FORMULA TO BE APPLIED TO A CUSTOMER PRODUCING UNUSUAL WASTE

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

$$Ci = VoVi + BoBi + SoSi$$

Ci	=	charge to unusual users per year
Vo	=	average unit cost of transport and treatment chargeable to volume, in dollars per gallon
Vi	=	volume of wastewater from unusual users in gallons per year
Bo	=	average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per pound
Bi	=	weight of BOD from unusual users in pounds per year
So	=	average unit cost of treatment (including sludge treatment) chargeable to total solids in dollars per pound
Si	=	weight of total solids from unusual users in pounds per year

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

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

TRUCK OR OTHER TRANSPORT METHOD DELIVERING WASTEWATER

RATES

Commodity Charge - Each customer shall pay a commodity charge of $50.00 per 1,000 gallons per load. Load will be the actual capacity of the truck or other transport method delivering wastewater and leachate. Actual capacity shall be determined, or verified, solely by the Utility.

West Virginia Infrastructure & Jobs Development Council

Public Members:
Mark Prince
Hurricane
Dwight Calhoun
Petersburg
C. R. "Rennie" Hill, III
Beckley
Tim Stranko
Morgantown

300 Summers Street, Suite 980
Charleston, West Virginia 25301
Telephone: (304) 558-4607
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Katy Mallory, PE
Executive Secretary

Katy.Mallory@verizon.net

August 23, 2005

William Liposhak
Brooke County Public Service District
P.O. Box 150
Wellsburg, West Virginia 26070

Re: Binding Commitment Letter
Wastewater Project - Phase I
Project 2000S-539a

Dear Mr. Liposhak:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") provides this binding offer of an Infrastructure Fund loan of approximately $2,517,800 (the "Loan") and a grant of approximately $775,000 (the "Grant") to the Brooke County Public Service District (the "District") for the above referenced wastewater project (the "Project"). The Project has been determined to be technically feasible within the guidelines of the Infrastructure and Jobs Development Act by the Infrastructure Council. The Loan and Grant will be subject to the terms set forth on Schedule A attached hereto and incorporated herein by reference. The final Loan and Grant amounts will be established after the District has received acceptable bids for the Project. The Infrastructure Council will set aside a portion of the Infrastructure Fund to make the Loan upon the District's compliance with the program requirements.

This commitment is contingent upon the Project meeting the following schedule:

a. File Certificate Case with the Public Service Commission no later than November 1, 2005
b. Advertise for bids no later than February 1, 2006
(The District must receive authority from the Infrastructure Council before bidding the project.)

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

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

the Infrastructure Council if any of the other dates on the attached schedule have or will not be met.

The Water Development Authority, acting on behalf of the Infrastructure Council, will enter into Loan and Grant agreements with the District following receipt of the completed Schedule B, a final, nonappealable order from the Public Service Commission authorizing construction of the Project, evidence of binding commitments for other funding; evidence of all permits; evidence of acceptable bids; and any other documents requested by the Infrastructure Council.

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

If the District has any questions regarding this commitment, please contact Katy Mallory at the above-referenced telephone number.

Sincerely,

Mark Prince

MP/km

NOTE: This letter is sent in triplicate. Please acknowledge receipt on two copies and immediately return to the Infrastructure Council.

Brooke County Public Service District

By:_____

Its: _____

Date:_____

cc: Mike Johnson, DEP
Samme Gee, Jackson Kelly
Thrasher Engineering, Inc.
Barb Zimnox
John Stump, Steptoe & Johnson
City of Follansbee

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

Brooke County Public Service District
Wastewater Project - Phase I
Project 2000S-539a
August 23, 2005

SCHEDULE A

A. Approximate Amount: $2,517,800 Loan
$ 775,000 Grant

B. Loan: $2,517,800

1. Maturity Date: 40 years from date of closing.
2. Interest Rate: 0%
3. Loan Advancement Date(s) Monthly, upon receipt of proper requisition
4. Debt Service Commencement: The first quarter following completion of construction, which date must be identified prior to closing.
5. Reserve & Coverage Requirements:
   A. Reserve requirements: One year's annual debt service
   OR
   Funding one year's annual debt service over the first ten years
   B. Coverage: 115% unless reserve fund is fully funded then coverage is 110%

C. Grant: $ 775,000

1. Grant Advancement Date(s): Monthly, upon receipt of proper requisition and after complete advancement of all Loan funding, except to the extent that the Infrastructure Fund grant is needed to pay project costs not eligible for payment by the other funding programs..
2. Special Conditions: None

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

D. Other Funding Sources:

SAP grant $ 9,872,200

E. Total Project Cost: $13,165,000

Project Schedule

Project: Brooke County PSD
County: Brooke
Project No: 2000S-538a

Funding	
IJDC loan	$ 2,517,800 (0%, 40 years)
IJDC grant	775,000
SAP grant	9,872,200
TOTAL	$13,165,000

Action	Responsible Party	Completion
Engineering Agreement (E/A)	PSD / Thrasher	Complete
DEP approval of Brooke Co.PSD E/A	DEP	Complete
Engineering Agreement (E/A)	Follansbee / Ghosh	8/2005
Prepare & Submit Brooke County PSD Plans & Specs to DEP	Thrasher	Complete
Brooke County PSD Plans & Specs. Review & Approval	DEP	11/15/05
Prepare & Submit Follansbee Plans & Specs to DEP	Ghosh	9/15/05
Follansbee Plans & Specs. Review & Approval	DEP	11/15/05
Prepare & submit permit applications	Thrasher / Ghosh	Complete
Prepare Brooke County PSD Rule 42	Griffith	9/30/2005
File Certificate Case with PSC (Brooke Co.PSD / Follansbee)	Wayne Milke	11/1/2005
Review & Approve PSC Certificate (6 months)	PSC	5/1/2006
Rights-of-way, Easements & Land Acquisition (Brooke Co.PSD)	Wayne Milke	12/31/2005
Authority to Advertise	IJDC / DEP	2/1/2006
Advertise for Bids (30 days)	PSD / Thrasher Follansbee / Ghosh	2/1/2006
Bid Opening (90 days)	PSD / Thrasher Follansbee / Ghosh	3/1/2006
Loan Closing	Steptoe / PSD	6/1/2006
Start Construction (360 days)	Contractors	6/1/2007/

West Virginia Infrastructure & Jobs Development Council

Public Members:
Mark Prince
Hurricane
Dwight Calhoun
Petersburg
C. R. "Rennie" Hill, III
Beckley
Tim Stranko
Morgantown

300 Summers Street, Suite 980
Charleston, West Virginia 25301
Telephone: (304) 558-4607
Facsimile: (304) 558-4609

Katy Mallory, PE
Executive Secretary

Katy.Mallory@verizon.net

July 7, 2005

William Liposhak, Chairman
Brooke County Public Service District
P.O. Box 150
Wellsburg, West Virginia 26070

Re: Brooke County Public Service District
Sewer Project 2000S-538a/539a

Dear Mr. Liposhak:

The West Virginia Infrastructure and Jobs Development Council, at its July 6, 2005 meeting, determined that the Brooke County Public Service District(the "District") should utilize a $9,872,200 Special Appropriations grant and voted to offer a binding commitment for an Infrastructure Fund loan of $2,517,800 (0%, 40 yrs) and a $775,000 Infrastructure Fund grant to finance this $13,165,000 Phase I project. This project consists of constructing a centralized wastewater collection system. The project area includes portions of Eldersville Road, Mahan Lane, Bruin Drive, St. John's Road and Walker Road.

In order to receive the proposed binding commitment the District must adhere to a certain project schedule. Please contact Katy Mallory at 558-4607 by **August 29, 2005** to establish the necessary schedule and finalize the proposed binding commitment.

Sincerely,

Mark Prince

cc: Mike Johnson, DEP
Debbie Legg, WVDO
Region XI Planning & Development Council
Thrasher Engineering, Inc.

BROOKE COUNTY PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On this 18th day of March, 2010, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Chairman of Brooke County Public Service District (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), of the Issuer, in the principal amount of $2,517,800, numbered AR-1 (the "Series 2010 A Bonds"), issued as a single, fully registered Bond, and dated March 18, 2010.

2. At the time of such receipt, all the Series 2010 A Bonds have been executed by the Chairman and the Secretary of the Issuer by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2010 A Bonds, of $34,522.25, being a portion of the principal amount of the Series 2010 A Bonds. The balance of the principal amount of the Series 2010 A Bonds will be advanced by the Authority and the West Virginia Infrastructure and Jobs Development Council to the Issuer as acquisition and construction of the Project progresses.

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Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: _____
Its: Authorized Representative

BROOKE COUNTY PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

03.01.10
109090.00001

5281943

BROOKE COUNTY PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

The Huntington National Bank,
as Bond Registrar
Charleston, West Virginia

Ladies and Gentlemen:

On this 18th day of March, 2010, there are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of Brooke County Public Service District Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), in the principal amount of $2,517,800 (the "Series 2010 A Bonds"), dated March 18, 2010 (the "Bonds"), executed by the Chairman and Secretary of Brooke County Public Service District (the "Issuer") and bearing the official seal of the Issuer, respectively authorized to be issued under and pursuant to a Bond Resolution duly adopted by the Issuer on March 10, 2010, and a Supplemental Resolution duly adopted by the Issuer on March 10, 2010 (collectively, the "Bond Legislation");

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

(3) Executed counterparts of a loan agreement for the Series 2010 A Bonds, dated March 18, 2010, by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council") (the "Loan Agreement"); and

You are hereby requested and authorized to deliver the Series 2010 A Bonds to the Authority upon payment to the Issuer of the sum of $34,522.25, representing a portion of the principal amount of the Series 2010 A Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the forms of Certificate of Authentication and Registration thereon.

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Dated as of the day and year first written above.

BROOKE COUNTY PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

03.01.10
109090.00001

5281954

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BROOKE COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2010 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $2,517,800

KNOW ALL MEN BY THESE PRESENTS: This 18th day of March, 2010, that BROOKE COUNTY PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Brooke County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of TWO MILLION FIVE HUNDRED SEVENTEEN THOUSAND EIGHT HUNDRED DOLLARS ($2,517,800), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2012, to and including March 1, 2050, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated March 18, 2010.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of improvements and extensions to the existing public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage system of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Resolution duly adopted by the Issuer on March 10, 2010, and a Supplemental Resolution duly adopted by the Issuer on March 10, 2010 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured

equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S: (1) SEWER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 10, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $712,050 (THE "SERIES 2003 A BONDS"); (2) SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 12, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $450,000 (THE "SERIES 1997 A BONDS"); (3) SEWER REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 9, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,163,971 (THE "SERIES 1997 B BONDS"); AND (4) SEWER REVENUE BONDS, SERIES 1997 C (WEST VIRGINIA INFRASTRUCTURE FUND), DATED DECEMBER 9, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $450,000 (THE "SERIES 1997 C BONDS") (HEREINAFTER COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Series 2010 A Bonds and the Prior Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2010 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2010 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Bonds, including the Series 2010 A Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2010 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior to the Bonds, including the Series 2010 A Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of The Huntington National Bank, Charleston,

West Virginia, as registrar (the "Registrar"), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

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

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

Chairman

ATTEST:

Secretary

SPECIMEN

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2010 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: March 18, 2010.

THE HUNTINGTON NATIONAL BANK,
as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $34,522.25	March 18, 2010	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

BOND DEBT SERVICE

Brooke County PSD

IF

0% Interest Rate

40 Years from Closing Date

Dated Date	3/18/2010
Delivery Date	3/18/2010

Period Ending	Principal	Interest	Debt Service
3/18/2010			
6/1/2012	16,565		16,565
9/1/2012	16,565		16,565
12/1/2012	16,565		16,565
3/1/2013	16,565		16,565
6/1/2013	16,565		16,565
9/1/2013	16,565		16,565
12/1/2013	16,565		16,565
3/1/2014	16,565		16,565
6/1/2014	16,565		16,565
9/1/2014	16,565		16,565
12/1/2014	16,565		16,565
3/1/2015	16,565		16,565
6/1/2015	16,565		16,565
9/1/2015	16,565		16,565
12/1/2015	16,565		16,565
3/1/2016	16,565		16,565
6/1/2016	16,565		16,565
9/1/2016	16,565		16,565
12/1/2016	16,565		16,565
3/1/2017	16,565		16,565
6/1/2017	16,565		16,565
9/1/2017	16,565		16,565
12/1/2017	16,565		16,565
3/1/2018	16,565		16,565
6/1/2018	16,565		16,565
9/1/2018	16,565		16,565
12/1/2018	16,565		16,565
3/1/2019	16,565		16,565
6/1/2019	16,565		16,565
9/1/2019	16,565		16,565
12/1/2019	16,565		16,565
3/1/2020	16,565		16,565
6/1/2020	16,565		16,565
9/1/2020	16,565		16,565
12/1/2020	16,565		16,565
3/1/2021	16,565		16,565
6/1/2021	16,565		16,565
9/1/2021	16,565		16,565
12/1/2021	16,565		16,565
3/1/2022	16,565		16,565
6/1/2022	16,565		16,565
9/1/2022	16,565		16,565
12/1/2022	16,565		16,565

BOND DEBT SERVICE

Brooke County PSD

IF

0% Interest Rate

40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
3/1/2023	16,565		16,565
6/1/2023	16,565		16,565
9/1/2023	16,565		16,565
12/1/2023	16,565		16,565
3/1/2024	16,565		16,565
6/1/2024	16,565		16,565
9/1/2024	16,565		16,565
12/1/2024	16,565		16,565
3/1/2025	16,565		16,565
6/1/2025	16,565		16,565
9/1/2025	16,565		16,565
12/1/2025	16,565		16,565
3/1/2026	16,565		16,565
6/1/2026	16,565		16,565
9/1/2026	16,565		16,565
12/1/2026	16,565		16,565
3/1/2027	16,565		16,565
6/1/2027	16,565		16,565
9/1/2027	16,565		16,565
12/1/2027	16,565		16,565
3/1/2028	16,565		16,565
6/1/2028	16,565		16,565
9/1/2028	16,565		16,565
12/1/2028	16,565		16,565
3/1/2029	16,565		16,565
6/1/2029	16,565		16,565
9/1/2029	16,565		16,565
12/1/2029	16,565		16,565
3/1/2030	16,564		16,564
6/1/2030	16,564		16,564
9/1/2030	16,564		16,564
12/1/2030	16,564		16,564
3/1/2031	16,564		16,564
6/1/2031	16,564		16,564
9/1/2031	16,564		16,564
12/1/2031	16,564		16,564
3/1/2032	16,564		16,564
6/1/2032	16,564		16,564
9/1/2032	16,564		16,564
12/1/2032	16,564		16,564
3/1/2033	16,564		16,564
6/1/2033	16,564		16,564
9/1/2033	16,564		16,564
12/1/2033	16,564		16,564
3/1/2034	16,564		16,564
6/1/2034	16,564		16,564
9/1/2034	16,564		16,564
12/1/2034	16,564		16,564

BOND DEBT SERVICE

Brooke County PSD

IF

0% Interest Rate

40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
3/1/2035	16,564		16,564
6/1/2035	16,564		16,564
9/1/2035	16,564		16,564
12/1/2035	16,564		16,564
3/1/2036	16,564		16,564
6/1/2036	16,564		16,564
9/1/2036	16,564		16,564
12/1/2036	16,564		16,564
3/1/2037	16,564		16,564
6/1/2037	16,564		16,564
9/1/2037	16,564		16,564
12/1/2037	16,564		16,564
3/1/2038	16,564		16,564
6/1/2038	16,564		16,564
9/1/2038	16,564		16,564
12/1/2038	16,564		16,564
3/1/2039	16,564		16,564
6/1/2039	16,564		16,564
9/1/2039	16,564		16,564
12/1/2039	16,564		16,564
3/1/2040	16,564		16,564
6/1/2040	16,564		16,564
9/1/2040	16,564		16,564
12/1/2040	16,564		16,564
3/1/2041	16,564		16,564
6/1/2041	16,564		16,564
9/1/2041	16,564		16,564
12/1/2041	16,564		16,564
3/1/2042	16,564		16,564
6/1/2042	16,564		16,564
9/1/2042	16,564		16,564
12/1/2042	16,564		16,564
3/1/2043	16,564		16,564
6/1/2043	16,564		16,564
9/1/2043	16,564		16,564
12/1/2043	16,564		16,564
3/1/2044	16,564		16,564
6/1/2044	16,564		16,564
9/1/2044	16,564		16,564
12/1/2044	16,564		16,564
3/1/2045	16,564		16,564
6/1/2045	16,564		16,564
9/1/2045	16,564		16,564
12/1/2045	16,564		16,564
3/1/2046	16,564		16,564
6/1/2046	16,564		16,564
9/1/2046	16,564		16,564
12/1/2046	16,564		16,564

BOND DEBT SERVICE

Brooke County PSD
IF
0% Interest Rate
40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
3/1/2047	16,564		16,564
6/1/2047	16,564		16,564
9/1/2047	16,564		16,564
12/1/2047	16,564		16,564
3/1/2048	16,564		16,564
6/1/2048	16,564		16,564
9/1/2048	16,564		16,564
12/1/2048	16,564		16,564
3/1/2049	16,564		16,564
6/1/2049	16,564		16,564
9/1/2049	16,564		16,564
12/1/2049	16,564		16,564
3/1/2050	16,565		16,565
	2,517,800		**2,517,800**

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information

March 18, 2010

Brooke County Public Service District
Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund)

Brooke Public Service District
Wellsburg, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure
and Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Brooke County Public Service District (the "Issuer"), a public service district, public corporation and political subdivision created and existing under the laws of the State of West Virginia, of its $2,517,800 Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement dated March 18, 2010, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2012, to and including March 1, 2050, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of improvements and extensions to the existing public sewerage system of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Resolution duly adopted by the Issuer on March 10, 2010, as supplemented by a Supplemental Resolution duly adopted by the Issuer on March 10, 2010 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

1. The Issuer is a duly created and validly existing public service district, public corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt the Bond Legislation and to issue and sell the Bonds, all under the Act and other applicable provisions of law.

2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and the Council and cannot be amended by the Issuer so as to affect adversely the rights of the Authority or the Council or diminish the obligations of the Issuer without the written consent of the Authority and the Council.

3. The Bond Legislation and all other necessary orders and resolutions have been duly and effectively adopted by the Issuer and constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms. The Bond Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's: (i) Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated October 10, 2003, issued in the original aggregate principal amount of $712,050 (the "Series 2003 A Bonds"); (ii) Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program), dated December 12, 1997, issued in the original aggregate principal amount of $450,000 (the "Series 1997 A Bonds"); (iii) Sewer Revenue Bonds, Series 1997 B (West Virginia Infrastructure Fund), dated December 9, 1997, issued in the original aggregate principal amount of $2,163,971 (the "Series 1997 B Bonds"); and (iv) Sewer Revenue Bonds, Series 1997 C (West Virginia Infrastructure Fund), dated December 9, 1997, issued in the original aggregate principal amount of $450,000 (the "Series 1997 C Bonds") (hereinafter collectively, the "Prior Bonds"), all in accordance with the terms of the Bonds and the Bond Legislation.

5. The Bonds are, under the Act, exempt from taxation by the State of West Virginia and the other taxing bodies of the State, and the interest on the Bonds, if any, is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

6. The Bonds have not been issued on the basis that the interest, if any, thereon is or will be excluded from the gross income of the owners thereof for federal income tax purposes. We express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Bonds.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Loan Agreement and the Bond Legislation, and the liens and pledges set forth therein, may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion and the application of equitable remedies in appropriate cases.

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

Very truly yours,

STEPTOE & JOHNSON PLLC

03.01.10
109090.00001

WAYNE R. MIELKE
ATTORNEY AT LAW
61 TOWN SQUARE
WELLSBURG, WV 26070

304-737-1770

March 18, 2010

West Virginia Water Development Authority
180 Association Drive
Charleston, West Virginia 25311

West Virginia Infrastructure and Jobs Development Council
300 Summers Street
Charleston, West Virginia 25311

Steptoe & Johnson, PLLC
Chase Tower, Eighth Floor
P.O. Box 1588
Charleston, West Virginia 25326-1588

Brooke County Public Service District
711 Charles Street
P.O. Box 150
Wellsburg, West Virginia 26070

Re: Brooke County Public Service District
Wastewater Projects – Mahan Lane,
Eldersville Road, Bruin Drive
Sewer Revenue Bonds, Sewer 2010 A
(West Virginia Infrastructure Fund)

Ladies and Gentlemen:

I am counsel to the Brooke County Public Service District, a public service district, in Brooke County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a loan agreement for the Series 2010 A Bonds dated March 18, 2010, including all schedules and exhibits attached thereto, by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council, (the "Council") (the "Loan Agreement"), the Bond Resolution duly adopted by the Issuer on March 10, 2010, as supplemented by the Supplemental Resolution duly adopted by the Issuer on March 10, 2010, (collectively, the "Bond Legislation"), orders of The County Commission of Brooke County relating to the Issuer and the appointment of members of the Public Service District Board of the Issuer, and other documents, papers, agreements,

instruments and certificates relating to the above-captioned Bonds of the Issuer (collectively, the "Bonds"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreement when used herein.

I am of the opinion that:

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

2. The Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, constitute valid and binding agreement of the Issuer enforceable in accordance with its terms.

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

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

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

6. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders, certificates and approvals from The County Commission of Brooke County, the Council and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges. The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on November 19, 2008, Commission Order dated January 12, 2009, Commission Order dated April 13, 2009 and Commission Order dated November 10, 2009 in Case No. 08-0164-PSD-CN, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the rates and charges for the System and the financing for the Project. The time for appeal of the Order has expired prior to the date hereof. The Order remains in full force and effect.

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

8. To the best of my knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Loan Agreements, the Bond Legislation, the acquisition and construction of the Project, the operation of the System, the validity of the Bonds or the collection or pledge of the Net Revenues therefor.

9. We have ascertained that the successful bidder has provided the drug-free workplace affidavit, submitted their drug free workplace plan, and the contracts contain language that comply with the Drug Free Workplace Act, Article 1D, Chapter 21 of the West Virginia Code. We have also ascertained that the successful bidder has made required provisions for all insurance and payment and performance bonds and verified such insurance policies and bonds for accuracy. Based upon my review of the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, I am of the opinion that such surety bonds and policies (i) are in compliance with the contracts; (ii) are adequate in form, substance and amount to protect the various interests of the Issuer; (iii) have been executed by duly authorized representatives of the proper parties; (iv) meet the requirements of the Act, the Bond Legislation and the Loan Agreements; and (v) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions, thereof.

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

Very truly yours,

Wayne R. Mielke

WAYNE R. MIELKE
ATTORNEY AT LAW
61 TOWN SQUARE
WELLSBURG, WV 26070

304-737-1770

March 4, 2010

West Virginia Water Development Authority
180 Association Drive
Charleston, West Virginia 25311

West Virginia Infrastructure and Jobs Development Council
300 Summers Street
Charleston, West Virginia 25311

Steptoe & Johnson, PLLC
Chase Tower, Eighth Floor
P.O. Box 1588
Charleston, West Virginia 25326-1588

Brooke County Public Service District
711 Charles Street
P.O. Box 150
Wellsburg, West Virginia 26070

Re: Brooke County Public Service District
Wastewater Projects – Mahan Lane,
Eldersville Road, Bruin Drive

Ladies and Gentlemen:

Please be advised that the undersigned represents the Brooke County Public Service District with respect to a proposed project to construct a wastewater system to service the Mahan Lane, Eldersville Road, Bruin Drive, area of Brooke County, West Virginia. This letter is being directed to your attention as a **final title opinion** on behalf of the Brooke County Public Service District to satisfy the requirements of the West Virginia Infrastructure and Jobs Development Council with regard to the Infrastructure Fund financing. I would bring your attention to the following:

1. That I am of the opinion that the Brooke County Public Service District is a duly created and existing public service district possessed with all the powers and authority granted to public service districts under the laws of the State of West Virginia and that the Brooke County Public Service District has the full power and authority to construct,

operate and maintain the wastewater system as approved by the Department of Environmental Projection.

2. That the Brooke County Public Service District has obtained approval for all necessary permits and approvals for the construction of the wastewater system.

3. That I have investigated and ascertained the location of and am familiar with the legal description of the necessary sites, including easements and /or rights of way, required for the wastewater system as set forth in the plans for the wastewater system as prepared by Thrasher Engineering, the consulting engineers for the project.

4. That I have examined the records on file in the Office of the Clerk of the County Commission of Brooke County, West Virginia, the county in which the wastewater project is to be located, and, in my opinion, the Brooke County Public Service District has acquired legal title or such other estate or interest in the necessary site components for the wastewater project sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the facilities to be constructed.

5. That a condemnation action was instituted in the Circuit Court of Brooke County, West Virginia, styled Brooke County Public Service District v. Ronald Baldauf and Becky Baldauf, et. a., Case No. 10-C-24. An Order of the Circuit Court of Brooke County, West Virginia, providing for advance payment into Court and a right of entry for all outstanding properties, was entered on the 24th day of February, 2010.

6. That any deeds or other documents which have been acquired to date by the Brooke County Public Service District have been duly recorded in the Office of the Clerk of the County Commission of Brooke County, West Virginia, in order to protect the legal title to and interest of the Brooke County Public Service District.

7. The Brooke County Public Service District has obtained from the West Virginia Department of Highways approval for a permit authorizing the construction of the projects as described in the plans upon, over and through public rights of way as shown in the plans.

If you have any questions regarding any of the information contained in this Final Title Opinion, you may contact this office.

Very truly yours,

Wayne R. Mielke

WRM/jk

BROOKE COUNTY PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. CERTIFICATION OF COPIES OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME
7. LAND AND RIGHTS-OF-WAY
8. MEETINGS, ETC.
9. CONTRACTORS' INSURANCE, ETC.
10. LOAN AGREEMENT
11. NEW CUSTOMERS
12. INSURANCE
13. VERIFCATION OF SCHEDULE
14. RATES
15. PUBLIC SERVICE COMMISSION ORDER
16. SIGNATURES AND DELIVERY
17. BOND PROCEEDS
18. PUBLICATION OF NOTICE OF BORROWING AND PSC FILING
19. SPECIMEN BONDS
20. CONFLICT OF INTEREST
21. GRANTS
22. PROCUREMENT OF ENGINEERING SERVICES
23. EXECUTION OF COUNTERPARTS

We, the undersigned CHAIRMAN and the undersigned SECRETARY of the Public Service Board of Brooke County Public Service District in Brooke County, West Virginia (the "Issuer"), and the undersigned COUNSEL TO THE ISSUER, hereby certify this 18th day of March, 2010 in connection with the Issuer's Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond Resolution of the Issuer duly adopted March 10, 2010, and the Supplemental Resolution duly adopted March 10, 2010 (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or

delivery of the Bonds, the acquisition or construction of the Project, the operation of the System, the receipt of Grant proceeds or the Net Revenues, or in any way contesting or affecting the validity of the Bonds or the Grants, or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or application of the Net Revenues or any other moneys or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, the pledge or application of moneys and security or the collection of the Gross Revenues or the pledge of the Net Revenues as security for the Bonds.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable and necessary approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Bonds have been duly and timely obtained and remain in full force and effect. Competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the West Virginia Code of 1931, as amended, which bids remain in full force and effect.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the approval, execution and delivery by the Issuer of the Loan Agreement, and the Issuer has met all conditions prescribed in the Loan Agreements. The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete the Project.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2010 A Bonds as to liens, pledge and source of and security for payment, being the Issuer's: Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated October 10, 2003, issued in the original aggregate principal amount of $712,050 (the "Series 2003 A Bonds"); Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program), dated December 12, 1997, issued in the original aggregate principal amount of $450,000 (the "Series 1997 A Bonds"); Sewer Revenue Bonds, Series 1997 B (West Virginia Infrastructure Fund), dated December 9, 1997, issued in the original aggregate principal amount of $2,163,971 (the "Series 1997 B Bonds"); and Sewer Revenue Bonds, Series 1997 C (West Virginia Infrastructure Fund), dated December 9, 1997, issued in the original aggregate principal amount of $450,000 (the "Series 1997 C Bonds") (hereinafter collectively, the "Prior Bonds").

The Series 2010 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all respects. Prior to the issuance of the Series 2010 A Bonds, the Issuer has obtained (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2010 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the covenants of the Prior Bonds and the Prior Resolutions.

5. CERTIFICATION OF COPIES OF DOCUMENTS: The copies of the below-listed documents hereto attached or delivered herewith or heretofore delivered are true,

correct and complete copies of the originals of the documents of which they purport to be copies, and such original documents are in full force and effect and have not been repealed, rescinded, amended, supplemented or changed in any way unless modification appears from later documents also listed below:

Bond Resolution

Supplemental Resolution

Series 2010 A Bond Loan Agreement

Public Service Commission Orders

Infrastructure and Jobs Development Council Approval

County Commission Orders Creating and Enlarging the Boundaries of the District and Public Service Commission Order relating thereto

County Commission Orders Appointing Current Boardmembers

Oaths of Office of Current Boardmembers

Rules of Procedure

Minutes of Current Year Organizational Meeting

Minutes on Adoption of Bond Resolution and Supplemental Resolution

NPDES Permit

Infrastructure Fund Grant Agreement

Evidence of U.S. Environmental Protection Agency grant

Evidence of Insurance

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "Brooke County Public Service District." The Issuer is a public service district and public corporation duly created by The County Commission of Brooke County and presently existing under the laws of, and a public corporation and political subdivision of, the State of West Virginia. The governing body of the Issuer is its Public Service Board consisting of 3 duly appointed, qualified and acting members whose names and dates of commencement and termination of current terms of office are as follows:

Name	Date of Commencement of Office	Date of Termination of Office
Terry Bonaventura	January 1, 2006	December 31, 2010
Archie Doll	January 1, 2009	December 31, 2014
Karen Mezan	January 1, 2008	December 31, 2012

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

Chairperson	-	Terry Bonaventura
Secretary	-	Karen Mezan

The duly appointed and acting counsel to the Issuer is Wayne R. Mielke, in Wellsburg, West Virginia.

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

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

9. CONTRACTORS' INSURANCE, ETC.: All contractors and subcontractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond Legislation. The successful bidders have provided the Drug-Free Workplace Affidavit as evidence of compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code. All insurance for the System required by the Bond Legislation and Loan Agreements is in full force and effect.

10. LOAN AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement are true and correct in all material respects as if made

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

11. NEW CUSTOMERS:. The Issuer will serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer will not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Water Development Authority. Following completion of the Project the Issuer will certify to the Authority the number of customers added to the System.

12. INSURANCE. The Issuer will maintain or, as appropriate, will require all contractors to maintain worker's compensation, public liability, property damage insurance, standard hazard insurance, builder's risk insurance, flood insurance and business interruption insurance, where applicable, in accordance with the Resolution and the Loan Agreement. All insurance for the System required by the Resolution and the Loan Agreement are in full force and effect.

13. VERIFICATION OF SCHEULE: The final Schedule B attached to the Certificate of Consulting Engineer, accurately represents the estimated costs of the Project, the sources of funds available to pay the costs of the Project and the costs of financing of the Bonds.

14. RATES: The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on November 19, 2008, in Case No. 08-0164-PSD-CN, approving the rates and charges for the services of the System, and has adopted a resolution prescribing such rates and charges. The rates will be effective when the Project is substantially complete.

15. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on November 19, 2008, Commission Order dated January 12, 2009, Commission Order dated April 13, 2009 and Commission Order dated November 10, 2009 in Case No. 08-0164-PSD-CN, (collectively, the "Order") among other things, granting to the Issuer a certificate of public convenience and necessity for the Project, approving the rates and charges for the System, approving the financing for the Project, and acknowledging the Oder of the West Virginia Supreme Court of Appeals to refuse the petition for appeal by the City of Follansbee. The time for appeal of the Order has expired prior to the date hereof. The Order remains in full force and effect.

16. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Chairman did officially sign all of the Bonds of the aforesaid issue, consisting upon original issuance of a single Bond, numbered AR-1 dated the date hereof, by his or her manual signature, and the undersigned Secretary did officially cause the official seal of the Issuer to be affixed upon said Bonds and to be attested by his or her manual signature, and the Registrar did officially

authenticate and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the Loan Agreement. Said official seal is also impressed above the signatures appearing on this certificate.

17. BOND PROCEEDS: On the date hereof, the Issuer received $34,522.25 from the Authority and the Council, being a portion of the principal amount of the Series 2010 A Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

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

19. SPECIMEN BONDS: Delivered concurrently herewith are true and accurate specimens of the Bonds.

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

21. GRANTS: As of the date hereof, the grant from the West Virginia Infrastructure & Jobs Development Council in the amount of $775,000; and the grant from the U.S. Environmental Protection Agency in the amount of $9,872,200 are committed and in full force and effect.

22. PROCUREMENT OF ENGINEERING SERVICES: The Issuer has complied in all respects with the requirements of Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended, in the procurement of engineering services to be paid from proceeds of the Bonds.

23. EXECUTION OF COUNTERPARTS: This document may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same document.

[Remainder of Page Intentionally Blank]

WITNESS our signatures and the official seal of BROOKE COUNTY PUBLIC SERVICE DISTRICT on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
	Chairman
	Secretary
	Counsel to Issuer

03.01.10
109090.00001

BROOKE COUNTY PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund)

CERTIFICATE OF ENGINEER

I, Kenneth P. Moran, Registered Professional Engineer, West Virginia License No. 011309, of Thrasher Engineering, Inc., Clarksburg, West Virginia hereby certify this 18th day of March, 2010 as follows:

1. My firm is engineer for the acquisition and construction of certain improvements and extensions (the "Project") to the existing public sewerage facilities (the "System") of Brooke County Public Service District (the "Issuer") to be constructed primarily in Brooke County, West Virginia, which acquisition and construction are being financed in part by the proceeds of the above-captioned bonds (the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Resolution adopted by the Issuer on March 10, 2010, the Supplemental Resolution adopted by the Issuer on March 10, 2010, and the Loan Agreement for the Series 2010 A Bonds, by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), dated March 18, 2010 (the "Loan Agreement").

2. The Series 2010 A Bonds are being issued for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project; and (ii) paying certain costs of issuance of the Bonds and related costs.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the Council and any change orders approved by the Issuer, the Council and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least (40) forty years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and the Issuer's counsel, Thomas R. Michael, Esquire, has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the successful bidders have provided the drug-free workplace affidavit as evidence of compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code; (vi) the bid documents relating to the Project reflect the Project as

approved by the West Virginia Department of Environmental protection and the bid forms provided to the bidders contain the critical operational components of the Project; (vii) the successful bids include prices for every item on such bid forms; (viii) the uniform bid procedures were followed; (ix) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and the operation of the System; (x) in reliance upon the certificate of the Issuer's certified public accountant, Griffith & Associates, as of the effective date thereof, the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (xi) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the Council; and (xii) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

4. The project will serve 420 new customers in the Mahan Lane, Bruin Drive and Eldersville Road areas.

[Remainder of Page Intentionally Blank]

WITNESS my signature and seal on the day and year first written above.

THRASHER ENGINERING, INC.

