

BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT

**Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)**

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BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT

**WATER REVENUE BONDS, SERIES 2009 A
(WEST VIRGINIA INFRASTRUCTURE FUND)**

BOND RESOLUTION

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BRANCLAND-MIDKIFF PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF BRANCLAND-MIDKIFF PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF \$4,100,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF BRANCLAND-MIDKIFF PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

A. Branchland-Midkiff Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Lincoln and Wayne Counties of said State.

B. The Issuer presently owns and operates a public waterworks system. However, it is deemed necessary and desirable for the health, safety, advantage, convenience and welfare of the inhabitants of the Issuer that there be acquired and constructed improvements and extensions to the existing public waterworks system of the Issuer, consisting of additions and improvements to its water distribution system, consisting

of water lines in Lincoln and Wayne Counties to serve the Route 37, Roy Branch, Lick Branch, Sulphur Springs and Steer Fork areas including booster station and water storage tank improvements, together with all appurtenant facilities (the existing public waterworks facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer and at the costs estimated in Section 2.01 hereof.

C. It is deemed necessary for the Issuer to issue its Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund) in the total aggregate principal amount of \$4,100,000 (the "Series 2009 A Bonds"), to permanently finance a portion of the costs of acquisition and construction of the Project. The remaining costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2009 A Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Accounts (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2009 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2009 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

E. It is in the best interests of the Issuer that its Series 2009 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), in form satisfactory to the respective parties (the "Loan Agreement"), approved hereby if not previously approved by resolution of the Issuer.

F. The Issuer will have the following outstanding obligations which will rank on a parity with the Series 2009 A Bonds as to liens, pledge and source of and security for payment, being the Issuer's Water Revenue Bonds, Series 1998 (West Virginia Infrastructure Fund), dated July 29, 1998, issued in the original aggregate principal amount of \$1,280,000 (the "Series 1998 Bonds" or the "Prior Bonds").

The Series 2009 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all respects. Prior to the issuance of the Series 2009 A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the

Prior Bonds are met, and (ii) the written consent of certain of the Holders of the Prior Bonds to the issuance of the Series 2009 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the covenants of the Prior Bonds and the Prior Resolutions.

G. The estimated revenues to be derived in each year following completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest, if any, on the Series 2009 A Bonds and the Prior Bonds, and to make payments into all funds and accounts and other payments provided for herein.

H. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2009 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the approval of the Project and the financing thereof by the Council and the obtaining of a certificate of public convenience and necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2009 A Bonds or such final order will not be subject to appeal or rehearing.

I. The Project has been reviewed and determined to be technically and financially feasible by the Council as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended. That, unless it qualifies for an exception, the Issuer 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.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2009 A Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Series 2009 A Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

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

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2009 A Bonds,

or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the Council under the Act.

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

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

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

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

"Bonds" means, collectively, the Series 2009 A Bonds, the Prior Bonds and any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

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

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

"Closing Date" means the date upon which there is an exchange of the Series 2009 A Bonds for all or a portion of the proceeds of the Series 2009 A Bonds from the Authority.

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

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

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

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

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

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

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

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

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

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

"Grants" means any grants that may be received for the project.

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

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

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

"Issuer" means Branchland-Midkiff Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia in Lincoln and Wayne Counties, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" means, the Loan Agreement heretofore entered, or to be entered, into by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2009 A Bonds from the Issuer by the Authority, the

form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Net Proceeds" means the face amount of the Series 2009 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Reserve Accounts. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2009 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

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

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

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

"Paying Agent" means the Commission or other entity designated as such for the Series 2009 A Bonds in the Supplemental Resolution.

"Prior Bonds" means the Series 1998 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 any of the following:

(a) Government Obligations;

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

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

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

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

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

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

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

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

"Registrar" means the Bond Registrar.

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

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

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Series 2009 A Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in the Reserve Accounts of the Series 2009 A Bonds and the Prior Bonds.

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

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

"Series 1998 Bonds" means the Issuer's Water Revenue Bonds, Series 1998 (West Virginia Infrastructure Fund), dated July 29, 1998, issued in the original aggregate principal amount of \$1,280,000.

"Series 2009 A Bonds" means the Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Resolution.

"Series 2009 A Bonds Construction Trust Fund" means the Series 2009 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2009 A Bonds Reserve Account" means the Series 2009 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2009 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on the Series 2009 A Bonds in the then current or any succeeding year.

"Series 2009 A Bonds Sinking Fund" means the Series 2009 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 2009 A Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the supplemental resolution or resolutions authorizing the sale of the Series 2009 A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2009 A Bonds, and not so included, may be included in another Supplemental Resolution.

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

"System" means the complete public waterworks system of the Issuer, as presently existing in its entirety or any integral part thereof, and all waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks system; and shall also include the Project and any and all extensions, additions, betterments and improvements thereto hereafter acquired or constructed for the waterworks systems from any sources whatsoever.

