

**BIG BEND PUBLIC SERVICE DISTRICT**

**Waterworks Design Bond Anticipation Notes, Series 2012 A  
(West Virginia Water Development Authority)**

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**BIG BEND PUBLIC SERVICE DISTRICT**

**WATERWORKS DESIGN BOND ANTICIPATION NOTES, SERIES 2012 A  
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)**

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**BIG BEND PUBLIC SERVICE DISTRICT**

RESOLUTION AUTHORIZING THE DESIGN OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE PUBLIC WATERWORKS FACILITIES OF BIG BEND PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY BIG BEND PUBLIC SERVICE DISTRICT OF NOT MORE THAN \$151,700 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS DESIGN BOND ANTICIPATION NOTES, SERIES 2012 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH NOTES; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH NOTES; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH NOTES; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF BIG BEND 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 "Note Legislation") is enacted pursuant to the provisions of Chapter 16, Article 13A and Chapter 22C, Article 1 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. Big Bend Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Summers County of said State.

B. The Issuer deems it necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain improvements and extensions to the existing public waterworks system of the Issuer, (the design of such herein known as the "Project").

C. In order to complete the Project, the Issuer has entered into a Contract with the Consulting Engineers. The Issuer intends to temporarily finance the Project through the

issuance of the Series 2012 A Notes to the West Virginia Water Development Authority (the "Authority") pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Waterworks Design Bond Anticipation Notes, Series 2012 A (West Virginia Water Development Authority) in the total aggregate principal amount of not more than \$151,700 as a single note (the "Series 2012 A Notes"), to temporarily finance a portion of the costs of the Project and paying certain costs of issuance. The Series 2012 A Notes are secured by future revenue bonds proceeds and Surplus Revenues. It is anticipated that the Issuer will issue water revenue bonds on or before the maturity of the Series 2012 A Notes.

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 2012 A Notes be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, as hereinafter defined, in form satisfactory to the respective parties, to be approved hereby if not previously approved by resolution of the Issuer.

G. On the closing date, there will be outstanding obligations of the Issuer being the Issuer's Water Revenue Bonds, Series 1977 (United States Department of Agriculture), dated June 14, 1978, issued in the original aggregate principal amount of \$184,000 (the "Series 1977 Bonds" or the "Prior Bonds"). The Prior Bonds are secured by Net Revenues. The Series 2012 A Notes will have no lien on the Net or Gross Revenues.

H. The revenues to be derived in each year from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, to pay the principal of and interest, if any, on 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, the Loan Agreement (hereinafter defined) relating to authorization of the Project and the System and issuance of the Series 2012 A Notes, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the West Virginia Infrastructure & Jobs Development Council and the obtaining of a Certificate of Public Convenience and Necessity 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 2012 A Notes or such final order will not be subject to appeal.

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

Section 1.03. Note Legislation Constitutes Contract. In consideration of the acceptance of the Series 2012 A Notes by the Registered Owners of the same from time to time, this Note Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Noteholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Noteholders of any and all of

such Series 2012 A Notes, all which shall be of equal rank and without preference, priority or distinction between any one Note and any other Notes and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

“Act” means, collectively, Chapter 16, Article 13A and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

“Authority” means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2012 A Notes, or any other agency, board or department of the State that succeeds to the functions of the Authority.

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

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

“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 2012 A Notes for all or a portion of the proceeds of the Series 2012 A Notes from the Authority.

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

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

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

“Contract” means the Contract for pre-construction Engineering Services for the Project by and between the Issuer and the Consulting Engineer.

“Costs” or “Costs of the Project” means those costs described in Section 1.02D hereof to be a part of the Project.

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

“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.

“Grant” means any grants committed to 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 Note 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 Big Bend Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia in Summers 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 providing for the purchase of the Series 2012 A Notes, the form of which shall be approved and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

“Net Proceeds” means the face amount of the Series 2012 A Notes, plus accrued interest and premium, if any, less original issue discount, if any.

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

“Notes” means, collectively, the Series 2012 A Notes and, where appropriate, any notes on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

“Note Legislation,” “Resolution,” “Note Resolution” or “Local Act” means this Note Resolution and all resolutions, orders and resolutions supplemental hereto or amendatory hereof.

“Operating Expenses” means the reasonable, proper and necessary costs of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the Costs, fees and expenses of the Authority, fiscal agents, the Depository Bank, Registrar and Paying Agent), 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 Notes, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

“Parity Notes” means additional Parity Notes issued under the provisions and within the limitations prescribed by Section 7.07 hereof.

“Paying Agent” means the Commission or such other entity or authority as may be designated as a Paying Agent by the Issuer in the Supplemental Resolution.

“Prior Bonds” means the Series 1977 Bonds.

“Prior Resolution” means the resolutions authorizing the Prior Bonds.

“Project” means the Project as described in Section 1.02B hereof.

“Qualified Investments” means and includes the following:

- (a) Government Obligations;

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

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

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

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

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

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

have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

(h) The West Virginia “consolidated fund” managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the West Virginia Code of 1931, as amended, including, without limitation, authorized pools of investments operated by such State Board of Investments; 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.

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

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

“Regulations” means temporary and permanent regulations promulgated under the Code, or any predecessor thereto.

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

“Reserve Requirement” means, collectively, the respective amounts required to be on deposit in any Reserve Account.

“Renewal and Replacement Fund” means the Renewal and Replacement Fund established by section 5.01 hereof.

“Revenue Fund” means the Revenue Fund established by Prior Resolution and continued hereby.

“Secretary” means the Secretary of the Governing Body of the Issuer.

“Series 1977 Bonds” means the Issuer’s Water Revenue Bonds, Series 1977 (United States Department of Agriculture), dated June 14, 1978, issued in the original aggregate principal amount of \$184,000.

“Series 2012 A Project Trust Fund” means the Series 2012 A Project Trust Fund established by Section 5.01 hereof.

“Series 2012 A Notes” means the Waterworks Design Bond Anticipation Notes, Series 2012 A (West Virginia Water Development Authority) authorized by this Resolution.

“Series 2012 A Notes Fund” means the Series 2012 A Notes Fund established by Section 5.02 hereof.

“State” means the State of West Virginia.

“Supplemental Resolution” means any resolution or order of the Issuer supplementing or amending this Resolution and, when preceded by the article “the,” refers specifically to the supplemental resolution authorizing the sale of the Series 2012 A Notes; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2012 A Notes, and not so included may be included in another Supplemental Resolution.

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

“System” means the complete waterworks system of the Issuer, and shall include any further extensions, additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever.

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

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender; and any requirement for execution or attestation of the Notes or any certificate or other document by the Chairman or the Secretary shall mean that such Notes, certificate or other document may be executed or attested by an Acting Chairman or Acting Secretary.

## ARTICLE II

### **AUTHORIZATION OF THE PROJECT**

Section 2.01. Authorization of the Project. There is hereby authorized and ordered the Project at an estimated cost of not to exceed \$228,280, which \$151,700 will be paid from proceeds of the Series 2012 A Notes and \$76,580 will be deferred. The proceeds of the Series 2012 A Notes hereby authorized shall be applied as provided in Article VI hereof. The Issuer has or will enter into contracts for the Project in an amount compatible with the financing plan submitted to the Authority.

### ARTICLE III

#### **AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF NOTES; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT**

Section 3.01. Authorization of Notes. For the purposes of paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2012 A Notes of the Issuer. The Series 2012 A Notes shall be issued as a single note, designated as “Waterworks Design Bond Anticipation Notes, Series 2012 A (West Virginia Water Development Authority)”, in the principal amount of not more than \$151,700, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2012 A Notes remaining after funding capitalization of interest, if any, shall be deposited in or credited to the Series 2012 A Project Trust Fund.

Section 3.02. Terms of Notes. The Series 2012 A Notes shall be issued in such principal amount; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable on such dates; shall mature on such dates and in such amounts; and 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 2012 A Notes 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, if any, on the Series 2012 A Notes shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the 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 2012 A Notes shall initially be issued in the form of a single note, fully registered to the Authority, with a record of advances, representing the aggregate principal amount of the Series 2012 A Notes, and shall mature in thirty-six (36) months or as provided in the Supplemental Resolution. The Series 2012 A Notes shall be exchangeable at the option and expense of the Registered Owner for another fully registered Note or Notes of the same series in aggregate principal amount equal to the amount of said Note then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Note; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Notes. The Series 2012 A Notes shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 2012 A Notes shall cease to be such officer of the Issuer before

the Series 2012 A Notes so signed and sealed have been actually sold and delivered, such Note may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Note had not ceased to hold such office. Any Series 2012 A Notes may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Note shall hold the proper office in the Issuer, although at the date of such Note such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2012 A Notes shall be valid or obligatory for any purpose or entitled to any security or benefit under this Note Legislation unless and until the Certificate of Authentication and Registration on such Note, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Registrar. Any such executed Certificate of Authentication and Registration upon any such Note shall be conclusive evidence that such Note has been authenticated, registered and delivered under this Note Legislation. The Certificate of Authentication and Registration on any Series 2012 A Notes 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 notes issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2012 A Notes shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2012 A Notes shall be conclusively deemed to have agreed that such Note 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 Note shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2012 A Notes remains outstanding, the Issuer, through the Registrar or its agent, shall keep and maintain books for the registration and transfer of such Note.

The registered Series 2012 A Notes shall be transferable only upon the books of the 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 Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging or transferring the registered Series 2012 A Notes are exercised, all Series 2012 A Notes shall be delivered in accordance with the provisions of this Note Legislation. All Series 2012 A Notes surrendered in any such exchanges or transfers shall forthwith be cancelled by the Registrar. For every such exchange or transfer of Series 2012 A Notes, 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 note 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 any Series 2012 A Notes during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2012 A Notes or, in the case of any proposed redemption of such Note, next preceding the date of the selection of Notes to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Note Mutilated, Destroyed, Stolen or Lost. In case any Series 2012 A Notes shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Note of the same series and of like tenor as the Note so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Note upon surrender and cancellation of such mutilated Note, or in lieu of and substitution for the Note 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 Registrar may incur. All Notes so surrendered shall be cancelled by the Registrar and held for the account of the Issuer. If any such Note shall have matured or be about to mature, instead of issuing a substitute Note, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Note be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Notes not to be Indebtedness of the Issuer. The Series 2012 A Notes shall not, in any event, be or constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the proceeds of a grant or grants made available to the Issuer subsequent to the issuance of the Note. No holder or holders of the Series 2012 A Notes shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2012 A Notes or the interest thereon.

Section 3.08. Notes Secured by Pledge of Future Bond Proceeds and Surplus Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service on the Series 2012 A Notes shall be secured by a first lien on all future bond proceeds received by the Issuer subsequent to the issuance of the Notes to permanently finance a portion of the costs of the Project and Surplus Revenues derived from the System. The Series 2012 A Notes has no lien on Net Revenues or Gross Revenues of the System.

Section 3.09. Delivery of Notes. The Issuer shall execute and deliver the Series 2012 A Notes to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2012 A Notes 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 2012 A Notes are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;
- B. A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2012 A Notes to the original purchasers;
- C. An executed and certified copy of the Note Legislation;
- D. An executed copy of the Loan Agreement; and
- E. The unqualified approving opinion of bond counsel on the Series 2012 A Notes.

Section 3.10. Form of Notes. The text of the Series 2012 A Notes shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

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(FORM OF Series 2012 A Notes)

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
BIG BEND PUBLIC SERVICE DISTRICT  
WATERWORKS DESIGN BOND ANTICIPATION NOTES, SERIES 2012 A  
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. AR-1

\$151,700

KNOW ALL MEN BY THESE PRESENTS: That on this the \_\_\_\_\_ day of \_\_\_\_\_, 2012, BIG BEND PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Summers County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of ONE HUNDRED FIFTY ONE THOUSAND SEVEN HUNDRED DOLLARS (\$151,700), 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, on the maturity date of \_\_\_\_\_ 1, 20\_\_\_\_.

Interest only shall commence on the date hereof on the amounts advanced and outstanding, payable in quarterly installments on January 1, April 1, July 1 and October 1 of each year in arrears at the rate of 3.0% per annum, with the first payment due on \_\_\_\_\_ 1, 20\_\_\_\_. The interest on this Note is 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 Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next 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 Note 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 upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, dated \_\_\_\_\_, 2012.

This Note is issued (i) to temporarily pay the costs of design of certain betterments and improvements to the public waterworks system of the Issuer (the "Project"); (ii) to pay capitalized interest on the Note; and (iii) to pay certain costs of issuance of the Note of this Series (the "Note") and related costs. The public waterworks system and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Note is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Note Resolution duly adopted by the Issuer on \_\_\_\_\_, 2012, and a Supplemental Resolution duly adopted by the Issuer on \_\_\_\_\_, 2012 (collectively, the "Note Legislation"), and is subject to all the terms and conditions thereof. The Note Legislation provides for the issuance of additional notes under

certain conditions, and such notes would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Notes under the Note Legislation.

THIS NOTE HAS NO LIEN ON THE GROSS OR NET REVENUES OF THE SYSTEM.

THIS NOTE IS SECURED BY PROCEEDS OF FUTURE BONDS ISSUED BY THE ISSUER SUBSEQUENT TO THE ISSUANCE OF THE NOTE TO PERMANENTLY FINANCE THE COSTS OF THE PROJECT AND SURPLUS REVENUES OF THE SYSTEM.

This Note does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except as set forth in the Note Resolution.

Subject to the registration requirements set forth herein, this Note is transferable, as provided in the Note Legislation, only upon the books of the Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Note, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

All money received from the sale of this Note shall be applied solely to payment of the costs of the Project and costs of issuance described in the Note 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 Note.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Note, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

\_\_\_\_\_  
Chairman

ATTEST

\_\_\_\_\_  
Secretary

**CERTIFICATE OF AUTHENTICATION AND REGISTRATION**

This Note is one of the Series 2012 A Notes described in the within-mentioned Note Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: \_\_\_\_\_, 2012

THE HUNTINGTON NATIONAL BANK,  
as Registrar

By: \_\_\_\_\_  
Its: Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL \$ \_\_\_\_\_

(Form of)

ASSIGNMENT

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

Dated: \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_

In the presence of:

\_\_\_\_\_

Section 3.11. Sale of Notes; Approval and Ratification of Execution of Loan Agreement. The Series 2012 A Notes shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement 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 them 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, and is hereby approved and incorporated in this Note Legislation.

Section 3.12. Filing of Amended Schedule. Upon completion of the Project, the Issuer will file with the Authority a schedule for the Series 2012 A Notes, the form of which will be provided by the Authority, 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 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 or the Issuer and from each other:

- (1) Revenue Fund (established by the Prior Resolution);
- (2) Reserve Account (established by the Prior Resolution);
- (3) Depreciation Reserve (established by the Prior Resolution); and
- (4) Series 2012 A Project 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 or the Issuer and from each other:

- (1) Series 2012 A Notes Fund

Section 5.03. System Revenues; Flow of Funds.

A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Note Legislation. All monies in the Revenue Fund shall be disposed of only in the following manner and order of priority:

- (1) The Issuer shall first, each month, pay from the Revenue Fund, all current Operating Expenses of the System.
- (2) The Issuer shall next, each month, on or before the due date, transfer from the Revenue Fund and remit to the National Finance Office the amount required by Prior Resolution to pay interest on the Series 1977 Bonds.
- (3) The Issuer shall next, each month, on or before the due date, transfer from the Revenue Fund and remit to the National Finance Office, the amounts required by the Prior Resolution to pay the principal of the Series 1977 Bonds.
- (4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank the amount required by the Prior Resolution to be deposited in the Reserve Accounts for the Series 1977 Bonds.
- (5) The Issuer shall next, each month, transfer from the Revenue Fund to the Depreciation Reserve the amount required by the Prior Resolution.