(SEAL)

2/24/10

Kenneth P. Moran, P.E.
West Virginia License No. 011309

02.10.10
109090.00001

5281994

SCHEDULE B

A. COST OF PROJECT	Total Project Cost	SAP Grant	IJDC Loan	IJDC Grant
1. Construction				
Contract 1	1,880,135		1,880,135	
Contract 2	2,165,390	2,165,390		
Contract 3	5,022,635	5,022,635		
2. Technical Services				
Design/ Planning	1,712,117	1,712,117		
Eng. During Const.	386,500	386,500		
Special Services	83,801	83,801		
Inspection Services	500,000	45,243	133,165	321,592
3. Legal	178,000	178,000		
4. Administrative	90,000	90,000		
5. Sites & Lands				
Permits	15,000	15,000		
ROW Activities/ Acquisition	155,814	125,814	30,000	
6. Accountant	20,000	20,000		
7. Bond Counsel (See Below)				
8. DOH Inspection Fees	20,000	20,000		
9. Railroad Fees	4,800	4,800		
10. Wellsburg Aid to Construction	450,000		450,000	
10. Archaeologist – Phase 1	2,900	2,900		
11. Contingency	453,408			453,408
12. Total (Lines 1 – 11)	13,140,500	9,872,200	2,493,300	775,000
B. SOURCE OF FUNDS				
13. Federal Grants (SAP Grant)	9,872,200			
14. State Grant (IJDC Grant)	775,000			
15. Any Other Source				
16. Total (Lines 12 – 15)	10,647,200			
C. COST OF FINANCING				
17. Funded Reserve				
a. IJDC Funded Reserve				
b. Other Funded Reserve				
18. Other Costs				
a. Registrar Fees	500		500	
b. Bond Counsel	24,000		24,000	
19. Total Cost of Financing	24,500		24,500	
20. Size of Bond Issue	2,517,800		2,517,800	

Theodore L. Gombendtura
Signature of Authorized Representative

Date: 2-24-10

Signature of Consulting Engineer

Date: 2/25/10

Griffith & Associates, PLLC Accountants & Consultants

March 18, 2010

Brooke County Public Service District
Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund)

Brooke County Public Service District
Wellsburg, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure & Jobs Development Council
Charleston, West Virginia

Based upon the sewer rates and charges set forth in the Recommended Decision entered November 19, 2008 of the Public Service Commission of West Virginia in Case No. 08-0164-PSD-CN, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Brooke County Public Service District (the "Issuer"), it is our opinion that such rates and charges will be sufficient to provide revenues (i) to provide for all reasonable expenses of operation, repair and maintenance of the System and (ii) to leave a balance each Fiscal Year equal to at least 115% of the maximum amount required in any Fiscal Year for payment of principal of the Series 2010 A Bonds (West Virginia Infrastructure Fund) to be issued in the aggregate principal amount of $2,517,800 (the "Series 2010 A Bonds") and all other obligations secured by or payable from such revenues, including the Issuer's Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated October 10, 2003, issued in the original aggregate principal amount of $712,050 (the "Series 2003 A Bonds"); Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program), dated December 12, 1997, issued in the original aggregate principal amount of $450,000 (the "Series 1997 A Bonds"); Sewer Revenue Bonds, Series 1997 B (West Virginia Infrastructure Fund), dated December 9, 1997, issued in the original aggregate principal amount of $2,163,971 (the "Series 1997 B Bonds"); and Sewer Revenue Bonds, Series 1997 C (West Virginia Infrastructure Fund), dated December 9, 1997, issued in the original aggregate principal amount of $450,000 (the "Series 1997 C Bonds") (hereinafter collectively, the "Prior Bonds").

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

Very truly yours,

Michael D. Griffith, CPA, AFI
Griffith & Associates, PLLC

MDG/dk

Michael D. Griffith, CPA, AFI
michaelgriffithcpa@verizon.net
950 Little Coal River Road Alum Creek, WV 25003
Phone: (304) 756.3600 Facsimile: (304) 756.2911

BROOKE COUNTY PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Chairman of the Public Service Board of Brooke County Public Service District in Brooke County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of $2,517,800 Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), of the Issuer, dated March 18, 2010 (the "Bonds"), hereby certify as follows:

1. I am one of the officers of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Resolution duly adopted by the Issuer on March 10, 2010 and Supplemental Resolution duly adopted by the Issuer on March 10, 2010 (collectively, the "Bond Resolution"), authorizing the Bonds.

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

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on March 18, 2010, the date on which the Bonds are being physically delivered in exchange for an initial advance of $34,522.25, being a portion of the principal amount of the Series 2010 A Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

4. In the Bond Resolution pursuant to which the Bonds are issued, the Issuer has covenanted that it shall not take, or permit or suffer to be taken, any action with respect to Issuer's use of the proceeds of the Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (collectively, the "Code"), issued by the West Virginia Water Development Authority (the "Authority") or the West Virginia Infrastructure and Jobs Development Council (the "Council"), as the case may be, from which the proceeds of the Bonds are derived, to lose their status as tax-exempt bonds. The Issuer hereby covenants to take all actions necessary to comply with such covenant.

5. The Series 2010 A Bonds were sold on March 18, 2010, to the Authority, pursuant to a loan agreement dated March 18, 2010, by and between the Issuer and the Authority, on behalf of the Council, for an aggregate purchase price of $2,517,800 (100% of par), at which time, the Issuer received $34,522.25 from the Authority and the Council, being the first advance of the principal amount of the Series 2010 A Bonds. No accrued interest has been or will be paid

on the Series 2010 A Bonds. The balance of the principal amount of the Series 2010 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2010 A Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of improvements and extensions to the existing public sewerage system of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs.

7. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Series 2010 A Bonds Reserve Account, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before October 18, 2011. The acquisition and construction of the Project is expected to be completed by April 18, 2011.

8. The total cost of the Project is estimated at $13,165,000. Sources and uses of funds for the Project are as follows:

SOURCES	
Proceeds of the Series 2010 A Bonds	$2,517,800
Infrastructure Fund Grant	$775,000
U.S. EPA Grant	$9,872,200
Total Sources	$13,165,000

USES	
Costs of Acquisition and Construction of the Project	$13,140,500
Costs of Issuance	$ 24,500
Total Uses	$13,165,000

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

(1) Revenue Fund;

(2) Renewal and Replacement Fund;

(3) Series 2010 A Bonds Sinking Fund;

(4) Series 2010 A Bonds Reserve Account; and

(5) Series 2010 A Bonds Construction Trust Fund;

10. Pursuant to Article VI of the Bond Resolution, the proceeds of the Bonds will be deposited as follows:

(1) Series 2010 A Bond proceeds in the amount of $-0- will be deposited in the Series 2010 A Bonds Sinking Fund as capitalized interest and applied to payment of interest on the Series 2010 A Bonds during acquisition and construction of the Project and for a period not to exceed six months following completion thereof.

(2) Series 2010 A Bonds proceeds in the amount of $-0- will be deposited in the Series 2010 A Bonds Reserve Account.

(3) The balance of the proceeds of the Series 2010 A Bonds will be deposited in the Series 2010 A Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Series 2010 A Bonds and related costs.

11. Monies held in the Series 2010 A Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 2010 A Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on monies in the Series 2010 A Bonds Sinking Fund and Series 2010 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2010 A Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Resolution.

12. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within 13 months of the date hereof.

13. The Issuer will take such steps as requested by the Authority to ensure that the Authority's bonds meet the requirements of the Code.

14. With the exception of the amount deposited in the Series 2010 A Bonds Sinking Fund for payment of interest, if any, on the Bonds and the amount deposited in the Series 2010 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 19 months from the date of issuance thereof.

15. The Issuer does not expect to sell or otherwise dispose of the Project in whole or in part prior to the last maturity date of the Bonds.

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

17. All property financed with the proceeds of the Bonds will be owned and held by (or on behalf of) a qualified governmental unit.

18. No proceeds of the Bonds will be used, directly or indirectly, in any trade or business carried on by any person who is not a governmental unit.

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

20. The Issuer shall use the Bond proceeds solely for the costs of the Project, and the Project will be operated solely for a public purpose as a local governmental activity of the Issuer.

21. The Bonds are not federally guaranteed.

22. The Issuer has retained the right to amend the Bond Resolution authorizing the issuance of the Bonds if such amendment is necessary to assure that the Bonds remain public purpose bonds.

23. The Issuer has either (a) funded the Series 2010 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2010 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2010 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due, respectively, on the Bonds in the then current or any succeeding year. Monies in the Series 2010 A Bonds Reserve Account and the Series 2010 A Bonds Sinking Fund will be used solely to pay principal of and interest on each series of the Bonds and will not be available to pay costs of the Project.

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

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

26. The Issuer will comply with instructions as may be provided by the Authority, at any time, regarding use and investment of proceeds of the Bonds, rebates and rebate calculations.

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

[Remainder of Page Intentionally Blank]

WITNESS my signature on this 18th day of March, 2010.

BROOKE COUNTY PUBLIC
SERVICE DISTRICT

By: _____
Its: Chairman

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109090.00001

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After due discussion and consideration, the following Order creating the Brooke County Public Service District was approved by motion of Alfred DeAngelis, seconded by John P. Teeters, and unanimously passed:

ORDER

That the County Commission of Brooke County, West Virginia on this day December 10, 1975, in order to promote and preserve the public health, comfort, and convenience of the general public of Brooke County, West Virginia, does hereby order the creation of a public service district for the purpose of providing sewage services for the general public within Brooke County, West Virginia, as authorized by Chapter 16, Article 13A of the West Virginia State Code, as amended, to be known as the Brooke County Public Service District;

That such district is created subsequent to a public hearing, properly advertised, having been held on the 3rd day of December, 1975, at 7:00 o'clock P.M. in the Brooke County Courthouse, wherein a discussion, by all present, was held concerning the formation of the proposed Brooke County Public Service District as required by Statute;

Further, be it ordered that the territory to be embraced by the Brooke County Public Service District shall be all land within the boundaries of Brooke County, West Virginia, less however, those sewage authorities within the Cities of Weirton, Follansbee, Wellsburg, Bethany and Beech Bottom, and those areas now covered by the existing Hooverson Heights Public Service District;

Further, it is ordered that those sewage rights previously granted to the public service districts of Washington Pike Public Service District and Hammond Public Service District by this Commission are hereby rescinded and shall become a part of the Brooke County Public Service District, in that neither the Washington Pike Public Service District nor the Hammond Public Service District are presently furnishing sewage services, as authorized.

Entered this 10th day of December, 1975.

s/ Henry A. Wilson
Henry A. Wilson, President
Brooke County Commission

ATTEST: s/ Anthony J. Filberto
Anthony Filberto
Brooke County Clerk

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A letter from Alden E. Stilson & Associates regarding the City of Weirton, West Virginia, Regional Facilities Planning EPA Step 1 Grant Application was read.

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Price quotes for the Brooke County Ambulance Service rooms were rejected. It was the opinion of the Commissioners that the prices quoted were too high.

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J. P. McMullen, Jr., Prosecuting Attorney, appeared before the Commission and discussed the proposed County-wide Public Service District.

After due discussion, motion was made by Alfred DeAngelis, seconded by Henry Wilson, to adopt the following Order:

O R D E R

The County Commission of Brooke County, West Virginia, is of the opinion that in order to preserve the public health, comfort, and convenience of the general public of Brooke County, West Virginia, the Commission does hereby propose the creation of a public service district for the purposes of providing sewerage service for the general public within Brooke County, West Virginia, as authorized by Chapter 16, Article 13A of the West Virginia Code, as amended, to be named and known as the Brooke County Public Service District.

The territorial limits of the proposed district shall be:

All land within the boundaries of Brooke County, West Virginia, excepting, however those sewage authorities within the Cities of Weirton, Follansbee, Wellsburg, Beech Bottom and Bethany, and those areas covered by the existing Hooverson Heights Public Service District presently authorized to operate sewage service in Brooke County; provided, however, that any of the public service districts presently authorized to operate in Brooke County, but not presently furnishing sewage services may and do hereby become a part of the area to be served by this proposed public service district.

Further, it is the desire of the Brooke County Commission to proceed as soon as possible to comply with the laws of the State of West Virginia in establishing the Brooke County Public Service District; and furthermore a public hearing, as required by statute, will be held concerning this proposal at 7:30 p.m. on the 3rd day of December, 1975, and the same is so ordered.

ENTER:

s/ Henry A. Wilson
Henry A. Wilson, President
Brooke County Commission

Date: October 29, 1975

ATTEST:

s/ Anthony J. Filberto
Anthony Filberto
Brooke County Clerk

The date of December 3, 1975, was set for a public hearing on the proposed Public Service District, and the following Legal Notice was ordered published in The Brooke News and The Follansbee Review:

NOTICE

TO: All residents of Brooke County, West Virginia

On the 3rd day of December, 1975, at the hour of 7:30 p.m. EST, a hearing will be had before the County Commission of Brooke County, West Virginia, for the purpose of creating a Public Service District for sewage purposes. Said district to be named and known as the Brooke County Public Service District, and to enable the proposed public service district to collect, treat, purify and dispose of liquid or solid wastes, sewage or industrial wastes as provided for by Chapter 16, Article 13A of the West Virginia Code as amended.

The territorial limits of the proposed district shall be:

All land within the boundaries of Brooke County, West Virginia, excepting, however, those sewage authorities within the City of Weirton, Follansbee, Wellsburg, Bethany, Beech Bottom, and those areas covered by the existing public service district of Hooverson Heights Public Service District presently authorized to operate in Brooke County, but not presently furnishing sewage services may and do hereby become a part of this area to be served by this proposed Public Service District.

At which time you may appear to be heard for or against the creation of said district.

Dated this 29th day of October, 1975.

BROOKE COUNTY COMMISSION

By s/ Henry A. Wilson
Henry A. Wilson, it's President

Publish 2 Consecutive Weeks

Brooke News

Follansbee Review

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The following Erroneous Assessment was approved:

Buffalo District: Property listed in the name of Clarence E. & Virginia B. Riggs, described as 0.65 AC. W & W Pike and assessed in Class #2 Land 900 Bldg. 4100 Total 5000 is in error. This was sold to the Brooke County Park Association and is tax exempt. Please, therefore, exempt the 2nd half 1975 taxes of $35.11.

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Mr. Ray A. Shaw met briefly with the Commission, and final arrangements were made for Mr. Shaw, Mr. Wilson, and Mr. Filberto to go to Charleston tomorrow to confer with Governor Moore on proposed funds for the completion of the Renovation and Addition to the Courthouse.

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After due discussion and consideration, the following Order creating the Brooke County Public Service District was approved by motion of Alfred DeAngelis, seconded by John P. Teeters, and unanimously passed:

O R D E R

That the County Commission of Brooke County, West Virginia on this day December 10, 1975, in order to promote and preserve the public health, comfort, and convenience of the general public of Brooke County, West Virginia, does hereby order the creation of a public service district for the purpose of providing sewage services for the general public within Brooke County, West Virginia, as authorized by Chapter 16, Article 13A of the West Virginia State Code, as amended, to be known as the Brooke County Public Service District;

That such district is created subsequent to a public hearing, properly advertised, having been held on the 3rd day of December, 1975, at 7:00 o'clock P.M. in the Brooke County Courthouse, wherein a discussion, by all present, was held concerning the formation of the proposed Brooke County Public Service District as required by Statute;

Further, be it ordered that the territory to be embraced by the Brooke County Public Service District shall be all land within the boundaries of Brooke County, West Virginia, less however, those sewage authorities within the Cities of Weirton, Follansbee, Wellsburg, Bethany and Beech Bottom, and those areas now covered by the existing Hooverson Heights Public Service District;

Further, it is ordered that those sewage rights previously granted to the public service districts of Washington Pike Public Service District and Hammond Public Service District by this Commission are hereby rescinded and shall become a part of the Brooke County Public Service District, in that neither the Washington Pike Public Service District nor the Hammond Public Service District are presently furnishing sewage services, as authorized.

Entered this 10th day of December, 1975.

s/ Henry A. Wilson
Henry A. Wilson, President
Brooke County Commission

ATTEST: s/ Anthony J. Filberto
Anthony Filberto
Brooke County Clerk

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N.C

ORIGINAL

01-0754-PWD-AC

REGULAR ADJOURNED SESSION OF THE COUNTY COMMISSION OF BROOKE COUNTY,

WEST VIRGINIA, HELD THURSDAY, APRIL 26, 2001

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The County Commission of Brooke County, West Virginia, met in regular adjourned session this 26th day of April, 2001, at 3:30 o'clock p.m. at the Courthouse.

Present: Henry A. Wilson, President
Norman Schwertfeger and John A. Casinelli, Commissioners
Bob Riccelli, Administrator
Sylvia J. Benzo, County Clerk

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Motion was made by Norman Schwertfeger, seconded by John Casinelli, and unanimously passed to accept the minutes of the meeting held on April 19, 2001.

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The following correspondence was read:

Notification from the Law Firm of Phillips, Gardill, Kaiser & Altmeyer announcing that Ronald M. Musser has joined their Law Firm at 61 - 14th Street, Wheeling.

A notice from the Division of Criminal Justice Services approving a request from the Day Report Center for an adjustment in their Grant to purchase computers and printers.

A letter from the West Virginia Department of Transportation indicating that any project with the Federal Highway Administration must undergo a public review and comment period of at least 45 days. They ask for the list to be displayed until June 11, 2001. This will be displayed in the County Clerk's Office for the comment period.

An invitation from West Virginia University to participate in the West Virginia University Local Government Leadership Academy on June 2, 2001 at Lakeview Resort in Morgantown.

Notification from the Office of the State Auditor approving our Levy Estimate Budget for fiscal year beginning July 1, 2001.

A special invitation from the Brooke County Historical Museum to attend the 2001 Grand opening on Saturday, April 28, 2001 at 1:00 p.m.

A copy of the Brooke-Hancock-Jefferson Metropolitan Planning Commission agenda for May 1, 2001 at noon at the BHJ Office in Steubenville.

The above correspondence was ordered filed in the County Clerk's Office.

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The following miscellaneous information was received by the Commission and ordered filed in the County Clerk's Office:

Legal-1 Sven De Jong asked the Clerk to invite the Commission to the Bethany Volunteer Fire Department Open House on Saturday from noon to 4:00 p.m.

SS-2 Minutes of the Washington Pike Public Service District meeting of April 17, 2001.

W/WD-3

Engr-2 A copy of the minutes of the Brooke County Solid Waste Authority meeting of March 27, 2001.

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There were about seven members of the Brooke County Animal Welfare League present to express concerns about the number of animals that have been euthanized during the last month. Wayne Buxton, a member of the Animal Welfare League asked Donna DeJaro, Dog Warden to give a report on the number of animals that had been euthanized. Ms. DeJaro gave said report. The league members thought the figures she reported were too many animals to be put to sleep, without the knowledge of the league. Mr. Buxton read a letter to the Commission about numerous issues and concerns at the pound and indicated they have sought legal council. The members indicated that they were the agency that has a contract with the Commission and should have been notified of this incident. Members also expressed concerns that their Contract with the Commission is being terminated, however; were not given ample time to discuss this issue. They felt the Commission was not acting in good faith with issues pertaining to the Dog Pound as they are not notified of everything going on at the pound.

The members questioned numerous things at the pound, including a cell phone bill which they felt was too high, three employees attending a euthanasia seminar, which they did not know about, too many animals being euthanized without their knowledge, bills out of control at the pound and other issues.

Ms. DeJaro explained that according to the Contract she did not have to notify the League when animals were euthanized. She stated that numerous animals had kennel cough, were old or sick. League members indicated that kennel cough was curable. The Commission had sought an opinion from a local vet concerning a safe population for the shelter. It was noted that a letter was received from Dr. Holly Kossuth, who visited the Dog Pound and in her opinion she felt the shelter was over populated.

Ms. DeJaro also explained about the euthanasia seminar, that only two members were scheduled to attend, one of them backed out, and she was going to use the seminar to do her hours of continued education, as required.

Commissioner Casinelli indicated that they should get an opinion from the Prosecutor before discussing any issues with the League, since the League indicated that they had sought legal council. Mr. Buxton assured the Commission that the League is willing to work with them to resolve numerous issues.

The Commission commended the League for their dedication and volunteers in the Animal Welfare League, however; the Commission indicated that they had received numerous calls that there were entirely too many animals being kept at the Dog Pound. Mr. Casinelli indicated that some of the issues have just been brought to the attention of the Commission and the Commission is willing to sit down and go over these issues with the League.

Sheriff Kazienko indicated that emotions concerning the animals and issues were extremely intense and thought the meeting should be adjourned. After a lengthy discussion the Commission indicated that they will sit down with the League and go over the issues of concern.

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Norman Schwertfeger made a recommendation to the Commission to appoint the following to the Day Report Center as board members which included, Sheriff Bernard Kazienko, David B. Cross, Prosecutor, Judge Martin Gaughan, Norman Schwertfeger, WVU Extension Agent and Neil Nixon, Victim Assistance Project Director. John Casinelli made a motion, seconded by Norman Schwertfeger, and unanimously passed to appoint said members to the Board.

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John Casinelli presented to the Commission a format he would like to follow concerning the Commission's Agenda. He would like to have one meeting a month designated as a workshop meeting. He asked the Commission to consider the following format which include, ~~opening~~ the opening, prayer, pledge of allegiance, county administrator's report, financial matters, new business, old business, communications, department heads, elected officials, public requests and end with a prayer. The Commission agreed to consider

the new format and will discuss the need for a workshop meeting. They will advise the press when this could be adopted. Commissioner Schwertfeger indicated that he had a chance to visit Marshall County Commission meeting and thought their agenda was outlined in a good format. He stated that the Commission will be looking at the realignment of future meetings.

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Henry DeMasis was present and stated that the Veterans' Association will be opening their bids on May 2, 2001 at the Courthouse. The Commission had previously granted permission for them to use the Commission Office to open their bids.

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Rob Butts, Chairman of the Brooke County Public Service District was present and indicated that he had talked to Amy Swann of the Public Service Commission with regards to boundary lines for the Colliers Project and she told him that they would prefer longitude and latitude descriptions for a jurisdiction. Mr. Butts obtained said description for the Colliers Project along with a map of the area. John Casinelli made a motion, seconded by Norman Schwertfeger, and unanimously passed to adopt the following description for the Colliers Project and to authorize the Brooke County Public Service District to be the Water Authority. Said description being: Beginning at a point on the West Virginia-Pennsylvania State Line, said point being 40° 22.140' North Latitude and 80° 31.143" West Longitude; thence from said point, S. 180° 2983 feet to a point; thence W.270° 6230 feet to a point; thence N. 58°W. 792 feet to a point; thence N. 5°W.1795 feet to a point; thence N. 54° W. 8659 feet to a point; thence N. 27° W. 3485 feet to a point; thence N. 0°3538 feet to a point, said point being where Harmon Creek intersects the Hancock-Brooke County Line; thence following the centerline of Harmon Creek in a southeasterly direction, a distance of approximately 25,460 feet to the place of beginning. The Commission set the Public Hearing for May 21, 2001 and will publish a Notice of said hearing in the local paper and place the notice within the district.

Mr. Butts also stated that they had a meeting with residents of Bruin Drive, on their request to have a feasibility study for sewage extension past Brooke High along Bruin Drive, and there were about thirty (30) residents at the meeting.

Commissioner Schwertfeger commended the members of the Brooke County PSD and noted that the Commission appreciates their work to get water and sewer for areas in Brooke County.

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John Schwertfeger, Ambulance Director indicated that he was able to secure $20,000 in Legislative Digest Funds and would like to purchase a new ambulance. There was discussion on if these monies should be expended on other avenues due to the fact that money is tight in this fiscal year. The Commission will be glad to sit down and solidify what they can do with this money.

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Administrator Riccelli recommended that Thermo Twin Ind., Inc. be given the bid for the Courthouse window replacements. They were the low bidder for the window project. Mr. Riccelli would like the company to do $30,000 worth of windows, which is $30,000 in grant money and no county money. Norman Schwertfeger made a motion, seconded by John Casinelli, and unanimously passed to approve Mr. Riccelli's recommendation, pending the approval of the Prosecutor and Thermo Twin Ind., Inc.

The Commission also asked Mr. Riccelli to see if a representative from the Prosecutor's Office could be at the Commission meetings for at least the first fifteen (15) minutes of the meeting in case the Commission had legal issues to resolve.

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Invoices and vouchers were approved, and the following checks were ordered written:

General County Fund Check Nos. 1407 to 1468
Ambulance Service Fund - Check Nos. 253 to 263

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No further business to come before the Commission, John Casinelli made a motion to adjourn, seconded by Norman Schwertfeger, and unanimously passed.

-0-

Henry A. Wilson, President

Teste:

Clerk

01-0154-PSD-K

IN THE COUNTY COMMISSION OF BROOKE COUNTY, WEST VIRGINIA

ORDER

RECEIVED
2001 JUN -4 AM 10: 33
PUBLIC SERVICE COMMISSION SECRETARY'S OFFICE

WHEREAS, the Brooke County Public Service District, by and through its representatives, previously requested the Brooke County Commission to enlarge the Public Service District of said entity to permit the Brooke County Public Service District to become the provider of water services in Colliers, Brooke County, West Virginia; and

WHEREAS, the Brooke County Commission, on its own motion by Order duly adopted, has taken action pursuant to the provisions of Chapter 16, Article 13A, Section 2 of the West Virginia Code to enlarge the Brooke County Public Service District so as to permit it to provide water service to Colliers, Brooke County, West Virginia; and

WHEREAS, public notice was provided in the Brooke County Review, a newspaper of general circulation in Brooke County, West Virginia, by publication on the 10th day of May, 2001 advising that the Brooke County Public Service District will hold a public meeting on Monday, May 21, 2001 at 5:30 p.m. in the Colliers Primary School to hear comments on the order of the Brooke County Commission to authorize the BCPSD water authority over the Colliers area with a description of metes and bounds being made available at said meeting; and

WHEREAS, said public meeting was conducted at the Colliers Primary School in Brooke County, West Virginia on May 21, 2001 as set forth in the public notice with copies of the map detailing the boundary limits of water authority proposed for the Brooke County Public Service District and an explanation of the proposed expansion having been made to residents who attended said meeting; said public meeting having been held not more than forty days nor less than twenty days from the date of the action taken by the Brooke County Commission; and

WHEREAS, the Clerk of the County Commission of Brooke County, West Virginia has caused notice of the hearing and time and place thereof, setting forth a description of all of the territory proposed to be included in the aforesaid expansion to be published as a Class I legal advertisement in compliance with the provisions of Chapter 59, Article 3, Section 1 et. seq. of the West Virginia Code ten days prior to the public hearing, said publication being made within Brooke County, West Virginia as required by law; and

WHEREAS, all persons residing in or owning or having any interest in property in the proposed public service district has had an opportunity to be heard for or against the enlargement of the service area of the aforesaid public service district and the County Commission has given consideration to all representations made in this matter;

NOW, THEREFORE, the Brooke County Commission finds and determines that the proposal to grant water authority of the Brooke County Public Service District within the described area in Colliers, Brooke County, West Virginia, is proper and that the granting of such expansion will be conducive to the preservation of public health, comfort and convenience of such area, it is accordingly

ADJUDGED, ORDERED and DECREED, that the Brooke County Commission hereby grants authority to the Brooke County Public Service District to provide water services within the geographic boundaries set forth in the description attached to this Order in Colliers, Brooke County, West Virginia. The Commission further orders that the description for Colliers Project setting forth the metes and bounds of the enlargement of water service area be attached hereto and made a part of this Order along with the map prepared for the expansion described herein and that the same be considered a part hereof.

The Commission further orders that the Certificate of Publication reflecting proper public notice having been given in this matter be incorporated into the records

of the Brooke County Commission.

The Commission further orders that upon the entry of this Order that the Brooke County Clerk submit a sealed copy of the same to the West Virginia Public Service Commission.

DATED: May 31, 2001

ENTER:

Norman Schwertfeger

NORMAN SCHWERTFEGER
COMMISSIONER

Henry A. Wilson

HENRY WILSON,
COMMISSIONER

John Anthony Casinelli

JOHN CASINELLI,
COMMISSIONER

ATTEST:

Sylvia J. Benzo

SYLVIA BENZO,
BROOKE COUNTY CLERK

DESCRIPTION FOR COLLIERS PROJECT

Beginning at a point on the West Virginia-Pennsylvania State Line, said point being 40° 22.140' North Latitude and 80° 31.143' West Longitude; thence from said point, S. 180° 2983 feet to a point; thence W. 270° 6230 feet to a point; thence N. 58° W. 792 feet to a point; thence N. 5° W. 1795 feet to a point; thence N. 54° W. 8659 feet to a point; thence N. 27° W. 3485 feet to a point; thence N. 0° 3538 feet to a point, said point being where Harmon Creek intersects the Hancock-Brooke County Line; thence following the centerline of Harmon Creek in a southeasterly direction, a distance of approximately 25,460 feet to the place of beginning.

RECEIVED
2001 JUN -4 AM 10: 33
W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

REGULAR ADJOURNED SESSION OF THE COUNTY COMMISSION OF BROOKE COUNTY,

WEST VIRGINIA, HELD TUESDAY, OCTOBER 28, 2003

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The County Commission of Brooke County, West Virginia, met in regular adjourned session this 28th day of October, 2003, at 3:00 p.m. at the Courthouse.

Present: Norman Schwertfeger, President
John Casinelli and Norma Tarr, Commissioner
Sylvia J. Benzo, County Clerk

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The Commission held their preliminaries before the meeting, including the opening prayer and pledge of allegiance.

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Motion was made by Norma Tarr, seconded by Norman Schwertfeger, and unanimously passed to accept the minutes of the meeting held on October 21, 2003.

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The following correspondence was read:

An invitation from "A Child's Place CASA in conjunction with national Make A Difference day to attend a lunch to connect area elected officials with CASA Volunteers to be held on November 5, 2003 at noon at the CASA Office, 736 Charles Street, Wellsburg. The Commission asked the Clerk to send their regrets as they have a BHJ meeting on the same day at noon.

A fax from the West Virginia Association of Counties letting us know that PEIA hearings will be held during the month of November around the State. A copy was given to Commissioner Tarr.

A letter from Joseph J. Cicchirillo, 857 Donegal Drive East, Follansbee asking to be appointed to the Brooke County Public Service District Board.

A letter from Brian L. Ferguson, 140 Hiddenwood Acres, Wellsburg asking to be considered for the Brooke County Parks and Recreation Board.

A letter from the West Virginia Association of Counties indicating they are exploring the possibility of forming a municipal insurance pool to be owned and operated by their members to provide property-casualty insurance coverages as an alternative to the commercial markets and to the State Board of Risk. They need information in order to evaluate insurance alternatives for their members.

A letter from Terry L. Bonaventura, 102 Chips Lane, Follansbee asking to be considered for the position on the Brooke County Public Service District Board.

A letter from the Wellsburg Chamber of Commerce to attend their annual dinner at Harder Hall in Bethany on November 13, 2003 beginning at 6:30 p.m.

A request from John Murray of the Business Development Corporation for continued participation in the Certified Development Community Program. They request that a letter of support be signed by the Commission and to agree to pledge $15,000 for fiscal year 2003-2004 to be used as a cash

match toward the $60,000 grant being made available by the State. John Casinelli made a motion, seconded by Norma Tarr, and unanimously passed to participate in said program.

A letter from the Division of Criminal Justice Services indicating that they have completed an on-site program review for the P.R.I.D.E. Program Grant.

A copy of the minutes of the Brooke County Public Service District minutes of their September 10, September 29, October 8, October 10, 2003 meetings.

A notice from the County Commissioners' Association that they have changed the Regional meeting for Region 2 (Doddridge, etc.) to be held on November 12, 2003 from 10:00 a.m. until noon at the Wirt County Courthouse.

A request from Change, Inc. for payment under the First Time Homebuyer Program for down payment and closing cost assistance under the program. Norma Tarr made a motion, seconded by Norman Schwertfeger, and passed to sign said request for payment of George M. Peveich and Angela M. Peveich.

A copy of the minutes of the Washington Pike Public Service District meeting of October 21, 2003.

A brochure from the Bureau of Business & Economics of the 10th Annual West Virginia Economic Outlook Conference to be held on November 13, 2003 at the Charleston Marriott.

A fax from the West Virginia Association of Counties indicating that the PEIA Finance Board met on October 23rd and provisionally adopted the financial Plan for the next five years.

A copy of the West Virginia State Route 2/Interstate 68 Authority minutes of their September 22, 2003 in Monongalia County.

A fax from The Secretary of State's Office letting us know that according to the Help America Vote Act (HAVA) there are many federal mandates and they will keep us updated with details as they receive them. They are going to provide a new, centralized, single, uniform voter registration computerized system by the end of 2003.

A letter addressed to Rob McMahon indicating that authorization has been made to receive a check in the amount of $527.47 as a result of a claim filed on 10/17/03. He will check with Larry Rea, OES Director to make sure there are funds in the OES Budget to cover these repairs.

A letter from E. L. Robinson advising that they anticipate aggregate quantity for the Weirton Veterans Memorial Park is 220 tons. They need a letter from the supplier indicating that they are willing to donate these items so that it may be included in the bid documents.

A letter from Jerry A. Lewis, RD2, Box 255 Morton Road, Colliers asking that he be considered for the Brooke County Public Service District appointment.

A letter from the Brooke County Public Service District recommending the appointment of Terry Bonaventura to fill the board position.

A petition to reopen the estate of Donald G. Jellots to transfer certain stocks listed on the appraisement. Norma Tarr made a motion, seconded by Norman Schwertfeger and passed to authorize the reopening of said estate.

The above correspondence was ordered filed in the County Clerk's Office.

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Barbara Zimmox of BHJ was present to invite the Commission to attend an informational meeting in Colliers on November 5, 2003 at 7:00 p.m. Members of Burgess & Niple and the construction company will be present to answer any questions on the sewer project.

She also asked the Commission to sign a letter for the Colliers Project requesting a budget revision and amended payment request. In the first three draws, funds were requested and payment of legal fees received, however; procurement procedures were not followed and a budget revision needs to be done. She indicated that it was also necessary to adjust the administration line item. Fees from Invoice #3 from BHJ contained fees for mapping from Kucera International for $8,215.00 which need to be placed in the mapping line item budget in SRF funds. Norma Tarr made a motion, seconded by Norman Schwertfeger, and passed to approve said request.

She also asked the Commission to adopt a resolution indicating that they are in receipt of a Small Cities Block Grant for $743,000 and have divided the grant into specific budget lines. They were advised by the Brooke County Public Service District that legal fees should be eliminated from the SCBG budget and paid from the SRF funds and engineering fees should be adjusted to include this $10,000. Norma Tarr made a motion, seconded by Norman Schwertfeger and passed to adopt said resolution.

She also requested the Commission sign a letter to the West Virginia Development Office containing a progress report on the SCBG Project for Colliers Sewer which supports the request for payment for $25,013.34. This amount includes administration of the project for $20,713.34 dating back to May 14, 2000 and $4,300 for the land acquisition of the right-of-way from the State Rail Authority. The Commission approved said request.