The Series 2012 A Notes have no lien on the Gross Revenues or Net Revenues of the System. The Issuer shall remit to the Commission the principal and interest, to the extent not paid by Surplus Revenues, only upon receipt of future bond proceeds issued subsequent to the issuance of the Series 2012 A Notes.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2012 A Notes Fund and created hereunder, and all amounts required for said account 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.

B. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. The Series 2012 A Notes are secured

by future bond proceeds received by the Issuer subsequent to the issuance of the Series 2012 A Notes.

C. 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 interest with respect to the Series 2012 A Notes 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 Note Legislation.

D. 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.

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges and fees then due. In the case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority at anytime, make the necessary arrangements whereby such required payments shall be automatically 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 Government Obligations or by other Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

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

## ARTICLE VI

### **APPLICATION OF NOTES PROCEEDS**

Section 6.01. Application of Notes Proceeds; Pledge of Unexpended Notes Proceeds. From the monies received from the sale of the Series 2012 A Notes, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2012 A Notes, there shall be deposited with the Commission in the Series 2012 A Notes Fund, the amount, if any, set forth in the Supplemental Resolution for capitalized interest.

B. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2012 A Notes, such monies shall be deposited with the Depository Bank in the Series 2012 A Project Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 2012 A Notes.

C. After completion of the Project and all costs have been paid, any remaining proceeds of the Series 2012 A Notes shall be expended as directed by the Authority.

Section 6.02. Disbursements of Notes Proceeds. The Issuer shall each month provide the Authority with a requisition for the costs incurred for the Project, together with such documentation as the Authority shall require. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements of the proceeds of the Series 2012 A Notes from the Series 2012 A Project Trust Fund shall be made only after submission to and approval from the Authority of a certificate, signed by an Authorized Officer, stating that:

- (1) None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;
- (2) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;
- (3) Each of such costs has been otherwise properly incurred; and
- (4) Payment for each of the items proposed is then due and owing.

Pending such application, monies in the Series 2012 A Project 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 Note 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 2012 A Notes. In addition to the other covenants, agreements and provisions of this Note Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2012 A Notes as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2012 A Notes or the interest thereon is Outstanding and unpaid.

Section 7.02. Notes not to be Indebtedness of the Issuer. The Series 2012 A Notes shall not be nor constitute a corporate 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 Note Legislation. No Holder or Holders of the Series

2012 A Notes shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2012 A Notes or the interest thereon.

Section 7.03. Notes Secured by Pledge of Future Bond Proceeds and Surplus Revenues. The payment of the debt service on the Series 2012 A Notes shall be secured by a first lien on future bond proceeds issued by the Issuer to permanently finance a portion of the costs of the Project and Surplus Revenues.

Section 7.04. 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 Issuer has received the Recommended Decision dated July 21, 2009 which became a Final Order on August 10, 2009 in Case No. 09-0204-PWD-19A of the Public Service Commission of West approving the rates and charges for the services of the System. The time for appeal of such Order has expired prior to the date hereof without any appeal. The Issuer hereby adopts such rates and charges.

So long as the Series 2012 A Notes 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 Note 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 2012 A Notes 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 2012 A Notes are outstanding and except as otherwise required by law or with the written consent of 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 fully pay all the Notes Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Commission for deposit in the Series 2012 A Notes Fund, or in the event the Authority is no longer a Holder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest on the Series 2012 A Notes in accordance with Article X hereof. Any balance remaining after the payment of the Series 2012 A Notes 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. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of \$10,000, the Issuer shall, in

writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Issuer 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 shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Governing Body may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of \$10,000 and not in excess of \$50,000, shall be deposited by the Issuer into the Renewal and Replacement Fund. Such payments of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said fund by other provisions of this Note 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 source fiscal year for such sales, leases or other dispositions of such properties, shall be in excess of \$50,000 and insufficient to pay all Notes then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Notes then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Notes 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 for in Section 7.07 hereof, 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 with the Series 2012 A Notes. All obligations issued by the Issuer after the issuance of the Series 2012 A Notes and payable from future grants, except such additional Parity Notes, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment and in all other respects, to the Series 2012 A Notes; 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 2012 A Notes, and the interest, if any, thereon, upon any of the income and revenues of the System pledged for payment of the Series 2012 A Notes and the interest, if any, thereon in this Note Legislation, or upon the System or any part thereof.

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

Section 7.07. Additional Parity Notes. No additional Parity Notes, shall be issued after the issuance of the Series 2012 A Notes pursuant to this Resolution, without the prior written consent of the Authority.

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, 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 such documents and information as they may reasonably require in connection with 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, 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 the Project.

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Note issued pursuant to this Note 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 and the Act. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Issuer. The Issuer shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Issuer shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Authority, or any other original purchaser of the Series 2012 A Notes and shall mail in each year to any Holder or Holders of the Series 2012 A Notes, requesting the same, an annual report containing the following:

- (A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from and relating to the System.
- (B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Note 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 thereof, and the Single Audit Act, or any successor thereof), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2012 A Notes and shall submit the report to the Authority, or any other original purchaser of the Series 2012 A Notes. Such audit report submitted to the Authority shall include a statement that notes whether the results of test disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service 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, or its agents and representatives, to enter and inspect the facilities at all reasonable times as may be reasonably necessary to accomplish all of the powers and rights of the Authority with respect to the System pursuant to the Act.

Section 7.09 Rates. Prior to the issuance of the Series 2012 A Notes, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Secretary of the Issuer, which copy will be open to inspection by all interested parties. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. 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 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 registered 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 registered 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 to any Holder of any Notes who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her, 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 any Holder of any Notes or anyone acting for and in behalf of such Holder of any Notes.

Section 7.11 Operating Personnel. The Issuer shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of the Loan Agreement.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of the System until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 7.14. 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 either shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer, and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. The Issuer hereby covenants and agrees that so long as the Series 2012 A Notes remains 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.

(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 OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the 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 any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

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

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

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

Section 7.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the Public Service Commission of West Virginia, the Issuer shall require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto.

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

The Issuer will obtain all permits required by state and federal laws for the Project, all orders and approvals from the Public Service Commission of West Virginia necessary for the Project and the operation of the System and all approvals of issuance of the Series 2012 A Notes 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. Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, or other state, federal or local bodies in regard to the Project and the operation, maintenance and use of the System.

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 7.19. [RESERVED]

Section 7.20. Securities Law Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.21. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2012 A Notes, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2012 A Notes and shall be junior and subordinate to the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.22. Contracts; Public Releases.

A. The Issuer shall, simultaneously with the delivery of the Series 2012 A Notes or immediately thereafter, enter into written contracts for the Project.

B. The Issuer shall list the funding provided by the Authority in any press release, publication, program bulletin, sign or other public communication that references the

Project, including but not limited to any program document distributed in conjunction with any ground breaking or dedication of the Project.

## ARTICLE VIII

### INVESTMENT OF FUNDS; USE OF PROCEEDS

Section 8.01. Investments. Any monies held as a part of the funds and accounts created by this Resolution, other than the Revenue Fund, shall be invested and reinvested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Resolution, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 8.01.

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2012 A Notes are Outstanding and as long thereafter as necessary to comply with the Code and to assure the exclusion of interest, if any, on the Series 2012 A Notes from gross income for federal income tax purposes.

Section 8.02. Certificate and 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 2012 A Notes as a condition to issuance of the Series 2012 A Notes. 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 2012 A Notes as may be necessary in order to maintain the status of the Series 2012 A Notes as governmental notes; (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 2012 A Notes which would cause any notes, the interest, if any, on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority, from which the proceeds of the Series 2012 A Notes are

derived, to lose their status as tax-exempt notes; 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, 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 Note Legislation.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2012 A Notes 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 2012 A Notes:

- (1) If default occurs in the due and punctual payment of the principal of or interest on the Series 2012 A Notes; or
- (2) If default occurs in the Issuer or the Issuer's observance of any of the covenants, agreements or conditions on their respective parts relating to the Series 2012 A Notes set forth in this Note Legislation, any supplemental resolution or in the Series 2012 A Notes, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Note; or
- (3) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or
- (4) If default occurs with respect to the Prior Bonds Resolution.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner or Holder 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 or Holders including the right to require the Issuer to perform its duties under the Act and the Note 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 Notes; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners or Holders of the Notes, and (v) by action or bill in equity enjoin any acts in violation of the Note Legislation with respect to the Notes, or the rights of such Registered Owners.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Note may, by proper legal action, compel the performance of the duties of the Issuer under the Note 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 Notes, any Registered Owner of a Note shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Notes and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Note Legislation and the Act.

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

Whenever all that is due upon the Notes and interest thereon and under any covenants of this Note 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 Note 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 Notes shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

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

Section 10.01. Payment of Series 2012 A Notes. The Series 2012 A Notes will be paid solely from proceeds of future revenue bonds and Surplus Revenues of the System.

## ARTICLE XI

### MISCELLANEOUS

Section 11.01. Amendment or Modification of Note Legislation. Prior to issuance of the Series 2012 A Notes, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2012 A Notes, no material modification or amendment of this Resolution, or of any resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2012 A Notes shall be made without the consent in writing of the Registered Owners of the Series 2012 A Notes so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2012 A Notes or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2012 A Notes required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Note Legislation may be amended without the consent of any Holder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Series 2012 A Notes from gross income of the holders thereof.

Section 11.02. Note Legislation Constitutes Contract. The provisions of the Note Legislation shall constitute a contract between the Issuer and the Registered Owners of the Notes, and no change, variation or alteration of any kind of the provisions of the Note Legislation shall be made in any manner, except as in this Note 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 2012 A Notes.

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

Section 11.05. Notices. All notices to be sent to the Issuer, or the Authority shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class mail, postage prepaid, addressed as follows:

ISSUER:

Big Bend Public Service District  
P.O. Box 114  
Talcott, West Virginia 24981  
Attention: Chairman

AUTHORITY:

Water Development Authority  
180 Association Drive  
Charleston, West Virginia 25311-1571  
Attention: Director

Section 11.06. 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.

Section 11.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, the Secretary and members of the Governing Body and the Issuer were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

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

[Remainder of Page Intentionally Blank]

Adopted this 10th day of January, 2012.

  
Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of  
BIG BEND PUBLIC SERVICE DISTRICT on the 10th day of January, 2012.

Dated: January 20, 2012.

[SEAL]

  
Secretary

735610.00002

EXHIBIT A

Loan Agreement included in note transcript as Document 3.

BIG BEND PUBLIC SERVICE DISTRICT

Waterworks Design Bond Anticipation Notes, Series 2012 A  
(West Virginia Water Development Authority)

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 WATERWORKS DESIGN BOND ANTICIPATION NOTES, SERIES 2012 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), OF BIG BEND PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH NOTES AND THE SALE AND DELIVERY OF SUCH NOTES TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE NOTES.

Whereas, the Public Service Board (the "Governing Body") of Big Bend Public Service District (the "Issuer") has duly and officially adopted a note resolution, effective January 10, 2012 (the "Note Resolution"), entitled:

RESOLUTION AUTHORIZING THE DESIGN OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE PUBLIC WATERWORKS FACILITIES OF BIG BEND PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY BIG BEND PUBLIC SERVICE DISTRICT OF NOT MORE THAN \$151,700 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS DESIGN BOND ANTICIPATION NOTES, SERIES 2012 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), PROVIDING FOR THE RIGHTS

AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH NOTES; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH NOTES; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH NOTES; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Note Resolution provides for the issuance of Waterworks Design Bond Anticipation Notes, Series 2012 A (West Virginia Water Development Authority), of the Issuer (the "Series 2012 A Notes"), in the aggregate principal amounts not to exceed \$151,700, and has authorized the execution and delivery of a loan agreement relating to the Series 2012 A Notes, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), all in accordance with Chapter 16, Article 13A and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Note Resolution it is provided that the form of the Loan Agreement and the exact principal amounts, dates, maturity dates, redemption provisions, interest rates, interest and principal payment dates, sale prices and other terms of the Series 2012 A Notes should be established by a supplemental resolution pertaining to the Series 2012 A Notes; and that other matters relating to the Series 2012 A Notes be herein provided for;

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

WHEREAS, the Series 2012 A Notes are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and ratified by the Issuer, that the exact principal amounts, the dates, the maturity date, the redemption provisions, the interest rate, the interest and principal payment dates and the sale price of the Series 2012 A Notes be fixed hereby in the manner stated herein, and that other matters relating to the Series 2012 A Notes be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF BIG BEND PUBLIC SERVICE DISTRICT, AS FOLLOWS:

Section 1. Pursuant to the Note Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Waterworks Design Bond Anticipation Notes, Series 2012 A (West Virginia Water Development Authority), of the Issuer, originally represented by a single note, numbered AR-1, in the principal amount of \$151,700. The Series 2012 A Notes shall be dated the date of delivery thereof, shall finally

mature January 1, 2015. The interest of 3.0% on the Series 2012 A Notes shall be payable quarterly on January 1, April 1, July 1, and October 1 of each year, commencing April 1, 2012, to and including January 1, 2015, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement for the Series 2012 A Notes and incorporated in and made a part of the Series 2012 A Notes. On January 1, 2015, the entire principal amount is due. The Series 2012 A Notes shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and 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 2012 A Notes.

Section 2. All other provisions relating to the Series 2012 A Notes and the text of the Series 2012 A Notes shall be in substantially the form provided in the Note Resolution.

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the application to the Authority. The price of the Series 2012 A Notes shall be 100% of par value, there being no interest accrued thereon.

Section 4. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2012 A Notes under the Note Resolution and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Series 2012 A Notes, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, 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 Series 2012 A Notes under the Note Resolution.

Section 6. Series 2011 A Notes proceeds in the amount of \$13,680 shall be deposited in the Series 2011 A Notes Fund, as capitalized interest.

Section 7. The Issuer does hereby appoint and designate the City National Bank, Hinton, West Virginia, to serve as Depository Bank under the Note Resolution.

Section 8. *The Chairman and the Secretary are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Series 2012 A Notes hereby and by the Note Resolution approved and provided for, to the end that the Series 2012 A Notes may be delivered on or about January 20, 2012, to the Authority pursuant to the Loan Agreement.*

Section 9. The Project and the financing thereof in part with proceeds of the Series 2012 A Notes are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 10. The Issuer does hereby ratify, approve and accept all contracts relating to the Project.

Section 11. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Blank]

Adopted this 10th day of January, 2012.

*Richard Hallaran* —

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Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of BIG BEND PUBLIC SERVICE DISTRICT on the 10th day of January, 2012.

Dated: January 20, 2012.

[SEAL]

  
Secretary

735610.00002

WDA/BAN-1  
(08/05/08)

LOAN AGREEMENT

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

BIG BEND PUBLIC SERVICE DISTRICT (2009W-1142)  
(Governmental Agency)

WITNESSETH:

WHEREAS, pursuant to the provisions of Chapter 22C, Article 1 of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered upon to make loans to governmental agencies for the acquisition or construction of water development projects by such governmental agencies;

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 bonds, notes or other negotiable instruments 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 loan with attachments and exhibits (the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, having reviewed the Application and made all findings required by Section 5 of the Act and having available sufficient funds therefor, the Authority is

willing to lend the Governmental Agency the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of the notes of the Governmental Agency with money in the Authority's Supplemental Fund, subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Authority'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 Notes.

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

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

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

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

1.7 "Notes" means the notes to be issued by the Governmental Agency pursuant to the provisions of the Local Statute to evidence the Loan and to be purchased by the Authority, all in accordance with the provisions of this Loan Agreement.

1.8 “Project” means the project hereinabove referred to, to be constructed, being constructed or already constructed by the Governmental Agency in whole or in part with the net proceeds of the Notes.

1.9 “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.

1.10 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.

2.4 The Governmental Agency agrees that the Authority and its duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Governmental Agency further agrees that the Authority and its duly authorized agents and representatives shall, prior to, 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

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necessary to accomplish all of the powers and rights of the Authority with respect to the System pursuant to the pertinent provisions of the Act.

2.5 The Governmental Agency shall keep complete and accurate records of the cost of acquiring the Project site and the costs of constructing, acquiring and installing the Project. The Governmental Agency shall permit the Authority, acting by and through its directors or its duly authorized agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority such documents and information as 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 its agents and representatives to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof or if the Project is an improvement to an existing system at any reasonable time following commencement of construction.

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

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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 Notes is outstanding. Prior to commencing operation of the Project, the Governmental Agency must also obtain, and maintain so long as any of the Notes 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 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 Authority or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System.

### ARTICLE III

#### Conditions to Loan; Issuance of Notes

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

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

(b) The Governmental Agency shall have authorized the issuance of and delivery to the Authority of the Notes 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;

(d) The Governmental Agency shall have obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project and the Authority shall have received a Certificate of 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 West Virginia Infrastructure and Jobs Development 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 shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority, to such effect;

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

(g) The net proceeds of the Notes, together with all moneys on deposit or to be simultaneously deposited 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 Consulting Engineers, or such other person or firm experienced in the financing of water development projects and satisfactory to the Authority, to such effect, such certificate to be in form and substance satisfactory to the Authority, evidence satisfactory to the Authority of such irrevocably committed funds.

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

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

3.4 The Notes shall be delivered to the Authority, at the offices of the Authority, on a date designated by the Governmental Agency by written notice to the Authority, which written notice shall be given not less than ten (10) business days prior to the date designated; provided, however, that if the Authority is unable to accept delivery on the date designated, the Notes 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.

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

3.6 The Governmental Agency shall prepay the Notes from the proceeds of any permanent financing it obtains for the Project.

## ARTICLE IV

### Notes; Security for Loan; Repayment of Loan; Interest on Loan; Fees and Charges

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

(1) The Governmental Agency hereby pledges the following sources of funds as security for the Notes: proceeds of any revenue bonds, refunding bonds, bond anticipation notes or other obligations of the Governmental Agency, issued subsequent to the issuance of the Notes; and

(2) Surplus Revenues of the System.

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

(b) The Governmental Agency hereby covenants substantially as follows:

(i) That the Governmental Agency shall complete or has completed the Project and will operate and maintain the System in good condition;

(ii) That, except as otherwise required by State law or with the written consent of 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 Notes outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants; provided that, any sale or disposition of the properties of the System in excess of \$100,000 shall require the written consent of the Authority;

(iii) 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;

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

(v) That the Governmental Agency recognizes that the Authority may by proper legal action compel the performance of the duties of the Governmental Agency under the Local Act, and shall also have, in the event of a default in the payment of principal of and interest, if any, on the Notes, the right to obtain the appointment of a receiver to administer the System or construction of the Project, or both, as provided by law;

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

(vii) That the Governmental Agency shall annually cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority, which report shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the Governmental Agency's revenues are adequate to meet its operation and maintenance expenses and debt service requirements;

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

(ix) That the proceeds of the Notes, except for accrued interest and capitalized interest, must be deposited in a notes project 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 Notes shall have a lien until such proceeds are applied to the payment of the costs of the Project or to the payment of bond anticipation notes or other interim financing of such Governmental Agency, the proceeds of which were used to finance the costs of the Project;

(x) That, as long as the Authority is the owner of any of the Notes, the Governmental Agency may not redeem any Notes without the written consent of the Authority and otherwise in compliance with this Loan Agreement;

(xi) That, unless it qualifies for an exception to the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, (the "Code"), which

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exception shall be set forth in an opinion of bond counsel, or, at the option of the Authority, the loan is not tax-exempt, the Governmental Agency will furnish to the Authority, annually, at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations or to the effect that no rebate is payable, and, at any time, any additional information requested by the Authority;

(xii) 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 Notes, as shall be deemed necessary by the Authority to maintain the exclusion from gross income for federal income tax purposes of interest on the Authority's water development revenue bonds, or any bonds secured by the Notes;

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

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

(xv) That the Governmental Agency shall have obtained the certificate of the Consulting Engineers 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, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority 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;

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

(xvii) That the Governmental Agency shall not issue any bonds, notes or other obligations payable from the revenues of the System unless it has received the written consent of the Authority;

(xviii) That the Governmental Agency shall obtain the written approval of the Authority before expending any proceeds of the Local Bonds available due to bid/construction/project underruns, including the "contingency" as set forth in the final Schedule A attached to the certificate of the Consulting Engineers;

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

(xx) 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 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 Authority 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 Governmental Agency hereby represents and warrants that the Local Act has been or shall be duly adopted or enacted in compliance with all necessary corporate and other action and in accordance with applicable provisions of law. All legal matters incident to the authorization, issuance, validity, sale and delivery of the Local 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.

The Governmental Agency hereby represents and warrants that the Local Act has been or shall be duly adopted in compliance with all necessary corporate and other action and in accordance with applicable provisions of law. All legal matters incident to the authorization, issuance, sale and delivery of the Notes 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 principal of and interest, if any, on the Loan shall be repaid by the Governmental Agency on the days and in the years as provided in Schedule X and Schedule Y attached hereto.

4.3 The Loan shall bear interest, if any, from the dates 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 Notes exceed any statutory limitation with regard thereto.

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

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

4.6 Unless otherwise agreed by the Authority, the Governmental Agency agrees to expend the net proceeds of the Local Bonds for the Project within 3 years of the issuance of the Authority's bonds.

## 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.

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

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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 any payment to the Authority, the amount of such default shall bear interest at the annual rate of 3% on the installment of the Loan next due, from the date of the default until the date of the payment thereof, unless waived by the Authority.

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

## ARTICLE VI

### Other Agreements of the Governmental Agency

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

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

6.3 The Governmental Agency hereby covenants that it will rebate any amounts required by Section 148 of the Code, if applicable, 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 Notes.

6.4 Notwithstanding Section 6.3, 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.

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

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

## ARTICLE VII

### Miscellaneous

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

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

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

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

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

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

7.7 This Loan Agreement shall terminate upon the earlier of:

- (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 Notes to the Authority;

- (ii) termination by the Authority pursuant to Section 6.1 hereof; or
- (iii) payment in full of the principal of and interest, if any, 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 its respective duly authorized officers as of the date executed below by the Authority.

BIG BEND PUBLIC SERVICE DISTRICT

(SEAL)

By: Richard Hallaran

Its: Chairman

Date: January 20, 2012

Attest:

By: Debbi Meadows  
Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT  
AUTHORITY

(SEAL)

By: [Signature]

Its: Executive Director

Date: January 20, 2012

Attest:

By: Coxol A. Cummins  
Its: Authorized Officer

EXHIBIT A  
FORM OF CERTIFICATE OF CONSULTING ENGINEERS

\_\_\_\_\_  
(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"), 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 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 A attached hereto as Exhibit A and my firm<sup>1</sup> 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 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,<sup>2</sup> 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 A attached hereto; and (xi) attached hereto as Exhibit A is the final amended "Schedule A - 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. \_\_\_\_\_

<sup>1</sup>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 \_\_\_\_\_, Esq.] and delete Amy firm has ascertained that.@

<sup>2</sup>If the Rule 42 Exhibit and/or rate structure was prepared by an accountant, then insert the following: AIn 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"), and (ii) the issue of a series of notes of the Governmental Agency, dated \_\_\_\_\_, \_\_\_\_\_ (the "Notes"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Notes are issued in the principal amount of \$\_\_\_\_\_, in the form of one note, fully registered as to principal to the Authority, at the rate of \_\_\_\_\_%, payable quarterly, and the entire outstanding principal of the Notes shall be payable on \_\_\_\_\_, \_\_\_\_\_, as set forth in Schedule Y incorporated in and made a part of the Notes.

The Notes 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 note \_\_\_\_\_ duly adopted or enacted by the Governmental Agency on \_\_\_\_\_ (the "Local Act"), pursuant to and under which Local Statute and Local Act the Notes are authorized and

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issued, and the Loan Agreement that has been undertaken. The Notes are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

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

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

5. The Notes have been duly authorized, issued, executed and delivered by the Governmental Agency to the Authority and are valid and legally enforceable special obligations of the Governmental Agency, payable from and secured by a first lien on the proceeds of any revenue bonds, refunding bonds, bond anticipation notes or other obligations of the Governmental Agency, issued subsequent to the issuance of the Notes and Surplus Revenues of the System, all in accordance with the terms of the Notes and the Local Act.

6. [If required, the Notes 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 Notes 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 Notes of bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights or in the exercise of judicial discretion in appropriate cases.

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

Very truly yours,

## SCHEDULE X

### DESCRIPTION OF NOTES

Principal Amount of Local Bonds	\$151,700
Purchase Price of Local Bonds	\$151,700

The Notes bear interest at a rate of 3% per annum on the amounts advanced thereunder for the first 36 months. Interest on the Notes is payable quarterly (in arrears) commencing April 1, 2012. The Notes will mature and be payable in full on January 1, 2015. Quarterly payments will be made on January 1, April 1, July 1 and October 1 of each year.

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 Notes are fully registered in the name of the Authority as to interest and principal and the Notes shall grant the Authority a first lien on the proceeds of future bonds issued by the governmental agency subsequent to the issuance of the Notes to permanently finance the costs of the project and surplus revenues of the System.

The Governmental Agency may prepay the Notes 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 Notes 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 Notes are not on a parity with any obligation and do not have a lien on the net or gross revenues of the System as to liens, pledge and source of and security for payment. The following obligations have a lien on the net revenues of the System: Big Bend Public Service District Water Revenue Notes, Series 1977 (United States Department of Agriculture), dated June 14, 1978, issued in the original aggregate principal amount of \$184,000.

Number of New Customers To Be Served: Design Loan/NA  
Location: N/A

SCHEDULE Y  
DEBT SERVICE SCHEDULE

Interest on Amounts Advanced (In Arrears)  
January 1, April 1, July 1, October 1

\$151,700 Maturity January 1, 2015

**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 16<sup>th</sup> day of December 2011.

CASE NO. 11-1144-PWD-PC

BIG BEND PUBLIC SERVICE DISTRICT,  
a public utility, Big Bend, Summers County,  
Petition for consent and approval of an  
engineering agreement and to accept design  
loan from the West Virginia Water  
Development Authority.

**COMMISSION CORRECTIVE ORDER**

On December 1, 2011, the Commission issued an order approving a design loan for the Big Bend Public Service District (Big Bend) in the amount of \$151,700 at an interest rate of three percent. It has come to the attention of the Commission that the Order incorrectly described the term of the loan as twenty years with only interest due during the first three years of the loan. The design loan, as approved by the West Virginia Water Development Authority, is for a term of three years. West Virginia Water Development Authority letter dated August 30, 2011 attached to the September 6, 2011 filing by Big Bend.

The Commission will correct its prior Order.

**ORDER**

IT IS THEREFORE ORDERED that the second ordering paragraph of the December 1, 2011 Order in this case is corrected to read as follows:

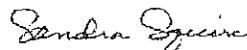
IT IS FURTHER ORDERED that the Commission consents to the Big Bend Public Service District entering into a design loan in the form of a bond anticipation note in the amount of \$151,700 with interest only payments due monthly at an interest rate of three percent for a term of three years.

IT IS FURTHER ORDERED that in all other aspects, the December 1, 2011 Commission Order shall remain in full force and effect.

IT IS FURTHER ORDERED that on entry of this order this case shall be removed from the Commission docket of open cases.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this order by electronic service on all parties of record who have filed an e-service agreement, by United States First Class Mail on all parties of record who have not filed an e-service agreement, and on Staff by hand delivery.

A True Copy - True

  
Sandra Squire  
Executive Secretary

JJW/slc  
111144cc.doc

**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 1<sup>st</sup> day of December 2011.

CASE NO. 11-1144-PWD-PC

BIG BEND PUBLIC SERVICE DISTRICT,  
a public utility, Big Bend, Summers County,

Petition for consent and approval of an engineering agreement and to accept design loan from the West Virginia Water Development Authority.

**COMMISSION ORDER**

The Commission approves the design loan.

**BACKGROUND**

On August 3, 2011, Big Bend Public Service District (District), a public water utility, Big Bend, Calhoun County, filed a petition with the Commission for consent and approval of an engineering agreement and to accept a design loan from the West Virginia Water Development Authority (WDA). In anticipation of filing a certificate application to improve its water system, the District has entered into an engineering agreement with Stafford Consultants, Inc., (Stafford) to provide, among other things, preconstruction engineering services for the project. The District submitted a request to the West Virginia Infrastructure and Jobs Development Council (WVIJDC) for design assistance and has obtained a commitment from the WDA for a \$151,700 design loan with an interest rate of three percent for a twenty-year term, with payments required of interest only for the first three years. The District proposed to pay the WDA loan in full on receipt of full long-term financing for the project. The District stated that, because the financing for the project is already committed, the risk of the WDA loan is low, and repayment will not affect rates. The District attached a publication affidavit showing compliance with the provisions of W.Va. Code §5G-1-1, et seq.

By the Referral Order entered on August 16, 2011, as corrected on September 30, 2011, the Commission referred this matter to the Division of Administrative Law Judges (ALJ Division) for decision on or before November 1, 2011.

On August 26, 2011, Commission Staff filed its Initial and Final Joint Staff Memorandum objecting to approval of the engineering agreement pursuant to W.Va. Code §16-13A-25. Staff requested further information from the District. Staff noted that (i) funding for the design loan had not been finalized, (ii) there was no basis for the assertion by the District that payment of the design loan would not require a rate increase if the underlying project was not approved, and (iii) the Commission does not favor approving engineering agreements and their funding where the engineering firm does not share a substantial portion of the risk. Adrian Public Service District, Case No. 10-1046-PWD-PC (Commission Order September 10, 2010).

On September 7, 2011, the District responded to the request from Staff for additional and supplemental information. The documentation included (i) a letter dated September 5, 2011, by the accountant for the District stating that the rates of the District would not be affected by the proposed design loan and that the existing rates would cover all of the operation and maintenance (O&M) expenses and the additional debt service requirements, providing a 141.17 percent debt service coverage ratio and a \$4,372 cash flow surplus; (ii) a breakdown of the engineering services totaling \$151,700; and (iii) an August 30, 2011 letter from the WDA committing to a bond anticipation note (BAN) in the amount of \$151,700 for the District valid for twelve months from the date of the August 30, 2011 letter. The District moved to withdraw its petition for approval of the engineering agreement because approval of the agreement had been waived in Big Bend Public Service District, Case No. 07-2332-PWD-PC-PW (Commission Order March 14, 2008) (“Pursuant to W.Va. Code 16-13A-25, it is reasonable for the Commission to grant the District’s petition for waiver. However, granting the waiver does not relieve the District of its obligation to seek a certificate of convenience and necessity for the project and approval of any loan obtained regarding the project.”)