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Bill Liposchak and Lou Feola, board members of the Brooke County Public Service District were present to recommend the appointment of Terry Bonaventura on the Board. Mr. Liposchak indicated that they would like to have someone from the northern part of the county since the next two projects will be dealing with that area. Norma Tarr made a motion, seconded by Norman Schwertfeger and passed to appoint Terry Bonaventura to the Brooke County Public Service District board. He will fill the unexpired term of Rob Butts who recently resigned due to his relocation.

They also presented to the Commission a map of the Follansbee/Eldersville Road area and explained the Phases to be done.

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Norman Schwertfeger made a motion, seconded by John Casinelli, and unanimously passed to appoint Michael Rasz to the Brooke County Parks and Recreation Commission Board.

John Casinelli made a motion, seconded by Norma Tarr, and unanimously passed to reappoint Don Gianni and Paul DiGiacinto to the Brooke County Parks and Recreation Commission Board.

John Casinelli made a motion, seconded by Norman Schwertfeger, and passed to reappoint Henry Tarr to the Brooke County Parks and Recreation Commission Board. Norma Tarr abstained from voting.

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Sheriff Kazienko was present and indicated that he would like to

participate in a program sponsored by the AARP. This program pays for an individual to come work and train in the Tax Office and AARP pays for the benefits. John Casinelli made a motion, seconded by Norma Tarr, and unanimously passed to authorize his participation in this program.

He also indicated that he had money left over from last years budget from the road construction project which he would like to use to purchase a new vehicle. Commissioner Casinelli indicated that they had put extra money in his budget to be able to help with the purchase of a vehicle. The Commission would like to discuss this matter further with him before they made a decision.

He discussed with the Commission having two phone lines installed to accommodate wireless 911 customers. Also present was Marsha Kazienko and Bill Elcesser who explained that Phase I is going to be identify the numbers of all cell phone users and Phase II is the XY coordinates to locate the phone. They will be giving further information within the next few weeks on this project.

Sheriff Kazienko received two bids for the purchase of a new vehicle, however; the Commission asked that he get a third bid. Commissioner Casinelli asked that a letter be written to the Prosecutor to see if something could be done in the bid process to keep contracts for local vendors or something special done if they use American Steel of American products.

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Cindy Haught and Donna DeJaro of the Animal Shelter were present and wanted to thank Gilda Birmingham for getting gravel for them for the shelter. Donna DeJaro indicated that they ordered the gravel, however; it might be a little more than the BCAWL was going to pay. The Commission indicated that the County would pay the difference.

Sheldon Beauty of the BCAWL was present and asked if the shelter had participated in Christmas in the Park in Follansbee. Cindy Haught indicated that they were present at the Park.

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Commissioner Tarr asked Mr. Beauty if some type of sign could be placed at the bottom of Route 27 indicating the direction to Brooke Hills Park. The Commission asked that a letter be sent to Kurt Donley of the DOH for a sign with copies sent to our legislators.

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Rob McMahon, Assistant Director of OES was present to ask the Commission for a pin number to purchase gas from the school. Sheriff Kazienko will contact Ron Ujcich. He would also like to make application for a credit card for expenses when they go out of town.

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Greg Williams of East Parkway was present to question the Commission on findings that was done by a steering committee and what has been done to rectify problems in the ambulance service. The Commission answered some of his questions and directed him to talk with John Schwertfeger, Ambulance Director.

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Sheriff Kazienko suggested the Commission write a letter to the family of Tom Boyd since he was involved on numerous boards and committees in the county. Commissioner Schwertfeger will contact Dave Cross, Prosecutor to

REGULAR ADJOURNED SESSION OF THE COUNTY COMMISSION OF BROOKE COUNTY,

WEST VIRGINIA, HELD MONDAY, DECEMBER 18, 2006

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The County Commission of Brooke County, West Virginia, met in regular adjourned session this 18th day of December, 2006 at 3:00 p.m. at the Courthouse.

Present: Norma Tarr, President
John Casinelli and Bernard L. Kazienko, Commissioners
Sylvia J. Benzo, County Clerk

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The Commission held their preliminaries before the meeting including a prayer and pledge of allegiance.

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Motion was made by Bernard Kazienko, seconded by John Casinelli, and unanimously passed to approve the minutes of the meeting held on December 11, 2006.

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Barb Zimmox of BHJ was present and gave to the Commission a copy of a Preliminary Engineering Report on the Route 67 Water Project. She indicated that the cost was estimated to be about $406,000 for twelve homes. They did a breakdown on the project and stated that the Public Service District could not absorb more than a $100,000 loan for the project. The Commission discussed this and signed a letter to be sent to to Congressman Mollohan asking for his assistance for funding for the project. The Commission thanked her for all her efforts on this project.

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The following correspondence was read:

A fax from the Probation Office letting us know they are holding a benefit luncheon for Shawn Spencer, a victim of violence this year, at the Paddlewheel Lounge, 8th Street, Wellsburg on December 18, 2006 from 11:00 a.m. to 3:00 p.m.

A fax from John Brown of BHJ attaching a Letter of Understanding between the City of Weirton and BHJ regarding an understanding that the US EDA through BHJ will provide $20,000 for the proposed Brooke County Comprehensive Plan. Bernard Kazienko made a motion, seconded by John Casinelli, and unanimously passed to approve the Letter of Understanding with a correction that this be Brooke County and not the city.

A copy of a letter the Prosecutor sent to John Schwertfeger, Ambulance Director that he does not believe the Commission can legally be given status as a 501 (C) (3) entity by the I.R.S., but he encourages him to check with a CPA.

A letter from Sylvia Taylor, Chairman of the Board of Health letting us know that James Hood's term on the Board of Health will expire on December 31, 2006 and he does not want to be reappointed. The Commission will wait two weeks to allow others that may be interested a chance to submit a resume.

A letter from Norman Schwertfeger, WVU Extension Agent recommending Lois Flouhouse to fill the vacancy in his office for a secretary and

requesting January 2, 2007 as the start date. Roy Givens was present and indicated that he serves on the Extension Board and they met and signed an agreement to hire her. John Casinelli made a motion, seconded by Bernard Kazienko, and unanimously passed to approve the request.

A fax from the County Commissioners' Association encouraging the Commission to attend the Commissioners' Association meeting on January 29, 2007 at the Marriott Hotel in Charleston.

A copy of a letter sent to Steve Canterbury, Supreme Court Administrator from the State Auditor's Office enclosing a copy of the Report on Applying Agreed-Upon Procedures of the Brooke County Magistrate Court for the period ending December 31, 2005.

A check in the amount of $10,000 as reimbursement for the Hooverson Heights Volunteer Fire Department.

A Home Request For Payment from Change, Inc. for Sara R. Lanigan under the First Time Homebuyer Program. John Casinelli made a motion, seconded by Bernard Kazienko, and unanimously passed to approve the request.

A fax from Change, Inc. of their November monthly report under the First Time Homebuyer Program and letting us know Brooke County was awarded $66,894 for FY06-07 and did one home inspection. We must also do a legal ad for a public hearing for the Program using HUD Guidelines.

A packet of information sent to the OES Office enclosing the final Emergency Action Plans for Dutch Fork Lake Dam located in Washington County for our review. This dam follows the flood plain of Buffalo Creek and Bethany, McKinleyville. They want us to give our approval and they will forward it to the DEP for review. A copy will be given to Rob McMahon, Interim OES Director.

A check in the amount of $991.33 for reimbursement under the Records Management Grant.

A check in the amount of $37,500 as reimbursement under the DHHR Grant.

A check in the amount of $9,253.18 as reimbursement for the Victim Assistance Program for October.

A letter from Karen McClain, Brooke County Health Department Administrator asking the Commission to adopt a Proclamation to declare January as Radon Action Month in Brooke County. John Casinelli made a motion, seconded by Bernard Kazienko, and unanimously passed to approve said Proclamation.

A letter from the Courthouse Facilities Improvement Authority asking us to submit our monthly report, due by December 20th.

A letter from the U. S. Department of Commerce to Larry Rea soliciting dates for the spring 2007 SKYWARN training session and asking us if we want to host a class. This will be given to Rob McMahon.

A letter from the State who reviewed the Assessor's Property Valuation Training and found that we are in compliance with all areas that were reviewed.

A copy of the Business Development Corporation of the Northern Panhandle Agenda for December 21, 2006 meeting and a copy of their November 16, 2006 minutes.

A letter the Legislative Post Audit Division sent to McKinleyville VFD enclosing a copy of their auditor report which covers years ending December

31, 2002, 2003 and 2004.

The above correspondence was ordered filed in the County Clerk's Office.

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Bernard Kazienko made a motion, seconded by John Casinelli, and unanimously passed to award the roofing contract for the courthouse to Mansuetto Roofing and the masonry project to Angelina Stone. The Commission is in the process of establishing a Building Commission.

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Bernard Kazienko made a motion, seconded by John Casinelli, and unanimously passed to appoint Karen Mezan to a full term on the Brooke County Public Service District Board. Archie Doll had also submitted a letter of interest in serving, however; the Commission did not appoint him to fill the unexpired term of Lou Faola as they did not know if his employment with the Washington Pike PSD would be a conflict of interest.

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The Commission announced that the next Commission meeting will be held on January 3, 2007 at 3:00 p.m.

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The Commission read a Resolution to extend public recognition to Ruby Greathouse for her services to Brooke County and will put a plague up along the Pioneer Trail for her services. The Commission also acknowledged the services of Roy Givens who also does a lot of volunteer work for the County and also to County Commissioner John Casinelli who will be leaving office at the end of the year to thank him for his service to the County for the past six years. Marty Bartz will be the new commissioner on January 1, 2007.

Roy Givens was present and thanked the Commission. He also updated the Commission on the homes the county purchased because of the previous flood. The County so far has purchased four homes with one to go. He advertised for an asbestos inspector and no one applied for the job. He has a contractor from Parkersburg that he will contact.

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John Casinelli made a motion, seconded by Bernard Kazienko, and unanimously passed to authorize the transfer of $20,000 to the Economic Development Authority (EDA) for its operation. The money will be transferred from the Business Development Account.

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No further business to come before the Commission Bernard Kazienko made a motion to adjourn, seconded by John Casinelli, and unanimously passed.

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Invoices and vouchers were approved and the following checks were ordered written:

General County Fund - Check Nos. 9488 through 9530 for $28,016.50
Check No. 9531 - Transfer to WV Deputy Sheriff System for $28.00
Ambulance Service Fund - Check Nos. 2440 through 2448 for $50,709.53
Fire Department Levy - Check Nos. 1614 through 1624 for $8,211.48

E-911 Communications - Check Nos. 1455 through 1456 for $1,379.15
State Government Grants - Check Nos. 1424 through 1424 for $10,029.79
Home Confinement Fees - Check No. 1422 for $2,474.00
Magistrate Court Fund - Check No. 1423 for $210.00

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No further business to come before the Commission, Bernard Kazienko made a motion to adjourn, seconded by John Casinelli, and unanimously passed.

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Norma Tarr

Norma Tarr, President

Teste:

Sylvia J. Benzo

Sylvia J. Benzo, County Clerk

BROOKE COUNTY COMMISSION
632 Main Street
Wellsburg, West Virginia 26070

COMMISSIONERS
Bernard L. Kazienko
Norma Tarr
Marty Bartz, Jr.

Tel: 304 737-4024 - Fax: 304 737-4023

Sylvia J. Benzo, Clerk

January 7, 2009

Archie Doll
RD1, Box 352E
Northview Road
Wellsburg, WV 26070

Dear Mr. Doll:

Please be advised that the Brooke County Commission re-appointed you to serve another term on the Brooke County Public Service District Board which will begin on January 1, 2009 through December 31, 2014.

At your earliest convenience please go to the County Clerk's Office to take the oath of office.

Thanking you in advance for your cooperation in this matter.

Sincerely,

Sylvia J. Benzo

Sylvia J. Benzo
Brooke County Clerk

LAST NAME: Bonaventura FIRST NAME: Terry MI: D.

TITLE: Public Service District

COMPANY: Brooke County Public Service District

STREET ADDRESS: 102 Chips Lane

CITY: Follansbee STATE: WV

ZIP: 26037

PHONE 1: 527-4198

PHONE 2:

COMMENTS: Appointed to fill unexpired term of Rob Butts
Appointed 10/28/03 to 12/31/06
Reappointed Term Expires: 12/31/10

LAST NAME: Doll FIRST NAME: Archie MI:

TITLE: Public Service District

COMPANY: Brooke County Public Service District

STREET ADDRESS: RD1, Box 352E, Northview Road

CITY: Wellsburg STATE: WV

ZIP: 26070

PHONE 1:

PHONE 2:

COMMENTS: Replaced Lou Feola when he died
Term Expires: 12/31/08
Reappointed: 1/1009 through 12/31/2014

LAST NAME: Mezan FIRST NAME: Karen MI:

TITLE: Public Service District

COMPANY: Brooke County Public Service District

STREET ADDRESS: 967 Washington Pike

CITY: Wellsburg STATE: WV

ZIP: 26070

PHONE 1: 737-1430

PHONE 2:

COMMENTS: Replaced Bill Liposchak (Term Expires 12/31/12

STATE OF WEST VIRGINIA

COUNTY OF BROOKE, TO-WIT:

I, Archie Lee Doll, do solemnly swear (or affirm) that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will honestly and faithfully discharge my duties as member of the Brooke County Public Service District Board for a term beginning January 1, 2009 through December 31, 2014

to the best of my skill and judgment.

Archie Lee Doll

TAKEN, subscribed and sworn to before me this 13th day of January, 20 09.

Clerk of the County Commission
of Brooke County, West Virginia

Sylvia J. Benzo
Deputy

STATE OF WEST VIRGINIA, COUNTY OF BROOKE, to-wit:

The foregoing paper writing was this day, January 13, 2009 at 3:30 a.m. (p.m.) presented for record in my office, and thereupon, together with the certificate thereto annexed is admitted to record.

Teste: Sylvia J. Benzo Clerk, Brooke County Commission

I, Sylvia J. Benzo, Clerk of the County Commission of Brooke County, ~~the same being~~ a Commission of record, having the custody of the files, journals and records of said County, do certify that the foregoing is a true and accurate copy of Certificate of Oath of Office as a member of the Brooke County Public Service District Board

as the same appears of record in my office, in Oath Book No. 7 Pg. No. 221 and I further certify that I have carefully compared the foregoing copy with the original record and that the same is a full and correct transcript thereof. IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Commission at Wellsburg, Brooke County, West Virginia, this 3rd day of November, 2009.

Sylvia J. Benzo
Clerk, County Commission, Brooke County, WV

By _____
Deputy

STATE OF WEST VIRGINIA

COUNTY OF BROOKE, TO-WIT:

I, T. L. Bonaventura, do solemnly swear (or affirm) that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will honestly and faithfully discharge my duties as member of the Brooke County Public Service District Board. (Replaces Rob Butts)

to the best of my skill and judgment.

T. L. Bonaventura

TAKEN, subscribed and sworn to before me this 31st day of October, 2003.

Sylvia J. Benzo
Clerk of the County Commission
of Brooke County, West Virginia

Deputy

STATE OF WEST VIRGINIA, COUNTY OF BROOKE, to-wit:

The foregoing paper writing was this day, October 31, 2003 at 4:14 p.m. presented for record in my office, and thereupon, together with the certificate thereto annexed, is admitted to record.

Teste: Sylvia J. Benzo Clerk, Brooke County Court

I, Sylvia J. Benzo, Clerk of the County Commission of Brooke County, the same being a Commission of record, having the custody of the files, journals and records of said County, do certify that the foregoing is a true and accurate copy of certificate of Oath for T. L. Bonaventura on the Brooke County Public Service District Board

as the same appears of record in my office, in Oath Book No. 7 Pg. No. 16 and I further certify that I have carefully compared the foregoing copy with the original record and that the same is a full and correct transcript thereof. IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Commission at Wellsburg, Brooke County, West Virginia, this 19th day of January, 2010.

Sylvia J. Benzo
Clerk, County Commission, Brooke County, WV

By _____
Deputy

STATE OF WEST VIRGINIA

COUNTY OF BROOKE, TO-WIT:

I, Karen Mezan, do solemnly swear (or affirm) that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will honestly and faithfully discharge my duties as member of the Brooke County Public Service District, term to expire December 31, 2012.

to the best of my skill and judgment.

Karen Mezan

TAKEN, subscribed and sworn to before me this 8th day of January, 2007.

Sylvia J. Benzo
Clerk of the County Commission
of Brooke County, West Virginia

Deputy

STATE OF WEST VIRGINIA, COUNTY OF BROOKE, to-wit:

The foregoing paper writing was this day, January 8, 2007 at 9:00 a.m., p.m. presented for record in my office, and thereupon, together with the certificate thereto annexed is admitted to record.

Teste: Sylvia J. Benzo Clerk, Brooke County Commission

I, Sylvia J. Benzo, Clerk of the County Commission of Brooke County, the same being a Commission of record, having the custody of the files, journals and records of said County, do certify that the foregoing is a true and accurate copy of Certificate of Oath of Office as a member of the Brooke County Public Service District Board

as the same appears of record in my office, in Oath Book No. 7 Pg. No. 122 and I further certify that I have carefully compared the foregoing copy with the original record and that the same is a full and correct transcript thereof. IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Commission at Wellsburg, Brooke County, West Virginia, this 3rd day of November, 2009

Sylvia J. Benzo
Clerk, County Commission, Brooke County, WV

By

Deputy

"RESOLUTION ESTABLISHING RULES BY WHICH THE TIME AND PLACE OF ALL REGULARLY SCHEDULED MEETINGS AND THE TIME, PLACE AND PURPOSE OF ALL SPECIAL MEETINGS ARE TO BE MADE AVAILABLE, IN ADVANCE, TO THE PUBLIC AND NEWS MEDIA AND PROVIDING WHEN THIS RESOLUTION AND SUCH RULES SHALL TAKE EFFECT."

Be it Resolved and Ordered by The Brooke County Public Service District,Brooke County, West Virginia:

Section 1. Statutory Mandate for These Rules. The rules established in and by this Resolution are mandated by and promulgated pursuant to Chapter 6, Article 9A, of the Code of West Virginia, 1931, as amended (herein called the "Act"), and other applicable provisions of law.

Section 2. Findings and Determinations. It is hereby found, determined and declared as follows:

(A) Section 3 of the Act requires each governing body, as defined in the Act, to promulgate rules by which the time and place of all regularly scheduled meetings and the time, place and purpose of all special meetings are made available, in advance, to the public and news media.

(B) The Public Service Board of Brooke County Public Service District, Brooke County, West Virginia (herein called the "Board"), is a governing body within the meaning of the Act.

(C) Accordingly, it is hereby ordered that the rules set out in Section 3 hereof be promulgated and established as Rules of Procedure of the Board.

Section 3. Rules. The following are hereby promulgated and established as Rules of Procedure of the Board:

Rule No. 1. Notice of Regularly Scheduled Meetings. Immediately after adoption of this Resolution and in July of each year thereafter, the Board shall instruct the Secretary to, and the Secretary shall, post, and leave posted throughout the year to which it applies, at the regular meeting place where notices customarily are posted a notice setting forth the times and places of the Board's regularly scheduled meetings for the ensuing year. Such notice shall be of size and style sufficient to give notice and shall be of quality

sufficient to withstand deterioration throughout the year to which it applies. Additional copies of the notice shall be delivered to the Secretary.

Also immediately after adoption of this Resolution and in July of each year thereafter, the Board shall instruct the Secretary to, and the Secretary shall, distribute to each of the newspapers, television stations, radio stations and other news media listed below a notice identical to that posted.

BROOKE COUNTY NEWS MEDIA

News Media	Address
The Wheeling Intelligencer	Weirton/Steubenville Division 1500 Main Street Wheeling, WV 26003
Weirton Daily Times The Herald Star	Brook County Bureau 61 Seventh Street Wellsburg, WV 26070
The Brooke News	P.O. Box 591 Wellsburg, WV 26070
Brooke County Review	319 Charles Street Wellsburg, WV 26070
WDIG AM 950	News Director 4030 Sunset Boulevard Steubenville, OH 43952
WTOV-TV	News Director P.O. Box 9999 Steubenville, OH 43952
WSTV Radio	320 Market Street Steubenville, OH 43952

A notice shall be considered distributed to a news medium when it has been addressed to such news medium at the address listed above, or at such other address as the news medium has in writing requested be used, marked or stamped with first class postage and deposited in the United States mail. In June of each year after the adoption of this Resolution, the Board shall review the above list and shall amend such list as needed, in the opinion of the Board, to reflect properly all the newspapers, television stations, radio stations and other news media that customarily cover news of the area served by the Board.

In the event of any modification in the time or place of a regularly scheduled meeting of the Board, notice of such modification shall be given to the public and news media by posting at the place and distributing to the news media in the manner set forth above, not less than three (3) days prior to the date of such regularly scheduled meeting, or, if such regularly scheduled meeting has been rescheduled for an earlier time, prior to the date of such rescheduled meeting, a notice setting forth such modification in the time or place of such regularly scheduled meeting. A copy of such notice shall be attached to and made a part of the minutes of the meeting for which such notice was given.

Notwithstanding the foregoing provisions, notice of the recess or adjournment of a regularly scheduled meeting and of the time and place for the continuation or reconvening thereof publicly given during such regularly scheduled meeting shall be adequate notice to the public and news media of the time and place thereof.

Provided, failure of the Secretary to comply exactly with the posting and distribution requirements hereof shall not invalidate the actions taken at the meeting for which such notice was posted and distributed if the Board shall determine that such posting and distribution were in substantial compliance herewith.

Rule 2. Notice of Special Meeting. Not less than three (3) but not more than eight (8) days prior to the date set for any special meeting of the Board, the Board shall instruct the Secretary to, and the Secretary shall, post on the door of the regular meeting place of the Board, and at such other place, if any, where notices customarily are posted a notice setting forth the time, place and purpose or purposes of such special meeting. Business at such special meeting shall be limited to the purpose or purposes specified in said notice.

As soon as practical after the posting of said notice, but not less than three (3) days prior to the date set for such special meeting, the Secretary shall distribute to each of the newspapers, television stations, radio stations and other news media listed in Rule No. 1 hereof a notice identical to that posted. Amendments made to such list, as provided for in said Rule No. 1, shall be incorporated by reference in this Rule No. 2. A notice shall be considered distributed to a news medium when it has been addressed to such news medium

at the address listed in said Rule No. 1, or at such other address as the news medium has in writing requested be used, marked or stamped with first class postage and deposited in the United States mail.

A copy of such notice posted and distributed pursuant to this Rule No. 2 shall be attached to and made a part of the minutes of the meeting for which such notice was given.

Notwithstanding the foregoing provisions, notice of the recess or adjournment of any special meeting and of the time and place for the continuation or reconvening thereof publicly given during such special meeting shall be adequate notice to the public and news media of the time and place thereof, the purpose or purposes therefor remaining the same.

Provided, failure of the Secretary to comply exactly with the posting and distribution requirements hereof shall not invalidate the actions taken at the meeting for which such notice was posted and distributed if the Board shall determine that such posting and distribution were in substantial compliance herewith.

Rule No. 3. Emergency Meeting. A meeting as of the Board may be held without the notice to the public and news media required by Rule No. 1 and Rule No. 2 hereof only in the event of any emergency requiring immediate official action. The existence for such an emergency requiring immediate official action shall be determined by the Board and shall be attested to in a certificate by the Secretary describing such emergency and setting forth the reason or reasons immediate official action is required, which certificate shall be attached to and made a part of the minutes of such emergency meeting.

Section 4. Conflicting Provisions Repealed. All resolutions, orders and rules, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflicts, hereby repealed.

[Remainder of Page Intentionally Left Blank]

Section 5. Effective Time. This Resolution and the rules promulgated hereby shall take effect immediately upon the adoption hereof.

Introduced at Board Meeting: 11/12/97

Adopted by Board: Brooke Co PSD

Chairman

[SEAL]

Secretary

CHASFS3:107373

Brooke County Public Service District
711 Charles Street, P.O. Box 150
Wellsburg, WV 26070
Phone: (304) 737-4077 Fax: (304) 737-4079

To: Honorable Sandra Squire-PSC **Fax #** 304-340-3759

From: Janet Klein - Off. Mgr. **Date:** 03/12/08

Re: Case # 08-0164-PSD-CN: 2 (not including cover)

CC:

☐ Urgent ☐ For Review ☐ Please ☐ Please Reply

Message:

Attached please find the Brooke County Public Service District's invoice from the Brooke County Review for the publication for the 'Notice of Filing' in the above case.

Thank you,

Janet Klein,
Office Mgr.

RECEIVED
08 MAR 12 PM 1:18
W VA PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

RECEIVED
2008 FEB 12 PM 1:18
PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

CERTIFICATE OF PUBLICATION

The Brooke County Review
Brooke County
Wellsburg, West Virginia

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered by the Public Service Commission of West Virginia, in the City of Charleston on the 20th day of February, 2008.

CASE NO. 08-0 184-PSD-CN
BROOKE COUNTY PUBLIC SERVICE DISTRICT
Wellsburg, WV 26070.

Application for a Certificate of Convenience and Necessity to construct a wastewater collection system to provide public sewage service in the Mahan Lane, Bruin Drive, and Eldersville Road areas of Brooke County, including all or portions of the following roads: Sunview Lane, Woodvue Lane, Latimer Avenue, Walker Road, Madonna Lane, Forest Lane, Brookview Drive, Evergreen Acres, Browns Road, Hontono Ave, County Route 7/2, Cross Creek Road, Leon Street, and Grimms Lane.

AMENDED NOTICE OF FILING

WHEREAS, on February 15, 2008, the Brooke County Public Service District filed an application, duly verified, for a Certificate to construct certain additions and improvements to the wastewater collection system in Brooke County. The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, in Charleston, West Virginia.

WHEREAS, the Brooke County Public Service District estimates that construction will cost approximately $ 13,165,000. It is proposed that the construction will be financed as follows:

Special Appropriations Grant	$ 9,872,200
Infrastructure & Jobs Development Council Loan (0%, 40 yr)	$ 2,517,800
Infrastructure & Jobs Development Council Grant	$ 775,000

WHEREAS, the utility anticipates charging the following sewage rates for its customers:

RATES:

First 5,000 gallons used per month	$10.80 per 1,000 gallons
All over 5,000 gallons used per month	$ 8.85 per 1,000 gallons

MINIMUM CHARGE: (Customers with a metered water supply)
Each customer shall pay a minimum charge of
(Equivalent to 4,000 gallons of water usage) $ 43.20 per month

FLAT RATE CHARGE. (Customers with non-metered water supply)
Each customer shall pay a minimum charge of
(Equivalent to 4,600 gallons of water usage) $ 46.80 per month

DELAYED PAYMENT PENALTY
percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.
The above schedule is net. On all current usage billings not paid in full when due, ten

CONNECTION FEE $ 350.00

A tap fee of $ 100.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Public Service Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of $ 350.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Public Service Commission for each new tap to the system.

These rates represent the following project-related increases:

	$ Increase	% Increase
Residential	$1.78 per 1,000 gal	16.5%

The proposed increased rates and charges will produce approximately $827,594 annually in revenue; an increase of 7.1.9%.

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing.

Pursuant to §24-2-11, West Virginia Code, IT IS ORDERED that the Brooke County Public Service District give notice of the filing of said application by publishing a copy of this order once in a newspaper duly qualified by the Secretary of State, published and of general circulation in Brooke County, making due return to this Commission of proper certification of publication immediately after publication. Anyone desiring to protest or intervene should file a written protest or notice of intervention within 30 days following the date of this publication unless otherwise modified by Commission order. Failure to timely protest or intervene can affect your right to protest aspects of this certificate case, including any associated rate increases, or to participate in future proceedings. All protests or requests to intervene should briefly state the reason for the protest or intervention. Requests to intervene must comply with the Commission's rules on intervention set forth in the Commission's Rules of Practice and Procedure. All protests and interventions should be addressed to Sandra Squire, Executive Secretary, P.O. Box 812, Charleston, West Virginia 25323.

IT IS FURTHER ORDERED that if no protests are received within said thirty (30) day period, the Commission may waive formal hearing and grant the application based on the evidence submitted with said application and its review thereof.

sskbc

Sandra Squire
Executive Secretary

J. W. GEORGE WALLACE publisher of Brooke County Review, a newspaper of general circulation Brooke County, West Virginia, published in Wellsburg, hereby s that the attached advertisement was duly published in newspaper 1 successive weeks in the issues

Feb. 29, 2008

nder my hand this 29 day of Feb. 2008

Publisher of the Brooke County Review

r's Fee $ 135.63

bed and sworn to this 29 day of Feb. 2008

Sandra L Loar

mmission expires MAY 04, 2014

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
SANDRA L. LOAR
Brooke Publishing, Inc.
319 Charles Street, P.O. Box 591
Wellsburg, West Virginia 26070-0591
My Commission Expires May 4, 2014

The meeting was called to order at 5:30 P.M., with roll call being taken. Present were Terry Bonaventura-Chairman; Archie Doll-Treasurer; Karen Mezan-Secretary; Janice Pollock; Charles Elliott; Wayne Mielke; Sue Simonetti City of Wellsburg Mayor; Mark Henne,Wellsburg City Manager; Peggy Burke-Costanzo & Assoc; Brian McCreery-Engineered Foundation Solutions; Warren Scott.

Re-Organization of Board of Directors:

Chairman: Archie Doll motioned to nominate Terry Bonaventura for Chairman. Karen seconded the nomination. Motion carried. ✓

Secretary: Archie Doll motioned to nominate Karen Mezan for Secretary. Terry seconded the nomination. Motion carried. ✓

Treasurer: Karen Mezan motioned to nominate Archie Doll for Treasurer. Terry seconded the nomination. Motion carried.

Costanzo& Assoc.-FY09 Audit- Peggy Burke of Costanzo & Assoc. reviewed the fiscal year 09 audit with the Board.

Engineered Foundation Solutions-Brian McCreery- Brian presented a new proposal on plans for the foundation of the office building to the Board. Karen motioned to approve the additional charges for the change of plans. Archie Doll seconded. Motion carried.

Secretaries Report:

Karen Mezan motioned to approve the minutes from the November 23, 2009 project meeting and the December 9, 2009 minutes. Archie Doll seconded. Motion carried.

Treasurers Report:

Archie Doll motioned to accept the December 2009 **Sewer** and **Water** Financials. Karen Mezan seconded. Motion carried.

Citizens Concerns: No concerns. Sue Simonetti and Mark Henne were present to observe the meeting.

Maintenance Report: See attached report.

Chuck discussed the issue of getting with Lauttamus Answering Service to set up a plan of action to get notice out in the case of a possible emergency or other notifications that the District's customers would need to be informed of.

A discussion ensued about Chuck taking the NIMS class.

Water Maintenance Report: 114- Active Customers- 3 Paying Minimum

Correspondence: See attached agenda

Social Security Administration-Online Reporting Approval- Archie motioned to approve the Online Reporting. Karen Mezan seconded. Motion carried.

BHJ Report: No report

Engineering Report: Randy Watson was not present but he did send the bid tabulations.

Right of Way – Update: Wayne gave update. See attached Project Attorney update.

Wayne said that he received a letter from the City of Follansbee stating that they would not take any further action.

Old Business: Office Building Repairs- No discussion took place.

New Business: Approval of Successful Bidder –EPA Project- Archie Doll motioned to accept Alex Paris's bids on Contract1, 2, and 3. Karen seconded the motion. Motion carried.

Adjournment

Arch Doll motioned to adjourn the meeting. Karen Mezan seconded the motion. Motion Carried

APPROVED 2/24/10

Archie LeDoll
Theodore L. Bonaventura
Karen Mezan

BROOKE COUNTY PUBLIC SERVICE DISTRICT
Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund)

EXCERPT OF MINUTES ON ADOPTION OF BOND RESOLUTION, SUPPLEMENTAL RESOLUTION, DRAW RESOLUTION AND SWEEP RESOLUTION

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

*** *** ***

The Public Service Board of Brooke County Public Service District met in regular session, pursuant to notice duly posted, on the 10th day of March, 2010, in Brooke County, West Virginia, at the hour of 4:00 p.m.

PRESENT: Terry Bonaventura, Chairman
Karen Mezan
Archie Doll

Terry Bonaventura, Chairman, presided, and Karen Mezan, acted as Secretary. The Chairman announced that a quorum of members was present and that the meeting was open for any business properly before it.

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

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF BROOKE COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF $2,517,800 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND

DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

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

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF BROOKE COUNTY PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

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

Next, the Chairman presented a proposed Draw Resolution for the approval of invoices. Thereupon, on motion duly made by Karen Mezan and seconded by Archie Doll, it was unanimously ordered that the said Draw Resolution be adopted.

Next, the Chairman presented a proposed Sweep Resolution for the authorization of electronic monthly debt service and reserve fund payments to the Municipal Bond

Commission. Thereupon, on motion duly made by Karen Mezan and seconded by Archie Doll, it was unanimously ordered that the said Sweep Resolution be adopted.

*** *** ***

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

[Remainder of Page Intentionally Blank]

CERTIFICATION

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

Dated: March 18, 2010

Secretary

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

NEW ISSUE REPORT FORM

Date of Report: 18-Mar-10

ISSUE: Brooke County Public Service District
Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund)

ADDRESS: 711 Charles Street, Wellsburg, WV 26070 COUNTY: Brooke

PURPOSE OF ISSUE:
New Money: x
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 18-Mar-10
CLOSING DATE: 18-Mar-10
ISSUE AMOUNT: $2,517,800.00
RATE: 0%
1ST DEBT SERVICE DUE: 1-Jun-12
1ST PRINCIPAL DUE 1-Jun-12
1ST DEBT SERVICE AMOUNT $16,565
PAYING AGENT: Municipal Bond Commission

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

UNDERWRITERS COUNSEL
Firm: Jackson Kelly, PLLC
Contact: Samme Gee, Esquire
Phone: (304) 340-1318

CLOSING BANK:
Bank: WesBanco Bank, Inc., Wellsburg, WV
Contact:
Phone: 304.737.2925

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Terry Bonaventura
Position: Chairman
Phone: 304.737.4077

OTHER:
Agency: West Virginia Inftrastructure & Jobs Development Council
Contact: Angela Chestnut, P.E.
Position: Executive Director
Phone: 304.558.4607

DEPOSITS TO MBC AT CLOSE
By: ____ Wire ____ Check

____	Accrued Interest:	$
____	Capitalized Interest:	$
____	Reserve Account:	$
____	Other:	$

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: ____ Wire ____ Check ____ IGT

____	To Escrow Trustee	$
____	To Issuer	$
____	To Cons. Invest. Fun	$
____	To Other: ____	$

NOTES: The Series 2010 A Bonds Reserve Account will be funded in equal monthly installments over a 10 year period.

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

BROOKE COUNTY PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

WesBanco Bank, Inc., Wellsburg, West Virginia, hereby accepts appointment as Depository Bank in connection with the Bond Resolution of Brooke County Public Service District (the "Issuer") adopted March 10, 2010, and the Supplemental Resolution of the Issuer adopted March 10, 2010 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), dated March 18, 2010, issued in the principal amount of $2,517,800 (the "Bonds"), and agrees to serve as Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 18th day of March, 2010.