On September 30, 2011, Staff filed its Further Final Joint Staff Memorandum. Staff agreed that the waiver granted in Case No. 07-2332-PWD-PC-PW applied in this case. Regarding the design loan, Staff recommended that the Commission not grant approval because the design loan will subject the District and its customers to all of the risk associated with the loan.

On October 11, 2011, the ALJ issued a Procedural Order requiring that the District respond to the Staff final recommendation.

On October 13, 2011, the District filed its response to the October 11, 2011 Order. The District argued that (i) Stafford had already assumed risk when it performed the preliminary engineering, (ii) the BAN is not just for design work, but also is to achieve “readiness to proceed” status for the proposed project, (iii) the District applied for the BAN by relying upon a recommendation by the WVIJDC, which had concluded that the underlying project is feasible, (iv) the criteria for “ready to proceed” are not subject to the risk-sharing concept, (v) if the District does not proceed with the project at this time,

it risks losing USDA ARRA funding, because the District has a “drop dead” date to complete the project no later than September 30, 2015, (vi) if it cannot negotiate the BAN, it cannot proceed with the project and approximately fifty-eight families will not receive reliable and safe public water service, and (vii) the existing customers may risk losing their water service as well.

On October 13, 2011, the District filed a supplemental response to the October 11, 2011 Order. The District stated that it has the funding in place to complete the waterline extension and it need only meet the time commitments and conditions set forth by the WVIJDC and Rural Development. The District stated that it cannot meet those conditions without the BAN and denying approval of the BAN would effectively end the project.

On October 17, 2011, Staff filed its Further Final Joint Staff Memorandum. Staff stated that it will not recommend approval of the BAN unless a substantial portion of the risk is assumed by Stafford and that not all of the risk be placed on the District and its customers. Staff disputed the assertion by the District that the project would not come to fruition if the BAN were not approved. Staff noted that the Commission has indicated a preference for cost of the preliminary engineering studies and possibly the final design be contingent upon permanent financing, or that it be financed by a grant, to protect the ratepayers in the event the underlying project is not approved. Staff recommended that the District work with Stafford to develop a design contract and financing package that does not place all of the risk on the District and its customers. Staff cited Mineral Wells Public Service District, Case No. 09-1247-PSD-PC (Commission Order May 12, 2010, Dissenting Opinion of Commissioner McKinney May 12, 2011), as authority for its position.

On November 1, 2011, the ALJ issued a Recommended Decision. The ALJ did not rule on the District request for approval of the engineering agreement, noting that the District had withdrawn that request based on the understanding that the 2008 Big Bend order had waived the need for approval of the engineering agreement. Regarding the BAN the ALJ denied approval of the loan noting that this case was substantially similar to Mineral Wells and that the reasoning set forth by the Commission in the Mineral Wells case was applicable to the present case.

On November 10, 2011, the District filed Exceptions to the Recommended Decision. The District noted the following points:

1. The Bend Public Service District is located in Summers County, not Calhoun County.
2. The amount of the bond anticipation note is \$151,700, not \$500,000.

3. Of the \$151,700 BAN, \$79,700 is allocated to legal, accounting, administrative, site acquisition, and other non-design purposes.
4. The soils investigation line item (\$8,000) and the property survey line item (\$3,300) will be subcontracted out by the engineering firm.
5. Land and right-of-way acquisition is also included in the BAN.
6. The actual design fees amount to \$60,700.
7. Engineering firms should not be asked to perform services on a deferred or contingent basis.
8. The permanent financing for the project from the United States Department of Agriculture has been committed and if it is not spent in a timely matter, it will be lost.
9. Stafford Engineering has already assumed some risks by proceeding, with the authorization of the District, to complete the preliminary design phase documents, including the easement plans.
10. The engineering agreement allows and anticipates payment of late fees for the preliminary design phase documents from the permanent financing.
11. If the Big Bend PSD had to pay back the BAN loan, the anticipated monthly payment would be approximately \$910.
12. If the Commission continues to deny request for BANs, the net effect in the long run will be to increase fees on projects, the cost of which will ultimately be borne by the utility customer.
13. Objections to BANs should not wait until a public service district has incurred further expenses in applying for approval of a BAN through the Commission.

The District requested an expedited decision in this matter.

### DISCUSSION

Over the course of several proceedings the Commission has developed a policy regarding approval of design loans associated with engineering agreements. See, Greater Harrison County Public Service District, Case Nos. 09-0030-PSD-PC-42A (Commission

Order September 11, 2009) and 09-1794-PSD-PC-42A (Commission Order May 14, 2010); Mineral Wells Public Service District (cited above); and Adrian Public Service District, Case No. 10-1046-PWD-PC (Commission Order September 10, 2010). In Adrian the Commission approved an engineering agreement and associated design loan that included a sharing of the risk between the utility and the engineering firm, did not represent a significant risk of financial burden to ratepayers, and did not require an immediate rate increase. The Commission stated that it would approve similar filings in the future on a case-by-case basis.

The Commission finds that the unique facts in the present case differentiate it from the decision in Adrian. Significantly, the decision in Case No. 07-2332-PWD-PC-PW predates the Adrian decision.

The Order in Case No. 07-2332-PWD-PC-PW granted the request by the District for a waiver of the engineering agreement with Stafford. Although the Order concluded that the District should return to the Commission for approval of any loans associated with the project, the Order made particular note of the Staff determination that the costs associated with the design loan would not place the District at financial risk in the event the proposed project was not funded. In the present case, we note that the annual cost to finance the engineering agreement in the event the underlying project is not approved amounts to less than a \$2,000 increase over the cost estimated in the 2007 case.

Because (i) the District was granted a waiver from the need to obtain approval of the engineering agreement based in part on the Staff determination that the costs did not place the District at financial risk in the event the project was not funded, (ii) the relatively small incremental increase does not represent a significant risk of financial burden to ratepayers, (iii) no immediate rate increase would be necessary in the event the underlying project is not approved, and (iv) the genesis of this case occurred prior to the decision in Adrian, the Commission will grant its consent for the design loan.

#### FINDINGS OF FACT

1. The design loan does not represent a significant risk of financial burden to ratepayers.
2. No immediate rate increase would be necessary to cover the cost of the design loan in the event the underlying project is not approved.

#### CONCLUSION OF LAW

Because (i) the District was granted a waiver from the need to obtain approval of the engineering agreement based in part on the Staff determination that the costs did not place the District at financial risk in the event the project was not funded, (ii) the

relatively small incremental increase does not represent a significant risk of financial burden to ratepayers, (iii) no immediate rate increase would be necessary in the event the underlying project is not approved, and (iv) the genesis of this case occurred prior to the decision in Adrian, the Commission will grant its consent for the design loan, it is reasonable for the Commission to grant its consent for the design loan.

**ORDER**

IT IS THEREFORE ORDERED that the exceptions filed by the District are granted.

IT IS FURTHER ORDERED that the Commission consents to the Big Bend Public Service District entering into a design loan in the amount of \$151,700 with an interest rate of three percent for a twenty-year term, with payments of interest only required for the first three years.

IT IS FURTHER ORDERED that on entry of this order this case shall be removed from the Commission docket of open cases.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this order by electronic service on all parties of record who have filed an e-service agreement, by United States First Class Mail on all parties of record who have not filed an e-service agreement, and on Staff by hand delivery.

A True Copy: True

*Sandra Squire*  
Sandra Squire  
Executive Secretary

JJW/s  
111144cb.doc

# PSC Rate Order

PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

FINAL  
8/10/2009

Entered: July 21, 2009

CASE NO. 09-0204-PWD-19A

BIG BEND PUBLIC SERVICE DISTRICT,  
a public utility, Talcott, Summers County.  
Rule 19A application to increase water rates and charges.

RECOMMENDED DECISION

On March 3, 2009, the Big Bend Public Service District (Utility) filed a 19-A application requesting a 25% increase in its water rates.

On April 8, 2009, the Commission referred the matter for a recommended decision on or before October 29, 2009.

On May 8, 2009, the Utility filed an affidavit indicating that it properly complied with the notice requirements of the Commission's Rules by separately mailing a notice to all of its customers.

On June 8, 2009, Staff filed its report recommending an 18% across-the-board increase for the Utility. Staff further recommended that the Utility maintain and establish separate accounts for its sewer and water operations and include appropriate check numbers on each invoice. Staff further recommended that the Utility be required to establish a tank painting reserve and deposit \$10,000 in it annually.

By Procedural Order issued June 11, 2009, the Utility was given ten (10) days to object to the Staff report. The Utility was also required to publish notice of the Staff rate recommendations.

The Utility did not object to the Staff report. There have been two protests filed by customers of the Utility.<sup>1</sup>

DISCUSSION

The Staff-recommended rates should be approved for the Utility without hearing. There have only been two protests from customers concerning the proposed rate increase.

---

<sup>1</sup>The Utility properly published notice of the Staff-recommended rates on June 16 and June 24 and otherwise properly complied with the Commission's rules regarding notice.

*WV*

## FINDINGS OF FACT

1. On March 3, 2009, the Utility filed a 19A application requesting a rate increase. (See application).

2. The Utility serves 480 customers in Summers County. (See Staff report filed June 8, 2009).

3. The Utility owns and operates a water treatment facility which draws raw water from the Greenbrier River. The plant operates ten hours a day, producing 195 gallons per minute. (Id.).

4. The Utility's distribution system includes three storage tanks, one booster station and approximately nineteen miles of water lines. (Id.).

5. The Utility's unaccounted for water loss is 17.9%, which is a substantial improvement over the average water loss of the last six years of 23.4%. (Id.).

6. Based on a review of test year operation and maintenance expenses, as well as plant additions for the past five years, Staff recommended a surplus of \$6,885 (inclusive of the annual R&R fund). (Id.).

7. The Utility's two main storage tanks are nearing the age when they must be repainted. The Utility should be planning for this large maintenance expense which Staff estimates to be in excess of \$100,000. Staff recommends at least \$10,000 be set aside in a separate account annually to be used for future tank repainting and that the Utility be required to provide an annual report to the Commission detailing deposits, withdrawals and current balance information on the account. (Id.).

8. The Utility's debt has a reserve account which is now fully funded. (Id.).

9. The Utility's accounts include funds for both its water and sewer operations all in the same account, despite a Commission Order in Case No. 08-1197-PSD-19A requiring the Utility to separate its sewer funds from its water funds. (Id.).

10. The Utility lost an industrial customer which drilled its own well during the test year and no longer uses the Utility's water as its main source of supply, resulting in a decrease in revenue. (Id.).

11. Staff recommended an 18% across-the-board increase to the Utility's current water rates and charges. (Id.).

12. The Staff-recommended rates will provide for a minimum bill of \$17.04 based on 2,000 gallons of usage and an average bill of \$36.80 based on 4,500 gallons of usage. (Id.).

13. The Utility has a going-level operating cash deficit of \$25,295 and a negative debt service coverage. (See Staff Report filed June 8, 2009).

14. The Staff-recommended rates will generate an additional \$37,850 in annual operating revenue and provide a surplus of \$68,884, with a debt service coverage of 289.05%. (Id.).

15. Staff recalculated the Utility's leak adjustment to be \$0.52. (Id.).

#### CONCLUSIONS OF LAW

1. The Staff-recommended rates are reasonable, just, based primarily on the cost of providing service, and should be approved for use by the Utility for all service rendered on and after the date that this becomes a final Commission Order.

2. The Utility should be required to separate its bank accounts for its sewer and water operations.

3. The Utility should be required to establish a tank painting reserve and deposit \$10,000 in it annually and provide the Commission with annual reports regarding account details.

#### ORDER

IT IS, THEREFORE, ORDERED that the attached rates be, and hereby are, approved for use by the Big Bend Public Service District for all service provided on and after the date that this becomes a Final Order of the Commission. The Utility shall file with the Commission an original and at least five (5) copies of its revised water tariff within thirty (30) days of the date that this decision becomes a Final Order of the Commission.

IT IS FURTHER ORDERED that the Utility establish and maintain separate checking accounts for its sewer and water operations and include appropriate check numbers on each invoice. The Utility shall establish the separate accounts within thirty days of the date of this Order and inform the Commission, in writing under this case number that it has complied with this Order. Failure to comply may result in additional Commission action enforcing the Order.

IT IS FURTHER ORDERED that the Utility establish a separate water tank painting reserve account and deposit at least \$10,000 in it annually. The Utility shall provide an annual report on this account to the Commission, detailing deposits, withdrawals and current balance information. The annual filing should be made by July 20<sup>th</sup> of each year and continue until further Commission Order. The report should reference this case number.

IT IS FURTHER ORDERED that the matter be removed from the open docket.

The Executive Secretary is hereby ordered to serve a copy of this order upon 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 that all parties of record have been served the exceptions.

If no exceptions are filed, this order shall become the order of the Commission, without further action, five (5) days following the expiration of the fifteen (15) day time period, unless it is ordered stayed 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 with the Secretary. No such waiver will be effective until approved by order of the Commission, nor shall any such waiver operate to make any Administrative Law Judge's Order the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.



Keith A. George  
Administrative Law Judge

KAG:ksf  
090204aa.wpd

BIG BEND PUBLIC SERVICE DISTRICT  
CASE NO. 09-0204-PWD-19A

APPROVED RATES

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

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

RATES

First	2,000 gallons	\$ 8.52 per 1,000 gallons
Next	4,000 gallons	\$ 7.91 per 1,000 gallons
Next	4,000 gallons	\$ 6.49 per 1,000 gallons
Next	15,000 gallons	\$ 5.88 per 1,000 gallons
Next	75,000 gallons	\$ 5.58 per 1,000 gallons
All Over	100,000 gallons	\$ 4.48 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than \$17.04 per month, according to meter size.

5/8 inch meter, or smaller	\$ 17.04 per month
3/4 inch meter	\$ 25.60 per month
1 inch meter	\$ 42.60 per month
1 1/2 inch meter	\$ 85.20 per month
2 inch meter	\$136.35 per month
3 inch meter	\$272.65 per month
4 inch meter	\$426.00 per month
6 inch meter	\$852.00 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.

RECONNECTION, \$20.00

To be charged whenever the supply of water is turned off for violations of rules, non-payment of bills, or fraudulent use of water.

TAP FEE

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

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

LEAK ADJUSTMENT

\$0.52 per 1,000 gallons is to be used when the bill reflects unusual 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.

PRIVATE FIRE PROTECTION SERVICE

Where connection, hydrants, sprinkler, etc., on private property are maintained by the consumer:

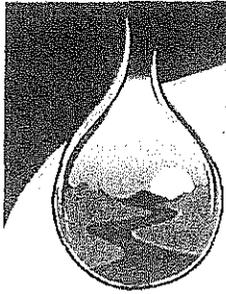
For Fire Hydrant	\$50.00 per year
For Sprinkler Systems	\$200.00 per year

RETURNED CHECK CHARGE

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

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.