WESBANCO BANK, INC.

By: Linda Caldrone
Its: Authorized Officer Jeanette Buffington

03.01.10
109090.00001

5282033

BROOKE COUNTY PUBLIC SERVICE DISTRICT

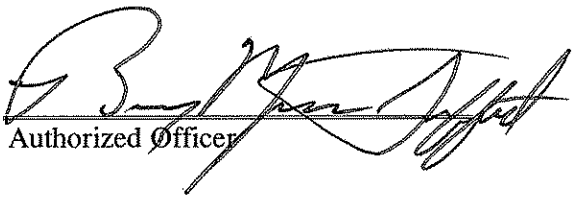
Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF DUTIES AS REGISTRAR

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Brooke County Public Service District Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), dated March 18, 2010, issued in the principal amount of $2,517,800 (the "Bonds"), and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 18th day of March, 2010.

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

03.01.10
109090.00001

5282041

BROOKE COUNTY PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund)

CERTIFICATE OF REGISTRATION OF BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of Brooke County Public Service District (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Sewer Revenue Bond, Series 2010 A (West Virginia Infrastructure Fund), of the Issuer, dated March 18, 2010, in the principal amount of $2,517,800, numbered AR-1, were registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 18th day of March, 2010.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

03.01.10
109090.00001

5282042

BROOKE COUNTY PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 18th day of March, 2010, by and between BROOKE COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $2,517,800 Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund), in fully registered form (the "Bonds"), pursuant to the Bond Resolution of the Issuer duly adopted March 10, 2010, and the Supplemental Resolution of the Issuer duly adopted March 10, 2010 (collectively, the "Bond Legislation");

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

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

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

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

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest on the Bonds from gross income for federal income tax purposes, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and

specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

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

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

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

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

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

ISSUER:	Brooke County Public Service District 711 Charles Street Wellsburg, West Virginia 26451 Attn: Chairman
REGISTRAR:	The Huntington National Bank One Huntington Square Charleston, West Virginia 25301 Attention: Corporate Trust Department

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

[Remainder of Page Intentionally Blank]

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

BROOKE COUNTY
PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

02.10.10
109090.00001

5282055

EXHIBIT A

Bond Legislation included in bond transcript as Documents Nos. 1 and 2.

SCHEDULE OF COMPENSATION

(see attached)

Private Financial Group
P.O. Box 633 - WE3013
Charleston, West Virginia 25322-0633

Huntington

STATEMENT OF REGISTRAR'S FEES
Invoice Date March 16, 2010

Brooke County Public Service District
Account Number 6089001809

Brooke County Public Service District
Sewer Revenue Bonds, Series 2010 A
C/o John C. Stump
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

****

FEE CALCULATION FOR March, 2010

****

TOTAL AMOUNT	$ 500.00
TOTAL DUE	**$ 500.00**

MAIL CHECK TO:
THE HUNTINGTON NATIONAL BANK
ATTN: BARRY GRIFFITH – WE3013
PO BOX 633
CHARLESTON, WV 25322-0633

PLEASE INCLUDE A COPY OF THIS INVOICE WITH YOUR PAYMENT

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT
Barry Morgan Griffith at (304) 348-5035

west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street S.E.
Charleston, WV 25304
Phone: (304) 926-0495
Fax: (304) 926-0496

Joe Manchin III, Governor
Randy C. Huffman, Cabinet Secretary
www.wvdep.org

October 2, 2009

Mr. Terry Bonaventura, Chairman
Brooke County Public Service District
P.O. Box 150, 711 Charles Street
Wellsburg, WV 26070

RE: Brooke County PSD- PH I
Collection System
SRF No. C-544006-01

Dear Chairman Bonaventura:

The plans and specifications for the above referenced project are hereby approved.

This approval DOES NOT constitute authority to advertise for bids. You will be advised by separate letter from this agency as to when such an advertisement can be initiated.

Please be advised it will be necessary to issue an addendum to the contract documents prior to opening of bids to include the current minimum prevailing wages, as promulgated by the WV Division of Labor. This and all addenda and revisions to the contract documents must be faxed to this office for approval and issued to plan holders five (5) days prior to bid opening. Failure to submit addenda in a timely manner will automatically nullify approval to open bids. Any addenda issued inside the five (5) day period prior to the bid opening must include an automatic extension to the bid opening date of a minimum of seven (7) days.

If any questions arise, please contact Elbert N. Morton, P.E., at (304) 926-0499, ext.1589.

Sincerely,

Mike Johnson

Mike Johnson, P.E.
Program Manager
Clean Water SRF Program

KE/em
cc: Randy Watson, Thrasher Engineering, Inc

IC-2
(7/09)

GRANT AGREEMENT
(2000S-538a/539a)

This Grant Agreement entered into by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council") and the BROOKE COUNTY PUBLIC SERVICE DISTRICT (the "Governmental Agency").

RECITALS

WHEREAS, the Council has authorized the Authority to make a grant to the Governmental Agency in the amount not to exceed $775,000 (the "Grant") for the purposes of the design, acquisition or construction of a project for which a preliminary application has been submitted and approved by the Council;

WHEREAS, the Governmental Agency wishes to accept the Grant upon such terms and conditions as are hereinafter set forth for the purposes of designing, acquiring or constructing the project described in Exhibit B attached hereto and incorporated herein by reference (the "Project");

WHEREAS, this Grant Agreement sets forth the Council, the Authority and the Governmental Agency's understandings and agreements with regard to the Grant.

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

TERMS

1. Prior to the distribution of the Grant, the Governmental Agency shall provide the Authority with a Project budget and an anticipated monthly draw schedule reflecting the receipt dates and amounts from other funding sources. The Project budget shall not be amended unless the Governmental Agency has received the prior written consent of the Council.

2. The Authority shall advance the Council's share of the Project costs from the Grant from time to time upon receipt of a requisition evidencing the costs incurred, which requisition must be satisfactory to the Authority. Unless agreed to by the Council prior to the commencement of construction, the Grant shall be the last dollars expended on the Project.

3. The monthly requisition will also set forth (i) the amounts requested for that requisition period from all other funding agencies, and (ii) the amounts advanced for the Project to date from all other funding agencies.

4. The Authority shall wire the approved requisition amount using the wiring instructions provided in Exhibit A, unless the Council and Authority are provided replacement instructions in writing.

5. The Governmental Agency will use the proceeds of the Grant only for the purposes specifically set forth in Exhibit B.

6. The Governmental Agency shall comply with and is bound by the Council's rules set forth as Title 167, Series 1 and more particularly Section 5.9 with respect to the sale of the Project.

7. The Governmental Agency acknowledges that the Grant may be reduced, from time to time, to reflect actual Project costs and availability of other funding.

8. The Governmental Agency shall list the Grant provided by the Authority and the Council in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project.

9. This Grant Agreement shall be governed by the laws of the State of West Virginia.

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

BROOKE COUNTY PUBLIC SERVICE DISTRICT
By: _____
Its: Chairperson
Date: March 18, 2010

(SEAL)

Attest: _____
Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: _____
Its: Executive Director
Date: March 18, 2010

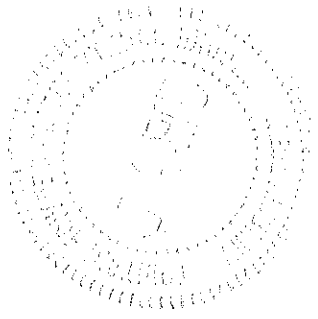
(SEAL)

Attest: _____
Its: Secretary-Treasurer

[To Be Placed on Letterhead]

Exhibit A

Wiring Instructions



_____, 20__

Brooke County Public Service District
711 Charles Street, P.O. Box 150
Wellsburg, WV 26070

Payor:	West Virginia Water Development Authority
Source:	Grant Proceeds
Amount:	$_____
Date:	_____, 20__
Form:	Electronic Funds Transfer
Payee:	Brooke County Public Service District
Bank:	Wesbanco
Bank Contact:	Jeanette Buffington
Telephone:	(304) 737-2925
Routing No.:	043400036
Account No.:	0102576767
Account Name:	Brooke County PSD ER/ML/BD GRANT XP983559-01

Exhibit B

Project Description

The Project consists of acquisition and construction of improvements and extensions to the existing public sewerage system of the Governmental Agency, consisting of construction of a wastewater collection system to provide sewerage service to the Mahan Lane, Bruin Drive and Eldersville areas of Brooke County, together with all appurtenant facilities.

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 11/02/2009

PRODUCER (304)375-4900 FAX (304)375-2162

Bill Bailey Insurance Agency
701 Highland Avenue
P. O. Box 246
Williamstown, WV 26187

INSURED Brooke County PSD
PO Box 150
Wellsburg, WV 26070

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: American Alternative Insurance	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY [X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [ ] POLICY [ ] PRO-JECT [ ] LOC	SP9152906-02	10/01/2009	10/01/2010	EACH OCCURRENCE	$ 1,000,000
						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 1,000,000
						MED EXP (Any one person)	$ 10,000
						PERSONAL & ADV INJURY	$ 1,000,000
						GENERAL AGGREGATE	$ 3,000,000
						PRODUCTS - COMP/OP AGG	$ 3,000,000
		AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] ALL OWNED AUTOS [ ] SCHEDULED AUTOS [ ] HIRED AUTOS [ ] NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident)	$
						BODILY INJURY (Per person)	$
						BODILY INJURY (Per accident)	$
						PROPERTY DAMAGE (Per accident)	$
		GARAGE LIABILITY [ ] ANY AUTO				AUTO ONLY - EA ACCIDENT	$
						OTHER THAN AUTO ONLY: EA ACC	$
						AGG	$
		EXCESS/UMBRELLA LIABILITY [ ] OCCUR [ ] CLAIMS MADE [ ] DEDUCTIBLE [ ] RETENTION $				EACH OCCURRENCE	$
						AGGREGATE	$
							$
							$
							$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				[ ] WC STATU-TORY LIMITS [ ] OTH-ER	
						E.L. EACH ACCIDENT	$
						E.L. DISEASE - EA EMPLOYEE	$
						E.L. DISEASE - POLICY LIMIT	$
		OTHER					

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

The certificate holder listed below is named as Additional Insured in regards to the policy listed above.

CERTIFICATE HOLDER

WV Water Development Authority
180 Association Drive
Charleston, WV 25311

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

©ACORD CORPORATION 1988

west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street, S.E.
Charleston, WV 25304
Phone 304-926-0495
Fax 304-926-0496

Joe Manchin III, Governor
Randy C. Huffman, Cabinet Secretary
www.wvdep.org

September 30, 2009

Mr. Theodore L. Bonaventura, Chairman
Brooke County Public Service District
711 Charles Street
Wellsburg, WV 26070

CERTIFIED RETURN RECEIPT REQUESTED

Re: WV/NPDES Permit Modification
WV0084182-C, Brooke County

Dear Mr. Bonaventura:

This correspondence shall serve as Modification No. 3 of your existing WV/NPDES Water Pollution Control Permit No. WV0084182 issued the 7th day of September 2005.

After review and consideration of all information submitted on, and with, WV/NPDES Water Pollution Control Permit Modification Application No. WV0084182-C, dated the 7th day of July 2009, and other relevant information, the agency approves of the switching of the point of connection to the City of Wellsburg's wastewater collection system from 27th Street in Wellsburg to a manhole along WV State Route 2 in front of Banner Fiber Board across from Togo Street.

All other terms and conditions of the subject WV/NPDES Water Pollution Control Permit shall remain in effect and unchanged. If you have any questions in this regard, please contact Rubina Tabassum, P.E. of this office at (304)-926-0499 ext. 1096.

Sincerely,

Scott G. Mandirola
Acting Director

SGM: rt

cc: E.E. Supervisor E.E Inspector

WEST VIRGINIA
Water Development Authority
Celebrating 34 Years of Service 1974 - 2008

March 18, 2010

Brooke County Public Service District
Sewer Revenue Bonds, Series 2010 A
(West Virginia Infrastructure Fund)

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of Griffith & Associates, independent certified public accountants and the opinion of Steptoe & Johnson PLLC, bond counsel, that the Issuer has met the coverage and parity requirements set forth in the Resolutions authorizing the Prior Bonds as defined below and, the undersigned duly authorized representative for the West Virginia Water Development Authority, the present holder of the Prior Bonds, hereinafter defined and described, hereby consents to the issuance of the Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund) (the "Series 2010 A Bonds"), in the principal amount of $2,517,800, by Brooke County Public Service District (the "Issuer"), under the terms of the resolution authorizing the Series 2010 A Bonds on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's: (i) Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated October 10, 2003, issued in the original aggregate principal amount of $712,050 (the "Series 2003 A Bonds"); (ii) Sewer Revenue Bonds, Series 1997 A (West Virginia SRF Program), dated December 12, 1997, issued in the original aggregate principal amount of $450,000 (the "Series 1997 A Bonds"); (iii) Sewer Revenue Bonds, Series 1997 B (West Virginia Infrastructure Fund), dated December 9, 1997, issued in the original aggregate principal amount of $2,163,971 (the "Series 1997 B Bonds"); and (iv) Sewer Revenue Bonds, Series 1997 C (West Virginia Infrastructure Fund), dated December 9, 1997, issued in the original aggregate principal amount of $450,000 (the "Series 1997 C Bonds") (hereinafter collectively, the "Prior Bonds").

Carol A. Cummings
Authorized Representative

109090.00001

180 Association Drive, Charleston, WV 25311-1217
phone (304) 558-3612 / fax (304) 558-0299
www.wwda.org

5282066

BROOKE COUNTY PUBLIC SERVICE DISTRICT

SEWER SYSTEM REVENUE BONDS, SERIES 1997 A

SEWER SYSTEM REVENUE BONDS, SERIES 1997 B

SEWER SYSTEM REVENUE BONDS, SERIES 1997 C

BOND RESOLUTION

BROOKE COUNTY PUBLIC SERVICE DISTRICT
SEWER SYSTEM REVENUE BONDS,
SERIES 1997 A, SERIES 1997 B AND SERIES 1997 C

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BOND RESOLUTION

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING SEWER SYSTEM OF THE BROOKE COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF, THROUGH THE ISSUANCE BY THE DISTRICT OF SEWER SYSTEM REVENUE BONDS; AUTHORIZING THE ISSUANCE OF THREE SEPARATE SERIES OF SEWER SYSTEM REVENUE BONDS OF THE DISTRICT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $3,200,000 TO BE USED, ALONG WITH OTHER FUNDS AND MONEYS OF, OR AVAILABLE TO, THE DISTRICT WHICH MAY BE LAWFULLY EXPENDED FOR SUCH PURPOSES, TO FINANCE THE COST OF SUCH ACQUISITION AND CONSTRUCTION, TO FUND RESERVE ACCOUNTS FOR SUCH BONDS, AND TO PAY OTHER COSTS IN CONNECTION THEREWITH; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT OR LOAN AGREEMENTS RELATING TO SUCH BONDS; AND ADOPTING OTHER PROVISIONS RELATED THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF THE BROOKE COUNTY PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, DEFINITIONS AND FINDINGS

Section 1.01. Authority of this Resolution. This Resolution is enacted pursuant to the provisions of Chapter 16, Article 13A, Chapter 22C, Article 2 and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended, and other applicable provisions of law.

Section 1.02. Definitions. The following terms shall have the following meanings in this Resolution unless the context expressly requires otherwise.

"Act" shall mean collectively Chapter 16, Article 13A, Chapter 22C, Article 2 and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended and in effect on the date of enactment of this Resolution.

"Authority" shall mean the West Virginia Water Development Authority, which is expected to be the original purchaser of the Original Bonds on behalf of the Program and the Infrastructure Council, or any other agency of the State of West Virginia that succeeds to the function of the Authority.

"Board" means the public service board of the Issuer and shall include the membership of the board as may hereafter be duly constituted as the legal successors to the present membership or any other authority vested with and authorized to exercise the powers of the Issuer.

"Bond Act" means Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended, and in effect on the date of the enactment of this Resolution.

"Bond Construction Trust Funds" shall mean the funds created by Section 6.01 hereof, and when preceded by a designated series of Bonds, shall mean the individual Bond Construction Trust Fund created for such series of Bonds.

"Bondholder" or "Owner of the Bonds" or "Registered Owners" or "Holder" or any similar term shall mean any person who shall be the registered owner of any Outstanding Bond or Bonds as hereinafter defined.

"Bond Year" shall mean, with respect to the Series 1997 C Bonds, the twelve-month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, except that the first Bond Year shall begin on the Closing Date.

"Bonds" shall mean the Original Bonds and any pari passu additional Bonds hereafter issued within the terms, restrictions and conditions contained in this Resolution.

"Certificate of Authentication and Registration" means the certificate of authentication and registration on the Bonds in substantially the form set forth in Section 3.08 hereof.

"Chairman" means the Chairman of the Board of the Issuer.

"Closing Date" shall mean the date upon which there is an exchange of the Bonds for all or a significant portion of the proceeds representing the purchase of the Bonds by the Authority.

"Code" shall mean the Internal Revenue Code of 1986, as amended, including the rules and regulations promulgated pursuant thereto or any predecessors or successors thereto.

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

"Completion Date" means the completion date of the Project, as defined in the SRF Regulations.

"Consulting Engineers" shall mean Burgess & Niple, Ltd., Consulting Engineers, Parkersburg, West Virginia, or any engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System.

"Cost of Project" or "Costs" shall mean those costs described in Section 1.04(E) hereof to be a part of the cost of the acquisition and construction phase of the Project, as the case may be, as hereinafter defined.

"Debt Service" shall mean the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"DEP" shall mean West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment, or any other agency, board or department of the State that succeeds the function of the West Virginia Division of Environmental Protection.

"Depository Bank" shall mean a bank or national banking association located in the State, eligible under the laws of the State to receive deposits of state municipal funds and insured by the FDIC, and designated as such in the Supplemental Resolution, and its successors and assigns.

"Earnings Fund" shall mean the separate fund created by Section 8.03A hereof.

"Excess Investment Earnings" shall mean, with respect to the Series 1997 C Bonds, an amount equal to the sum of:

(A) The excess of

(i) The aggregate amount earned from the Closing Date on all Nonpurpose Investments in which Gross Proceeds of the Series 1997 C Bonds

are invested [other than amounts attributable to an excess described in this clause (A) of this definition of Excess Investment Earnings], over

(ii) The amount that would have been earned if the Yield on such Nonpurpose Investments [other than amounts attributable to an excess described in this clause (A) of this definition of Excess Investment earnings] had been equal to the Yield on the Series 1997 C Bonds, plus

(B) Any income attributable to the excess described in clause (A) of this definition of Excess Investment Earnings.

"Event of Default" means any event or occurrence specified in Section 9.01 hereof.

"FDIC" means the Federal Deposit Insurance Corporation and any successor to the functions thereof.

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

"Fund" shall mean the "West Virginia Water Pollution Control Revolving Fund" established by the State, administered by the DEP and funded by capitalization grants awarded to the State pursuant to the federal Clean Water Act, as amended, for the purpose of establishing and maintaining a permanent perpetual fund for the construction, acquisition and improvement of wastewater treatment facilities.

"Grant" shall mean any grant or grants received by the Issuer in aid of the cost of the design, acquisition and construction of the Project.

"Grant Agreement" shall mean a written commitment for the payment of any Grant, specifying the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is repaid to the Issuer.

"Grant Receipts" shall mean all monies received by the Issuer on account of any Grant.

"Government Obligations" means direct obligations of, or obligations the timely payment of the principal of and interest on which is guaranteed by, the United States of America, including (i) such obligations which have been stripped from their unmatured interest coupons, interest coupons stripped from such obligations and receipts or certificates evidencing payments from such obligations or interest coupons stripped from such obligations, (ii) evidences of ownership of a proportionate interest in specified direct obligations of, or specified obligations which are unconditionally and fully guaranteed by, the United States of America, which obligations are held by a bank or trust company

organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian and (iii) obligations, the sole source of the payment of the principal of and interest on which are obligations of the nature of those described in clause (i), which are irrevocably pledged for such purposes.

"Gross Proceeds" means, with respect to the Series 1997 C Bonds, the sum of the following amounts:

(i) Original proceeds, namely, net amounts received by or for the Issuer as a result of the sale of the Series 1997 C Bonds, excluding original proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Series 1997 C Bonds;

(ii) Investment proceeds, namely, amounts received at any time by or for the Issuer, such as interest and dividends, resulting from the investment of any original proceeds (as referenced in clause (i) above) or investment proceeds (as referenced in this clause (ii)) in Nonpurpose Investments, increased by any profits and decreased (if necessary, below zero) by any losses on such investments, excluding investment proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Series 1997 C Bonds;

(iii) Transferred proceeds, namely, original proceeds of any prior obligations, and interest earnings and profits less losses resulting from investment of such original proceeds in Nonpurpose Investments, which are used to discharge the outstanding principal of any prior obligations and which are deemed to become proceeds of the Series 1997 C Bonds ratably as original proceeds of the Series 1997 C Bonds, and interest earnings and profits resulting from investment of such original proceeds in Nonpurpose Investments, which are used to discharge the outstanding principal of any such prior obligations, all on the date of such ratable discharge;

(iv) Sinking fund proceeds, namely, amounts, other than original proceeds, investment proceeds or transferred proceeds [as referenced in clauses (i) through (iii) above] of the Series 1997 C Bonds, which are held in any fund to the extent that the Issuer reasonably expects to use such other fund to pay Debt Service;

(v) Amounts in the Series 1997 C Bonds Reserve Account and in any other fund established as a reasonably required reserve or replacement fund;

(vi) Investment Property pledged as security for payment of Debt Service on the Series 1997 C Bonds by the Issuer;

(vii) Amounts, other than as specified in this definition, used to pay Debt Service on the Series 1997 C Bonds; and

(viii) Amounts received as a result of investing amounts described in this definition.

"Gross Revenues" shall mean the aggregate gross operating and non-operating revenues of the System determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined) or any Tap Fees, as hereinafter defined, and for the furnishing by the Issuer of miscellaneous services.

"Independent Accountants" shall mean any certified public accountant or firm of certified public accountants which shall be retained by the Issuer as independent accountants for the System or for any other purpose except keeping the accounts of the System in the normal operation of its business and affairs.

"Infrastructure Council" means the West Virginia Infrastructure and Jobs Development Council or any successor thereto.

"Infrastructure Council Act" means Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended, and in effect on the date of the enactment of this Resolution.

"Investment Property" shall mean, with respect to the Series 1997 C Bonds, any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract or investment-type property or residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income under Section 103 of the Code for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

"Issuer" or "District" means the Brooke County Public Service District, a public corporation and political subdivision of the State.

"Loan Agreement" or "Loan Agreements" shall mean (a) the Water Pollution Control Revolving Fund Loan Agreement by and among the Authority, the DEP and the Issuer providing for the purchase of the Series A Bonds from the Issuer by the Authority, and/or, as the case may be, (b) the loan agreement or loan agreements to be entered into between the Authority and the Issuer, pursuant to which the Authority shall agree, subject to the Issuer's satisfying certain legal, engineering and other requirements, to purchase the

Series B Bonds and Series C Bonds, the forms of which agreements are attached hereto as Exhibit B.

"Net Proceeds" means, with respect to the Series 1997 C Bonds, the face amount of the Series 1997 C Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Series 1997 C Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 1997 C Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" shall mean the balance of the Gross Revenues remaining after deduction of Operating Expenses, as hereafter defined.

"Nonpurpose Investment" shall mean, with respect to the Series 1997 C Bonds, any Investment Property which is acquired with the Gross Proceeds of the Bonds and is not acquired in order to carry out the governmental purpose of the Series 1997 C Bonds.

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

"Original Bonds" or "Bonds originally authorized hereby" or similar phrases shall mean the not more than $3,200,000 Sewer System Revenue Bonds, Series 1997 A, Series 1997 B and Series 1997 C, to be issued for the purpose of paying a portion of the Costs of the acquisition and construction of the Project and for such other purposes permitted hereby and authorized by a resolution supplemental hereto.

"Outstanding" when used with reference to Bonds, as of any particular date, describes all such Bonds theretofore and thereupon being authenticated and delivered except (i) any such Bond canceled by the Registrar, at or prior to said date; (ii) any such Bond for the payment of which moneys, equal to its principal amount, with interest to the date of maturity of any such Bond, shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any such Bond deemed to have been paid as

provided in Article X hereof; and (iv) for purposes of consents or other action by a specified percentage of Bondholders, any such Bond registered to the Issuer.

"Parity Bonds" shall mean additional Bonds issued under the provisions and within the limitations prescribed by Section 7.08 hereof, payable from Net Revenues on a parity with the Original Bonds.

"Paying Agent" shall mean the West Virginia Municipal Bond Commission or such other entity or authority as may be designated as a paying agent by the Issuer and the Supplemental Resolution with the written consent of the Authority and the DEP.

"Private Business Use" shall mean, with respect to the Series 1997 C Bonds, any use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use", if any, of the proceeds of the issue and/or proceeds used for "qualified improvements", if any.

"Program" shall mean the wastewater treatment facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Clean Water Act and administered by the DEP.

"Project" shall mean the acquisition and construction of certain extensions, additions, betterments and improvements to the System, a description of which is attached hereto as Exhibit A and incorporated herein by reference.

"PSC" means the Public Service Commission of West Virginia and any successor to the functions thereto.

"PSC Order" means the Recommended Decision of the PSC in Case No. 97-0333-PSD-CN, which was entered by an Administrative Law Judge of the PSC on September 16, 1997, and which became the final order of the PSC on October 6, 1997, granting the Issuer a Certificate of Convenience and Necessity to construct the Project and approving the financing thereof.

"Purchase Price," for the purpose of computation of the Yield of the Series 1997 C Bonds, has the same meaning as the term "Issue Price" in Sections 1273(b) and 1274 of the Code and, in general, means the initial offering price of the Series 1997 C Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Series 1997 C Bonds of each maturity is sold or, if the Series 1997 C Bonds are privately placed, the price paid by the first buyer of the Series 1997 C Bonds or the acquisition costs

of the first buyer. Purchase Price for purposes of computing Yield of Nonpurpose Investments means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Series 1997 C Bonds for acquisition thereof or, if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 1997 C Bonds.

"Qualified Investments" shall mean and include any of the following:

(a) Government Obligations;

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

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

(d) Any bond, debenture, note, participation certificate or other similar obligation issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

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

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

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

a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

(h) The "consolidated fund" (or any distinct portion thereof) managed by the West Virginia State Board of Investments pursuant to Article 6, Chapter 12 of the Code of West Virginia, 1931, as amended; and

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

"Rebate Fund" shall mean the separate fund created by Section 8.03A hereof.

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

"Regulations" shall mean the regulations promulgated under the Code.

"Renewal and Replacement Fund" shall mean the fund created by Section 5.01(2) hereof.

"Reserve Accounts" shall mean the Reserve Accounts created by Section 5.02(1)(a) hereof, and when preceded by a designated series of Bonds, shall mean the individual Reserve Account created for such series of Bonds.

"Reserve Requirement" shall mean as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on each series of the Bonds in the then current or any succeeding Fiscal Year.

"Resolution" means this resolution, as from time to time amended or supplemented.

"Revenue Fund" shall mean the fund created by Section 5.01(1) hereof.

"SRF Administrative Fee" shall mean any administrative fee required to be paid pursuant to the Loan Agreement.

"SRF Act" shall mean Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended, and in effect on the date of the enactment of this Resolution.

"SRF Regulations" shall mean the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

"Secretary" means the Secretary of the Board of the Issuer.

"Series 1997 A Bonds" or "Series A Bonds" shall mean the not more than $450,000 in aggregate principal amount of Sewer System Revenue Bonds, Series 1997 A to be purchased by the Authority on behalf of the Fund.

"Series 1997 B Bonds" or "Series B Bonds" shall mean the not more than $2,300,000 in aggregate principal amount of Sewer System Revenue Bonds, Series 1997 B to be purchased by the Authority on behalf of the Infrastructure Council.

"Series 1997 C Bonds" or "Series C Bonds" shall mean the not more than $450,000 in aggregate principal amount of Sewer System Revenue Bonds, Series 1997 C to be purchased by the Authority on behalf of the Infrastructure Council.

"State" shall mean the State of West Virginia.

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

"Surplus Revenues" shall mean the net revenues not required by this Resolution to be set aside and held for the payment of or security for the Bonds, including the reserve accounts and the Renewal and Replacement Fund.

"System" shall mean the existing sanitary sewer collection and treatment system, both within and without said Issuer, and shall include any extensions, additions, betterments and improvements thereto.

"Yield" means, with respect to the Series 1997 C Bonds, that yield which, when used in computing the present worth of all payments of principal and interest (or other payments in the case of Nonpurpose Investments which require payments in a form not characterized as principal and interest) on a Nonpurpose Investment or on the Series 1997 C Bonds, produces an amount equal to the Purchase Price of such Nonpurpose Investment or the Series 1997 C Bonds, all computed as prescribed in applicable Regulations.

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

Additional terms and phrases are defined in this Resolution as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with general accepted accounting principles.

The terms "herein", "hereunder", "hereby", "hereto", "hereof" and any similar terms refer to this Resolution; and the term "hereafter" means after the date of the adoption of this Resolution.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Resolution so numbered.

Section 1.03. Resolution Constitutes Contract. In consideration of the acceptance of the Original Bonds and any other bonds authorized to be issued hereunder by those who shall own the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by said Issuer shall be for the equal benefit, protection and security of the legal owners of any and all of such Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

Section 1.04. Findings. It is hereby found, determined and declared as follows:

A. The Issuer is a public corporation and political subdivision of the State in Brooke County of said State. The Issuer now owns and operates a public wastewater collection and treatment system furnishing service to residences, premises and businesses residing or located within the territory of the Issuer.

B. It is deemed necessary and desirable for the health, welfare and safety of the inhabitants of the District that there be acquired and constructed the Project, at an estimated cost of $6,275,906, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have been approved by DEP and are on file with the Issuer. The Project is generally described in Exhibit A attached hereto and incorporated by reference herein. The Project has an estimated useful life in excess of forty years.

C. The Issuer derives Net Revenues from the System, and said Net Revenues are not pledged or encumbered in any manner.

D. The estimated revenues to be derived in each year after the enactment of this Resolution from the operation of said System will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on each series of Original Bonds of the Issuer and all sinking fund and other payments provided for in this Resolution.

E. It is deemed necessary for the Issuer to issue its Original Bonds in the aggregate principal amount of not more than $3,200,000 to finance the costs of the acquisition and construction of the Project herein described through the Program and the

Infrastructure Council. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest on the Original Bonds prior to and during construction or acquisition and for six months after completion of construction of the Project, if any; engineering, fiscal and legal expenses; expenses for estimates of cost and revenue; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense, any fees or expenses of the Authority, DEP and the Infrastructure Council, commitment fees, discount, initial fees for the service of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Original Bonds, and such other expenses as may be necessary or incidental to the financing herein authorized, the construction or acquisition of the Project and the placing of the same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Original Bonds or the repayment of the indebtedness incurred by the Issuer for such purposes shall be deemed part of the Cost of the Project.

F. The Infrastructure Council has approved the Project and has authorized the Authority to purchase bonds of the Issuer, to provide moneys which, along with the Small Cities Block Grant, a grant from the Infrastructure Council, and the bonds to be issued under the SRF Program, will finance the Project. It is in the best interests of the Issuer that its Series 1997 A Bonds be sold to the Authority pursuant to the terms and provisions of the Loan Agreement by and among the Authority, the DEP and the Issuer and it is in the best interest of the Issuer that its Series 1997 B Bonds and Series 1997 C Bonds be sold to the Authority pursuant to the terms and provisions of the Loan Agreements by and between the Authority and the Issuer.

G. The Issuer has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Original Bonds, or will have so complied prior to the issuance of any thereof, including, among other things, the obtaining of a Certificate of Convenience and Necessity from the PSC by final order, the time for rehearing and appeal of which will have expired or will have been waived prior to the issuance of the Original Bonds.

H. The Issuer will not permit, at any time, any of the proceeds of the Series 1997 C Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Series 1997 C Bonds from the treatment afforded by Section 103(a) of the Code.

I. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 1997 C Bonds.

J. The Series 1997 C Bonds will not be federally guaranteed within the meaning of the Code.

K. It is reasonably anticipated that all proceeds of the Original Bonds will be spent within three years from the date of issuance.

ARTICLE II

AUTHORIZATION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO SYSTEM

Section 2.01. Authorization of Extensions, Additions, Betterments and Improvements. There is hereby authorized the acquisition and construction of the Project in accordance with plans and specifications prepared by the Consulting Engineers, approved by DEP, the Infrastructure Council and the Issuer, and on file in the office of the Board; provided, however, that such plans and specifications, and the construction and acquisition of the Project in accordance therewith, are subject to the specific authorization by the Board pursuant to a Supplemental Resolution.

Prior to issuing the Original Bonds for the acquisition and construction of the Project, the Issuer must receive acceptable bids or enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the Program and the Infrastructure Council.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS

Section 3.01. Authorization and Terms of Original Bonds. For the purposes of funding the reserve accounts, paying costs of issuance and financing a portion of the costs of the acquisition and construction of the Project not otherwise provided for, on any one of such items, there shall be issued the Original Bonds of the Issuer. The Original Bonds shall be issued in three series, with the first series to be designated "Sewer System Revenue Bonds, Series 1997 A" and so on, in an aggregate principal amount of not more than $3,200,000. Each series of Original Bonds shall be dated as of the date of delivery thereof, shall bear such interest, shall mature at such times, not exceeding forty (40) years after the date of issuance, and in such amount or amounts as shall be set out in each Loan Agreement and/or in the Supplemental Resolution. The Series 1997 A Bonds shall not bear interest, if any, during the construction period but interest shall commence accruing on the Completion Date as defined in the SRF Regulations, provided that the annual repayment of principal and payment of interest, if any, on the Series 1997 A Bonds shall begin not later than one (1) year after the completion date. The Series 1997 B Bonds shall not bear interest, if any, during the construction period but interest shall commence accruing on the completion of construction, which date must be identified prior to the Closing Date. The Series 1997 C Bonds shall not bear interest, if any, during the construction period but interest shall commence accruing on the first month following the final payment of principal and interest on the Series 1997 A Bonds, or such earlier or later date as provided for in Section 5.03A(2) of this Resolution. The repayment of principal and interest, if any, on the Original Bonds shall be as set forth on Schedule Y to the respective Loan Agreements. The Original Bonds shall contain such other terms, provisions, conditions and limitations, all as provided by this Resolution and the Loan Agreements and as the Board of the Issuer shall prescribe by resolution (or by supplemental or amendatory resolution of said Board as said Board shall determine) adopted in connection with the sale of such Original Bonds.

The Bonds shall be payable as to principal, at the principal office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds, if any, shall be paid by check or draft mailed to the registered owner thereof at the address as it appears on the books of the Bond Registrar, provided, that so long as the Authority is the owner thereof, interest on the Original Bonds may be paid by wire transfer or other methods satisfactory to the Issuer, the Paying Agent and the Authority.