## WEST VIRGINIA

Infrastructure & Jobs Development Council

Gov. Earl Ray Tomblin  
Chairman

Kenneth Lowe, Jr.  
Public Member

David "Bones" McComas  
Public Member

Ron Justice  
Public Member

Louis R. Spatafore  
Public Member

Joseph Freeland  
Public Member

D. K. "Bud" Carr  
Public Member

James W. Ellars, P.E.  
Executive Director

Barbara J. Pauley  
Administrative Secretary

June 9, 2011

Richard Halloran, Chairman  
Big Bend Public Service District  
P.O. Box 114  
Talcott, WV 24981

Re: Big Bend PSD (Wiggins, Browning & Summers County Armory-Route 3)  
Water Project 2009W-1142

Dear Mr. Halloran:

At its June 2, 2011 meeting, the West Virginia Infrastructure and Jobs Development Council (Infrastructure Council) voted to approve that the Big Bend Public Service District (District) utilize a \$505,000 Rural Utilities Service (RUS) loan (2.75%, 40 yrs), a \$1,295,000 RUS grant, and receive a Water Development Authority Bond Anticipation Note, not to exceed \$151,700, to be taken out with RUS funding. Please contact the Water Development Authority at 304-414-6500 for specific information on the steps the District needs to follow to apply for these funds. **Please note that this letter does not constitute funding approval from this agency.**

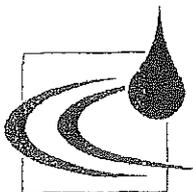
The Infrastructure Council also determined that the District may be eligible for a \$601,000 Infrastructure Fund grant pending final determination of the project's eligibility and readiness to proceed. The total Project cost is \$2,401,000. **This letter is not a commitment of Infrastructure Funds.** The Project will be placed on the Infrastructure Council's pending list of projects.

If you have any questions regarding this matter, please contact Jim Ellars at 304-414-6501 (X106).

Sincerely,

Kenneth Lowe, Jr.

cc: Bob Decrease, P.E., BPH (via e-mail)  
Edward L. Shutt, P.E., Stafford Consultants, Inc (via e-mail)  
David N. Cole, Region I P&DC (via e-mail)  
Chris Jarrett, Executive Director, WDA



WEST VIRGINIA  
**Water Development Authority**  
Celebrating 36 Years of Service 1974 - 2011

August 30, 2011

Richard Holloran, Chairman  
Big Bend Public Service District  
P.O. Box 114  
Talcott, WV 24981

**Big Bend PSD 2009W-1142 -- BOND ANTICIPATION NOTE**

At its June 2, 2011, meeting, of the West Virginia Infrastructure and Jobs Development Council (Infrastructure Council) voted to approve the West Virginia Water Development Authority (the "WDA"), purchasing of a Design Bond Anticipation Note ("BAN") not to exceed \$151,700, and to be taken out with RUS funding from Big Bend Public Service District. The WDA will purchase the BAN from the Big Bend Public Service District at an interest rate of three percent for a term of three years, with interest capitalized, subject to the District's satisfaction of all conditions precedent set forth in the Loan Agreement between the WDA and the District.

**This offer is valid for ~~twelve~~ months from the date of this letter.**

CHRIS E. JARRETT -- EXECUTIVE DIRECTOR

cc: David Cole (email)  
Jim Ellars (email)  
Samme Gee (email)  
Tracey Rowan (email)

BIG BEND PUBLIC SERVICE DISTRICT

Waterworks Design Bond Anticipation Notes, Series 2012 A  
(West Virginia Water Development Authority)

CROSS-RECEIPT FOR NOTE AND NOTE PROCEEDS

On the 20th day of January, 2012, 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 Big Bend Public Service District (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the 20th day of January, 2012, the Authority received the Waterworks Design Bond Anticipation Notes, Series 2012 A (West Virginia Water Development Authority), of the Issuer, in the principal amount of \$151,700, numbered AR-1 (the "Series 2012 A Notes"), issued as a single, fully registered Note.

2. At the time of such receipt the Series 2012 A Notes had been executed by the Chairman and the Secretary of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Notes.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2012 A Notes an amount of \$87,996.87. The balance of the principal amount of the Series 2012 Notes will be advanced by the Authority to the Issuer as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first written above.

WEST VIRGINIA WATER  
DEVELOPMENT AUTHORITY

By: *Sheila Miller*  
Its: Authorized Representative

BIG BEND PUBLIC SERVICE DISTRICT

By: *Richard Hallaran*  
Its: Chairman

735610.00002

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BIG BEND PUBLIC SERVICE DISTRICT

Waterworks Design Bond Anticipation Notes, Series 2012 A  
(West Virginia Water Development Authority)

DIRECTION TO AUTHENTICATE AND DELIVER NOTES

The Huntington National Bank  
as Registrar  
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith on this 20th day of January, 2012.

(1) Note No. AR-1, constituting the entire original issue of Big Bend Public Service District Waterworks Design Bond Anticipation Notes, Series 2012 A (West Virginia Water Development Authority), in the principal amount of \$151,700 (the "Series 2012 A Notes"), executed by the Chairman and the Secretary of Big Bend Public Service District (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Note Resolution duly adopted by the Issuer on January 10, 2012, and a Supplemental Resolution duly adopted by the Issuer on January 10, 2012 (collectively, the "Note Legislation");

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

(3) Executed counterparts of a loan agreement for the Series 2012 A Notes, dated January 20, 2012, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"); and

(4) Executed opinions of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Series 2012 A Notes.

You are hereby requested and authorized to deliver the Series 2012 A Notes to the Authority upon payment to the Issuer of the sum of \$87,996.87. Prior to such delivery of the Series 2012 A Notes, you will please cause the Series 2012 A Notes to be authenticated and registered by an authorized officer, as Note Registrar, in accordance with the forms of Certificate of Authentication and Registration thereon.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first written above.

BIG BEND PUBLIC SERVICE DISTRICT

By: Richard Hallaran  
Its: Chairman

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SPECIMEN

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
BIG BEND PUBLIC SERVICE DISTRICT  
WATERWORKS DESIGN BOND ANTICIPATION NOTES, SERIES 2012 A  
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. AR-1

\$151,700

KNOW ALL MEN BY THESE PRESENTS: That on this the 20th day of January, 2012, BIG BEND PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Summers County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of ONE HUNDRED FIFTY ONE THOUSAND SEVEN HUNDRED DOLLARS (\$151,700), 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, on the maturity date of January 1, 2015.

Interest only shall commence on the date hereof on the amounts advanced and outstanding, payable in quarterly installments on January 1, April 1, July 1 and October 1 of each year in arrears at the rate of 3.0% per annum, with the first payment due on April 1, 2012. The interest on this Note is 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 Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next 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 Note 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 upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, dated January 20, 2012.

This Note is issued (i) to temporarily pay the costs of design of certain betterments and improvements to the public waterworks system of the Issuer (the "Project"); (ii) to pay capitalized interest on the Note; and (iii) to pay certain costs of issuance of the Note of this Series (the "Note") and related costs. The public waterworks system and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Note is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Note Resolution duly adopted by the Issuer on January 10, 2012, and a Supplemental Resolution duly adopted by the Issuer on January 20, 2012 (collectively, the "Note Legislation"), and is subject to all the terms and conditions thereof. The Note Legislation provides for the issuance of additional notes under certain conditions, and such notes would be entitled to be paid and secured equally

and ratably from and by the funds and revenues and other security provided for the Notes under the Note Legislation.

THIS NOTE HAS NO LIEN ON THE GROSS OR NET REVENUES OF THE SYSTEM.

THIS NOTE IS SECURED BY PROCEEDS OF FUTURE BONDS ISSUED BY THE ISSUER SUBSEQUENT TO THE ISSUANCE OF THE NOTE TO PERMANENTLY FINANCE THE COSTS OF THE PROJECT AND SURPLUS REVENUES OF THE SYSTEM.

This Note does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except as set forth in the Note Resolution.

Subject to the registration requirements set forth herein, this Note is transferable, as provided in the Note Legislation, only upon the books of the Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Note, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

All money received from the sale of this Note shall be applied solely to payment of the costs of the Project and costs of issuance described in the Note 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 Note.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Note, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

  
Richard Halloran  
Chairman

ATTEST

  
Debbi Meadows  
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Note is one of the Series 2012 A Notes described in the within-mentioned Note Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: January 20, 2012

THE HUNTINGTON NATIONAL BANK,  
as Registrar

By:

  
Its: Authorized Officer

EXHIBIT A  
RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$87,996.87	01/20/12	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL \$ \_\_\_\_\_

(Form of)

ASSIGNMENT

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

Dated: \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_

In the presence of:

\_\_\_\_\_

January 20, 2012

Big Bend Public Service District  
Waterworks Design Bond Anticipation Notes, Series 2012 A  
(West Virginia Water Development Authority)

Big Bend Public Service District  
Talcott, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Big Bend Public Service District (the "Issuer"), a public corporation and political subdivision organized and existing under the laws of the State of West Virginia, of its \$151,700 Waterworks Design Bond Anticipation Notes, Series 2012 A (West Virginia Water Development Authority), dated the date hereof (the "Series 2012 A Notes" or the "Notes").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated January 20, 2012, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), and the Notes, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Notes were originally issued in the form of one Note, registered as to principal to the Authority, and with interest installments on the amounts outstanding payable quarterly on January 1, April 1, July 1 and October 1 of each year, commencing April 1, 2012 to and including January 1, 2015, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2012 A Notes.

The Series 2012 A Notes 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 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) to temporarily pay a portion of the costs of the design betterments and improvements to the public water system of the Issuer (the "Project"); (ii) to pay capitalized interest on the Notes; and (iii) to pay costs of issuance.

We have also examined the applicable provisions of the Act, the Note Resolution duly adopted by the Issuer on January 10, 2012, as supplemented by a Supplemental Resolution duly adopted by the Issuer on January 10, 2012 (collectively, the "Note Legislation"), pursuant to and under which Act and Note Legislation the Series 2012 A Notes is authorized and issued, and the Loan Agreement has been entered into. The Series 2012 A Notes is subject to redemption

prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Note Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Note 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 municipal 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 enact the Note Legislation and to issue and sell the Series 2012 A Notes, all under the Act and other applicable provisions of law.

2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer, 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 cannot be amended by the Issuer so as to affect adversely the rights of the Authority or diminish the obligations of the Issuer without the written consent of the Authority.

3. The Note Legislation and all other necessary resolutions have been duly and effectively adopted by the Issuer in connection with the issuance and sale of the Series 2012 A Notes and constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms. The Note Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

4. The Series 2012 A Notes has 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 future bond proceeds and secured by a first lien on and pledge of the future bond proceeds received subsequent to the issuance of the Series 2012 A Notes.

5. The Notes has not been issued on the basis that the interest thereon, if any, 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, if any, from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Notes.

6. The Series 2012 A Notes is, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, and the interest on the Series 2012 A Notes is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

It is to be understood that the rights of the holders of the Series 2012 A Notes and the enforceability of the Series 2012 A Notes, the Loan Agreement and the Note 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 in appropriate cases.

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

Very truly yours,



STEPTOE & JOHNSON PLLC

735610.00002

5846520

**ZIEGLER & ZIEGLER, L.C.**

**ATTORNEYS AT LAW**

110 JAMES STREET

HINTON, WV 25951

Email: [zaz@suddenlinkmail.com](mailto:zaz@suddenlinkmail.com)

[www.zieglerandziegler.com](http://www.zieglerandziegler.com)