Unless otherwise provided by the Supplemental Resolution, the Original Bonds shall be issued in the form of a single bond for each series, fully registered to the Authority, with a record of advances and a payment record attached, representing the aggregate principal amount, and shall mature in principal installments, all as provided in the Loan Agreements and said Supplemental Resolution. Bonds shall be exchangeable at the

option and expense of the Bondholder for other fully registered Bonds in aggregate principal amount equal to the amount of said Bonds then Outstanding, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds may be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof, all as determined by a Supplemental Resolution. Said Bonds shall be dated as of the date specified in said Supplemental Resolution and shall bear interest from such date.

Section 3.02. Execution of Bonds. Said Bonds shall be executed in the name of the Issuer by the Chairman and attested by the Secretary, and the seal of the Issuer shall be affixed thereto or imprinted thereon. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as, at the actual time of the execution of such Bonds, shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.08, shall have been duly manually executed by the Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Resolution. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Registrar if manually signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.04. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive owner, in accepting any of said Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive owner shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value in the manner provided hereinafter in the form of said Bonds.

So long as any of the Bonds remain Outstanding, the Issuer, through the Registrar, shall keep and maintain books for the registration and transfer of the Bonds.

Bonds shall be transferable only upon the books of the Registrar, by the registered Owner thereof in person or by the Owner's attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered Owner or the Owner's duly authorized attorney.

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, Bonds shall be delivered in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Registrar. For every such exchange or transfer of Bonds, the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Registrar shall not be obliged to make any such exchange or transfer of Bonds during the 15 days preceding an interest payment date on the Bonds, or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver a new Bond in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Owner's furnishing the Issuer proof of ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur and the Registrar shall authenticate the new Bond. All Bonds so surrendered shall be canceled by the Registrar and held for the account of the Issuer. If such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and, if such Bond be lost, stolen, or destroyed, without surrender therefor.

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

Section 3.06. Bonds not to be Indebtedness of the Issuer. The Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues derived from the operation of the System as herein provided. No Owner or Owners of any of the Bonds shall ever have the right to compel the exercise of the taxing power, if any, of the Issuer to pay the Bonds or any interest thereon.

Section 3.07. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of all the Original Bonds shall be secured forthwith equally and ratably with

each other by a first lien on the Net Revenues derived from the System. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and to make the payments into the sinking funds and the reserve accounts therein and in the Renewal and Replacement Fund hereinafter established are hereby irrevocably pledged to the payment of the principal of and any interest on the Bonds as the same become due.

Section 3.08. Form of Original Bonds. The text of each series of Original Bonds shall be of substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Resolution or any subsequent resolution adopted prior to the issuance thereof.

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[FORM OF THE SERIES 1997 A BOND]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF BROOKE
BROOKE COUNTY PUBLIC SERVICE DISTRICT
SEWER SYSTEM
REVENUE BONDS, SERIES 1997 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That the BROOKE COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision organized and existing under the laws of the State of West Virginia, in Brooke County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to West Virginia Water Development Authority (the "Authority "), or registered assigns, the sum of _____ ($_____), or such lesser amount as is set forth on the Record of Advances attached hereto as Exhibit A and incorporated herein by reference, in quarterly installments on the 1st day of March, the 1st day of June, the 1st day of September and the 1st day of December in each year beginning ____, 199_, as set forth on the "Schedule of Debt Service" attached as Exhibit A hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit A. The SRF Administrative Fee (as defined in the hereinafter described Bond Resolution) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 19__, as set forth on Exhibit B attached hereto.

Interest on this Bond shall be zero (0%) percent from the date hereof until the Date of Completion of the Project, and after such date, interest, if any, shall be payable on the 1st day of March, the 1st day of June, the 1st day of September and the 1st day of December in each year beginning ____, 199_, at the rate of zero percent (0%) per annum. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the Paying Agent. The interest on this Bond, if any, is payable by check or draft mailed to the Authority at the address as it appears on the books of the Registrar on the 15th day of the month preceding an interest payment date or by such other method as shall be mutually agreeable, so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and as otherwise provided by the Loan Agreement dated _____, 1997, among the Authority, the DEP and the Issuer.

This Bond is issued to permanently finance a portion of the costs of the acquisition and construction of certain extensions, additions, betterments and improvements to the existing system of the Issuer (the "Project," and together with any further extensions, additions, betterments and improvements thereto, the "System") and to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), a Resolution duly enacted by the Issuer on the 12th day of November, 1997, and a Supplemental Resolution adopted by the Issuer on the 12th day of November, 1997 (collectively called the "Resolution"), and is subject to all the terms and conditions thereof. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Resolution.

THIS BOND RANKS EQUALLY AS TO LIEN AND SECURITY WITH THE ISSUER'S SEWER SYSTEM REVENUE BONDS, SERIES 1997 B AND SERIES 1997 C (THE "PARITY BONDS").

This Bond is payable only from and secured by a pledge of a first lien on the Net Revenues, on a parity with the lien of the Parity Bonds, to be derived from the operation of the System, moneys in the Reserve Account created under the Resolution and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest thereon except from said special fund provided from the Net Revenues, the moneys in the Reserve Account and unexpended Bond proceeds. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any ensuing fiscal year of principal of and interest on all obligations on a parity with the Bonds, payable from such revenues, provided however, that so long as there exists in the Reserve Account an amount equal to the maximum amount of principal and interest which will become due on the Bonds and any bonds on a parity therewith in any succeeding fiscal year, respectively, an amount equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds, for the terms of which, reference is made to the Resolution. Remedies provided the registered owners of the Bonds are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Resolution, only upon the books of One Valley Bank, National Association, Charleston, West Virginia, (the "Registrar"), kept

for that purpose at the office of the Registrar, by the registered owner or its attorney duly authorized in writing, upon the surrender of this Bond together, with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

This Bond, under the provision of the Act is, and has provided all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Resolution or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the owner of this Bond.

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

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

IN WITNESS WHEREOF, THE BROOKE COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Secretary, and has caused this Bond to be dated the 9th day of December, 1997.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Original Bonds described in the within-mentioned Resolution and has been duly registered in the name of the registered owner set forth above.

ONE VALLEY BANK,
NATIONAL ASSOCIATION

By _____
Its Authorized Officer

Dated: _____

EXHIBIT A

RECORD OF ADVANCES

Amount	Date	Amount	Date
(1) $		(7) $	
(2) $		(8) $	
(3) $		(9) $	
(4) $		(10) $	
(5) $		(11) $	
(6) $		(12) $	

Total $_____

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

[Form of Assignment]

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

_____

_____

_____

_____

_____

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer, with full power of substitution in the premises.

Dated: _____, ___.

_____

In the presence of:

_____

[FORM OF THE SERIES 1997 B BOND]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF BROOKE
BROOKE COUNTY PUBLIC SERVICE DISTRICT
SEWER SYSTEM
REVENUE BONDS, SERIES 1997 B
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. BR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That the BROOKE COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision organized and existing under the laws of the State of West Virginia, in Brooke County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to West Virginia Water Development Authority (the "Authority "), or registered assigns, the sum of _____ ($_____), or such lesser amount as is set forth on the Record of Advances attached hereto as Exhibit A and incorporated herein by reference, in quarterly installments on the 1st day of March, the 1st day of June, the 1st day of September and the 1st day of December in each year beginning ____, 199_, as set forth on the "Schedule of Debt Service" attached as Exhibit A hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit A.

Interest on this Bond shall be zero (0%) percent from the date hereof until the Date of Completion of the Project, and after such date, interest, if any, shall be payable on the 1st day of March, the 1st day of June, the 1st day of September and the 1st day of December in each year beginning ____, 199_, at the rate of zero percent (0%) per annum. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the Paying Agent. The interest on this Bond, if any, is payable by check or draft mailed to the Authority at the address as it appears on the books of the Registrar on the 15th day of the month preceding an interest payment date or by such other method as shall be mutually agreeable, so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and as otherwise provided by the Loan Agreement dated _____, 1997, between the Authority and the Issuer.

This Bond is issued to permanently finance a portion of the costs of the acquisition and construction of certain extensions, additions, betterments and improvements to the existing system of the Issuer (the "Project," and together with any further extensions, additions, betterments and improvements thereto, the "System") and to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), a Resolution duly enacted by the Issuer on the 12th day of November, 1997, and a Supplemental Resolution adopted by the Issuer on the 12th day of November, 1997 (collectively called the "Resolution"), and is subject to all the terms and conditions thereof. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Resolution.

THIS BOND RANKS EQUALLY AS TO LIEN AND SECURITY WITH THE ISSUER'S SEWER SYSTEM REVENUE BONDS, SERIES 1997 A AND 1997 C (THE "PARITY BONDS").

This Bond is payable only from and secured by a pledge of a first lien on the Net Revenues, on a parity with the lien of the Parity Bonds, to be derived from the operation of the System, moneys in the Reserve Account created under the Resolution and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest thereon except from said special fund provided from the Net Revenues, the moneys in the Reserve Account and unexpended Bond proceeds. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any ensuing fiscal year of principal of and interest on all obligations on a parity with the Bonds, payable from such revenues, provided however, that so long as there exists in the Reserve Account an amount equal to the maximum amount of principal and interest which will become due on the Bonds and any bonds on a parity therewith in any succeeding fiscal year, respectively, an amount equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds, for the terms of which, reference is made to the Resolution. Remedies provided the registered owners of the Bonds are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Resolution, only upon the books of One Valley Bank, National Association, Charleston, West Virginia, (the "Registrar"), kept

for that purpose at the office of the Registrar, by the registered owner or its attorney duly authorized in writing, upon the surrender of this Bond together, with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

This Bond, under the provision of the Act is, and has provided all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Resolution or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the owner of this Bond.

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

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

IN WITNESS WHEREOF, THE BROOKE COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Secretary, and has caused this Bond to be dated the 9th day of December, 1997.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Original Bonds described in the within-mentioned Resolution and has been duly registered in the name of the registered owner set forth above.

ONE VALLEY BANK,
NATIONAL ASSOCIATION

By _____
Its Authorized Officer

Dated: _____

EXHIBIT A

RECORD OF ADVANCES

Amount	Date	Amount	Date
(1) $		(7) $	
(2) $		(8) $	
(3) $		(9) $	
(4) $		(10) $	
(5) $		(11) $	
(6) $		(12) $	

Total $_____

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

[Form of Assignment]

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

_____

_____

_____

_____

_____

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer, with full power of substitution in the premises.

Dated: _____, ___.

_____

In the presence of:

_____

[FORM OF THE SERIES 1997 C BOND]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF BROOKE
BROOKE COUNTY PUBLIC SERVICE DISTRICT
SEWER SYSTEM
REVENUE BONDS, SERIES 1997 C
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. CR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That the BROOKE COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision organized and existing under the laws of the State of West Virginia, in Brooke County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to West Virginia Water Development Authority (the "Authority "), or registered assigns, the sum of _____ ($_____), or such lesser amount as is set forth on the Record of Advances attached hereto as Exhibit A and incorporated herein by reference, in quarterly installments on the 1st day of March, the 1st day of June, the 1st day of September and the 1st day of December in each year beginning ____, _____, as set forth on the "Schedule of Debt Service" attached as Exhibit A hereto and incorporated herein by reference, or such earlier or later date as provided for in Section 5.03A(2) of the hereinafter-defined Resolution, with interest on each installment at the rate per annum set forth on said Exhibit A. The SRF Administrative Fee (as defined in the hereinafter described Resolution) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, _____, or such earlier or later date as provided for in Section 5.03A(2) of the hereinafter-defined Resolution, as set forth on Exhibit B attached hereto.

Interest on this Bond shall be zero (0%) percent from the date hereof until the Date of Completion of the Project, and after such date, interest, if any, shall be payable on the 1st day of March, the 1st day of June, the 1st day of September and the 1st day of December in each year beginning ____, __, or such earlier or later date as provided for in Section 5.03A(2) of the hereinafter-defined Resolution, at the rate of one percent (1%) per annum. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the Paying Agent. The interest on this Bond, if any, is payable by check or draft mailed to the Authority at the address as it appears on the books of the Registrar on the 15th day of the month preceding an interest payment date or by such other method as shall be mutually agreeable, so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and as otherwise provided by the Loan Agreement dated _____, 1997, among the Authority, the DEP and the Issuer.

This Bond is issued to permanently finance a portion of the costs of the acquisition and construction of certain extensions, additions, betterments and improvements to the existing system of the Issuer (the "Project," and together with any further extensions, additions, betterments and improvements thereto, the "System"); and to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), a Resolution duly enacted by the Issuer on the 12th day of November, 1997, and a Supplemental Resolution adopted by the Issuer on the 12th day of November, 1997 (collectively called the "Resolution"), and is subject to all the terms and conditions thereof. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Resolution.

THIS BOND RANKS EQUALLY AS TO LIEN AND SECURITY WITH THE ISSUER'S SEWER SYSTEM REVENUE BONDS, SERIES 1997 B AND SERIES 1997 C (THE "PARITY BONDS").

This Bond is payable only from and secured by a pledge of a first lien on the Net Revenues, on a parity with the lien of the Parity Bonds, to be derived from the operation of the System, moneys in the Reserve Account created under the Resolution and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest thereon except from said special fund provided from the Net Revenues, the moneys in the Reserve Account and unexpended Bond proceeds. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any ensuing fiscal year of principal of and interest on all obligations on a parity with the Bonds, payable from such revenues, provided however, that so long as there exists in the Reserve Account an amount equal to the maximum amount of principal and interest which will become due on the Bonds and any bonds on a parity therewith in any succeeding fiscal year, respectively, an amount equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds, for the terms of which, reference is made to the Resolution. Remedies provided the registered owners of the Bonds are exclusively as

provided in the Resolution, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Resolution, only upon the books of One Valley Bank, National Association, Charleston, West Virginia, (the "Registrar"), kept for that purpose at the office of the Registrar, by the registered owner or its attorney duly authorized in writing, upon the surrender of this Bond together, with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

This Bond, under the provision of the Act is, and has provided all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Resolution or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the owner of this Bond.

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

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

IN WITNESS WHEREOF, THE BROOKE COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Secretary, and has caused this Bond to be dated the 9th day of December, 1997.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Original Bonds described in the within-mentioned Resolution and has been duly registered in the name of the registered owner set forth above.

ONE VALLEY BANK,
NATIONAL ASSOCIATION

By _____
Its Authorized Officer

Dated: _____

EXHIBIT A

RECORD OF ADVANCES

Amount	Date	Amount	Date
(1) $		(7) $	
(2) $		(8) $	
(3) $		(9) $	
(4) $		(10) $	
(5) $		(11) $	
(6) $		(12) $	

Total $_____

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

[Form of Assignment]

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

_____

_____

_____

_____

_____

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer, with full power of substitution in the premises.

Dated: _____, ___.

_____

In the presence of:

_____

Section 3.09. Sale of Original Bonds; Ratification and Execution of Loan Agreements. The Original Bonds for each phase shall be sold to the Authority, pursuant to the terms and conditions of the respective Loan Agreements. As a ratification of the resolution of Council authorizing execution of the Loan Agreements, the Chairman is specifically authorized and directed to execute the Loan Agreements and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreements to the Authority. The Loan Agreements are specifically incorporated into this Resolution.

Section 3.10. Certificate of Consulting Engineers. Prior to the issuance of the Original Bonds, the Issuer must obtain the certificate of the Consulting Engineers, in the form attached to the SRF Loan Agreement, to the effect that the Project has been designed as provided in the Program application and will be constructed in accordance with the approved plans, specifications and design as submitted to the DEP and the Authority, as the case may be, that the Project will be adequate for the purposes for which it was designed, and the funding plan as submitted to the DEP and the Authority is sufficient to pay the costs of the acquisition and construction of the Project.

Section 3.11. Amended Schedule A Filing. Within 60 days following the Completion Date, the Issuer will file with the Authority its schedule, in substantially the form of "Amended Schedule A" to the Loan Agreement, setting forth the actual costs of the Project and sources of funds used therefor.

ARTICLE IV

[Reserved]

ARTICLE V

SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created with and shall be held by the Depository Bank:

(1) Revenue Fund;

(2) Renewal and Replacement Fund;

(3) Series 1997 A Bond Construction Trust Fund;

(4) Series 1997 B Bond Construction Trust Fund; and

(5) Series 1997 C Bond Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby established with the Commission for each series of Original Bonds:

(1) Sinking Fund;

(a) Within the Sinking Fund, the Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Resolution and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner therein and herein provided.

(1) The Issuer shall, each month, transfer from the Revenue Fund an amount sufficient to pay current Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month (i) commencing 4 months prior to the first date of payment of interest, if any, on the respective series of Bonds for which interest has not been capitalized (or, in the case of the Series 1997 C Bonds, commencing on the earlier of that date or the first day of the month following the last date of payment of principal of the Series 1997 A Bonds, whichever occurs first), apportion and set apart out of the Revenue Fund and remit to the Commission, for deposit in the respective Sinking Funds, a sum equal to 1/3rd of the amount of interest which will become due on the respective series of Bonds on the next ensuing quarterly interest payment

date; provided, that, in the event the period to elapse between the date of such initial deposit in the respective Sinking Funds and the next quarterly interest payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next quarterly interest payment date, the required amount of interest coming due on such date, and (ii) on the first day of each month, commencing 4 months prior to the first date of payment of principal on the respective series of Bonds (or, in the case of the Series 1997 C Bonds, commencing on the earlier of that date or the month after the last date of payment of principal of the Series 1997 A Bonds, whichever occurs first), apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the respective Sinking Funds, a sum equal to 1/3rd of the amount of principal which will mature and become due on the respective series of Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the respective Sinking Fund and the next quarterly principal payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next quarterly principal payment date, the required amount of principal coming due on such date. When additional series of Original Bonds are issued, the payment of interest and principal on said bonds shall be made simultaneously with the payments described in this Section 5.03A(2) and to the extent that Revenues are insufficient to make all of the payments, such payments shall be made, pro rata, among each series of Bonds.

(3) The Issuer shall next transfer from the Revenue Fund and pay to the Commission on the first day of each month, commencing 3 months prior to the first date of payment of principal of each respective series of Bonds (or, in the case of the Series 1997 C Bonds, commencing on the earlier of that date or the month after there shall have been deposited in the Reserve Account for the Series 1997 A Bonds an amount equal to the Series 1997 A Reserve Requirement), if not fully funded upon issuance of such series of Bonds, for deposit in the respective Reserve Account, an amount equal to 1/120 of the respective Reserve Requirement; provided, that no further payments shall be made into the respective Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the respective Reserve Requirement. When additional series of Original Bonds are issued, the payment of interest and principal on said bonds shall be made simultaneously with the payments described in this Section 5.03A(3) and to the extent that Revenues are insufficient to make all of the payments, such payments shall be made, pro rata, among each series of Bonds.

(4) The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, transfer to the Renewal and Replacement Fund a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Reserve Account (except to the extent such deficiency exists because the required payments into such

account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the respective Sinking Funds shall be used only for the purposes of paying principal of and interest on the respective series of Bonds as the same shall become due. Moneys in the Reserve Account in the respective Sinking Funds shall be used only for the purpose of paying principal of or interest on the respective series of Bonds, as the same shall come due, when other moneys in the respective Sinking Fund are insufficient therefor, and for no other purpose. Except for the funds required to be deposited in the Rebate Fund, all investment earnings on moneys in the respective Reserve Accounts shall be transferred, not less than once each year, to the respective Bond Construction Trust Funds prior to completion of the Project and thereafter, pro rata, to the respective Sinking Funds.

Any withdrawals from the Reserve Accounts which result in a reduction in the balance of any Reserve Account to an amount below the applicable Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the Sinking Funds for payment of debt service on the Bonds have been made in full.

B. As and when additional Bonds ranking on a parity with the Original Bonds are issued, provision shall be made for additional payments into the Sinking Fund sufficient to pay any interest on such additional Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the Reserve Account in an amount equal to the Reserve Requirement.

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

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

Moneys in the Reserve Accounts shall be invested and reinvested by the Commission in accordance with Article VIII hereof.

The Sinking Funds, including the Reserve Accounts therein, shall be used solely and only for, and is hereby pledged for, the purpose of servicing the respective series of Bonds and any additional Bonds ranking on a parity with them that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

C. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinabove provided, are current and there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into the Sinking Funds, including the Reserve Accounts therein, and the Renewal and Replacement Fund during the following month or such longer period as shall be required by the Act, such excess shall be considered as surplus revenues (the "Surplus Revenue"). Surplus Revenues may be used for any lawful purpose of the System.

D. The Issuer shall remit from the Revenue Fund to the Commission or the Depository Bank, on such dates as the Commission or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay any Depository Bank's charges then due.

Simultaneously with the deposits made to the Commission pursuant to Section 5.03A(2) and (3) the Issuer shall remit to the Commission the SRF Administrative Fee.

The Issuer shall complete the "monthly payment form," which form is attached to the Loan Agreement as Exhibit F, and submit a copy of said form along with a copy of its payment check to the Authority by the fifth day of each calendar month.

E. The moneys in excess of the maximum amounts insured by FDIC in the Revenue Fund and the Renewal and Replacement Fund shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

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

G. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

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

Section 5.04. Excess Bond Proceeds. Upon completion of the Project, any proceeds of the Original Bonds not required to pay Costs of the Project shall be applied as directed by the Authority and Council.

ARTICLE VI

APPLICATION OF ORIGINAL BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 6.01. Application of Original Bond Proceeds. From the moneys received from time to time from the sale of any or all of the Original Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Bonds, there shall be deposited with the Commission in the respective reserve account the sum, if any, set forth in the Supplemental Resolution for funding of said Reserve Account.

B. The remaining moneys derived from the sale of the Original Bonds shall be deposited by the Issuer, as received from time to time, in the Bond Construction Trust Funds hereinafter established.

C. There is hereby created and established with the Depository Bank a special fund, designated the "Bond Construction Trust Fund," for each series of Original Bonds. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Bond Construction Trust Funds and shall comply with all requirements with respect to the disposition of the Bond Construction Trust Funds set forth in this Resolution. Except with respect to any transfers to the Rebate Fund, moneys in the Bond Construction Trust Funds shall be used solely to pay Costs of the Project and until so transferred or expended, are hereby pledged as additional security for the Bonds.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and after all costs have been paid, any remaining proceeds of the Series 1997 A Bonds shall be used as directed in writing by the Authority and any remaining proceeds of the Series 1997 B Bonds or Series 1997 C Bonds shall be used as directed in writing by the Authority and the Infrastructure Council.

Section 6.02. Disbursements From the Bond Construction Trust Funds.

A. With respect to the proceeds of the Series 1997 A Bonds, on or before the Closing Date, the Issuer shall have delivered to the Authority a report listing the specific purposes for which the proceeds of the Series 1997 A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule.

Except as provided in Section 6.01 hereof, disbursements from the respective Series 1997 A Bond Construction Trust Fund (except for the cost of issuance of the Original Bonds which shall be made upon request of the Issuer) shall be made only after submission to, and approval from, the Authority and the DEP of the following:

(1) A "Payment Requisition Form," attached to the Loan Agreement for the Series 1997 A Bonds, and

(2) a certificate, signed by the Chairman and the Consulting Engineers, stating:

(A) That none of the items for which the payment is proposed to be made has formed the basis for any disbursements theretofore made;

(B) That each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

(C) That each of such costs has been otherwise properly incurred; and

(D) That payment for each of the items proposed is then due and owing.

B. With respect to the proceeds of the Series 1997 B Bonds and the Series 1997 C Bonds, on or before the Closing Date, the Issuer shall have delivered to the Infrastructure Council a report listing the specific purposes for which the proceeds of the Series 1997 B and 1997 C Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule.

With respect to the proceeds of the Series 1997 B Bonds and Series 1997 C Bonds, by the fifteenth day of each month, the Issuer shall provide the Infrastructure Council with a requisition for costs incurred for the Project with such documentation as the Infrastructure Council shall from time to time require. Upon receipt of the proceeds from the Authority, the Issuer shall deposit the proceeds in the respective Bond Construction Trust Fund and pay any approved costs. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 1997 B Bond Construction Trust Fund and the Series 1997 C Bond Construction Trust Fund (except for the cost of issuance of the Series 1997 B Bonds or the Series 1997 C Bonds which shall be made upon request of the Issuer) shall be made only after submission to, and approval from, the Authority and the Infrastructure Council, of a certificate, signed by the Chairman and the Consulting Engineers, stating that:

(A) That none of the items for which the payment is proposed to be made has formed the basis for any disbursements theretofore made;

(B) That each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

(C) That each of such costs has been otherwise properly incurred; and

(D) That payment for each of the items proposed is then due and owing.

C. In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Bond Construction Trust Funds only the net amount remaining after deduction of any such portion. All payments made from the Bond Construction Trust Funds shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Bond Construction Trust Funds. The Consulting Engineers shall, from time to time, file with the Depository Bank written statements advising the Depository Bank of its then authorized representative.

Pending such application, moneys in the Bond Construction Trust Funds, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions set forth in this Resolution shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any owner or owners of the Bonds. In addition to the other covenants, agreements and provisions of this Resolution, the Issuer hereby covenants and agrees with the owners of the Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of said Bonds, or the interest thereon, is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Resolution. No Holder or Holders of any Bonds shall ever have the right to compel the exercise of the taxing power, if any, of the Issuer to pay said Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Original Bonds issued hereunder shall be secured forthwith, equally and ratably, by a first lien on the Net Revenues derived from the operation of the System. The revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds herein authorized and to make the payments into the Sinking Funds, including the Reserve Accounts therein, and all other payments provided for in this Resolution are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Bonds and for the other purposes provided in the Resolution.

Section 7.04. Rates. Prior to issuance of the Original Bonds, equitable rates or charges for the use of and service rendered by the System will be established in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reductions in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System, (i) to provide for all reasonable expenses of operation, repair and maintenance of the System, including any reserves required by the PSC Order or any supplemental or amendments thereto, and (ii) to leave a balance each Fiscal Year equal to

at least 115% of the maximum amount required in any succeeding Fiscal Year for payment of principal of and interest on the Bonds; provided that, in the event that an amount at least equal to or in excess of the Reserve Requirement is on deposit in the Reserve Account and the reserve account for the Bonds is funded at least at the requirement provided for in the Resolutions, such balance each Fiscal Year need only equal at least 110% of the maximum amount required in any succeeding Fiscal Year for payment of principal of and interest on the Original Bonds.

Section 7.05. Completion, Operation and Maintenance; Schedule of Cost. The Issuer will expeditiously complete the Project and will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures, for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof, from the revenues of said System, in the manner provided in the Resolution.

Upon completion of the Project, the Issuer shall file with the Authority a schedule, in substantially the form of Amended Schedule A to the Program loan application, setting forth the actual costs of the Project and sources of funds therefor.

Section 7.06. Sale of the System. The System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient fully to pay or redeem at or prior to maturity all the Bonds Outstanding. The proceeds from such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Commission for deposit in the appropriate Sinking Funds, and the Issuer shall direct the Commission to apply such proceeds to the payment of principal and any interest at maturity of Bonds about to mature and to the redemption prior to maturity, at the earliest date permitted hereby and at the redemption price, of all other Outstanding Bonds. Any balance remaining after the redemption or payment of all the Bonds and interest thereon shall be remitted to the Issuer by the Commission, unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. The Board may then, if it be so advised, as evidenced by certificates of the Consulting Engineers, by resolution duly adopted, approve and concur in such finding and provide for the sale of such property if the amount to be received therefor is not in excess of ten thousand dollars ($10,000), or authorize such sale, lease or other disposition of such property, upon public bidding, if the amount to be received therefor is in excess of ten thousand dollars ($10,000) but not in excess of fifty thousand dollars ($50,000). The proceeds of any such sale, lease or other disposition of such property, not in excess of $10,000, shall be deposited in the Renewal and Replacement Fund. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $10,000 and not in excess of $50,000, shall be remitted by the

Issuer to the Commission for deposit in the appropriate Sinking Funds and shall be applied only to the redemption of Bonds of the last maturities then Outstanding or to the purchase of Bonds of the last maturities then Outstanding at prices not greater than the redemption price of such Bonds. Such payments of such proceeds into the Sinking Fund or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Resolution.

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

Section 7.07. Issuance of Other Obligations Payable out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations whatsoever, except pari passu additional Bonds provided for in Section 7.08 hereof, payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds; provided, however, that additional Parity Bonds may be issued as provided in Section 7.08 hereafter. All obligations hereafter issued by the Issuer payable from the revenues of the System, except such additional Parity Bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such revenues and in all other respects to the Bonds to the extent such are Outstanding; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the respective Reserve Accounts and the Renewal and Replacement Fund, at the time of the issuance of such subordinate obligations, have been made and are current.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to said pari passu additional Bonds, being on a parity with the lien of the Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Bonds and the interest thereon in this Resolution or upon the System or any part thereof.

The Issuer shall give the Authority and the DEP prior written notice of its issuance of any other obligations to be used for the Project, payable from the revenues of the System or from any grants for the Project, or any other obligations related to the Project or the System.

Section 7.08. Parity Bonds. No Parity Bonds payable out of the revenues of the System shall be issued after the issuance of any Bonds pursuant to this Resolution,

except under the conditions and in the manner herein provided and with the prior written consent of DEP, the Infrastructure Council and the Authority.

No Parity Bonds shall be issued, except for the purpose of financing the costs of the acquisition or construction of extensions, additions, betterments or improvements to the System or refunding the entirety of one or more issues or series of bonds or both such purposes.

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Secretary a written statement by Independent Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the net revenues actually derived, subject to the adjustments hereinafter provided, from the System during any twelve (12) consecutive months within the eighteen (18) months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual net revenues to be received in each of the three (3) succeeding years after the completion of the improvements to be financed by such additional Parity Bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on the following:

(1) Each series of Original Bonds then Outstanding;

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

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

The "estimated average increased annual net revenues to be received in each of the three (3) succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased net revenues estimated to be derived from any increase in rates enacted by the Issuer, the time for appeal of which shall have expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed in the office of the Secretary prior to the issuance of such additional Parity Bonds.

The Net Revenues actually derived from the System during the twelve (12) consecutive month period hereinabove referred to may be adjusted by adding to such net revenues such additional net revenues which would have been received, in the opinion of the Consulting Engineers and the Independent Accountants as stated in a certificate jointly made and signed by the Consulting Engineers and the Independent Accountants, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which shall have expired prior to issuance of such Parity Bonds.

Not later than simultaneously with the delivery of such Parity Bonds, the Issuer shall have entered into written contracts for the immediate acquisition or construction of

such extensions, additions, betterments or improvements to the System which are to be financed by such Parity Bonds.

All the covenants and other provisions of this Resolution (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the owners of the Original Bonds and the owners of any Parity Bonds subsequently issued, from time to time, within the limitations of and in compliance with this Section. All the Bonds, regardless of the time or times of their issuance shall rank equally with respect to their respective liens on the revenues of the System, and their respective sources of and security for payment from said revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds created in this Resolution required for and on account of such additional Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Resolution.

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

No Parity Bonds shall be issued at any time, however, unless all the payments into the respective funds and accounts provided for in this Resolution on account of the Bonds then Outstanding, and any other payments provided for in this Resolution, shall have been made in full as required to the date of delivery of the Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Resolution.

Section 7.09. Insurance and Construction Bonds. The Issuer will carry such insurance and in such amounts as is customarily carried with respect to works and properties similar to the System, with a reputable insurance carrier or carriers, against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks. The Issuer will require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and the DEP, so long as the Authority is the Owner of the Bonds. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their interests may appear, in accordance with the Loan Agreement, during construction of the Project in the full insurable value thereof. In time of war, the Issuer shall also carry in said amount such insurance as may be available against loss or damage by the risks and hazards of war. The proceeds of all such insurance policies shall be disposed of as provided in the

Resolution and otherwise shall be placed in the Renewal and Replacement Fund and used only for the repair and restoration of the damaged or destroyed properties or for the other purposes provided herein for said Renewal and Replacement Fund. The Issuer shall also carry liability insurance for damage or injury to persons or property in amounts adequate for such purposes and customarily carried with respect to works and properties similar to the System. The Issuer shall carry such other insurance as is required by the Authority and DEP and as set forth in the Loan Agreement, including but not limited to flood insurance and business interruption insurance, to the extent available at reasonable cost to the Issuer.

The Issuer shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract, as security for the faithful performance of such contract.

Section 7.10. Consulting Engineers. The Issuer shall provide and maintain competent and adequate resident engineering services satisfactory to the Authority, the Infrastructure Council and the DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers. Such resident engineer shall certify to the Authority, the DEP and the Issuer, at the completion of construction, that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a Performance Certificate, the form of which is attached as Exhibit A to the Loan Agreement and is incorporated herein by reference, to the DEP within 60 days of the end of the first year after the Project is completed.

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP when the Project is 90% completed. The Issuer agrees that it will, at all times, provide operation and maintenance of the System to comply with any and all State and federal standards. The Issuer agrees that qualified operating personnel, properly certified by the State, will be employed before the Project is 25% complete and agrees that it will retain such a certified operator(s) to operate the System during the entire term of this Loan Agreement. The Issuer shall notify the DEP in writing of the certified operator employed at the 25% completion stage.

The Issuer agrees that qualified operating personnel, properly certified by the State, will be retained to operate the System during the entire term of the Loan Agreements.

Section 7.11. Compliance With Loan Agreements, Rules and Regulations. The Issuer hereby covenants and agrees to perform and satisfy all terms and conditions of the Loan Agreements and to comply with all applicable laws, rules and regulations issued

by the Authority, the Infrastructure Council, the DEP or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP and the Infrastructure Council with copies of all documents submitted to the Authority.

Section 7.12. No Free Services. The Issuer will not render or cause to be rendered any free services, of any nature, by its System; and, in the event the Issuer or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or himself or herself of the facilities or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rates, rentals or other charges for the services and facilities of the System and take all steps, actions and proceedings for the enforcement and collection of such fees, rates, rentals or other charges that shall become delinquent to the full extent permitted or authorized by the laws of the State of West Virginia. All such rates and charges, if not paid when due, shall become a lien on the premises served by the System.

Whenever any rates, rentals or charges for the services or facilities of the System, or of the waterworks system or sewerage system constituting a part thereof, shall remain unpaid for a period of thirty (30) days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. The Issuer further covenants and agrees that it will, to the full extent permitted by law, and any rules and regulations promulgated by the PSC applicable thereto, discontinue and shut off both the water and sewerage services and facilities of the System to all delinquent users of the services and facilities of the System, or of the waterworks system or sewerage system constituting a part thereof, and will not restore either water or sewerage services of the System until all delinquent charges for the service and facilities of the System, or of the waterworks system or sewerage system constituting a part thereof, plus reasonable interest penalty charges for the restoration of service, have been fully paid. As required by the PSC Order, the Issuer has entered into a Water Service Termination Agreement with the Village of Beech Bottom.

Section 7.14. No Competing Franchise. To the extent allowable by law, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.15. Books, Records and Facilities. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority, the Infrastructure Council, and the DEP, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System, at all reasonable times, for the purpose of audit and examination. The Issuer shall submit to the Authority, the Infrastructure Council, and the DEP such documents and information as they may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the Loan Agreements or Grant Receipts or other sources of financing for the Project.

The Issuer shall permit the Authority, the Infrastructure Council and the DEP, or their agents and representatives, to inspect all records pertaining to the operation of the System, at all reasonable times, following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any owner of a Bond or Bonds issued pursuant to the Resolution shall have the right, at all reasonable times, to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow currently accepted accounting practices in accordance with the rules and regulations of the PSC and the Act. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books, and along with other bookkeeping records as prescribed by the Issuer. The Issuer shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Issuer shall be reported to such agent of the Issuer as the Board shall direct.

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

(A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from and relating to the System.

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Resolution with respect to said Bonds and the status of all said funds and accounts.

(C) The amount of any Bonds or other obligations Outstanding and secured by a lien on the Net Revenues of the System.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by Independent Accountants in compliance with OMB Circular 128 and the Single Audit Act, or any successors thereto, and shall mail upon request, and make available generally, the report of said Independent Accountants, or a summary thereof, to any owner or owners of Bonds issued pursuant to this Resolution, and shall submit said report to the Authority, the Infrastructure Council and the DEP. The report of said audit shall include a statement that the Issuer is in compliance with the terms and provisions of the Act and the Loan Agreements and that the Issuer's revenues are adequate to meet its operation and maintenance expenses and debt service requirements.

The Issuer shall, commencing on the date contracts are executed for the construction of the Project and for two years following the completion of the Project, each month complete a Monthly Financial Report and forward a copy by the 10th of each month to the Authority, the Infrastructure Council and the DEP.

The Issuer shall, during construction of the Project, complete Payment Requisition Forms, the form of which is attached to the SRF Loan Agreement as Exhibit C and is incorporated herein by reference, and forward a copy to the DEP in compliance with the Issuer's construction schedule.

The Issuer shall provide the DEP with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in Exhibit E of the Loan Agreement or as promulgated from time to time.

The Issuer shall permit the Authority, the Infrastructure Council or the DEP, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction of the Project, the Issuer shall also provide the Authority, the Infrastructure Council and the DEP, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority, the Infrastructure Council and the DEP with respect to the System pursuant to the Act.

Section 7.16. Operating Budget. The Issuer shall, annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority, the Infrastructure Council and the DEP within thirty days of the adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased

expenditures shall be made until the Board shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made, except upon the further certificate of the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and to any Holder of any Bonds who shall file his address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

In addition, the Issuer shall annually cause the records of the System to be audited by Independent Accountants in compliance with OMB Circular 128 and the Single Audit Act, or any successors thereto, the report of which audit shall be submitted to the Authority, the Infrastructure Council and the DEP. This audit report shall include a statement that the Issuer is in compliance with the terms and provisions of the Act and the Loan Agreements and that the Issuer's revenues are adequate to meet its operation and maintenance expenses and debt service requirements.

Section 7.17. Mandatory Connection. The mandatory use of the System is essential and necessary to protect and preserve the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the PSC shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matter from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30 day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 7.18. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PUBLIC PURPOSE BONDS. The Issuer shall use the Bond proceeds of the Series 1997 C Bonds solely for the Project and as otherwise set forth herein, and the Project will be solely operated as a public purpose and as local governmental activity of the Issuer.

B. PRIVATE ACTIVITY BOND COVENANT. The Issuer shall not permit at any time or times any of the proceeds of the Series 1997 C Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Series 1997 C Bonds from the treatment afforded by Section 103(a) of the Code by reason of the classification of the Series 1997 C Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code in order to assure the tax-exempt status of the Series 1997 C Bonds.

C. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Series 1997 C Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

D. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action, or permit or suffer any action to be taken if the result of the same would be to cause the Series 1997 C Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

E. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax exempt status of the Series 1997 C Bonds, including, without limitation, the information return required under Section 149(e) of the Code.

F. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including those deemed necessary by the Authority) so that the interest on the Series 1997 C Bonds will be and remain excludible from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including those determined by the Authority) which would adversely affect such exclusion.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Bondholders, a statutory mortgage lien upon the System is granted and created by the Bond Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon delivery of the Bonds and shall be for the benefit of all Owners of the Bonds.

Section 7.20. PSC Order. The Issuer shall comply with the conditions of the PSC Order and any supplement or amendment thereto.

Section 7.21. Covenant to Amend Resolution. The Issuer retains the right to make any amendments, insertions or deletions by Supplemental Resolution of this

Resolution as the Issuer deems necessary prior to the issuance of the Bonds to meet the requirements of the Authority and the Infrastructure Council.

Section 7.22. Compensation of the Issuer. The Issuer hereby covenants and agrees that no compensation for policy direction shall be paid to the members of the Board of the Issuer in excess of the amount permitted by the Act. Payment of any compensation to any such member for policy direction shall not be made if such payment would cause the Net Revenues to fall below the amount required to meet all payments provided for herein, nor when there is a default in the performance of or compliance with any covenants or provision hereof.

Section 7.23. Securities Law Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

ARTICLE VIII

INVESTMENT OF FUNDS; NON-ARBITRAGE

Section 8.01. Investments. Any moneys held as a part of the funds and accounts created by this Resolution, other than the Revenue Fund, shall be invested and reinvested by the Commission or the Depository Bank, as the case may be, at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Resolution, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 8.01.

Except as specifically provided herein, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, including but not limited to those in the Bond Construction Trust Funds, and used for the purpose of such fund or account. The interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the Owner, including the value of accrued interest and giving effect to the amortization of discount and investments in the "consolidated fund" of the West Virginia Board of Investments shall be valued at par. The Commission or the Depository Bank, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. Such Depository Bank may make any and all investments permitted by this Section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

Notwithstanding the foregoing, any investments made pursuant to this Resolution shall comply with the guidelines of the Authority and the Infrastructure Council.

Section 8.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 1997 C Bonds in such manner and to such extent as may be necessary, in view of the Issuer's reasonable expectations at the time of issuance of the Series 1997 C Bonds, so that the Series 1997 C Bonds will not constitute "arbitrage bonds" under Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 1997 C Bonds so that the interest on the Series 1997 C Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Rebate of Excess Investment Earnings to the United States. A. CREATION OF FUNDS. There are hereby created, to be held by the Depository Bank as separate funds distinct from all other funds and accounts held by the Depository Bank under

this Resolution, the Earnings Fund and the Rebate Fund. All interest earnings and profits on amounts in all funds and accounts established under this Resolution on account of the Series 1997 C Bonds, other than (i) interest earnings and profits on any funds referenced in Subsection C(5) of this Section if such earnings in any Bond Year are less than $100,000, (ii) interest earnings and profits on amounts in funds and accounts which do not constitute Gross Proceeds, and (iii) interest earnings and profits on the Rebate Fund shall, upon receipt by the Depository Bank, be deposited in the Earnings Fund. In addition, all interest earnings and profits on Gross Proceeds in funds held by the Issuer shall, upon receipt, be paid to the Depository Bank for deposit in the Earnings Fund. Annually, on or before the 30th day following the end of each Bond Year or on the preceding business day in the event that such last day is not a business day, or such earlier date as may be required under the Code or the Loan Agreement, the Depository Bank shall transfer from the Earnings Fund to the Rebate Fund for purposes of ultimate payment to the United States an amount equal to Excess Investment Earnings, all as more particularly described in this Section. Following the transfer referenced in the preceding sentence, the Depository Bank shall transfer all amounts remaining in the Earnings Fund to the Series 1997 C Bond Construction Trust Fund until completion of the Project, and thereafter to the Revenue Fund.

B. DUTIES OF ISSUER IN GENERAL. The Issuer shall calculate Excess Investment Earnings in accordance with Subsection C and shall assure payment of an amount equal to Excess Investment Earnings to the United States in accordance with Subsections D and E.

C. CALCULATION OF EXCESS INVESTMENT EARNINGS. Within 15 days following the last day of the first Bond Year, the Issuer shall calculate, and shall provide written notice to the Authority and Depository Bank of, the Excess Investment Earnings referenced in clause (A) of the definition of Excess Investment Earnings. Thereafter, within 15 days following the last day of each Bond Year and within 15 days following the date of the retirement of the Series 1997 C Bonds, the Issuer shall calculate, and shall provide written notice to the Authority and Depository Bank of, the amount of Excess Investment Earnings. Said calculations shall be made or caused to be made and/or monitored by the Issuer or the Authority, in its sole discretion, in accordance with the following:

(1) Except as provided in (2), in determining the amount described in clause A(i) of the definition of Excess Investment Earnings, the aggregate amount earned on Nonpurpose Investments shall include (i) all income realized under federal income tax accounting principles (whether or not the person earning such income is subject to federal income tax) with respect to such Nonpurpose Investments and with respect to the reinvestment of investment receipts from such Nonpurpose Investments (without regard to the transaction costs incurred in acquiring, carrying, selling or redeeming such Nonpurpose Investments), including, but not limited to, gain or loss realized on the disposition of such Nonpurpose Investments (without regard to when such gains are taken into account under Section 453 of the Code relating to taxable year of inclusion of gross income), and income under Section 1272 of the Code

(relating to original issue discount) and (ii) any unrealized gain or loss as of the date of retirement of the Bonds in the event that any Nonpurpose Investment is retained after such date.

(2) In determining the amount described in clause (A) of the definition of Excess Investment Earnings, Investment Property shall be treated as acquired for its fair market value at the time it becomes a Nonpurpose Investment, so that gain or loss on the disposition of such Investment Property shall be computed with reference to such fair market value as its adjusted basis.

(3) In determining the amount described in clause (A)(ii) of the definition of Excess Investment Earnings, the Yield on the Series 1997 C Bonds shall be determined based on the actual Yield of the Series 1997 C Bonds and during the period between the Closing Date for the Series 1997 C Bonds and the date the computation is made (with adjustments for original issue discount or premium).

(4) In determining the amount described in clause (B) of the definition of Excess Investment Earnings, all income attributable to the excess described in clause (A) of said definition must be taken into account, whether or not that income exceeds the Yield of the Series 1997 C Bonds, and no amount may be treated as "negative arbitrage."

(5) In determining the amount of Excess Investment Earnings, there shall be excluded any amount earned on any fund or account which is used primarily to achieve a proper matching of revenues and Debt Service within each Bond Year and which is depleted at least once a year except for a reasonable carryover amount not in excess of the greater of 1 year's earnings on such fund or account or 1/12th of annual Debt Service as well as amounts earned on said earnings if the gross earnings on such fund or account for the Bond Year is less than $100,000.

D. PAYMENT TO THE UNITED STATES. The Issuer shall direct the Depository Bank to pay from the Rebate Fund an amount equal to Excess Investment Earnings to the United States in installments with the first payment to be made not later than 30 days after the end of the 5th Bond Year and with subsequent payments to be made not later than 5 years after the preceding payment was due. The Issuer shall assure that each such installment is in an amount equal to at least 90% of the Excess Investment Earnings with respect to the Gross Proceeds as of the close of the computation period. Not later than 60 days after the retirement of the Series 1997 C Bonds, the Issuer shall direct the Depository Bank to pay from the Rebate Fund to the United States 100% of the theretofore unpaid Excess Investment Earnings in the Rebate Fund. In the event that there are any amounts remaining in the Rebate Fund following the payment required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any

reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required by this Subsection D, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor.

In the event the Issuer fails to make any such rebates as required, the Issuer shall pay any and all penalties, obtain a waiver from the Internal Revenue Service and take any other actions necessary or desirable to preserve the exclusion from gross income for Federal income tax purposes of interest on the Series 1997 C Bonds.

E. FURTHER OBLIGATIONS OF ISSUER. The Issuer shall assure that Excess Investment Earnings are not paid or disbursed except as required in this Section. To that end the Issuer shall assure that investment transactions are on an arm's length basis and that Nonpurpose Investments are acquired at their fair market value. In the event that Nonpurpose Investments consist of certificates of deposit or investment contracts, investment in such Nonpurpose Investments shall be made in accordance with the procedures described in applicable Regulations as from time to time in effect. The Depository Bank shall keep the moneys in the Earnings Fund and Rebate Fund invested and reinvested to the fullest extent practicable in Government Obligations with maturities consonant with the required use thereof and investment profits and earnings shall be credited to the account of such fund on which earned.

F. MAINTENANCE OF RECORDS. The Issuer shall keep, and retain for a period of six years following the retirement of the Series 1997 C Bonds, records of the determinations made pursuant to this Section 8.03.

G. INDEPENDENT CONSULTANTS. In order to provide for the administration of this Section 8.03, the Issuer and the Depository Bank (at the expense of the Issuer) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Depository Bank may deem appropriate.

H. FURTHER AGREEMENT. Notwithstanding the foregoing, the Issuer further covenants to comply with all Regulations from time to time in effect and applicable to the Series 1997 C Bonds, as may be necessary in order to fully comply with Section 148(f) of the Code.

I. REPORTING TO AUTHORITY. The Issuer shall furnish to the Authority, annually, at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority and shall furnish to the Authority such information with respect to earnings on all funds constituting "gross proceeds" of the Series 1997 C Bonds (as that term is defined in the Code) from time to time as the Authority may request.

J. AMENDMENTS TO THIS SECTION. Notwithstanding any of the provisions herein to the contrary, the Issuer agrees to amend the provisions of this Section from time to time at the direction of the Authority in order to insure continuing compliance with Section 8.02 hereof.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any series of Original Bonds; or

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to such Bonds set forth in this Resolution, any supplemental Resolution, or in such Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by any bank or banking association holding any fund or account hereunder or an owner of such Bonds; or

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default with respect to any Bonds, any Registered Owner of such Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding, enforce all rights of such registered Owners, including the right to require the Issuer to perform its duties under the Act and the Resolution relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon such Bonds, (iv) by action at law or bill in equity, require the Issuer to account as if it were the trustee of an express trust for the registered Owners of such Bonds, and (v) by action or bill in equity, enjoin any acts in violation of the Resolution with respect to such Bonds, or the rights of such registered Owners.

Section 9.03. Appointment of Receiver. Any Bondholder may, by proper legal action, compel the performance of the duties of the Issuer under the Resolution and the Act, including the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any default in the payment of interest on any Bonds when the same shall become due, or in the payment of the principal of any Bond or Bonds, either at the specified date of maturity thereof or at a date set for redemption thereof, or otherwise in the performance of any covenant contained in the Resolution other than as to such payment and such default shall continue for a period of thirty (30) days after written notice to the Issuer of such default, any Bondholder shall, in addition to all other remedies or rights, have the right, by

appropriate legal proceedings, to obtain the appointment of a receiver to administer the System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the Bonds and any interest thereon, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of the Resolution and the Act.

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

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

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

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

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all Bonds the principal thereof, and redemption premium, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Resolution, then the pledge of Net Revenues and any other moneys and securities pledged under this Resolution and all covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied.

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

ARTICLE XI

MISCELLANEOUS

Section 11.01. Modification or Amendment. No material modification or amendment of this Resolution or of any Resolution or Resolution amendatory hereof or supplemental hereto which would materially and adversely affect the rights of Bondholders shall be made without the consent in writing of the owners of two-thirds (2/3) or more in principal amount of the Bonds then Outstanding and to be affected by said modification; provided, however, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the revenues of the System without the consent of the owner thereof. No amendment or modification shall be made which would reduce the percentage of the principal amount of Bonds required for consent to the above permitted amendments or modifications.

Section 11.02. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Resolution.

Section 11.03. Table of Contents and Headings. The Table of Contents and the headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 11.04. Repeal of Conflicting Resolutions. All resolutions, resolutions and orders, or parts thereof, in conflict with this Resolution are, to the extent of such conflict, repealed.

Section 11.05. Covenant of Due Procedure. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the final enactment and passage of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, the Secretary and members of the Board were at all times when any actions in connection with this Resolution occurred, and are, duly in office and duly qualified for such office.

Section 11.06. Effective Date. This Resolution shall take effect immediately upon its adoption.

BROOKE COUNTY PUBLIC SERVICE DISTRICT

[SEAL]

_____

Chairman, Public Service Board

_____

Member, Public Service Board

_____

Member, Public Service Board

CERTIFICATION

Certified as a true copy of the Resolution adopted by the Public Service Board of the Brooke County Public Service District.

_____

Secretary, Public Service Board

[SEAL]

CHASFS3:107462

EXHIBIT A

Project Description

Acquisition and construction of (i) a wastewater collection system in the Windsor Heights, Short Creek and North/South Beech Bottom areas of Brooke County, West Virginia, consisting of approximately 40,900 linear feet of 6", 8" and 10" gravity sewers, 226 manholes, 41 cleanouts, 10 residential grinder stations, 8 sewer lift stations, 2 odor control facilities, and 24,100 linear feet of 1-1/4", 1-1/2", 2", 4" and 6" force mains; (ii) upgrades to the existing wastewater treatment plant at Beech Bottom to an aerated lagoon, activated sludge system; and (iii) a collection system and a new 25,000 gallon per day extended-aeration package treatment plant to replace the existing Franklin Manor package treatment plant.

EXHIBIT B

(See Tab No. 10)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITIES, INTEREST RATE, PRINCIPAL PAYMENT SCHEDULES, SALE PRICES AND OTHER TERMS OF THE BROOKE COUNTY PUBLIC SERVICE DISTRICT SEWER REVENUE BONDS, SERIES 1997 A, SERIES 1997 B AND SERIES 1997 C; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; MAKING PROVISIONS FOR THE PAYMENT OF THE SERIES 1997 BONDS; AND MAKING OTHER PROVISIONS AS TO THE SERIES 1997 BONDS.

WHEREAS, the Public Service Board (the "Board") of the Brooke County Public Service District (the "District"), has duly and officially adopted a Bond Resolution on November 12, 1997, (the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING SEWER SYSTEM OF THE BROOKE COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF, THROUGH THE ISSUANCE BY THE DISTRICT OF SEWER SYSTEM REVENUE BONDS; AUTHORIZING THE ISSUANCE OF THREE SEPARATE SERIES OF SEWER REVENUE BONDS OF THE DISTRICT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $3,200,000 TO BE USED, ALONG WITH OTHER FUNDS AND MONEYS OF, OR AVAILABLE TO, THE DISTRICT WHICH MAY BE LAWFULLY EXPENDED FOR SUCH PURPOSES, TO FINANCE THE COST OF SUCH ACQUISITION AND CONSTRUCTION, TO FUND RESERVE ACCOUNTS FOR SUCH BONDS, AND TO PAY OTHER COSTS IN CONNECTION THEREWITH; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT OR LOAN AGREEMENTS RELATING TO SUCH BONDS; AND ADOPTING OTHER PROVISIONS RELATED THERETO.

WHEREAS, the Resolution provides for the issuance of the Brooke County Public Service District Sewer Revenue Bonds, Series 1997 A, Series 1997 B and Series 1997 C of the District (the "Bonds"), in the aggregate principal amount not to exceed $3,200,000, and has authorized the execution and delivery of a loan agreement or loan agreements relating to the Bonds, including all amendments and supplements (collectively, the "Loan Agreement"), by and among the District and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Division of Environmental Protection ("DEP") and the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 16, Article 13A, Chapter 22C, Article 2, and Chapter 31, Article 15A, of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Resolution it is provided that the exact principal amounts, maturity dates, interest rates, interest and principal payment dates, sale prices and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

WHEREAS, the Board deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted and that the exact principal amounts, the prices, the maturity dates, the redemption provisions, the interest rates and the interest and principal payment dates of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for; and

WHEREAS, capitalized terms not otherwise defined shall have the meanings given such terms in the Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF THE BROOKE COUNTY PUBLIC SERVICE DISTRICT, WEST VIRGINIA, AS FOLLOWS:

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

(A) Brooke County Public Service District Sewer Revenue Bonds, Series 1997 A, of the District, originally represented by a single Bond, numbered AR-1, in the principal amount of $450,000. The Bonds shall be dated the date of delivery thereof and shall finally mature March 1, 2019, and shall bear no interest. The principal on the Bonds is payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 1999. The Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, upon payment of the redemption premium, if any, and upon continued compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Bonds, and shall be payable in installments of principal in the amounts as set forth in "Schedule Y," attached thereto and incorporated herein by reference. The Town shall pay the 1% SRF Administrative Fee as provided in the Loan Agreement.

(B) Brooke County Public Service District Sewer Revenue Bonds, Series 1997 B, of the District, originally represented by a single Bond, numbered BR-1, in the principal amount of $2,163,971. The Bonds shall be dated the date of delivery thereof, shall finally mature December 1, 2037, and shall bear no interest. The principal on the Bonds is payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 1999. The Bonds shall be subject to redemption upon the written consent of the Authority and the Infrastructure Council, upon payment of the redemption premium, if any, and upon continued compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Bonds, and shall be payable in installments of principal in the amounts as set forth in "Schedule Y," attached thereto and incorporated herein by reference.

(C) Brooke County Public Service District Sewer Revenue Bonds, Series 1997 C, of the District, originally represented by a single Bond, numbered CR-1, in the principal amount of $450,000. The Bonds shall be dated the date of delivery thereof, shall finally mature December 1, 2037, and shall bear interest at the rate of one percent (1.00%) per annum, commencing June 1, 2019, or on such earlier or later date as provided for in Section 5.03A(2) of the Resolution. Both principal of and interest on the Bonds are payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2019, or on such earlier or later date as provided for in Section 5.03A(2) of the Resolution. The Bonds shall be subject to redemption upon the written consent of the Authority and the Infrastructure Council, upon payment of the interest and redemption premium, if any, upon continued compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Bonds, and shall be payable in installments of principal and interest in the amounts as set forth in "Schedule Y," attached thereto and incorporated herein by reference.

Section 2. The Bonds shall each be issued as a fully registered Bond, both as to principal and interest, if any, and shall be registered to the Authority.

Section 3. All other provisions relating to the Bonds and the text of the Bonds shall be in substantially the form provided in the Resolution.

Section 4. The District does hereby ratify the Loan Agreements, copies of which are incorporated herein by reference, and the execution and delivery of the Chairman of the Loan Agreements, and the performance of the obligations contained therein, on behalf of the District are hereby authorized, directed, ratified and approved. The District hereby affirms all covenants and representations made in the Loan Agreements and in the Applications to the DEP, Infrastructure Council and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds will be advanced from time to time as requisitioned by the District.

Section 5. The District does hereby appoint and designate One Valley Bank, National Association, Charleston, West Virginia, as Registrar (the "Registrar") for the Bonds and does approve and accept the Registrar's Agreement to be dated the date of delivery of

the Bonds, by and between the District and the Registrar, in substantially the form attached hereto, and the execution and delivery by the Chairman of the Registrar's Agreement, and the performance of the obligations contained therein, on behalf of the District are hereby authorized, approved and directed.

Section 6. The District does hereby appoint and direct the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Bonds.

Section 7. The District does hereby appoint Advance Financial Savings Bank, Wellsburg, West Virginia, as Depository Bank under the Resolution.

Section 8. The District has established with the Depository Bank a Reserve Account for each series of Bonds pursuant to the Resolution. At closing, the Reserve Account will be funded on the date the Bonds are issued in an amount equivalent to the Reserve Requirement applicable to such series of Bonds. Moneys in the Reserve Accounts and the Sinking Funds therein (established for the annual payment of principal and interest) will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

Section 9. The proceeds of the Bonds, as advanced from time to time, shall be deposited in or credited to the Bond Construction Trust Fund, as received from time to time for payment of Costs of the Project, including costs of issuance of the Bonds.

Section 10. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Resolution approved and provided for, to the end that the Bonds may be delivered on or about December 9, 1997, to the Authority pursuant to the Loan Agreements.

Section 11. The financing of the Project in part with proceeds of the Bonds is in the public interest, serves a public purpose of the District and will promote the health, welfare and safety of the residents of the District.

Section 12. The District hereby determines to invest all moneys in the funds and accounts established by the Resolution held by the Depository Bank until expended, in money market accounts secured by a pledge of Government Obligations, and therefore, the District hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such money market accounts until further directed in writing by the District. Moneys in the Sinking Funds, including the Reserve Accounts therein, shall be invested by the Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 13. The District shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the District to be used directly or indirectly in

a manner which would result in the exclusion of the Series 1997 C Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Town will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 14. The financing of the Project in part with the proceeds of the Bonds is in the public interest, serves a public purpose of the District, and will promote the health, safety and welfare of the citizens of the District.

Section 15. The District hereby approves the costs of issuance and authorizes the payment of the same.

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

Dated: November 12, 1997

BROOKE COUNTY PUBLIC SERVICE DISTRICT

_____
Chairman, Public Service Board

_____
Member, Public Service Board

_____
Member, Public Service Board

[SEAL]

_____
Secretary

CERTIFICATION

Certified as a true copy of the Supplemental Resolution adopted by the Public Service Board of the Brooke County Public Service District.

_____

Secretary, Public Service Board

[SEAL]

CHASFS3:107734

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITIES, INTEREST RATE, PRINCIPAL PAYMENT SCHEDULES, SALE PRICES AND OTHER TERMS OF THE BROOKE COUNTY PUBLIC SERVICE DISTRICT SEWER REVENUE BONDS, SERIES 1997 A, SERIES 1997 B AND SERIES 1997 C; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; MAKING PROVISIONS FOR THE PAYMENT OF THE SERIES 1997 BONDS; AND MAKING OTHER PROVISIONS AS TO THE SERIES 1997 BONDS.

WHEREAS, the Public Service Board (the "Board") of the Brooke County Public Service District (the "District"), has duly and officially adopted a Bond Resolution on November 12, 1997, (the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING SEWER SYSTEM OF THE BROOKE COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF, THROUGH THE ISSUANCE BY THE DISTRICT OF SEWER SYSTEM REVENUE BONDS; AUTHORIZING THE ISSUANCE OF THREE SEPARATE SERIES OF SEWER REVENUE BONDS OF THE DISTRICT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $3,200,000 TO BE USED, ALONG WITH OTHER FUNDS AND MONEYS OF, OR AVAILABLE TO, THE DISTRICT WHICH MAY BE LAWFULLY EXPENDED FOR SUCH PURPOSES, TO FINANCE THE COST OF SUCH ACQUISITION AND CONSTRUCTION, TO FUND RESERVE ACCOUNTS FOR SUCH BONDS, AND TO PAY OTHER COSTS IN CONNECTION THEREWITH; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT OR LOAN AGREEMENTS RELATING TO SUCH BONDS; AND ADOPTING OTHER PROVISIONS RELATED THERETO.

WHEREAS, the Resolution provides for the issuance of the Brooke County Public Service District Sewer Revenue Bonds, Series 1997 A, Series 1997 B and Series 1997 C of the District (the "Bonds"), in the aggregate principal amount not to exceed $3,200,000, and has authorized the execution and delivery of a loan agreement or loan agreements relating to the Bonds, including all amendments and supplements (collectively, the "Loan Agreement"), by and among the District and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Division of Environmental Protection ("DEP") and the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 16, Article 13A, Chapter 22C, Article 2, and Chapter 31, Article 15A, of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Resolution it is provided that the exact principal amounts, maturity dates, interest rates, interest and principal payment dates, sale prices and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

WHEREAS, the Board deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted and that the exact principal amounts, the prices, the maturity dates, the redemption provisions, the interest rates and the interest and principal payment dates of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for; and

WHEREAS, capitalized terms not otherwise defined shall have the meanings given such terms in the Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF THE BROOKE COUNTY PUBLIC SERVICE DISTRICT, WEST VIRGINIA, AS FOLLOWS:

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

(A) Brooke County Public Service District Sewer Revenue Bonds, Series 1997 A, of the District, originally represented by a single Bond, numbered AR-1, in the principal amount of $450,000. The Bonds shall be dated the date of delivery thereof and shall finally mature March 1, 2019, and shall bear no interest. The principal on the Bonds is payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 1999. The Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, upon payment of the redemption premium, if any, and upon continued compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Bonds, and shall be payable in installments of principal in the amounts as set forth in "Schedule Y," attached thereto and incorporated herein by reference. The Town shall pay the 1% SRF Administrative Fee as provided in the Loan Agreement.

(B) Brooke County Public Service District Sewer Revenue Bonds, Series 1997 B, of the District, originally represented by a single Bond, numbered BR-1, in the principal amount of $2,163,971. The Bonds shall be dated the date of delivery thereof, shall finally mature December 1, 2037, and shall bear no interest. The principal on the Bonds is payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 1999. The Bonds shall be subject to redemption upon the written consent of the Authority and the Infrastructure Council, upon payment of the redemption premium, if any, and upon continued compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Bonds, and shall be payable in installments of principal in the amounts as set forth in "Schedule Y," attached thereto and incorporated herein by reference.

(C) Brooke County Public Service District Sewer Revenue Bonds, Series 1997 C, of the District, originally represented by a single Bond, numbered CR-1, in the principal amount of $450,000. The Bonds shall be dated the date of delivery thereof, shall finally mature December 1, 2037, and shall bear interest at the rate of one percent (1.00%) per annum, commencing June 1, 2019, or on such earlier or later date as provided for in Section 5.03A(2) of the Resolution. Both principal of and interest on the Bonds are payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2019, or on such earlier or later date as provided for in Section 5.03A(2) of the Resolution. The Bonds shall be subject to redemption upon the written consent of the Authority and the Infrastructure Council, upon payment of the interest and redemption premium, if any, upon continued compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Bonds, and shall be payable in installments of principal and interest in the amounts as set forth in "Schedule Y," attached thereto and incorporated herein by reference.

Section 2. The Bonds shall each be issued as a fully registered Bond, both as to principal and interest, if any, and shall be registered to the Authority.

Section 3. All other provisions relating to the Bonds and the text of the Bonds shall be in substantially the form provided in the Resolution.

Section 4. The District does hereby ratify the Loan Agreements, copies of which are incorporated herein by reference, and the execution and delivery of the Chairman of the Loan Agreements, and the performance of the obligations contained therein, on behalf of the District are hereby authorized, directed, ratified and approved. The District hereby affirms all covenants and representations made in the Loan Agreements and in the Applications to the DEP, Infrastructure Council and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds will be advanced from time to time as requisitioned by the District.

Section 5. The District does hereby appoint and designate One Valley Bank, National Association, Charleston, West Virginia, as Registrar (the "Registrar") for the Bonds and does approve and accept the Registrar's Agreement to be dated the date of delivery of

the Bonds, by and between the District and the Registrar, in substantially the form attached hereto, and the execution and delivery by the Chairman of the Registrar's Agreement, and

the performance of the obligations contained therein, on behalf of the District are hereby authorized, approved and directed.

Section 6. The District does hereby appoint and direct the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Bonds.

Section 7. The District does hereby appoint Advance Financial Savings Bank, Wellsburg, West Virginia, as Depository Bank under the Resolution.

Section 8. The District has established with the Depository Bank a Reserve Account for each series of Bonds pursuant to the Resolution. At closing, the Reserve Account will be funded on the date the Bonds are issued in an amount equivalent to the Reserve Requirement applicable to such series of Bonds. Moneys in the Reserve Accounts and the Sinking Funds therein (established for the annual payment of principal and interest) will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

Section 9. The proceeds of the Bonds, as advanced from time to time, shall be deposited in or credited to the Bond Construction Trust Fund, as received from time to time for payment of Costs of the Project, including costs of issuance of the Bonds.

Section 10. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Resolution approved and provided for, to the end that the Bonds may be delivered on or about December 9, 1997, to the Authority pursuant to the Loan Agreements.

Section 11. The financing of the Project in part with proceeds of the Bonds is in the public interest, serves a public purpose of the District and will promote the health, welfare and safety of the residents of the District.

Section 12. The District hereby determines to invest all moneys in the funds and accounts established by the Resolution held by the Depository Bank until expended, in money market accounts secured by a pledge of Government Obligations, and therefore, the District hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such money market accounts until further directed in writing by the District. Moneys in the Sinking Funds, including the Reserve Accounts therein, shall be invested by the Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 13. The District shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the District to be used directly or indirectly in

a manner which would result in the exclusion of the Series 1997 C Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Town will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 14. The financing of the Project in part with the proceeds of the Bonds is in the public interest, serves a public purpose of the District, and will promote the health, safety and welfare of the citizens of the District.

Section 15. The District hereby approves the costs of issuance and authorizes the payment of the same.

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

Dated: November 12, 1997

BROOKE COUNTY PUBLIC SERVICE DISTRICT

_____
Chairman, Public Service Board

_____
Member, Public Service Board

_____
Member, Public Service Board

[SEAL]

_____
Secretary

CERTIFICATION

Certified as a true copy of the Supplemental Resolution adopted by the Public Service Board of the Brooke County Public Service District.

_____

Secretary, Public Service Board

[SEAL]

CHASFS3:107734

BROOKE COUNTY PUBLIC SERVICE DISTRICT
SEWER SYSTEM REVENUE BONDS,
SERIES 2003A
(WEST VIRGINIA SRF PROGRAM)

BOND RESOLUTION

Adopted
October 8, 2003

BROOKE COUNTY PUBLIC SERVICE DISTRICT

BOND RESOLUTION

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWER SYSTEM OF BROOKE COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY BROOKE COUNTY PUBLIC SERVICE DISTRICT OF NOT MORE THAN SEVEN HUNDRED TWELVE THOUSAND FIFTY DOLLARS ($712,050) IN AGGREGATE PRINCIPAL AMOUNT OF SEWER SYSTEM REVENUE BONDS, SERIES 2003A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND THE WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF BROOKE COUNTY PUBLIC SERVICE DISTRICT:

ARTICLE I
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution (together with any order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is adopted pursuant to the provisions of Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. Brooke County Public Service District (the "Issuer") is a public service district, public corporation and political subdivision of the State of West Virginia in Brooke County of said State.

B. The Issuer presently owns and operates a public sewer system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed certain extensions, additions, betterments and improvements to the Issuer's existing sewer system, including the extensions, additions, betterments and improvements described in Exhibit A hereto (collectively, the "Project") (the Issuer's existing sewer system, the Project and any further additions thereto or extensions thereof are herein called the "System") in accordance with the plans and specifications prepared by Burgess & Niple, Inc. Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The acquisition and construction of the System was financed in part with the proceeds from $450,000 in aggregate principal amount of the Issuer's Sewer System Revenue Bonds, Series 1997 A (West Virginia SRF Program) (the "Series 1997A Bonds"), dated December 9, 1997, authorized pursuant to a Bond Resolution adopted by the Issuer on November 12, 1997, as supplemented and amended by a Supplemental Resolution adopted on November 12, 1997 (the "Prior Resolution"); $2,163,971 in aggregate principal amount of the Issuer's Sewer System Revenue Bonds, Series 1997 B (West Virginia Infrastructure Fund) (the "Series 1997B Bonds"), dated December 9, 1997, authorized pursuant to the Prior Resolution; and $450,000 in aggregate principal amount of the Issuer's Sewer System Revenue Bonds, Series 1997 C (West Virginia Infrastructure Fund) (the "Series 1997C Bonds"), dated December 9, 1997, authorized pursuant to the Prior Resolution.