DAVID L. ZIEGLER

ANNA R. ZIEGLER

~~~~

OF COUNSEL: KEITH LIVELY

Licensed in West Virginia, Tennessee,

And the District of Columbia

TELEPHONE (304) 466-1224

TELEPHONE (304) 772-3085

FACSIMILE (304) 466-4294

January 20, 2012

Big Bend Public Service District  
Waterworks Design Bond Anticipation Notes, Series 2012 A  
(West Virginia Water Development Authority)

Big Bend Public Service District  
Talcott, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

Step toe & Johnson PLLC  
Charleston, West Virginia

Ladies and Gentlemen:

I serve as the Attorney for Big Bend Public Service District in Summers County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Step toe & Johnson PLLC as note counsel, a loan agreement for the Series 2012 A Notes, dated January 20, 2012, including all schedules and exhibits attached thereto, by and between the Issuer and the West Virginia Water Development Authority (the "Authority") (the "Loan Agreement"), a Note Resolution duly adopted by the Issuer on January 10, 2012, as supplemented by a Supplemental Resolution duly adopted by the Issuer on January 10, 2012 (collectively, the "Note Legislation"), and other documents relating to the above-captioned Notes of the Issuer (collectively, the "Notes") and orders of The County Commission of Summers County relating to the Issuer and the appointment of members of the Public Service Board of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Note Legislation and the Loan Agreement when used herein.

I am of the opinion that:

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

2. The Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the Authority, constitutes a valid and binding agreement of the Issuer, 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 Note Legislation has been duly adopted by the Issuer and is in full force and effect.

5. The execution and delivery of the Notes and the Loan Agreement and the consummation of the transactions contemplated by the Notes, the Loan Agreement and the Note 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 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.

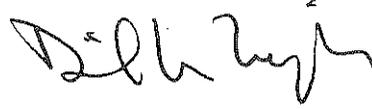
6. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the creation and existence of the Issuer including, without limitation, all requisite orders, consents, certificates and approvals from The County Commission of Summers County, the West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia.

7. The Issuer has received all orders, certificates and authorizations from the Public Service Commission of West Virginia necessary for the issuance of the Notes, the design of the Project and the operation of the System. The Issuer has received a Commission Order of the Public Service Commission of West Virginia entered on December 1, 2011 and Commission Corrective Order on December 16, 2011 in Case No. 11-1144-PWD-PC, among other things approving the financing for the design of the Project. The time for appeal of the order has expired prior to the date hereof. Such Order is in full force and effect.

8. To the best of my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Loan Agreement, the Notes and the Note Legislation, the design of the Project, the operation of the System, the validity of the Notes or the collection of the Gross Revenues or the pledge of the future bond proceeds and Surplus Revenues for the payment of the Notes.

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

Very truly yours,

A handwritten signature in black ink, appearing to read "D. L. Ziegler". The signature is fluid and cursive, with a prominent initial "D" and a long, sweeping tail.

David L. Ziegler

735610.00002

BIG BEND PUBLIC SERVICE DISTRICT

Waterworks Design Bond Anticipation Notes, Series 2012 A  
(West Virginia Water Development Authority)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE;  
INDEBTEDNESS/GAN
5. CERTIFICATION OF COPIES OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME
7. LAND AND RIGHTS-OF-WAY
8. MEETINGS, ETC.
9. LOAN AGREEMENT
10. RATES
11. PUBLIC SERVICE COMMISSION ORDERS
12. SIGNATURES AND DELIVERY
13. NOTES PROCEEDS
14. CONFLICT OF INTEREST
15. SPECIMEN NOTE
16. PROCUREMENT OF ENGINEERING SERVICES
17. EXECUTION OF COUNTERPARTS

On this 20th day of January, 2012, we, the undersigned CHAIRMAN and SECRETARY of Big Bend Public Service District, in Summers County, West Virginia (the "Issuer"), and the undersigned ATTORNEY hereby certify in connection with the Issuer's Waterworks Design Bond Anticipation Notes, Series 2012 A (West Virginia Water Development Authority), 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 Note Resolution of the Issuer duly adopted January 10, 2012, and the Supplemental Resolution duly adopted January 10, 2012 (collectively, the "Note Legislation"). The Issuer deems it necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain improvements and extensions to the existing public waterworks system of the Issuer, (the design of such herein known as the "Project").

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 Series 2012 A Notes, the Project, the operation of the System, the receipt of the Gross Revenues, or in any way contesting or affecting the validity of the Series 2012 A Notes, or any proceedings of the Issuer taken with respect to the issuance or sale of the Series 2012 A Notes, the pledge of application of the future bond proceeds and Surplus

Revenues or any other moneys or security provided for the payment of the Series 2012 A Notes or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Series 2012 A Notes, 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 future bond proceeds and Surplus Revenues as security for the Series 2012 A Notes.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable and necessary approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2012 A Notes have been duly and timely obtained and 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 Agreement. The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete the Project.

On the closing date, there will be outstanding obligations of the Issuer being the: (i) Water Revenue Bonds, Series 1977 (United States Department of Agriculture), dated June 14, 1978, issued in the original aggregate principal amount of \$184,000 (the "Series 1977 Bonds" or the "Prior Bonds") which will be secured by a pledge of Net Revenues. The Series 2012 A Notes have no lien on the Net or Gross Revenues of the System.

5. CERTIFICATION OF COPIES OF DOCUMENTS: The copies of the below-listed documents hereto attached or delivered herewith or heretofore delivered are true, correct and complete copies of the originals of the documents of which they purport to be copies, and such original documents are in full force and effect and have not been repealed, rescinded, amended or changed in any way unless modification appears from later documents also listed below:

Note Resolution

Supplemental Resolution

Loan Agreement for Series 2012 A Notes

Public Service Commission Order

Infrastructure Council Approval

County Commission Orders on Creation and Enlargement of District

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 Note Resolution and Supplemental Resolution

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "Big Bend Public Service District." The Issuer is a public service district and public corporation duly created by The County Commission of Summers County and presently existing under the laws of, and a political subdivision of, the State of West Virginia. The governing body of the Issuer is its Public Service Board consisting of 3 duly appointed, qualified and acting members whose names and dates of commencement and termination of current terms of office are as follows:

| <u>Name</u>      | <u>Date of Commencement of Office</u> | <u>Date of Termination of Office</u> |
|------------------|---------------------------------------|--------------------------------------|
| Richard Halloran | 01/07/2008                            | 12/31/2013                           |
| L. W. Thompson   | 01/01/2010                            | 12/31/2013                           |
| Debra B. Meadows | 01/31/2010                            | 12/31/2013                           |

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 2012 are as follows:

Chairman - Richard Halloran  
Secretary - Debra B. Meadows

The duly appointed and acting counsel to Issuer is David Ziegler, Esquire, of Hinton, West Virginia.

7. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the operation and maintenance of the existing System have been acquired 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 Series 2012 A Notes.

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

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

10. RATES: The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on July 21, 2009, which became final order on August 10, 2009 in Case No. 09-0204-PWD-19A, approving the rates and charges for the services of the System and has adopted a resolution prescribing such rates and charges. The time for appeal of such Order has expired prior to the date hereof without any appeal.

11. PUBLIC SERVICE COMMISSION ORDERS: The Issuer has received the Commission Order of the Public Service Commission of West Virginia dated December 1, 2011 and Commission Corrective Order dated December 16, 2011 in Case 11-1144-PWD-PC, among other things approved the financing for the Project. The time for appeal of the Order has expired prior to the date hereof without any appeal. Such Order is in full force and effect.

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

13. NOTES PROCEEDS: On the date hereof, the Issuer received \$87,996.87 from the Authority, there being no interest accrued thereon. The balance of the principal amount of the Series 2012 A Notes will be advanced to the Issuer as the Project progresses.

14. CONFLICT OF INTEREST: No member, officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Notes, the Note 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.

15. SPECIMEN NOTE: Delivered concurrently herewith is a true and accurate specimen of the Series 2012 A Notes.

16. 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 Notes.

17. 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 BIG BEND PUBLIC SERVICE DISTRICT on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

Richard Halloran

Chairman

Debbie Meadows

Secretary

\_\_\_\_\_

Counsel to Issuer

735610.00002

WITNESS our signatures and the official seal of BIG BEND PUBLIC SERVICE DISTRICT on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE

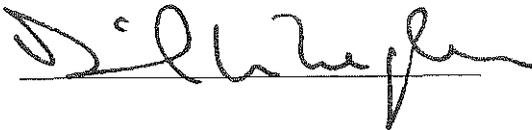
OFFICIAL TITLE

\_\_\_\_\_

Chairman

\_\_\_\_\_

Secretary

\_\_\_\_\_

Counsel to Issuer

735610.00002

BIG BEND PUBLIC SERVICE DISTRICT

Waterworks Design Bond Anticipation Notes, Series 2012 A  
(West Virginia Water Development Authority)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Chairman of Big Bend Public Service District in Summers County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of \$151,700 Waterworks Design Bond Anticipation Notes, Series 2012 A (West Virginia Water Development Authority), of the Issuer, dated January 20, 2012 (the "Notes" or the "Series 2012 A Notes"), hereby certifies on the 20th day of January, 2012, as follows:

1. I am the officer of the Issuer duly charged with the responsibility of issuing the Notes. 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 Note Resolution duly adopted by the Issuer on January 10, 2012, as supplemented by Supplemental Resolution duly adopted by the Issuer on January 10, 2012 (collectively, the "Note Legislation"), authorizing the Notes.

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 January 20, 2012, the date on which the Notes are being physically delivered in exchange for an initial advance of the principal amount of the Series 2012 A Notes, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

4. In the Note Legislation pursuant to which the Notes are issued, the Issuer has covenanted 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 Notes which would cause any note, the interest, if any, 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"), from which the proceeds of the Notes is 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 2012 A Notes were sold on January 20, 2012, to the Authority, pursuant to a loan agreement dated January 20, 2012, by and between the Issuer and the Authority, for an aggregate purchase price of \$151,700 (100% of par), at which time, the Issuer received \$87,996.87 from the Authority. No accrued interest has been or will be paid on the Series 2012 A Notes. The balance of the principal amount of the Series 2012 A Notes will be advanced to the Issuer as the Project progresses.

6. The Series 2012 A Notes is being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) to temporarily pay a portion of the costs of the design of betterments and improvements to the public waterworks system of the Issuer (the "Project"); (ii) to pay capitalized interest on the Notes; and (iii) to pay costs of issuance.

7. Within 30 days after the delivery of the Notes, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Notes on the Project, constituting a substantial binding commitment. The Project shall commence immediately and shall proceed with due diligence to completion and all of the proceeds from the sale of the Notes, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before May 1, 2013. The Project is expected to be completed by February 1, 2013.

8. The total cost of the Project, which is financed from the proceeds of the Notes (including all costs of issuance of the Notes), is estimated at \$151,700. Sources and uses of funds for the Project are as follows:

SOURCES

|                                     |                     |
|-------------------------------------|---------------------|
| Proceeds of the Series 2012 A Notes | \$151,700.00        |
| Deferred                            | <u>76,580</u>       |
| Total Sources                       | <u>\$228,280.00</u> |

USES

|                      |                      |
|----------------------|----------------------|
| Costs of the Project | \$208,100,520        |
| Capitalized Interest | 13,680               |
| Costs of Issuance    | <u>6,500</u>         |
| Total Uses           | <u>\$228,280.000</u> |

9. Pursuant to Article V of the Note Resolution, the following special funds or accounts have been created or continued relative to the Series 2012 A Notes:

- (1) Revenue Fund (established by the Prior Resolution); and
- (2) Series 2012 A Project Trust Fund; and

10. Pursuant to Article VI of the Note Resolution, the proceeds of the Notes will be deposited as follows:

(1) Series 2012 A Notes proceeds in the amount of \$13,680 will be deposited in the Series 2012 A Project Trust Fund.

(2) The balance of the proceeds of the Series 2012 A Notes will be deposited in the Series 2012 A Project 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 2012 A Notes and related costs.

11. Work with respect to the Project will proceed with due diligence to completion. The Project is expected to be completed within twelve (12) months of the date hereof.

12. The Issuer will take such steps as requested by the Authority to ensure that the Authority's bonds meet the requirements of the Code.

13. All of the proceeds of the Notes will be expended on the Project within thirty-six (36) months from the date of issuance thereof.

14. 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 Notes.

15. The amount designated as costs of issuance of the Notes consists only of costs which are directly related to and necessary for the issuance of the Notes.

16. All property financed with the proceeds of the Notes will be owned and held by (or on behalf of) a qualified governmental unit.

17. No proceeds of the Notes will be used, directly or indirectly, in any trade or business carried on by any person who is not a governmental unit.

18. The original proceeds of the Notes will not exceed the amount necessary for the purposes of the issue.

19. The Issuer shall use the Notes 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.

20. The Notes is not federally guaranteed.

21. The Issuer has retained the right to amend the Note Resolution authorizing the issuance of the Notes if such amendment is necessary to assure that the Notes remains governmental bonds.

22. Other than the Series 2012 A Bonds, there are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Notes, (b) are to be sold pursuant to a common plan of financing together with the Notes and (c) will be paid out of substantially the same sources of funds or will have substantially the same claim to be paid out of substantially the same sources of funds as the Notes.

23. 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.

24. The Issuer will comply with instructions as may be provided by the Authority, at any time, regarding use and investment of proceeds of the Notes, rebates and rebate calculations.

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

[Remainder of Page Intentionally Blank]

WITNESS my signature on this the day and year first above written.

BIG BEND PUBLIC SERVICE DISTRICT

By: Richard Hallaran  
Its: Chairman

735610.00002

5846530

BIG BEND PUBLIC SERVICE DISTRICT

Waterworks Design Bond Anticipation Notes, Series 2012 A  
(West Virginia Water Development Authority)

CERTIFICATE OF ENGINEER

On this 20th day of January, 2012, I, Edward L. Shutt, P.E., Registered Professional Engineer, West Virginia License No. 7314, of Stafford Consultants, Inc., Princeton, West Virginia, hereby certify as follows:

1. My firm is engineer for the design of certain additions, betterments and improvements (the design known herein as the "Project") to the public water system (the "System") of Big Bend Public Service District (the "Issuer"), to be constructed in Summers County, West Virginia, which design is being temporarily financed, in part, by the proceeds of the above-captioned notes (the "Notes") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Note Resolution adopted by the Issuer on January 10, 2012, as supplemented by the Supplemental Resolution adopted by the Issuer on January 10, 2012 (collectively, the "Note Legislation"), and the Loan Agreement for the Series 2012 A Notes by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), dated January 20, 2012 (the "Loan Agreement").

2. The Series 2012 A Notes are being issued (i) to temporarily pay a design of betterments and improvements to the public waterworks system of the Issuer (the "Project"); (ii) to pay capitalized interest on the Notes; and (iii) to pay costs of issuance.

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, (ii) the net proceeds of the Notes, together with all other monies 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 the Project approved by the Council; and (iii) attached hereto as Exhibit A is the final amended "Schedule B – Estimated Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

WITNESS my signature and seal as of the date first written above.



STAFFORD CONSULTANTS, INC.

Edward L. Shutt, P.E.  
West Virginia License No. 7314

735610.00001

**BIG BEND PSD SCHEDULE B**  
**IJDC 2009W-1142**

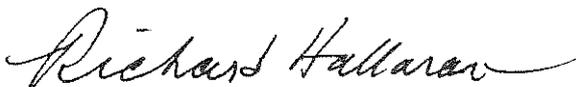
1/9/2012

| <b>A. COST OF PROJECT</b>                  | <b>Total</b> | <b>WDA BAN</b> | <b>Deferred</b> |
|--------------------------------------------|--------------|----------------|-----------------|
| 1 Construction                             | 0            | 0              | 0               |
| Construction Contingency                   | 0            | 0              | 0               |
| 2 Technical Services                       |              |                |                 |
| a. Basic Services                          | 82,000       | 58,000         | 24,000          |
| b. Additional Services                     | 14,000       | 14,000         | 0               |
| 3 Legal & Fiscal                           |              |                |                 |
| a. Legal                                   | 10,000       | 8,000          | 2,000           |
| b. Accounting                              | 10,000       | 10,000         | 0               |
| 4 Administrative                           | 40,000       | 18,000         | 22,000          |
| 5 Sites & Other Lands                      |              |                |                 |
| a. Land acquisition / ROW                  | 15,000       | 10,420         | 4,580           |
| b. Permits                                 | 28,004       | 8,004          | 20,000          |
| c. Power to the site                       | 4,000        | 0              | 4,000           |
| 6 Environmental Clearance                  | 5,096        | 5,096          | 0               |
| 7 Misc.                                    | 0            | 0              | 0               |
| 8 Project Contingency                      | 0            | 0              | 0               |
| 9 TOTAL of Lines 1 through 8               | 208,100      | 131,520        | 76,580          |
| <b>B. COST OF FINANCING</b>                |              |                |                 |
| 10 Funded Reserve                          | 0            | 0              | 0               |
| 11 Bond Counsel                            | 6,000        | 6,000          | 0               |
| 12 Registrar Fee                           | 500          | 500            | 0               |
| 13 Capitalized Interest                    | 13,680       | 13,680         | 0               |
| 14 Cost of Issuance                        | 20,180       | 20,180         | 0               |
| 15 TOTAL PROJECT COST(Line 9 plus Line 14) | 228,280      | 151,700        | 76,580          |
| <b>C. SOURCES OF OTHER FUNDS</b>           |              |                |                 |
| 16 Federal Grants                          | 0            | 0              | 0               |
| 17 State Grants                            | 0            | 0              | 0               |
| 18 Other Grants                            | 0            | 0              | 0               |
| 19 Any Other Source (deferred)             | 76,580       | 0              | 76,580          |
| 20 TOTAL GRANTS                            | 76,580       | 0              | 76,580          |
| 21 Size of Bond Issue                      | 151,700      | 151,700        | 0               |



Stafford Consultants, Inc., Consulting Engineer

January 20, 2012



Big Bend Public Service District

January 20, 2012

It is ordered this Court be now adjourned.

7

Marvin Lacy President.

0 - - - 0

WEST VIRGINIA, Intersummers County Court, Regular Session held on May 1, 1972.

Monday, May 1, 1972 - Court sat pursuant to call for Regular Session. Present:

Marvin Lacy, President; J. Campbell Gwinn, Commissioner.

File # 420

IN THE MATTER OF BIG BEND PUBLIC SERVICE DISTRICT.

O R D E R

On this the 17th day of April, 1972, at the hour of 1:00-P. M., at the Court House of Summers County, Hinton, West Virginia, the County Court of Summers County, in session duly convened, did proceed to hold a public hearing to consider and determine the feasibility of creating a Public Service District for the diversion, development, pumping, impounding, treatment, purification, storage and distribution of a public water supply to and for the benefit of the industrial, public, private and other users in and around the Village of Hilldale and Talcott, in Greenbrier River District, Summers County, West Virginia, and generally embracing the territory hereafter described. The hearing was duly held pursuant to notice duly posted, and published in the Hinton Daily News at least ten (10) days prior to the date hereof, a certified copy of which publication was presented to the County Court prior to the hearing.

There appeared before the County Court at said hearing, certain residents who were determined to be qualified registered voters residing in said area, who spoke in favor of the creation of said Public Service District for the purpose of providing a public water facility. There was no person or registered voter residing in the said area who appeared in opposition to or who voiced objection to the creation of said public service district.

At the conclusion of said hearing, the County Court being of the opinion that the construction and provision of a public water facility within the bounds of said area was desirable and feasible, and was favored by a majority of the residents therein, and that the same would be conducive to the preservation of public health, comfort and convenience of said area, on motion duly made and seconded, it was thereupon and it is hereby ordered and decreed that a Public Service District be created to be known as the "Big Bend Public Service District,"

that a Public Service District be created to be known as the "Big Bend Public Service District," for the purpose of providing a public water facility in and around the said villages of Hilldale and Talcott, in Greenbrier River District, Summers County, West Virginia, and embracing the following described territory:

BEGINNING at the center of the bridge over the Greenbrier River on West Virginia State Route No. 3 near its intersection with West Virginia State Route No. 12; thence following the centerline of the Greenbrier River in a northerly direction 1,500 feet;

thence following a random line 1,500 feet north of and parallel to West Virginia State Route No. 3 to a point 1,500 feet perpendicular to said Route No. 3 and 1,000 feet east of the intersection of Route No. 3 and West Virginia Secondary Route 17/4;

thence in a southerly direction along a line perpendicular to State Route No. 3 across Route No. 3, the C & O Railroad tracks and the Greenbrier River to a point 1,500 feet perpendicular to and in an easterly direction from West Virginia State Route 17;

thence following a random line parallel to and 1,500 feet from State Route No. 17 to a point perpendicular to Route No. 17 at its intersection with State Route 19; thence along a line passing through the said intersection to the center of the Greenbrier River;

thence along the centerline of the Greenbrier River in a northerly direction to a point 1,500 feet perpendicular to and in a southwesterly direction from State Route No. 3;

thence following a random line 1,500 feet south of and parallel to State Route No. 3 in a westerly direction to the center of the Greenbrier River; thence along the center of the river to the center of the bridge which was the point of BEGINNING.

On motion duly made and seconded, the County Court doth further ratify and confirm the order entered on the 20th day of March, 1972, proposing the creation of said Public Service District, and authorizing the publication of notice as hereinabove referred to.

It is further ordered that a Public Service Board be appointed for the said BIG

CEND PUBLIC SERVICE DISTRICT, and that the following persons residing within the bounds of the said District be appointed to the Public Service Board for said Big Bend Public Service District, for the term set opposite their respective names:

| <u>Name</u>          | <u>Address</u>                      | <u>Term</u> |
|----------------------|-------------------------------------|-------------|
| Garnett W. Kittinger | Box 57; Talcott, W. Va. 24981       | 6 years     |
| Myatt Duncan         | Talcott, W. Va. 24981               | 4 years     |
| Mrs. Bertha Grimmett | P. O. Box 668; Winton, W. Va. 25951 | 2 years     |

Entered on this the 17th day of April, 1972.

The County Court of Summers County,  
West Virginia

*W. H. ...*  
President

A TRUE COPY FROM THE RECORD  
ATTEST:  
*Barbara T. Carr*  
CLERK OF SUMMERS COUNTY COURT



AFFIDAVIT OF NOTICE REGARDING CREATION OF DISTRICT

WEST VIRGINIA, In Summers County Commission, Regular Session, held on December 20, 1976.  
Monday, December 20, 1976 - Court sat pursuant to call for Regular Session. Present:  
Harvin Lacy, President; J. Campbell Gwinn and James P. Williams, Commissioners.

IN THE MATTER OF OFFICERS FOR THE BIG BEND PUBLIC SERVICE DISTRICT BOARD.

The Summers County Commission approved the following people as officers of the Big Bend Public Service District Board of Directors as follows:

Ashby Mann - Chairman, 6 year term  
Ellery Wykle - Secretary, 2 year term  
Sterling Morgan - Vice-Chairman, 4 year term

The terms of Ashby Mann and Sterling Morgan are retroactive to January 1, 1975. The term of Ellery Wykle is not retroactive.

IN THE MATTER OF JANITOR FOR WELFARE DEPARTMENT.

The Commission discussed the need for a janitor for the Welfare Department which has moved from the Memorial Building to the old Mental Health building. A motion was made by James P. Williams seconded by J. Campbell Gwinn that Vincent Lester be employed as janitor for the Welfare Department for a salary of \$125.00 per month.

IN THE MATTER OF TRANSPORTATION SYSTEM.

Lowell Kirkham, a transportation planner for Region I Planning and Development Council met with the Commission to discuss the public transportation system for the county. This system will be established possibly by April, 1977, on an 18 month trial basis. Funds and equipment will

Attest:  
SUMMERS COUNTY COMMISSION

Harvin Lacy  
SUMMERS COUNTY

Commission

President

Count Order Book # 14  
page # 139

8.

**ARTICLE VII**  
**AMENDMENTS TO RULES OF PROCEDURE**

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

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

Adopted January 10, 2012

A handwritten signature in cursive script that reads "Richard Halloran". The signature is written in black ink and is positioned above a horizontal line.

Chairman

## **BIG BEND PUBLIC SERVICE DISTRICT**

### **ARTICLE I**

#### **NAME AND PLACE OF BUSINESS**

**Section 1.** Name: BIG BEND PUBLIC SERVICE DISTRICT.

**Section 2.** The principal office of Big Bend Public Service District (the "District" is located in, Talcott, Summers County, West Virginia.

**Section 3.** The Common Seal of the District shall consist of 2 concentric circles between which circles shall be inscribed Big Bend Public Service District, and in the center shall be inscribed the corporate seal.

**Section 4:** The fiscal year of the District shall begin on July 1 of each year and shall end on the following June 30.

### **ARTICLE II**

#### **PURPOSE**

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

### **ARTICLE III**

#### **MEMBERSHIP**

**Section 1.** The members of the Board of the District (the "Board") shall be those persons appointed by The County Commission of Summers County, West Virginia, or otherwise appointed pursuant to the Act, who shall serve for such terms as may be specified in the order of the County Commission or otherwise.

**Section 2.** Should any member of the Board resign or otherwise become legally disqualified to serve as a member of the Board, the Secretary shall immediately notify the County Commission or other entity provided under the Act and request the appointment of a qualified person to fill such vacancy. Prior to the end of the term of any member of the Board, the Secretary shall notify the County Commission or other entity provided under the Act of the pending termination and request the County Commission or other entity provided under the Act to enter an order of appointment or re-appointment to maintain a fully qualified membership of the Board.

**ARTICLE IV**  
**MEETINGS OF THE PUBLIC SERVICE BOARD**

*2nd Tuesday* **Section 1.** The members of the Board shall hold regular monthly meetings on the \_\_\_\_\_ of each month, at such place and hour as the members shall determine from time to time. If the day stated shall fall on a legal holiday, the meeting shall be held on the following day. Special meetings of the Board may be called at any time by the Chairman or by a quorum of the Board.

**Section 2.** At any meeting of the Board, two (2) members shall constitute a quorum. Each member of the Board shall have one vote at any membership meeting and if a quorum is not present, those present may adjourn the meeting to a later date.

**Section 3.** Unless otherwise agreed, notice to members of regular meetings shall not be required. Unless otherwise waived, notice of each special meeting of the membership shall be given to all members by the Secretary by fax, telephone, mail or other satisfactory means at least two (2) days before the date fixed for such special meeting. The notice of any special meeting shall state briefly the purposes of such meeting and the nature of the business to be transacted. No business other than that stated in the notice or incidental thereto shall be transacted at any such special meeting.

**PUBLIC NOTICE OF MEETINGS**

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

**A. Regular Meetings.** A notice shall be posted and maintained by the Secretary of the Board at the front door or bulletin board of the office of the District and, if different from the office, at the front door or bulletin board of the place fixed for regular meetings of the Board not less than three (3) business days before a regularly scheduled meeting is to be held, stating the date, time and place fixed and entered of record by the Board for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same locations by the Secretary of the Board not less than three (3) business days before such regular meeting is to be held. The agenda listing the matters requiring official action that may be addressed at the meeting may be amended up to two (2) business days prior to the meeting. If a particular regularly scheduled meeting is cancelled or postponed, a notice of such cancellation or postponement shall be posted at the same locations as soon as feasible after such cancellation or postponement has been determined.

**B. Special Meetings.** A notice shall be posted by the Secretary of the Board at the front door or bulletin board of the office of the District and at the front door or bulletin board of the place fixed for the regular meetings of the Board not less than two (2) business days before a special meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. In addition, a copy of the agenda listing the matters requiring official action that may be addressed at the meeting for each special meeting shall be posted at the same locations by the Secretary of the Board not less than two (2) business days before such special meeting is to be held. If the special meeting is cancelled, a notice of such cancellation shall be posted at the same locations as soon as feasible after such cancellation has been determined.

For the purposes of calculating the number of days in any notice period based upon business days, Saturdays, Sundays, legal holidays and the day of the meeting are not counted.

## ARTICLE V OFFICERS

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

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

## ARTICLE VI DUTIES OF OFFICERS

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

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

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

**Section 4.** If the Chairman, Secretary or Treasurer is absent from any meeting, the remaining members of the Board shall select a temporary chairman, secretary or treasurer, as necessary, who shall have all of the powers of the absent officer during such period of absence.

**ARTICLE VII**  
**AMENDMENTS TO RULES OF PROCEDURE**

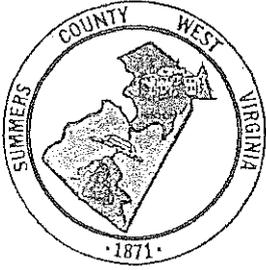
These Rules of Procedure may be altered, changed, amended, repealed or added to at any regular or special meeting of the Board by a majority vote of the entire Board, or at any regular or special meeting of the members when a quorum is present in person and a majority of those present vote for the amendment;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

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

Adopted January 10, 2012

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Chairman



# *Summers County Commission*

120 Ballengee Street • Post Office Box 97 • Hinton, WV 25951

Telephone: (304) 466-7100 • Fax (304) 466-7146

Lonnie R. Mullins  
*President*  
Jerry E. Berry  
*Commissioner*  
Bill Lightner  
*Commissioner*

Mary E. Merritt  
*Clerk*

August 16, 2010

Mr. Richard Halloran, Chairman  
Big Bend Public Service District  
P.O. Box 114  
Talcott, WV 24981

Re: reappointment of members

Dear Mr. Halloran:

Please be advised the Summers County Commission, meeting in regular session August 16, 2010, made the following reappointments to the Big Bend Public Service District:

Mr. L.W. Thompson for a term beginning January 1, 2010 and ending December 31, 2013.

Ms. Debra Bower Meadows for a term beginning January 31, 2010 and ending December 31, 2013.

The Summers County Commission greatly appreciates the work of the Big Bend PSD.

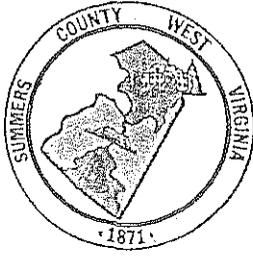
Sincerely,

A handwritten signature in cursive script, appearing to read "Lonnie R. Mullins".

Lonnie R. Mullins, President  
Summers County Commission

Cc: L.W. Thompson  
Debra Bower Meadows

*"Building a healthy, livable, prosperous, well-governed and unified Summers County"*



## *Summers County Commission*

120 Ballengee Street • Post Office Box 97 • Hinton, WV 25951

Telephone: (304) 466-7100 • Fax: (304) 466-7146

Lonnie R. Mullins  
*President*

Jerry E. Berry  
*Commissioner*

Bill Lightner  
*Commissioner*

Mary E. Merritt  
*Clerk*

January 7, 2008

Big Bend Public Service District  
P.O. Box 114  
Talcott, WV 24981

Dear Board Members:

This is to advise you that the Summers County Commission, at their January 7, 2008 meeting voted to approve the reappointment of Richard Halloran for a six year term to the Big Bend Public Service District.

This appointment will be effective immediately for a term ending on December 31, 2013.

If you have any questions concerning this matter, please contact our office.

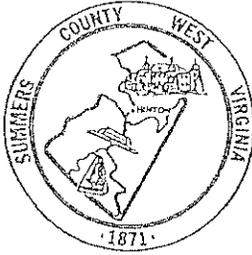
Sincerely,

A handwritten signature in cursive script, appearing to read "Lonnie R. Mullins".

Lonnie R. Mullins, President  
Summers County Commission

Cc: Richard Halloran

*"Building a healthy, livable, prosperous, well-governed and unified Summers County"*



### Oath of Office

STATE OF WEST VIRGINIA,  
COUNTY OF SUMMERS, TO-WIT:

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of Member of Big Bend PD of Summers County to the best of my skill and judgment, so help me God.

Richard B Halloran  
Printed Name of Affiant

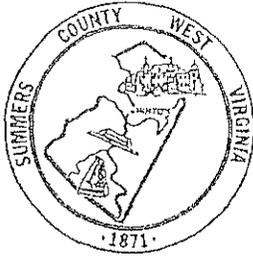
Richard Halloran  
Signature of Affiant

Subscribed and sworn to before me, in said County and State this 29<sup>th</sup> day of April 2011.

Mary E. Merritt  
Clerk of Summers County Commission

Lynn Reed  
Deputy Clerk

MARY E. HERRITT  
SUMMERS County 12:57:03 PM  
Instrument No 157040  
Date Recorded 04/29/2011  
Document Type OATH  
Book-Page 4-308



### Oath of Office

STATE OF WEST VIRGINIA,  
COUNTY OF SUMMERS, TO-WIT:

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of Member of Big Bend PSD of Summers County to the best of my skill and judgment, so help me God.

Debra Meadows  
Printed Name of Affiant