D. The Issuer derives revenues from the System, and, except for the pledge thereof to secure and pay the Series 1997A Bonds, the 1997B Bonds and the 1997C Bonds (collectively, the "Prior Bonds"), said revenues are not pledged or encumbered in any manner.

E. The estimated maximum cost of the acquisition and construction of the Project and issuance of the Series 2003A Bonds, as hereinafter defined, is $1,455,050, of which $743,000 will be paid with a Small Cities Block Grant and the balance of which will be permanently financed with the proceeds of the Issuer's Sewer System Revenue Bonds, Series 2003A (West Virginia SRF Program) in the original principal amount of $712,050 (the "Series 2003A Bonds") herein authorized.

F. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest, if any, on the Series 2003A Bonds and the Prior Bonds and all sinking funds, reserve accounts and other payments provided for herein and in the Prior Resolution.

G. It is further deemed necessary for the Issuer to issue the Series 2003A Bonds in the total aggregate principal amount of not more than $712,050 to permanently finance a portion of the costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 2003A Bonds prior to and during construction or acquisition and for a period not exceeding 6 months after completion of construction of the Project, if any; amounts which may be deposited in the Series 2003A Bonds Reserve Account; engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees of the Authority and DEP (each as hereinafter defined), discount, fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2003A Bonds, and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2003A Bonds, or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

H. The period of usefulness of the System after completion of the Project is not less than 35 years.

I. It is in the best interest of the Issuer that its Series 2003A Bonds be issued and sold to the West Virginia Water Development Authority (the "Authority") pursuant to the terms and provisions of a bond purchase agreement by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), the execution, delivery and form of which are ratified and approved herein.

J. The Issuer has met the requirements of the Prior Resolution for the issuance of the Series 2003A Bonds on a parity with the Prior Bonds. Prior to the issuance of the Series 2003A Bonds, the Issuer will obtain (1) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds have been met and (2) the written consent from the Holder of the Prior Bonds to issue the Series 2003A Bonds on a parity with the lien on the Net Revenues of the Holders of the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or other obligations of the Issuer which are secured by revenues or assets of the System. The Series 2003A Bonds shall be issued with a lien on the Net Revenues, as hereinafter defined, on parity with the lien thereon held by the Holders of the Prior Bonds.

K. The Issuer has complied with all requirements of West Virginia law and the Bond Purchase Agreement relating to authorization of the acquisition, construction and

operation of the Project and the System, and issuance of the Series 2003A Bonds, or will have so complied prior to issuance thereof, including, among other things, the approval by the Council, as hereinafter defined, of the Project and the financing thereof, and the obtaining of a Certificate of Public Convenience and Necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which has expired or has been waived by all necessary parties prior to the issuance of the Series 2003A Bonds.

L. The Project has been reviewed and determined to be technically and financially feasible by the Council (as hereinafter defined) as required by Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

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

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

"Act" means collectively Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"Authority" means the West Virginia Water Development Authority, or any other agency of the State of West Virginia that succeeds to the functions of the Authority, which is expected to be the original purchaser and Registered Owner of the Series 2003A Bonds.

"Authorized Officer" means the Chairman of the Governing Body of the Issuer or any temporary Chairman duly appointed by the Governing Body.

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

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

"Bond Purchase Agreement" shall mean the Bond Purchase Agreement heretofore entered into or to be entered into by and among the Authority, DEP and the Issuer providing for the purchase of the Series 2003A Bonds from the Issuer by the Authority, the form of which is attached hereto as Exhibit B and shall be approved, and the execution and delivery of which by the Issuer are authorized and directed by Section 4.11 hereof and by the Supplemental Resolution.

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

"Bonds" means the Prior Bonds, the Series 2003A Bonds and, where appropriate, any bonds on a parity therewith subsequently issued hereunder or pursuant to another resolution of the Issuer.

"Certificate of Authentication and Registration" means the certificate of authentication and registration on the Series 2003A Bonds in substantially the form set forth in the bond form contained herein.

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

"Closing Date" means the date on which there is an exchange of the Series 2003A Bonds for an advance of more than a de minimis amount of the principal of the Series 2003A Bonds.

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

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

"Completion Date" means the completion date of the Project, as defined in the SRF Regulations.

"Consulting Engineers" means Burgess & Niple, Inc., Parkersburg, West Virginia or any professional engineer or firm of professional engineers, licensed by the State who shall not be a regular, full-time employee of the State or any of its agencies, commissions or political subdivisions, that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof, in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended.

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

"Council" means the West Virginia Infrastructure and Jobs Development Council or any successor thereto.

"DEP" means the West Virginia Department of Environmental Protection, or any agency, board or department of the State that succeeds to the functions of the DEP.

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

"Event of Default" means any occurrence or event specified in Section 9.01.

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

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

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

"Government Obligations" means direct obligations of, or obligations the timely payment of the principal of and interest on which is guaranteed by, the United States of America, including (i) such obligations which have been stripped from their unmatured interest coupons, interest coupons stripped from such obligations and receipts or certificates evidencing payments from such obligations or interest coupons stripped from such obligations, (ii) evidences of ownership of a proportionate interest in specified direct obligations of, or specified obligations which are unconditionally and fully guaranteed by, the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian and (iii) obligations, the sole source of the payment of the principal of and interest on which are obligations of the nature of those described in clause (i), which are irrevocably pledged for such purposes..

"Grant" means the $743,000 Small Cities Block Grant for the Project.

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

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

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

"Interim Financing Bank" means the bank providing the interim financing authorized and approved in Article III hereof, which bank shall be designated as such in a resolution supplemental hereof.

"Investment Property" shall mean any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract or investment-type property, or residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan excluding, however, obligations the interest on which is excluded from gross

income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

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

"Net Proceeds" means the face amount of the Series 2003A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Series 2003A Bonds Reserve Account, if any. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2003A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds or any other proceeds of the Series 2003A Bonds and is not acquired in order to carry out the governmental purpose of the Series 2003A Bonds.

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

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

"Parity Bonds" means additional Bonds issued under the provisions and within the limitations prescribed by Section 7.07 hereof.

"Paying Agent" means the West Virginia Municipal Bond Commission, or such entity or authority as may be designated by the Issuer by Supplemental Resolution with the consent of the Authority and the DEP.

"Prior Bonds" means the Series 1997A Bonds, the Series 1997B Bonds and the Series 1997C bonds issued under the Prior Resolution.

"Prior Resolution" means the Bond Resolution, and all supplements thereto, adopted by the Public Service Board of the Issuer on November 12, 1997, authorizing the issuance of the Prior Bonds.

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

"Project" means the extensions, additions, betterments and improvements to the Issuer's existing sewer system described in Exhibit A hereto.

"PSC" means the Public Service Commission of West Virginia.

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

(a) Government Obligations;

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

(c) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

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

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

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

(g) The West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended; and

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

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

"Registrar" means the Bond Registrar.

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

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

"Reserve Accounts" means collectively, the Series 1997A Bonds Reserve Account, the Series 1997B Bonds Reserve Account, the Series 1997C Bonds Reserve Account and the Series 2003A Bonds Reserve Account.

"Reserve Requirements" means collectively, the respective amounts required to be on deposit in the Reserve Accounts.

"Revenue Fund" means the Revenue Fund established by the Prior Resolution.

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

"Series 1997A Bonds" means the Issuer's Sewer System Revenue Bonds, Series 1997 A (West Virginia SRF Program), dated December 9, 1997, issued in the original principal amount of $450,000.

"Series 1997B Bonds" means the Issuer's Sewer System Revenue Bonds, Series 1997 B (West Virginia Infrastructure Fund), dated December 9, 1997, issued in the original principal amount of $2,163,971.

"Series 1997C Bonds" means the Issuer's Sewer System Revenue Bonds, Series 1997 C (West Virginia Infrastructure Fund), dated December 9, 1997, issued in the original principal amount of $450,000.

"Series 2003A Bonds" means the Sewer System Revenue Bonds, Series 2003A (West Virginia SRF Program) of the Issuer, authorized by this Resolution.

"Series 2003A Bonds Construction Trust Fund" means the Series 2003A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2003A Bonds Reserve Account" means the Series 2003A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2003A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2003A Bonds in the then current or any succeeding year.

"Series 2003A Bonds Sinking Fund" means the Series 2003A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the Series 1997A Bonds Sinking Fund, the Series 1997B Bonds Sinking Fund, the Series 1997C Bonds Sinking Fund and the Series 2003A Bonds Sinking Fund.

"SRF Administrative Fee" means any administrative fee required to be paid under the Bond Purchase Agreement.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local government entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the Unites States Environmental Protection Agency and funds of the State.

"SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the Supplemental Resolution authorizing the sale of the Series 2003A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2003A Bonds and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2003A Bonds, the Prior Bonds or any other obligations of the Issuer, as further defined in Section 5.03(B) hereof.

"System" means the complete existing sewer system now owned by the Issuer, consisting of a sewer system in its entirety or any integral part thereof, for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, and shall include the Project and any further extensions, additions, betterments and improvements thereto hereafter acquired or constructed for said sewer system from any sources whatsoever, both within and without the Issuer.

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

Additional terms and phrases are defined in this Resolution as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

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

The terms "herein," hereunder," "hereby," "hereto," "hereof," and any similar terms refer to this Resolution; and the term "hereafter" means after the date of enactment of this Resolution.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Resolution so numbered.

ARTICLE II

AUTHORIZATION OF THE ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized the acquisition and construction of the Project, at an estimated cost of $1,455,050 in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2003A Bonds hereby authorized shall be applied as provided in Article VI hereof.

The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, in an amount and otherwise compatible with the financing plan submitted to the SRF Program.

The Cost of the Project, including without limitation the costs of issuing the Series 2003A Bonds, is estimated not to exceed $1,455,050, which is to be paid with the proceeds of the Series 2003A Bonds in the amount of $712,050 and a Small Cities Block Grant in the amount of $743,000.

ARTICLE III

INTERIM CONSTRUCTION FINANCING

Section 3.01. Authorization and General Terms. In order to pay certain Costs of the Project pending receipt of the proceeds of the Series 2003A Bonds and the proceeds of the Grant, the Issuer is hereby authorized to issue and sell its line of credit notes (the "Notes"), in an aggregate principal amount not to exceed $500,000. The Notes shall be issued as evidence of a line of credit from the Interim Financing Bank. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such date or dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the Credit Agreement, the form of which is attached is to be approved by a supplemental resolution.

Section 3.02. Terms of and Security Notes; Credit Agreement. The Notes shall be issued with such terms and secured in the manner set forth in the Credit Agreement, the form of which is hereby ratified and approved. The Chairman is hereby authorized and directed to execute and deliver the Credit Agreement on behalf of the Issuer.

Section 3.03. Notes are Special Obligations. The Notes shall be special obligations of the Issuer payable as to principal and interest solely from the surplus revenues, letter of credit proceeds, if any, proceeds of the Series 2003A Bonds and proceeds of the Grants. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions. The general funds of the Issuer are not liable and neither the full faith and credit nor the taxing power, if any, of the Issuer is pledged for the payment of the Notes. The holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as set forth in the Credit Agreement.

Section 3.04. Letters of Credit. As additional security for the Notes, the Issuer may obtain a letter or letters of credit from a bank or banks, pursuant to which such bank or banks would agree to pay the trustee to be appointed by a supplemental resolution, upon presentation by the trustee of certain certificates, the sum or sums set forth therein but not to exceed $500,000 in the aggregate. In the event of a draw under any such letter of credit, the Issuer shall issue its refunding notes to the bank issuing such letter of credit. Any such letter of credit shall be authorized and shall have such terms as shall be set forth in a resolution supplemental hereto.

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ARTICLE IV

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF BOND PURCHASE AGREEMENT

Section 4.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2003A Bonds, if any, funding the Series 2003A Bonds Reserve Account, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2003A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 2003A Bonds of the Issuer, in an aggregate principal amount of not more than $712,050. The Series 2003A Bonds shall be issued in one series, to be designated "Sewer System Revenue Bonds, Series 2003A (West Virginia SRF Program)," and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2003A Bonds remaining after funding of the Series 2003A Bonds Reserve Account (if funded from the Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2003A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 4.02. Terms of Bonds. The Series 2003A Bonds shall be issued in such principal amount; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Bond Purchase Agreement. The Series 2003A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2003A Bonds, if any, shall be paid by check or draft of the Paying Agent mailed to the registered owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2003A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and debt service schedule attached, representing the aggregate principal amount of the Series 2003A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2003A Bonds shall be exchangeable at the option and expense of the Holder for other fully registered Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution or by another resolution of the Issuer. Such Bonds shall be dated as of the date specified in a Supplemental Resolution or by another resolution of the Issuer and shall bear interest, if any, from such date.

Section 4.03. Execution of Bonds. The Series 2003A Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed any of the Series 2003A Bonds shall cease to be such officer of the Issuer before the Series 2003A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2003A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Series 2003A Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 4.04. Authentication and Registration. No Series 2003A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the forms set forth in Section 4.09 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2003A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 4.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2003A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of said Series 2003A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bond shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2003A Bonds remain Outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain the books for the registration and transfer of the Series 2003A Bonds.

The registered Series 2003A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2003A Bonds or transferring the registered Series 2003A Bonds are exercised, Series 2003A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2003A Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2003A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with

respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2003A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2003A Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Series 2003A Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 4.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2003A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 4.07. Bonds not to be Indebtedness of the Issuer. The Series 2003A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of any of the Series 2003A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2003A Bonds or the interest thereon, if any.

Section 4.08. Bonds Secured by Pledge of Net Revenues; Lien Position With Respect to Prior Bonds. The payment of the debt service of all the Series 2003A Bonds shall be secured by a first lien on the Net Revenues derived from the System, on parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 2003A Bonds and the Prior Bonds and to make the payments into the Sinking Funds and the Reserve Accounts therein are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2003A Bonds and the Prior Bonds as the same become due.

Section 4.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2003A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2003A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2003A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2003A Bonds to the original purchasers;

C. An executed and certified copy of the Bond Legislation;

D. A certified copy of the Bond Purchase Agreement; and

E. An approving opinion of bond counsel on the Series 2003A Bonds.

Section 4.10. Form of Series 2003A Bonds. The text of the Series 2003A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof;

[Form of Series 2003A Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BROOKE COUNTY PUBLIC SERVICE DISTRICT
SEWER SYSTEM REVENUE BOND,
SERIES 2003A
(WEST VIRGINIA SRF PROGRAM)

No. AR-_____ $_____

KNOW ALL MEN BY THESE PRESENTS: That BROOKE COUNTY PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Brooke County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year commencing on _____, ____, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference, without interest.

The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____, 200__, as set forth on Exhibit B attached hereto. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The SRF Administrative Fee on this Bond are payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of the Registrar (as defined in the hereinafter described Bond Legislation) on the 15th day of the month next preceding a SRF Administrative Fee payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may only be redeemed prior to its stated date of maturity in whole or in part upon the terms and conditions prescribed by, and otherwise in compliance with, the Water Pollution Control Revolving Fund Bond Purchase Agreement among the Issuer, the West Virginia Department of Environmental Protection (the "DEP") and the Authority, dated September 26, 2003.

This Bond is issued (i) to permanently finance a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public sewer facilities of the Issuer (the "Project"); (ii) to fund the Series 2003A Bonds Reserve Account; and (iii) to pay certain costs of issuance hereof and related costs. The existing public sewer facilities of the Issuer, the Project and any further additions, betterments or improvements

thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Resolution duly adopted by the Issuer on _____, 2003 and a Supplemental Resolution duly adopted by the Issuer on _____, 2003 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other securities provided for the Bonds of this Series (the "Bonds") under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH (1) THE SEWER SYSTEM REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA SRF PROGRAM), OF THE ISSUER, DATED DECEMBER 9, 1997, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $450,000 (THE "SERIES 1997A BONDS"); (2) THE SEWER SYSTEM REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE ISSUER, DATED DECEMBER 9, 1997, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $2,163,971 (THE "SERIES 1997B BONDS"); AND (3) THE SEWER SYSTEM REVENUE BONDS, SERIES 1997 C (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE ISSUER, DATED DECEMBER 9, 1997, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $450,000 (THE "SERIES 1997C BONDS" AND COLLECTIVELY WITH THE SERIES 1997A BONDS AND THE SERIES 1997B BONDS, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on parity with the pledge of the Net Revenues in favor of the holders of the Prior Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2003A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2003A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds, provided however, that so long as there exists in the Series 2003A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Prior Bonds, an amount at

least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to the payment of the Costs of the Project and the costs of issuance described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, BROOKE COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated _____, 2003.

BROOKE COUNTY PUBLIC
SERVICE DISTRICT

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2003A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2003.

_____,
as Registrar

By:_____
Its: Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	Amount	Date		Amount	Date
(1)	$		(7)	$	
(2)	$		(8)	$	
(3)	$		(9)	$	
(4)	$		(10)	$	
(5)	$		(11)	$	
(6)	$		(12)	$	

Total $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, 20___.

_____

In the presence of:

_____

Section 4.11. Sale of Bonds; Approval and Ratification of Execution of Bond Purchase Agreement. The Series 2003A Bonds shall be sold to the Authority pursuant to the terms and conditions of the Bond Purchase Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Bond Purchase Agreement in the form attached hereto as "Exhibit B" and made a part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Bond Purchase Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Bond Purchase Agreement, including all schedules and exhibits attached thereto, is hereby approved.

Section 4.12. Series 2003A Bonds are Issued as Parity Bonds With Respect to Prior Bonds. The Series 2003A Bonds are issued as and shall constitute parity bonds with respect to the Prior Bonds. The Issuer has met the requirements of the Prior Resolution for the issuance of the Series 2003A Bonds on a parity with the Prior Bonds and has received the written consent of the Holder of the Prior Bonds to the issuance of the Series 2003A Bonds on a parity with the Prior Bonds.

Section 4.13. "Filing of Amended Schedule. Within sixty (60) days following the Completion Date, the Issuer will file with the Authority and the DEP a schedule, the form of which will be provided by the DEP, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created (or continued if established by the Prior Resolution) with and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

1. Revenue Fund (created or continued by the Prior Resolution);

2. Renewal and Replacement Fund (created or continued by the Prior Resolution); and

3. Series 2003A Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with the Commission (or continued if established by the Prior Resolution):

1. Series 1997A Bonds Sinking Fund (created by the Prior Resolution);

2. Within the Series 1997A Bonds Sinking Fund, the Series 1997A Bonds Reserve Account (created by the Prior Resolution);

3. Series 1997B Bonds Sinking Fund (created by the Prior Resolution);

4. Within the Series 1997B Bonds Sinking Fund, the Series 1997B Bonds Reserve Account (created by the Prior Resolution);

5. Series 1997C Bonds Sinking Fund (created by the Prior Resolution);

6. Within the Series 1997C Bonds Sinking Fund, the Series 1997C Bonds Reserve Account (created by the Prior Resolution);

7. Series 2003A Bonds Sinking Fund; and

8. Within the Series 2003A Bonds Sinking Fund, the Series 2003A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

1. The Issuer shall first each month pay from the moneys in the Revenue Fund all current Operating Expenses.

2. The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission for deposit the Series 1997C Bonds Sinking Fund the amounts required by the Prior Resolution for payment of interest on the Series 1997C Bonds.

3. The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit into the Series 1997A Bonds Sinking Fund the amounts required for the payment of principal of the Series 1997A Bonds in accordance with the Prior Resolution, (ii) for deposit into the Series 1997B Bonds Sinking Fund the amounts required for the payment of principal of the Series 1997B Bonds in accordance with the Prior Resolution, (iii) for deposit into the Series 1997C Bonds Sinking Fund the amounts required for the payment of principal of the Series 1997C Bonds in accordance with the Prior Resolution and (iv) commencing 3 months prior to the first date of payment of principal of the Series 2003A Bonds, for deposit in the Series 2003A Bonds Sinking Fund, a sum equal to 1/3rd of the amount of principal which will mature and become due on said Series 2003A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2003A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next quarterly principal payment date, the required amount of principal coming due on such date. The Issuer shall complete the "Monthly Payment Form," the form of which is attached to the Bond Purchase Agreement as Exhibit F, and submit a copy of said form along with a copy of its remittance check to the Authority by the 5th day of such calendar month.

4. The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit into the Series 1997A Bonds Reserve Account the amount required by the Prior Resolution to be deposited therein, (ii) for deposit into the Series 1997B Bonds Reserve Account the amount required by the Prior Resolution to be deposited therein, (iii) for deposit into the Series 1997C Bonds Reserve Account the amount required by the Prior Resolution to be deposited therein, and (iv) commencing 3 months prior to the first date of payment of principal of the Series 2003A Bonds, if the Series 2003A Bonds Reserve Account is not fully funded upon issuance of the Series 2003A Bonds, for deposit in the Series 2003A Bonds Reserve Account, an amount equal to 1/120 of the Series 2003A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2003A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2003A Bonds Reserve Requirement.

5. The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, transfer to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Resolution and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for

replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account [except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof] shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the Series 2003A Bonds Sinking Fund shall be used only for the purpose of paying principal of and interest, if any, on the Series 2003A Bonds as the same shall become due. Moneys in the Series 2003A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2003A Bonds, as the same shall come due, when other moneys in the Series 2003A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2003A Bonds Sinking Fund and Series 2003A Bonds Reserve Account (if equal to the Series 2003A Bonds Reserve Requirement) shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2003A Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payments, if any, due on the Series 2003A Bonds, and then to the next ensuing principal payments due thereon.

Any withdrawals from the Series 2003A Bonds Reserve Account which result in the reduction of the balance of the Series 2003A Bonds Reserve Account below the Series 2003A Bonds Reserve Account Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2003A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2003A Bonds Sinking Fund, or into the Series 2003A Reserve Account therein when the aggregate amount of funds in said Series 2003A Sinking Fund and Series 2003A Reserve Account are at least equal to the aggregate principal amount of the Series 2003A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

Principal, interest and reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2003A Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2003A Bonds Sinking Fund and the Series 2003A Bonds Reserve Account created

hereunder, and all amounts required for said fund and account shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

The payments into the Series 2003A Bonds Sinking Fund and the Series 2003A Bonds Reserve Account and the payment of the SRF Administrative Fee as set forth in Schedule Y attached to the Bond Purchase Agreement shall be made on the first day of each month, except that when the first day of any month shall be a Saturday, Sunday or legal holiday then such payments shall be made on the next succeeding business day, and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. If required by the Authority in writing at any time, the Issuer shall make the necessary arrangements whereby such payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2003A Bonds Sinking Fund and the Series 2003A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2003A Bonds Sinking Fund, including the Series 2003A Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2003A Bonds under the conditions and restrictions hereinafter set forth.

B. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into the sinking funds, including the reserve accounts therein, the Renewal and Replacement Fund during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

C. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as any of such parties shall require, such additional sums as shall be necessary to pay their respective fees and charges then due. In case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority at any time, make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

D. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in all funds and accounts held by the Depository Bank shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

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

required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03, and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

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

H. All Tap Fees shall be deposited by the Issuer, as received, in the Series 2003A Bonds Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of any or all of the Series 2003A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2003A Bonds, there shall first be deposited with the Commission in the Series 2003A Bonds Sinking Fund, the amount, if any, specified in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2003A Bonds for the period commencing on the date of issuance of the Series 2003A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 2003A Bonds, there shall be deposited with the Commission in the Series 2003A Bonds Reserve Account the sum, if any, set forth in the Supplemental Resolution for funding of the Series 2003A Bonds Reserve Account.

C. Next, from the proceeds of the Series 2003A Bonds, there shall first be credited to the Series 2003A Bonds Construction Trust Fund and then paid any and all the borrowings by the Issuer made for the purpose of temporarily financing a portion of the Costs of the Project, including interest accrued thereon to the date of such payment, not otherwise paid from funds of the Issuer.

D. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2003A Bonds, such moneys shall be deposited with the Depository Bank in the Series 2003A Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2003A Bonds.

E. After completion of construction of the Project, as certified by the Consulting Engineers, and all Costs have been paid, any remaining proceeds of the Series 2003A Bonds shall be used to fund the Series 2003A Bonds Reserve Account, if not funded upon issuance of the Series 2003A Bonds, in an amount not to exceed the Series 2003A Bonds Reserve Requirement; provided that in no event shall more than 10% of the proceeds of the Series 2003A Bonds be deposited in the Series 2003A Bonds Reserve Account, and if any such proceeds remain after funding the Series 2003A Bonds Reserve Account, the same shall be expended as directed by the Authority and DEP.

Section 6.02. Disbursements From the Series 2003A Bonds Construction Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the DEP and the Authority a report listing the specific purposes for which the proceeds of the Series 2003A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2003A Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Authority and DEP of the following:

A. A completed and signed "Payment Requisition Form," the form of which is attached to the Bond Purchase Agreement as Exhibit C in compliance with the construction schedule; and

B. A certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

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

2. Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

3. Each of such costs has been otherwise properly incurred; and

4. Payment for each of the items proposed is then due and owing.

Pending such application, moneys in the Series 2003A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2003A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2003A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of said Series 2003A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2003A Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any of the Series 2003A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay said Bonds or the interest thereon, if any.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of the Series 2003A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System, on parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest, if any, on the Series 2003A Bonds and the Prior Bonds and to make the payments into the sinking funds, including the reserve accounts therein, and all other payments provided for in the Bond Legislation and the Prior Resolution are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Series 2003A Bonds and the Prior Bonds as the same become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Bond Purchase Agreement. The schedule of rates and charges for the services and facilities of the System, a copy of which is attached hereto as Exhibit C and incorporated herein and which rates have been approved and are described in the Commission Order of the PSC entered March 21, 2003 in Case No. 02-1544-PSWD-CN, are hereby adopted, ratified, approved and affirmed.

So long as any of the Series 2003A Bonds are Outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Bond Purchase Agreement. In the event the

schedule of rates and charges initially established for the System in connection with the Series 2003A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Bond Purchase Agreement, the Issuer hereby covenants and agrees that it will, to the extent and in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Bond Purchase Agreement.

Section 7.05. Sale of the System. So long as any of the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System or any part thereof, except as provided in the Prior Resolution. Additionally, except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Prior Bonds and the Series 2003A Bonds, or to effectively defease this Bond Legislation in accordance with Section 10.01 hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2003A Bonds and Prior Bonds, immediately be remitted to the Commission for deposit in Series 2003A Bonds Sinking Fund, the Series 1997A Bonds Sinking Fund, the Series 1997B Bonds Sinking Fund, and the Series 1997C Bonds Sinking Fund, respectively, pro rata with respect to the principal amounts of the Series 2003A Bonds and the respective Prior Bonds then outstanding, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Series 2003A Bonds and Prior Bonds. Any balance remaining after the payment of all the Series 2003A Bonds and Prior Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, and subject to the Prior Resolution so long as any of the Prior Bonds remain Outstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $50,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $50,000 but not in excess of $200,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $50,000 and not in excess of $200,000, shall be deposited in the Renewal and Replacement Fund. Such payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said fund by other

provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $200,000 and insufficient to pay all Prior Bonds and the Series 2003A Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives of the Prior Bonds and Series 2003A Bonds then outstanding and the Consulting Engineers. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Prior Bonds and Series 2003A Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and in Section 7.07, so long as any of the Series 2003A Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2003A Bonds. All obligations issued by the Issuer after the issuance of the Series 2003A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2003A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the sinking funds, reserve accounts and the Renewal and Replacement Fund at the time of the issuance of such subordinate obligations have been made and are current. Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2003A Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2003A Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

The Issuer shall give the Authority and DEP prior written notice of its issuance of any other obligations to be used for the System, payable from the revenues of the System or from any grants, or any other obligations related to the Project or the System.

Section 7.07. Parity Bonds. So long as any of the Prior Bonds are outstanding, the limitations on the issuance of obligations on a parity with the Prior Bonds set forth in the Prior Resolution shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2003A Bonds pursuant to this Bond Legislation, except under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2003A Bonds, and must have the prior written consent of the Authority and the DEP.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the design, construction or acquisition of extensions, improvements or betterments to the System or refunding any outstanding Bonds, or both such purposes.

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

(1) The Bonds then Outstanding;

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

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

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

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

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 2003A Bonds on such revenues. The Issuer shall not issue

any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2003A Bonds.

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Bond Legislation and the Prior Resolution with respect to the Series 2003A Bonds and Prior Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of delivery of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

Section 7.08. Books, Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the DEP, or its agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the DEP such documents and information as it may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

The Issuer shall permit the Authority and the DEP, or its agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds issued pursuant to this Bond Legislation shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the PSC. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The Governing Body shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

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

(A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from and relating to the System.

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation with respect to said Bonds and the status of all said funds and accounts.

(C) The amount of any Bonds or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular and the Single Audit Act or successor thereto, in effect at the time, to the extent required, and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of Bonds, and shall submit said report to the Authority and the DEP, or any other original purchaser of the Bonds, within ninety (90) days of the end of the Fiscal Year. Such audit report submitted to the Authority and the DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the Bond Purchase Agreement and this Bond Legislation, and that the Issuer's revenues are adequate to meet its operation and maintenance expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the Bond Purchase Agreement and the Act, the Issuer has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared by the Consulting Engineers. All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

The Issuer shall provide the DEP with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in Exhibit E of the Bond Purchase Agreement or as promulgated from time to time.

The Issuer shall permit the Authority and the DEP, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction and commencement of operation of the Project, the Issuer shall also provide the Authority and the DEP, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the DEP with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the issuance of the Series 2003A Bonds, equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created or continued hereunder. Such schedule of rates and charges

shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2003A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2003A Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the Reserve Requirements are on deposit respectively in the Series 2003A Bonds Reserve Account and reserve accounts for obligations on a parity with the Series 2003A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Series 2003A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2003A Bonds, including the Prior Bonds.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the DEP within 30 days of adoption thereof. The Issuer, by the unanimous consent and approval of the Governing Body, may amend the budget during the subject Fiscal Year provided that the budget remains balanced after such amendment. If the budget is so amended, a copy of the amended budget shall be submitted to the Authority and the DEP within 15 days of the adoption of such amendment. After the adoption of any such amendment, the budget, as amended, shall be the budget of the Issuer for the balance of the subject Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The Issuer shall, within 30 days of adoption thereof, mail copies of such annual budget, any amendments thereto and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the DEP and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets, any amendments thereto and resolutions be furnished him or her and shall make available such budgets, any amendments thereto and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for two years following the completion of the Project, the Issuer shall each month

complete a "Monthly Financial Report," a form of which is attached to the Bond Purchase Agreement as Exhibit B, and forward a copy of such report to the Authority and the DEP by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate from the Consulting Engineers in the form attached to the Bond Purchase Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority and the DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the DEP is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the Bond Purchase Agreement as Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

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

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP when the Project is 90% completed.

The Issuer shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator(s) to operate the System so long as the Series 2003A Bonds are Outstanding. The Issuer shall notify the DEP in writing of the certified operator employed at the 50% completion stage.

Section 7.12. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and

regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the water facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water provider, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

Section 7.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as any of the Series 2003A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for said Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Bond Purchase

Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than $500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR: AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code Chapter 38, Article 2, Section 39.

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

(5) BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

(6) FIDELITY BONDS, will be provided for every officer, member and employee of the Issuer or the Governing Body having custody of the revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

B. The Issuer shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract. The Issuer shall verify such bonds prior to commencement of construction. The Issuer shall also require all contractors engaged in the construction of the Project to carry such workers' compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided that the amounts and terms of such coverage are satisfactory to the Authority and the DEP. In the event the Bond Purchase Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interest may appear. The Issuer shall verify such insurance prior to commencement of construction.

Section 7.16. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to

assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 7.17. Completion and Operation of Project; Permits and Orders. The Issuer will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer has obtained all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the Series 2003A Bonds required by state law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2003A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2003A Bonds and shall be for the equal benefit of all Holders of the Series 2003A Bonds, on parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.19. Compliance With Bond Purchase Agreement and Law. The Issuer shall perform, satisfy and comply with all terms and conditions of the Bond Purchase Agreement. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP with all copies submitted to the Authority.

The Issuer also agrees to comply with the Act and all applicable laws, rules and regulations issued by the Authority, the DEP or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

Section 7.20. Securities Laws Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.21. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2003A Bonds or within ten days thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the DEP for written approval. The Issuer shall obtain the written approval of the DEP before expending any proceeds of the Series 2003A Bonds held in "contingency" as set forth in the schedule attached to the Certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the DEP before expending any proceeds of the Series 2003A Bonds made available due to bid or construction or project underruns.

C. The Issuer shall list the funding provided by the DEP and the Authority in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any ground breaking or dedication of the Project.

Section 7.22. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2003A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2003A Bonds during the term thereof is, under the terms of the Series 2003A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect to any property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2003A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2003A Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2003A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2003A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2003A Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2003A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure that tax-exempt status of the Series 2003A Bonds and the interest thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 2003A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

ARTICLE VIII

INVESTMENT OF FUNDS

Section 8.01. Investments. Any moneys held as a part of the funds and accounts created by this Bond Legislation, other than the Revenue Fund, shall be invested and reinvested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Bond Legislation, the need for such moneys for the purposes set forth herein, and the specific restrictions and provisions set forth in this Section 8.01.

Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission, the Depository Bank, or such other bank or national banking association, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank or such other bank or national banking association, as the case may be, may make any and all investments permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often if reasonably requested by the Issuer), a summary of such funds, accounts, and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2003A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest, if any, on the Series 2003A Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2003A Bonds as a condition of issuance of the Series 2003A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2003A Bonds as may be necessary in order to maintain the status of the Series 2003A Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2003A Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the DEP, as the case may be, from which the proceeds of the Series 2003A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action,

or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the DEP, to ensure compliance with the covenants and agreements set forth in this Section 8.02, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation. The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2003A Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2003A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on the Series 2003A Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2003A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2003A Bonds and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond; or

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

(4) If default occurs with respect to any of the Prior Bonds or the Prior Resolution.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any registered Owner of the Series 2003A Bonds may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Holders of the Bonds including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Holders of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds or the rights of such Holders of the Bonds, provided however, that all rights and remedies of the Holders of the Series 2003A Bonds shall be on a parity with those of the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Holder of the Series 2003A Bonds may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds any Holder of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer with power to charge rates, rentals, fees and

other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other avenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Series 2003A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2003A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to the issuance of the Series 2003A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following the issuance of the Series 2003A Bonds, no material modification or amendment of this Bond Legislation, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the respective rights of Holders of the Bonds shall be made without the consent in writing of the Holders of the Series 2003A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein respectively pledged therefor without the consent of the respective Holder thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Holders of the Series 2003A Bonds and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution, or the Series 2003A Bonds.

Section 11.04. Headings, Etc. The headings and catchlines of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 11.05. Conflicting Provisions Repealed. All orders or resolutions and or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Resolution and the Prior Resolution (so long as the Prior Bonds are Outstanding) the more restrictive provision shall control.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 11.07. Public Notice of Proposed Financing. Prior to making formal application to the PSC for a Certificate of Convenience and Necessity with respect to the Project, the Secretary of the Governing Body shall have caused to be published in a newspaper of general circulation within the boundaries of the Issuer, a Class II legal advertisement stating:

(a) The maximum amount of the Series 2003A Bonds to be issued;

(b) The maximum interest rates and terms of the Series 2003A Bonds originally authorized hereby;

(c) The public service properties to be acquired or constructed and the cost of the same;

(d) The maximum anticipated rates which will be charged by the Issuer; and

(e) The date that the formal application for a Certificate of Convenience and Necessity is to be filed with the PSC.

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

Adopted this 8th day of October, 2003.

Chairman, Public Service Board

Member, Public Service Board

Member, Public Service Board

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of BROOKE COUNTY PUBLIC SERVICE DISTRICT on the 8th day of October, 2003.

Dated: October 10, 2003.

Secretary

[SEAL]

EXHIBIT A

DESCRIPTION OF PROJECT

Acquisition and construction of certain extensions to the Brooke County Public Service District's existing sewer system to serve approximately 120 new customers in the Colliers area of Brooke County, West Virginia, including the installation of 5,200 feet of 10-inch; 1,900 feet of 8-inch; and 3,600 feet of 6-inch gravity sewer pipe, and related improvements and appurtenances thereto.

EXHIBIT B

BOND PURCHASE AGREEMENT

[SEE TRANSCRIPT DOCUMENT NUMBER 3]

EXHIBIT C

RATES AND CHARGES

BROOKE COUNTY PUBLIC SERVICE DISTRICT
(CASE NO. 02-1544-PSWD-CN)

APPROVED SEWER TARIFF

APPLICABILITY

Applicable in entire territory served

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial use

(C) FLAT RATE - (Unmetered Customers)

Equivalent of 4,500 gallons of water usage per month, $33.30

METERED RATE

First 5,000 gallons of water used per month $7.40 per 1,000 gallons
All over 5,000 gallons of water used per month $5.95 per 1,000 gallons

(C) MINIMUM RATE

No bill will be rendered for less than $29.60 per month, which is the equivalent of 4,000 gallons of usage with a 5/8" meter.

(C) DELAYED PAYMENT PENALTY

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

(C) TAP FEE

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

A tap fee of $300.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

Public Service Commission
of West Virginia
Charleston

(C) DISCONNECT/RECONNECT/ADMINISTRATIVE FEES

Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement, a disconnection fee of $15.00 shall be charged; or, in the event the delinquent sewer bill is collected by the water utility, an administrative fee of $15.00 shall be charged.

Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement, is reconnected, a reconnection fee of $15.00 shall be charged.

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE SURFACE DRAINAGE IS CONNECTED TO THE DISTRICT'S SANITARY SEWER SYSTEM

APPLICABILITY

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

S	=	A x R x .0006233 x C
S	-	The surcharge in dollars
A	-	The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet.
R	-	The measured monthly rainfall, in inches
.006233	-	A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water
C	-	$1.11 - the District's approved rate per thousand gallons of metered water usage.

The District shall not impose the surcharge unless, and until, the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within

Public Service Commission
of West Virginia
Charleston

thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

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

(C) Indicates Change

BROOKE COUNTY PUBLIC SERVICE DISTRICT
SEWER SYSTEM REVENUE BONDS,
SERIES 2003A
(WEST VIRGINIA SRF PROGRAM)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE,. INTEREST AND PRINCIPAL PAYMENT DATES, REDEMPTION PROVISIONS, SALE PRICE AND OTHER TERMS OF THE SEWER SYSTEM REVENUE BONDS, SERIES 2003A (WEST VIRGINIA SRF PROGRAM) OF BROOKE COUNTY PUBLIC SERVICE DISTRICT; AUTHORIZING, RATIFYING AND APPROVING A BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A BOND REGISTRAR, DEPOSITORY BANK AND PAYING AGENT; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Brooke County Public Service District (the "Issuer") has duly and officially adopted a Bond Resolution on October 8, 2003 (the "Resolution") entitled:

BOND RESOLUTION

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWER SYSTEM OF BROOKE COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY BROOKE COUNTY PUBLIC SERVICE DISTRICT OF NOT MORE THAN SEVEN HUNDRED TWELVE THOUSAND FIFTY DOLLARS ($712,050) IN AGGREGATE PRINCIPAL AMOUNT OF SEWER SYSTEM REVENUE BONDS, SERIES 2003A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND THE WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Resolution provides for the issuance of Sewer System Revenue Bonds, Series 2003A (West Virginia SRF Program) of the Issuer (the "Series 2003A Bonds"), in an aggregate principal amount not to exceed $712,050, and has authorized the execution and delivery of a Bond Purchase Agreement relating to the Series 2003A Bonds dated September 26, 2003 (the "Bond Purchase Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), all in accordance with Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Resolution it is provided that the form of the Bond Purchase Agreement and exact principal amount, date, maturity date, interest rate, interest and principal payment dates, redemption provisions, sale price and other terms of the Series 2003A Bonds should be established by a supplemental resolution pertaining to the Series 2003A Bonds; and that other matters relating to the Series 2003A Bonds be herein provided for;

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

WHEREAS, the Series 2003A Bonds are proposed to be purchased by the Authority pursuant to the Bond Purchase Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted and that the Bond Purchase Agreement be ratified, approved and entered into by the Issuer, that the exact principal amount, the date, the maturity date, the interest rate, the interest and principal payment dates, redemption provisions, sale price and other terms of the Series 2003A Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2003A Bonds be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF BROOKE COUNTY PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer System Revenue Bonds, Series 2003A (West Virginia SRF Program) of the Issuer, originally represented by a single bond, numbered AR-1, in the principal amount of $712,050. The Series 2003A Bonds shall be dated the date of delivery thereof, shall finally mature on March 1, 2035, and shall bear no interest. The principal of the Series 2003A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2005 and maturing March 1, 2035, and in the amounts set forth in "Schedule Y" attached to the Bond Purchase Agreement and incorporated in and made part of the Series 2003A Bonds. The Series 2003A Bonds shall be subject to redemption upon the written consent of the Authority and DEP, and upon payment of the redemption premium, if any, and otherwise in compliance with the Bond Purchase Agreement, as long as the Authority shall be registered owner of the Series 2003A Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to .5%

of the principal amount of the Series 2003A Bonds set forth in "Schedule Y" attached to the Bond Purchase Agreement.

Section 2. All other provisions relating to the Series 2003A Bonds and the text of the Series 2003A Bonds shall be in substantially the form provided in the Resolution.

Section 3. The Issuer does hereby authorize, ratify, approve and accept the Bond Purchase Agreement, a copy of which is incorporated herein by reference, and the execution and delivery by the Chairman of the Bond Purchase Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, ratified, approved and directed. The price of the Series 2003A Bonds shall be 100% of par value, there being no interest accrued thereon, provided that, the proceeds of the Series 2003A Bonds shall be advanced from time to time as requisitioned by the Issuer, and at closing there shall be requisitioned and advanced a portion of the proceeds in the amount of $131,712, being more than a de minimis amount. The Issuer hereby affirms all covenants and representations made in the Bond Purchase Agreement and in the application to the DEP and the Authority.

Section 4. The Issuer does hereby appoint and designate WesBanco Bank, Inc., Wheeling, West Virginia, as Registrar for the Series 2003A Bonds under the Resolution.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2003A Bonds under the Resolution.

Section 6. The Issuer does hereby appoint and designate WesBanco Bank, Inc., Wellsburg, West Virginia, as Depository Bank under the Resolution.

Section 7. The Series 2003A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2003A Bonds Sinking Fund as capitalized interest.

Section 8. The Series 2003A Bonds proceeds in the amount of $23,736 shall be deposited in the Series 2003A Bonds Reserve Account.

Section 9. The remaining proceeds of the Series 2003A Bonds shall be deposited in the Series 2003A Bonds Construction Trust Fund as received from time to time for payment of costs of the Project, including costs of issuance of the Series 2003A Bonds.

Section 10. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Series 2003A Bonds hereby and by the Resolution approved and provided for, to the end that the Series 2003A Bonds may be delivered to the Authority pursuant to the Bond Purchase Agreement on or about October 10, 2003, or as soon thereafter as practicable.

Section 11. The acquisition and construction of the Project and the permanent financing of the Costs thereof with the proceeds of the Series 2003A Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of

the residents of the Issuer. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 12. The Issuer hereby determines that it is in the best interest of the Issuer to invest all monies in the funds and accounts established by the Resolution held by the Depository Bank in time deposits of the Depository Bank meeting the requirements set forth under the definition of "Qualified Investments" in the Bond Resolution and therefore the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such time deposits, until further directed by the Issuer. Monies in the Series 2003A Bonds Sinking Fund, including the Series 2003A Bonds Reserve Account therein, shall be invested by the Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 13. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 8th day of October, 2003.

BROOKE COUNTY PUBLIC SERVICE DISTRICT

Chairman, Public Service Board

Member, Public Service Board

Member, Public Service Board

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of BROOKE COUNTY PUBLIC SERVICE DISTRICT on the 8th day of October, 2003.

Dated: October 10, 2003.

[SEAL]

Secretary

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BROOKE COUNTY PUBLIC SERVICE DISTRICT
SEWER SYSTEM REVENUE BOND,
SERIES 2003A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1 $712,050

KNOW ALL MEN BY THESE PRESENTS: That BROOKE COUNTY PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Brooke County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of SEVEN HUNDRED TWELVE THOUSAND FIFTY DOLLARS ($712,050), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year commencing on June 1, 2005, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference, without interest.

The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2005, as set forth on Exhibit B attached hereto. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The SRF Administrative Fee on this Bond are payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of the Registrar (as defined in the hereinafter described Bond Legislation) on the 15th day of the month next preceding a SRF Administrative Fee payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may only be redeemed prior to its stated date of maturity in whole or in part upon the terms and conditions prescribed by, and otherwise in compliance with, the Water Pollution Control Revolving Fund Bond Purchase Agreement among the Issuer, the West Virginia Department of Environmental Protection (the "DEP") and the Authority, dated September 26, 2003.

This Bond is issued (i) to permanently finance a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public sewer facilities of the Issuer (the "Project"); (ii) to fund the Series 2003A Bonds Reserve Account; and (iii) to pay certain costs of issuance hereof and related costs.

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The existing public sewer facilities of the Issuer, the Project and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Resolution duly adopted by the Issuer on October 8, 2003 and a Supplemental Resolution duly adopted by the Issuer on October 8, 2003 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other securities provided for the Bonds of this Series (the "Bonds") under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH (1) THE SEWER SYSTEM REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA SRF PROGRAM), OF THE ISSUER, DATED DECEMBER 9, 1997, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $450,000 (THE "SERIES 1997A BONDS"); (2) THE SEWER SYSTEM REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE ISSUER, DATED DECEMBER 9, 1997, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $2,163,971 (THE "SERIES 1997B BONDS"); AND (3) THE SEWER SYSTEM REVENUE BONDS, SERIES 1997 C (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE ISSUER, DATED DECEMBER 9, 1997, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $450,000 (THE "SERIES 1997C BONDS" AND COLLECTIVELY WITH THE SERIES 1997A BONDS AND THE SERIES 1997B BONDS, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on parity with the pledge of the Net Revenues in favor of the holders of the Prior Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2003A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2003A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable

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from such revenues on a parity with the Bonds, including the Prior Bonds, provided however, that so long as there exists in the Series 2003A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to the payment of the Costs of the Project and the costs of issuance described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

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

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

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IN WITNESS WHEREOF, BROOKE COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated October 10, 2003.

BROOKE COUNTY PUBLIC
SERVICE DISTRICT

[SEAL]

SPECIMEN

Chairman

ATTEST:

Secretary

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CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2003A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: October 10, 2003.

WESBANCO BANK, INC.,
as Registrar

By: Rhonda J. Reese
Its: Authorized Officer

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EXHIBIT A

RECORD OF ADVANCES

	Amount	Date		Amount	Date
(1)	$ 131,712	October 10, 2003	(7)	$	
(2)	$		(8)	$	
(3)	$		(9)	$	
(4)	$		(10)	$	
(5)	$		(11)	$	
(6)	$		(12)	$	

SPECIMEN

Total $_____

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EXHIBIT B

DEBT SERVICE SCHEDULE

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Brooke County Public Service District

Loan of $712,050
0% Interest Rate, 0.5% Administrative Fee
Closing Date: October 10, 2003

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
12/01/2003	-	-	-
3/01/2004	-	-	-
6/01/2004	-	-	-
9/01/2004	-	-	-
12/01/2004	-	-	-
3/01/2005	-	-	-
6/01/2005	5,934.00	-	5,934.00
9/01/2005	5,934.00	-	5,934.00
12/01/2005	5,934.00	-	5,934.00
3/01/2006	5,934.00	-	5,934.00
6/01/2006	5,934.00	-	5,934.00
9/01/2006	5,934.00	-	5,934.00
12/01/2006	5,934.00	-	5,934.00
3/01/2007	5,934.00	-	5,934.00
6/01/2007	5,934.00	-	5,934.00
9/01/2007	5,934.00	-	5,934.00
12/01/2007	5,934.00	-	5,934.00
3/01/2008	5,934.00	-	5,934.00
6/01/2008	5,934.00	-	5,934.00
9/01/2008	5,934.00	-	5,934.00
12/01/2008	5,934.00	-	5,934.00
3/01/2009	5,934.00	-	5,934.00
6/01/2009	5,934.00	-	5,934.00
9/01/2009	5,934.00	-	5,934.00
12/01/2009	5,934.00	-	5,934.00
3/01/2010	5,934.00	-	5,934.00
6/01/2010	5,934.00	-	5,934.00
9/01/2010	5,934.00	-	5,934.00
12/01/2010	5,934.00	-	5,934.00
3/01/2011	5,934.00	-	5,934.00
6/01/2011	5,934.00	-	5,934.00
9/01/2011	5,934.00	-	5,934.00
12/01/2011	5,934.00	-	5,934.00
3/01/2012	5,934.00	-	5,934.00
6/01/2012	5,934.00	-	5,934.00
9/01/2012	5,934.00	-	5,934.00
12/01/2012	5,934.00	-	5,934.00
3/01/2013	5,934.00	-	5,934.00
6/01/2013	5,934.00	-	5,934.00
9/01/2013	5,934.00	-	5,934.00
12/01/2013	5,934.00	-	5,934.00
3/01/2014	5,934.00	-	5,934.00
6/01/2014	5,934.00	-	5,934.00
9/01/2014	5,934.00	-	5,934.00
12/01/2014	5,934.00	-	5,934.00
3/01/2015	5,934.00	-	5,934.00
6/01/2015	5,934.00	-	5,934.00

Brooke County Public Service District

Loan of $712,050
0% Interest Rate, 0.5% Administrative Fee
Closing Date: October 10, 2003

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
9/01/2015	5,934.00	-	5,934.00
12/01/2015	5,934.00	-	5,934.00
3/01/2016	5,934.00	-	5,934.00
6/01/2016	5,934.00	-	5,934.00
9/01/2016	5,934.00	-	5,934.00
12/01/2016	5,934.00	-	5,934.00
3/01/2017	5,934.00	-	5,934.00
6/01/2017	5,934.00	-	5,934.00
9/01/2017	5,934.00	-	5,934.00
12/01/2017	5,934.00	-	5,934.00
3/01/2018	5,934.00	-	5,934.00
6/01/2018	5,934.00	-	5,934.00
9/01/2018	5,934.00	-	5,934.00
12/01/2018	5,934.00	-	5,934.00
3/01/2019	5,934.00	-	5,934.00
6/01/2019	5,934.00	-	5,934.00
9/01/2019	5,934.00	-	5,934.00
12/01/2019	5,934.00	-	5,934.00
3/01/2020	5,934.00	-	5,934.00
6/01/2020	5,934.00	-	5,934.00
9/01/2020	5,934.00	-	5,934.00
12/01/2020	5,934.00	-	5,934.00
3/01/2021	5,934.00	-	5,934.00
6/01/2021	5,934.00	-	5,934.00
9/01/2021	5,934.00	-	5,934.00
12/01/2021	5,934.00	-	5,934.00
3/01/2022	5,934.00	-	5,934.00
6/01/2022	5,934.00	-	5,934.00
9/01/2022	5,934.00	-	5,934.00
12/01/2022	5,934.00	-	5,934.00
3/01/2023	5,934.00	-	5,934.00
6/01/2023	5,934.00	-	5,934.00
9/01/2023	5,934.00	-	5,934.00
12/01/2023	5,934.00	-	5,934.00
3/01/2024	5,934.00	-	5,934.00
6/01/2024	5,934.00	-	5,934.00
9/01/2024	5,934.00	-	5,934.00
12/01/2024	5,934.00	-	5,934.00
3/01/2025	5,934.00	-	5,934.00
6/01/2025	5,934.00	-	5,934.00
9/01/2025	5,934.00	-	5,934.00
12/01/2025	5,934.00	-	5,934.00
3/01/2026	5,934.00	-	5,934.00
6/01/2026	5,934.00	-	5,934.00
9/01/2026	5,934.00	-	5,934.00
12/01/2026	5,934.00	-	5,934.00
3/01/2027	5,934.00	-	5,934.00

Brooke County Public Service District

Loan of $712,050
0% Interest Rate, 0.5% Administrative Fee
Closing Date: October 10, 2003

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
6/01/2027	5,934.00	-	5,934.00
9/01/2027	5,934.00	-	5,934.00
12/01/2027	5,933.00	-	5,933.00
3/01/2028	5,933.00	-	5,933.00
6/01/2028	5,933.00	-	5,933.00
9/01/2028	5,933.00	-	5,933.00
12/01/2028	5,933.00	-	5,933.00
3/01/2029	5,933.00	-	5,933.00
6/01/2029	5,933.00	-	5,933.00
9/01/2029	5,933.00	-	5,933.00
12/01/2029	5,933.00	-	5,933.00
3/01/2030	5,933.00	-	5,933.00
6/01/2030	5,933.00	-	5,933.00
9/01/2030	5,933.00	-	5,933.00
12/01/2030	5,933.00	-	5,933.00
3/01/2031	5,933.00	-	5,933.00
6/01/2031	5,933.00	-	5,933.00
9/01/2031	5,933.00	-	5,933.00
12/01/2031	5,933.00	-	5,933.00
3/01/2032	5,933.00	-	5,933.00
6/01/2032	5,933.00	-	5,933.00
9/01/2032	5,933.00	-	5,933.00
12/01/2032	5,933.00	-	5,933.00
3/01/2033	5,933.00	-	5,933.00
6/01/2033	5,933.00	-	5,933.00
9/01/2033	5,933.00	-	5,933.00
12/01/2033	5,933.00	-	5,933.00
3/01/2034	5,933.00	-	5,933.00
6/01/2034	5,933.00	-	5,933.00
9/01/2034	5,933.00	-	5,933.00
12/01/2034	5,933.00	-	5,933.00
3/01/2035	5,933.00	-	5,933.00
Total	**712,050.00**	**-**	**712,050.00 ***

***Plus $448.73 one-half percent administrative fee paid quarterly. Total fee over life of loan is $53,847.60**

ASSIGNMENT

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

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, 20___.

_____ SPECIMEN

In the presence of:

_____ SPECIMEN

Litho. in U.S.A.
© GOES 342

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information

MEMORANDUM

To: **Financing Team**

From: **John C. Stump, Esquire**

Date: **March 18, 2010**

Re: **Brooke County Public Service District**
Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund)

1. DISBURSEMENTS TO DISTRICT:

Payor:	West Virginia Infrastructure and Jobs Development Council
Amount:	$34,522.25
Form:	Wire Transfer
Bank:	WesBanco Bank, Inc. Wellsburg Office, 745 Charles Street, West Virginia 26070
ABA No.:	043400036
Acct. No.:	0102576767
Contact:	Jeanette Buffington 304.737.2925
Account:	Series 2010 A Bonds Construction Trust Fund

District Contact for Draws: Barb Zimnox 304.797.9666

Brooke County
Public Service District

711 Charles Street
P.O. Box 150,
Wellsburg, WV 26070
Phone: (304)737-4077 Fax: (304)737-4079

RESOLUTION OF THE
BROOKE COUNTY PUBLIC SERVICE DISTRICT
APPROVING INVOICES RELATING TO THE CONSTRUCTION AND OTHER SERVICES FOR THE
MAHAN LANE/ ELDERSVILLE ROAD/ BRUIN DRIVE SEWER PROJECT
IJDC PROJECT 2000S-538A
AND AUTHORIZING PAYMENT THEREOF

WHEREAS, the Brooke County Public Service District has reviewed the invoices attached hereto and incorporated herein by reference relating to the construction of the Mahan Lane/ Eldersville Road/ Bruin Drive Sewer Project funded by and Infrastructure Council Loan and Grant, and finds as follows:

(a) That none of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;
(b) That each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Services for the Project;
(c) That each of such costs has been otherwise properly incurred; and
(d) That payment for each of the items proposed is then due and owing.

NOW, THEREFORE, BE IT RESOLVED by the Brooke County Public Service District as follows: There is hereby authorized and directed the payment of the attached invoices as summarized as follows:

VOUCHER/ PAYEE	INVOICE AMOUNT	IJDC AMOUNT
189 Steptoe & Johnson	**$24,000.00**	**$24,000.00**
190 Huntington National Bank	**$ 500.00**	**$ 500.00**
191 Wayne Mielke	**$ 2,272.25**	**$ 2,272.25**
192 Wayne Mielke	**$ 7,750.00**	**$ 7,750.00**
TOTAL	**$34,522.25**	**$34,522.25**

ADOPTED BY BROOKE COUNTY PUBLIC SERVICE DISTRICT, at the meeting held on the 10th day of March, 2010.

Chairman

Secretary

Treasurer

SWEEP RESOLUTION

Brooke County Public Service District

WHEREAS, Brooke County Public Service District (the "Issuer") is a governmental body and political subdivision of West Virginia;

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

WHEREAS, the Issuer makes or will make monthly debt service payments on and transfers reserve funds for the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

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

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

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1) The monthly debt service payments on and reserve funds for the Bonds, as set forth in Exhibit A, shall be made to the MBC by an electronic transfer by the State Treasurer from the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.

2) The Chairman and Secretary are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.

3) This resolution shall be effective immediately upon adoption.

Adopted this 10th day of March, 2010.

J. L. Bonventura

Chairman

U.S. ENVIRONMENTAL PROTECTION AGENCY

Assistance Amendment

ASSISTANCE ID NO.			DATE OF AWARD
PRG	DOC ID	AMEND#	08/07/2007
XP -	98355901	- 2	
TYPE OF ACTION: No Cost Amendment			MAILING DATE: 08/07/2007
PAYMENT METHOD: Reimbursement			ACH#

RECIPIENT TYPE:
Special District

RECIPIENT:
Brooke County Public Service District
PO Box 150
Wellsburg, WV 26070
EIN: 31-1526103

Send Payment Request to:
West Virginia Division of Environmental Protection

PAYEE:
Brooke County Public Service District
PO Box 150
Wellsburg, WV 26070

PROJECT MANAGER	EPA PROJECT OFFICER	EPA GRANT SPECIALIST
Robert W. Butts Jr. P.O. Box 150 Wellsburg, WV 26070 **E-Mail:** **Phone:** 304-737-4077	BruceA Smith 1650 Arch Street, 3WP21 Philadelphia, PA 19103-2029 **E-Mail:** smith.brucea@epa.gov **Phone:** 215-814-5770	Nancy Schruby Grants and Audit Management Branch, 3PM70 **E-Mail:** Schruby.Nancy@epamail.epa.gov **Phone:** 215-814-5414

PROJECT TITLE AND EXPLANATION OF CHANGES
SANITARY SEWER SERVICE PROJECT
This amendment is extending the budget and project periods to December 31, 2009 and updates the award conditions for the design and construction of a new sanitary sewer system to serve the Mahan Lane, Eldersville Road and Bruin Drive areas of Brooke County, WV.

BUDGET PERIOD	PROJECT PERIOD	TOTAL BUDGET PERIOD COST	TOTAL PROJECT PERIOD COST
07/02/2001 - 12/31/2009	07/01/2001 - 12/31/2009	$9,872,200.00	$9,872,200.00

NOTICE OF AWARD

Based on your application dated 07/20/2001, including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA), hereby awards $. EPA agrees to cost-share 100.00% of all approved budget period costs incurred, up to and not exceeding total federal funding of $9,872,200. Such award may be terminated by EPA without further cause if the recipient fails to provide timely affirmation of the award by signing under the Affirmation of Award section and returning all pages of this agreement to the Grants Management Office listed below within 21 days after receipt, or any extension of time, as may be granted by EPA. This agreement is subject to applicable EPA statutory provisions. The applicable regulatory provisions are 40 CFR Chapter 1, Subchapter B, and all terms and conditions of this agreement and any attachments.

ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)	AWARD APPROVAL OFFICE
ORGANIZATION / ADDRESS	ORGANIZATION / ADDRESS
US EPA Region 3, 3PM70 1650 Arch Street Philadelphia, PA 19103-2029	U.S. EPA, Region 3 Water Protection Division 3WP00 1650 Arch Street Philadelphia, PA 19103-2029

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

SIGNATURE OF AWARD OFFICIAL	TYPED NAME AND TITLE	DATE
Digital signature applied by EPA Award Official	Francis R. Snock, Chief, Grants and Audit Management Branch	08/07/2007

AFFIRMATION OF AWARD

BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION

SIGNATURE	TYPED NAME AND TITLE	DATE
	Terry Bonaventura, Chairman	9/12/07

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	$ 9,872,200	$	$ 9,872,200
EPA In-Kind Amount	$ 0	$	$ 0
Unexpended Prior Year Balance	$ 0	$	$ 0
Other Federal Funds	$ 0	$	$ 0
Recipient Contribution	$ 0	$	$ 0
State Contribution	$ 0	$	$ 0
Local Contribution	$ 0	$	$ 0
Other Contribution	$ 0	$	$ 0
Allowable Project Cost	$ 9,872,200	$ 0	$ 9,872,200

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.606 - Surveys - Studies - Investigations - Specl	Appropriations Act Of 2001 (PL 106-377)	40 CFR PART 31

Fiscal

Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation

Approved Budget	
Program Element Classification (Construction)	Approved Allowable Budget Period Cost
1. Administration Expense	$0
2. Preliminary Expense	$0
3. Land Structure, Right Of Way	$0
4. Architectural Engineering Basic Fees	$0
5. Other Architectural Engineering Fees	$0
6. Project Inspection Fees	$0
7. Land Development	$0
8. Relocation Expenses	$0
9. Relocation Payments to Individuals & Bus.	$0
10. Demolition and Removal	$0
11. Construction and Project Improvement	$0
12. Equipment	$0
13. Miscellaneous	$0
14. Total (Lines 1 thru 13)	$0
15. Estimate Income	$0
16. Net Project Amount (Line 14 minus 15)	$0
17. Less: Ineligible Exclusions	$0
18. Add: Contingencies	$0
19. Total (Share: Recip % Fed 100.00%)	$0
20. TOTAL APPROVED ASSISTANCE AMOUNT	$0

Administrative Conditions

Former Condition Number 10 is replaced with the following:

10. EPA participation in the salary rate (excluding overhead and travel) paid to individual consultants retained by recipients or by a recipient's contractors or subcontractors shall be limited to the maximum daily rate for Level IV of the Executive Schedule, to be adjusted annually. This limit applies to consultation services of designated individuals with specialized skills who are paid at a daily or hourly rate. As of January 1, 2007, the limit is $557.28 per day and $69.66 per hour. The rate does not include overhead or travel costs and the recipient may pay these in accordance with its normal travel practices.

Subagreements with firms for services which are awarded using the procurement requirements in 40 CFR Parts 30 or 31, as applicable, are not affected by this limitation unless the terms of the contract provide the recipient with responsibility for the selection, direction, and control of the individuals who will be providing services under the contract at an hourly or daily rate of compensation. See 40 CFR 31.36(j)(2) or 30.27(b), as applicable.

Programmatic Conditions

Former Condition Number 10 is replaced with the following:

10. Project Schedule

Advertise for Bids	May 2008
Award Construction Contracts	June 2008
Submit Final Payment Request	December 2009

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029

Mr. Terry Bonaventura, Chairman
Brooke County Public Service District
P.O. Box 150
711 Charles Street
Wellsburg, West Virginia 26070

OCT 21 2009

Re: EPA Project No. XP-983559-01
Brooke County Public Service District

Dear Mr. Bonaventura:

The mission of the Environmental Protection Agency (EPA) is to improve and protect water quality and public health. To accomplish our goals, the Agency awards grants to build water and wastewater infrastructure projects. It is expected that funded projects proceed to construction in a timely manner. Recent years have seen statutory language in our Appropriation Bills requiring the rescission of appropriated money if not awarded and utilized timely.

Eight (8) years ago (September 26, 2001), EPA awarded a grant in the amount of $ 9,872,200 to Brooke County Public Service District (PSD) to design and construct a new sanitary sewer system to serve the Mahan Lane, Eldersville Road, and Bruin Drive areas of Brooke County. To date, approximately 20% of the grant has been drawn down which indicates little progress to complete construction of the project. The unused funds have lost a third of their buying power since 2001.

EPA met with representatives from the PSD and the West Virginia Department of Environmental Protection (DEP) on July 10, 2007 to discuss the status of the project, the reasons for the delay in proceeding to construction, and the steps necessary to proceed to construction. The grant had already been extended a year and one half beyond the original schedule for completion, and was due to expire on July 31, 2007. Following the meeting, an EPA letter of July 26, 2007 documented the actions and next steps the PSD and EPA agreed to undertake to initiate and complete the grant-funded project work. As part of this agreement, EPA again extended the grant period to December 31, 2009.

Although EPA extended the grant as requested, to date, few of the milestones established at the July 10, 2007 meeting have been achieved. Importantly, the advertisement for bidding date (May 2008) and projected construction start date (June 2008) were missed. After years of delay, our Office was advised that the City of Follansbee requested that the West Virginia Public Service Commission (PSC) reevaluate its ruling regarding the project; the request by the City of Follansbee and the possible subsequent action by the PSD is expected to result in continued project delay.

Due to lack of progress and noncompliance with existing grant terms and conditions, EPA is concerned that the PSD will not complete the work in accordance with the amended grant

schedule. Failure to complete the funded work by the scheduled completion date of December 31, 2009 will result in material noncompliance of the terms and conditions of the grant award. EPA may take action in response to a material noncompliance (see Federal regulation at 40 C.F.R., section 31.43 enclosed). Action under consideration is payment to the PSD of the Federal grants share for any approved and allowable project costs incurred to date, and deobligation of any unspent funds.

If the PSD agrees with this assessment, EPA proposes to reach an agreement with the PSD regarding the amount of allowable costs incurred to date. Any remaining amount of grant funds would then be deobligated from the award. To begin this process, the PSD must submit to WV DEP a summary of costs incurred that are consistent with the grant budget and workplan. The summary must include copies of documentation that the costs were incurred. Please submit the summary by Monday, November 23, 2009 to Mr. Mike Johnson, West Virginia Department of Environmental Protection, Division of Water and Waste Management, 601 57th Street S.E., Charleston, WV 25304.

If the PSD disagrees with this assessment, please provide to EPA an explanation of how the funded project will be completed no later than December 31, 2009. The explanation must include a schedule of actions, with milestone dates for project completion by December 31, 2009.

If the PSD does not submit either a summary of allowable costs to WV DEP, or an explanation to EPA by November 23, 2009, EPA will begin procedures to terminate the grant. The basis of this action is material noncompliance with the terms and conditions of the grant. If termination is chosen, any allowable costs incurred will be funded, in part, with the grant. Instructions will be provided in a subsequent letter. If the PSD wishes to meet with EPA, a request should be made prior to November 23, 2009.

For your consideration, enclosed is a chronology of grant related contacts and activity. If you have any questions or would like to discuss this matter, please contact Mr. Bruce Smith, EPA Project Officer, at (215) 814-5770.

Sincerely,

Lorraine H. Reynolds

Lorraine H. Reynolds, Associate Director
Office of Infrastructure and Assistance

cc: Mike Johnson, WV DEP
Barb Zimnox, Brooke-Hancock-Jefferson Metropolitan Planning Commission
Michael Albert, West Virginia Public Service Commission

Enclosures

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Customer Service Hotline: 1-800-438-2474

40 Code of Federal Regulation

Section 31.43 Enforcement.

(a) *Remedies for noncompliance.* If a grantee or subgrantee materially fails to comply with any term of an award, whether stated in a Federal statute or regulation, an assurance, in a State plan or application, a notice of award, or elsewhere, the awarding agency may take one or more of the following actions, as appropriate in the circumstances:

(1) Temporarily withhold cash payments pending correction of the deficiency by the grantee or subgrantee or more severe enforcement action by the awarding agency,

(2) Disallow (that is, deny both use of funds and matching credit for) all or part of the cost of the activity or action not in compliance,

(3) Wholly or partly suspend or terminate the current award for the grantee's or subgrantee's program,

(i) EPA can also wholly or partly annul the current award for the grantee's or subgrantee's program,

(ii) [Reserved]

(4) Withhold further awards for the program, or

(5) Take other remedies that may be legally available.

(b) *Hearings, appeals.* In taking an enforcement action, the awarding agency will provide the grantee or subgrantee an opportunity for such hearing, appeal, or other administrative proceeding to which the grantee or subgrantee is entitled under any statute or regulation applicable to the action involved.

(c) *Effects of suspension and termination.* Costs of grantee or subgrantee resulting from obligations incurred by the grantee or subgrantee during a suspension or after termination of an award are not allowable unless the awarding agency expressly authorizes them in the notice of suspension or termination or subsequently. Other grantee or subgrantee costs during suspension or after termination which are necessary and not reasonably avoidable are allowable if:

(1) The costs result from obligations which were properly incurred by the grantee or subgrantee before the effective date of suspension or termination, are not in anticipation of it, and, in the case of a termination, are noncancellable, and,

(2) The costs would be allowable if the award were not suspended or expired normally at the end of the funding period in which the termination takes effect.

(d) *Relationship to Debarment and Suspension.* The enforcement remedies identified in this section, including suspension and termination, do not preclude grantee or subgrantee from being subject to "Debarment and Suspension" under E.O. 12549 (see 31.35).

[53 FR 8068 and 8087, Mar. 11, 1988, and amended at 53 FR 8076, Mar. 11, 1988]

Chronology of Grant Project Progress

- September 26, 2001 – U.S. Environmental Protection Agency (EPA) awarded a grant to the Brooke County Public Service District to design and construct a new sanitary sewer system to serve the Mahan Lane, Eldersville Road, and Bruin Drive areas of Brooke County. The initial grant period was four and one half years to December 31, 2005.

- November 2, 2005 – PSD requested an extension of the Budget Period to July 2007; EPA on February 10, 2006 approved an extension of the Budget Period to July 31, 2007.

- July 10, 2007 – EPA met with representatives from the PSD and the West Virginia Department of Environmental Protection to discuss the status of the project, the reasons for the delay in proceeding to construction, and the steps necessary to proceed to construction.

- July 18, 2007 – PSD requested an extension of the Budget Period to December 31, 2009.

- July 26, 2007 – EPA issued a letter summarizing the agreed upon actions and the next steps as a result of the July 10, 2007 meeting.

- August 8, 2007 – EPA approved an extension of the Budget Period to December 31, 2009.