Debra Meadows  
Signature of Affiant

Subscribed and sworn to before me, in said County and State this 29th day  
of April 2011.

Mary E. Herritt  
Clerk of Summers County Commission

Lynn Reed  
Deputy Clerk

BIG BEND PUBLIC SERVICE DISTRICT

Waterworks Design Bond Anticipation Notes, Series 2012 A  
(West Virginia Water Development Authority)

EXCERPT OF MINUTES ON ADOPTION OF ELECTION OF  
OFFICERS, RULES OF PROCEDURE, BOND RESOLUTION,  
SUPPLEMENTAL RESOLUTION, AND DRAW RESOLUTION

The undersigned SECRETARY of Big Bend 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 District:

\*\*\*

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\*\*\*

Big Bend Public Service District met in regular session, pursuant to notice duly posted, on the 10th day of January, 2012, in Talcott, West Virginia, at the hour of 9:00 am.

PRESENT:           Richard Halloran, Chairman  
                      Debra Bower Meadows, Secretary  
                      "Buster" L. W. Thompson  
                      Wanda  
                      David Cole, Region I  
                      Bill Keaton, Stafford Engineers  
                      Katy Mallory, P.E., Steptoe & Johnson

Richard Halloran, Chairman, presided, and Debra Bower Meadows, 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.

Richard Halloran was nominated as Chairman for calendar year 2012. It was unanimously voted that Richard Halloran act as Chairman for calendar year 2012.

Debra Bower Meadows was nominated as Secretary for calendar year 2012. It was unanimously voted that Debra Bower Meadows act as Secretary for calendar year 2012.

Next, the Chairman presented a proposed resolution concerning the rules of procedure with respect to the Open Governmental Proceedings Act. Thereupon, on motion duly made by Debra Bower Meadows and seconded by "Buster" L. W. Thompson, it was unanimously ordered that the said Resolution be adopted and be in full force and effect on and from the date hereof

Next, the Chairman presented a proposed Note Resolution in writing entitled:

RESOLUTION AUTHORIZING THE DESIGN OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE PUBLIC WATERWORKS FACILITIES OF BIG BEND PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY BIG BEND PUBLIC SERVICE DISTRICT OF NOT MORE THAN \$151,700 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS DESIGN BOND ANTICIPATION NOTES, SERIES 2012 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH NOTES; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH NOTES; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH NOTES; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, on motion duly made by Richard Halloran and seconded by "Buster" L. W. Thompson, it was unanimously ordered that the said Bond Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Chairman presented a proposed Supplemental Bond 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 WATERWORKS DESIGN BOND ANTICIPATION NOTES, SERIES 2012 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), OF BIG BEND PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH NOTES AND THE SALE AND DELIVERY OF SUCH NOTES TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE NOTES.

and caused the same to be read and there was discussion. Thereupon, on motion duly made by Richard Halloran and seconded by "Buster" L. W. Thompson, it was unanimously ordered that the said Supplemental Bond 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 Richard Halloran and seconded by "Buster" L. W. Thompson, it was unanimously ordered that the said Draw Resolution be adopted.

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

CERTIFICATION

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

WITNESS my signature on this 20th day of January, 2012.

  
Debbie Meadows  
Secretary

735610.00002

BIG BEND PUBLIC SERVICE DISTRICT

Waterworks Design Bond Anticipation Notes, Series 2012 A  
(West Virginia Water Development Authority)

EXCERPT OF MINUTES ON ADOPTION OF ELECTION OF  
OFFICERS, RULES OF PROCEDURE, BOND RESOLUTION,  
SUPPLEMENTAL RESOLUTION, AND DRAW RESOLUTION

The undersigned SECRETARY of Big Bend 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 District:

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Big Bend Public Service District met in regular session, pursuant to notice duly posted, on the 10th day of January, 2012, in Talcott, West Virginia, at the hour of 9:00 am.

PRESENT:           Richard Halloran, Chairman  
                      Debra Bower Meadows, Secretary  
                      "Buster" L. W. Thompson  
                      Wanda  
                      David Cole, Region I  
                      Bill Keaton, Stafford Engineers  
                      Katy Mallory, P.E., Steptoe & Johnson

Richard Halloran, Chairman, presided, and Debra Bower Meadows, 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.

Richard Halloran was nominated as Chairman for calendar year 2012. It was unanimously voted that Richard Halloran act as Chairman for calendar year 2012.

Debra Bower Meadows was nominated as Secretary for calendar year 2012. It was unanimously voted that Debra Bower Meadows act as Secretary for calendar year 2012.

Next, the Chairman presented a proposed resolution concerning the rules of procedure with respect to the Open Governmental Proceedings Act. Thereupon, on motion duly made by Debra Bower Meadows and seconded by "Buster" L. W. Thompson, it was unanimously ordered that the said Resolution be adopted and be in full force and effect on and from the date hereof

Next, the Chairman presented a proposed Note Resolution in writing entitled:

RESOLUTION AUTHORIZING THE DESIGN OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE PUBLIC WATERWORKS FACILITIES OF BIG BEND PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY BIG BEND PUBLIC SERVICE DISTRICT OF NOT MORE THAN \$151,700 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS DESIGN BOND ANTICIPATION NOTES, SERIES 2012 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH NOTES; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH NOTES; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH NOTES; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, on motion duly made by Richard Halloran and seconded by "Buster" L. W. Thompson, it was unanimously ordered that the said Bond Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Chairman presented a proposed Supplemental Bond 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 WATERWORKS DESIGN BOND ANTICIPATION NOTES, SERIES 2012 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), OF BIG BEND PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH NOTES AND THE SALE AND DELIVERY OF SUCH NOTES TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE NOTES.

and caused the same to be read and there was discussion. Thereupon, on motion duly made by Richard Halloran and seconded by "Buster" L. W. Thompson, it was unanimously ordered that the said Supplemental Bond 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 Richard Halloran and seconded by "Buster" L. W. Thompson, it was unanimously ordered that the said Draw Resolution be adopted.

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

CERTIFICATION

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

WITNESS my signature on this 20th day of January, 2012.

  
Secretary

735610.00002

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

NEW ISSUE REPORT FORM

Date of Report: 1/20/2012

ISSUE: Big Bend Public Service District  
Waterworks Design Bond Anticipation Notes, Series 2012 A (West Virginia Water Development Authority)

ADDRESS: P.O. Box 114, Talcott, West Virginia 24981 COUNTY: Summers

PURPOSE OF ISSUE:

New Money: X  
 Refunding: \_\_\_\_\_

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 1/20/2012

CLOSING DATE: 1/20/2012

ISSUE AMOUNT: \$151,700

RATE: 3%

1ST DEBT SERVICE DUE: 4/1/2012

1ST PRINCIPAL DUE \_\_\_\_\_

1ST DEBT SERVICE AMOUNT \_\_\_\_\_

PAYING AGENT: \_\_\_\_\_

BOND COUNSEL:

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

UNDERWRITERS COUNSEL

Firm: \_\_\_\_\_  
 Contact: \_\_\_\_\_  
 Phone: \_\_\_\_\_

CLOSING BANK:

Bank: City National Bank  
 Contact: \_\_\_\_\_  
 Phone: 304.466.4646

ESCROW TRUSTEE:

Firm: \_\_\_\_\_  
 Contact: \_\_\_\_\_  
 Phone: \_\_\_\_\_

KNOWLEDGEABLE ISSUER CONTACT

Contact: Richard Halloran  
 Position: Chairman  
 Phone: 304.466.5111

OTHER:

Agency: \_\_\_\_\_  
 Contact: \_\_\_\_\_  
 Position: \_\_\_\_\_  
 Phone: \_\_\_\_\_

DEPOSITS TO MBC AT CLOSE

|     |                                          |                                                           |                  |
|-----|------------------------------------------|-----------------------------------------------------------|------------------|
| By: | <input checked="" type="checkbox"/> Wire | Accrued Interest:                                         | \$ _____         |
|     | <input type="checkbox"/> Check           | <input checked="" type="checkbox"/> Capitalized Interest: | \$ <u>13,680</u> |
|     |                                          | Reserve Account:                                          | \$ _____         |
|     |                                          | Other:                                                    | \$ _____         |

REFUNDS & TRANSFERS BY MBC AT CLOSE

|     |                                |                                                |          |
|-----|--------------------------------|------------------------------------------------|----------|
| By: | <input type="checkbox"/> Wire  | <input type="checkbox"/> To Escrow Trustee     | \$ _____ |
|     | <input type="checkbox"/> Check | <input type="checkbox"/> To Issuer             | \$ _____ |
|     | <input type="checkbox"/> IGT   | <input type="checkbox"/> To Cons. Invest. Fund | \$ _____ |
|     |                                | <input type="checkbox"/> To Other:             | \$ _____ |

NOTES:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: \_\_\_\_\_  
 TRANSFERS REQUIRED: \_\_\_\_\_  
 \_\_\_\_\_

BIG BEND PUBLIC SERVICE DISTRICT

Waterworks Design Bond Anticipation Notes, Series 2012 A  
(West Virginia Water Development Authority)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

CITY NATIONAL BANK, Hinton, West Virginia, hereby accepts appointment as Depository Bank in connection with a Note Resolution of Big Bend Public Service District (the "Issuer") adopted by the Issuer on January 10, 2012, and a Supplemental Resolution adopted by the Issuer on January 10, 2012 (collectively, the "Note Legislation"), authorizing issuance of the Issuer's Waterworks Design Bond Anticipation Notes, Series 2012 A (West Virginia Water Development Authority), dated January 20, 2012, in the aggregate principal amount of \$151,700 (the "Notes"), and agrees to serve as Depository Bank in connection with the Notes, all as set forth in the Note Legislation.

WITNESS my signature on this 20th day of January, 2012.

CITY NATIONAL BANK

By:   
Its: Authorized Officer

735610.00002

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BIG BEND PUBLIC SERVICE DISTRICT

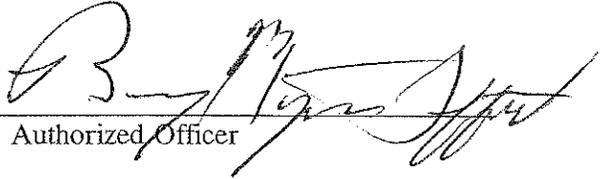
Waterworks Design Bond Anticipation Notes, Series 2012 A  
(West Virginia Water Development Authority)

ACCEPTANCE OF DUTIES AS REGISTRAR

The Huntington National Bank, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with Big Bend Public Service District Waterworks Design Bond Anticipation Notes, Series 2012 A (West Virginia Water Development Authority), dated January 20, 2012, in the aggregate principal amount of \$151,700, (the "Series 2012 A Notes"), and agrees to perform all duties of Registrar in connection with the Series 2012 A Notes, all as set forth in the Note Legislation authorizing issuance of the Series 2012 A Notes.

WITNESS my signature on this 20th day of January, 2012.

THE HUNTINGTON NATIONAL BANK

By:   
Its: Authorized Officer

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BIG BEND PUBLIC SERVICE DISTRICT

Waterworks Design Bond Anticipation Notes, Series 2012 A  
(West Virginia Water Development Authority)

CERTIFICATE OF REGISTRATION OF NOTES

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Note Legislation and Registrar's Agreement providing for the above-captioned Notes of Big Bend Public Service District (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Waterworks Design Bond Anticipation Notes, Series 2012 A (West Virginia Water Development Authority), of the Issuer, dated January 20, 2012, in the principal amount of \$151,700, numbered AR-1, registered as to principal and interest in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 20th day of January, 2012.

THE HUNTINGTON NATIONAL BANK

By:   
Its: Authorized Officer

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BIG BEND PUBLIC SERVICE DISTRICT

Waterworks Design Bond Anticipation Notes, Series 2012 A  
(West Virginia Water Development Authority)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 20th day of January, 2012, by and between BIG BEND 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 \$151,700 principal amount of Waterworks Design Bond Anticipation Notes, Series 2012 A (West Virginia Water Development Authority), dated the date hereof, in fully registered form (the "Series 2012 A Notes"), pursuant to a Note Resolution of the Issuer duly adopted January 10, 2012, and a Supplemental Resolution of the Issuer duly adopted January 10, 2012 (collectively, the "Note 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 Note Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Note Legislation provides for an appointment by the Issuer of a Registrar for the Series 2012 A Notes; and

WHEREAS, the Issuer desires to appoint, and by the Note Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Note 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 Series 2012 A Notes, all as set forth in the Note Legislation, such duties including, among other things, the duties to authenticate, register and deliver the Series 2012 A Notes upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest on the Series 2012 A Notes from federal income taxation, 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 Note Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Note Legislation, the terms of the Note 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 Note 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: Big Bend Public Service District  
P.O. Box 114  
Talcott, West Virginia 24981  
Attention: 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, register and deliver the Series 2012 A Notes in accordance with the Note Legislation.

9. 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.

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.

BIG BEND PUBLIC SERVICE DISTRICT

By: Richard Hallaran  
Its: Chairman

THE HUNTINGTON NATIONAL BANK

By: [Signature]  
Its: Authorized Officer

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EXHIBIT A

Note Legislation included in bond transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION

(See Attached)



STATEMENT OF REGISTRAR'S FEES  
Invoice Date January 20, 2012

**Big Bend Public Service District**  
**Account Number 6089001809**

Big Bend Public Service District  
Waterworks Design Bond Anticipation Notes, Series 2011 A  
c/o John C. Stump  
Steptoe & Johnson, PLLC  
P.O. Box 1588  
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

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FEE CALCULATION FOR January, 2012

\*\*\*\*\*

|                  |                         |
|------------------|-------------------------|
| TOTAL AMOUNT     | \$ 500.00               |
| <b>TOTAL DUE</b> | <b><u>\$ 500.00</u></b> |

**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



## CLOSING MEMORANDUM

**To:** Financing Team  
**From:** John C. Stump, Esquire  
**Date:** January 20, 2012  
**Re:** Big Bend Public Service District Waterworks Design Bond Anticipation Notes, Series 2012 A (West Virginia Water Development Authority)

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### 1. DISBURSEMENTS TO THE BIG BEND PUBLIC SERVICE DISTRICT

Payor: West Virginia Water Development Authority  
Amount: \$74,316.87  
Form: Wire  
Payee: Big Bend Public Service District  
Route 3, Talcott, West Virginia 24981  
Bank: City National Bank  
ABA: 051904524  
Account #: 8005153765  
Contact: Amber  
Account: Series 2012 A Project Trust Fund

### 2. DISBURSEMENTS TO MUNICIPAL BOND COMMISSION

Payor: West Virginia Water Development Authority  
Source: Series 2012 A Notes Proceeds  
Amount: \$13,680  
Form: Wire Transfer  
Payee: Big Bend Public Service District  
Bank: Municipal Bond Commission  
Account No: 5270517317  
Routing #: 051503394  
Contact: Sara Boardman, 558.3971  
Account: Series 2012 A Notes Fund to pay capitalized interest

RESOLUTION OF THE BIG BEND PUBLIC SERVICE DISTRICT  
 APPROVING INVOICES RELATING TO DESIGN  
 AND OTHER SERVICES FOR THE PROPOSED WATER PROJECT #2009W-1142  
 AND AUTHORIZING PAYMENT THEREOF,

**WHEREAS,** the Big Bend PSD has reviewed the invoices attached hereto and incorporated herein by reference relating to the construction of the Water Project funded by the West Virginia Infrastructure & Jobs Development Council (IJDC), the West Virginia Water Development Authority Bond Anticipation Note (WDA BAN) , and USDA Rural Development Grant and Loan (RUS), 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 heretofore made.
- b) That each item for which the payment is proposed to be paid 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.
- d) That payment for each of the items proposed is due and owing as the date hereof.

**NOW, THEREFORE, BE IT RESOLVED BY THE BIG BEND PSD AS FOLLOWS:**

There is hereby authorized and directed the payment of the attached invoices as follows:

| VENDOR NAME/<br>PAYEE             | TOTAL<br>AMOUNT    | WDA BAN            | RUS           | IJDC          |               |
|-----------------------------------|--------------------|--------------------|---------------|---------------|---------------|
| STAFFORD CONSULTANTS (ENGINEER.)  | \$35,053.33        | \$35,053.33        |               |               |               |
| REGION I PDC (TECHNICAL SERVICES) | \$18,000.00        | \$18,000.00        |               |               |               |
| ZIEGLER & ZIEGLER, LC (LEGAL)     | \$2,905.54         | \$2,905.54         |               |               |               |
| IMRE DAVID PENTEK, CPA (ACCT.)    | \$2,175.00         | \$2,175.00         |               |               |               |
| BIG BEND PSD (ENVIRON. CLEARANCE) | \$5,096.00         | \$5,096.00         |               |               |               |
| SUMMERS COUNTY COMM. (ENGINEER)   | \$1,137.00         | \$1,137.00         |               |               |               |
| SUMMERS COUNTY COMM. (ACCT.)      | \$1,500.00         | \$1,500.00         |               |               |               |
| SUMMERS COUNTY COMM. (PERMITS)    | \$1,950.00         | \$1,950.00         |               |               |               |
| STEPTOE & JOHNSON (BOND COUNSEL)  | \$6,000.00         | \$6,000.00         |               |               |               |
| REGISTRAR FEE                     | \$500.00           | \$500.00           |               |               |               |
| <b>TOTALS</b>                     | <b>\$74,316.87</b> | <b>\$74,316.87</b> | <b>\$0.00</b> | <b>\$0.00</b> | <b>\$0.00</b> |

**ADOPTED BY THE Big Bend PSD, at their meeting held the 10th day of January 2012.**

**BIG BEND PSD**

BY: Richard Halloran  
 Its: Chairman