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

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of \$5,600,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2009 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, in an amount and otherwise compatible with the financing plan submitted to the Authority and the Council.

The cost of the Project is estimated not to exceed \$5,600,000 of which \$4,100,000 will be obtained from the proceeds of the Series 2009 A Bonds; \$347,000 will be obtained from proceeds of an Infrastructure Fund Grant; \$75,000 will be obtained as a Rockspring Development, Inc. Contribution; \$903,000 will be obtained from a United States Department of Agriculture Grant; \$175,000 will be obtained from Lincoln County Commission Grant.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of paying the Series 2009 A Bonds, capitalizing interest, if any, on the Series 2009 A Bonds, funding the Reserve Account for the Series 2009 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2009 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 2009 A Bonds of the Issuer. The Series 2009 A Bonds shall be issued as a single bond, designated as "Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund)," in the principal amount of \$4,100,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2009 A Bonds remaining after funding of the Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 2009 A Bonds, if any, shall be deposited in or credited to the Series 2009 A Bonds Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2009 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2009 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2009 A Bonds, if any, shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2009 A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2009 A Bonds. The Series 2009 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2009 A Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 2009 A Bonds shall cease to be such officer of the Issuer before the Series 2009 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2009 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. The Bond Registrar for the Series 2009 A Bonds shall be the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns. No Series 2009 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the forms set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2009 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2009 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2009 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that such Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2009 A Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Bonds.

The registered Series 2009 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2009 A Bonds or transferring the registered Series 2009 A Bonds are exercised, all Series 2009 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2009 A

Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Series 2009 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2009 A Bonds or, in the case of any proposed redemption of Series 2009 A Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2009 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2009 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2009 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2009 A Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds. The payment of the debt service of the Series 2009 A Bonds shall be secured by a first lien on the Net Revenues derived from the System on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2009 A Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2009 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2009 A Bonds to the original purchasers upon receipt of the documents set forth below:

- A. If other than the Authority, a list of the names in which the Series 2009 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;
- B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2009 A Bonds to the original purchasers;
- C. An executed and certified copy of the Bond Legislation;
- D. An executed copy of the Loan Agreement; and
- E. The unqualified approving opinion of bond counsel on the Series 2009 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2009 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 2009 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2009 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-_____

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That on this the _____ day of _____, 2009, BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Lincoln and Wayne Counties of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS (\$ _____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, _____, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated _____, 2009.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of improvements and extensions to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Resolution duly adopted by the Issuer on _____, 2009, and

a Supplemental Resolution duly adopted by the Issuer on _____, 2009 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S WATER REVENUE BONDS, SERIES 1998 (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 29, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,280,000 (THE "SERIES 1998 BONDS" OR THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2009 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2009 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2009 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

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

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

[SEAL]

Chairman

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2009 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2009.

THE HUNTINGTON NATIONAL BANK,
as Registrar

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 \$ _____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint
_____, Attorney to transfer the said Bond
on the books kept for registration of the within Bond of the said Issuer with full power of
substitution in the premises.

Dated: _____, _____.

In the presence of:

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2009 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "EXHIBIT A" and made a part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, is hereby approved and incorporated into this Bond Legislation.

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

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

- (1) Revenue Fund (established by the Prior Resolution and continued hereby);
- (2) Renewal and Replacement Fund (established by the Prior Resolution as the Depreciation Fund and continued hereby); and
- (3) Series 2009 A Bonds Construction Trust Fund.

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

- (1) Series 1998 Bonds Sinking Fund (established by Prior Resolution);
- (2) Series 1998 Bonds Reserve Account (established by Prior Resolution);
- (3) Series 2009 A Bonds Sinking Fund; and
- (4) Series 2009 A Bonds Reserve Account.

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

- (1) The Issuer shall first, each month, pay from the Revenue Fund all current Operating Expenses of the System.
- (2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Commission the amounts required to pay principal of the

Series 1998 Bonds, as required by the Prior Resolutions; and (ii) remit to the Commission, commencing 3 months prior to the first date of payment of principal of the Series 2009 A Bonds, for deposit in the Series 2009 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2009 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2009 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and (i) remit to the Commission, the amounts required by the Prior Resolutions for deposit in the Reserve Account for the Series 1998 Bonds; and (ii) remit to the Commission, commencing 3 months prior to the first date of payment of principal of the Series 2009 A Bonds, if not fully funded upon issuance of the Series 2009 A Bonds, for deposit in the Series 2009 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2009 A Bonds Reserve Requirement, until the amount in the Series 2009 A Bonds Reserve Account equals the Series 2009 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2009 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2009 A Bonds Reserve Requirement.

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

Monies in the Series 2009 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2009 A Bonds as the same shall become due. Monies in the Series 2009 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2009 A Bonds as the same shall come due, when other monies in the Series 2009 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2009 A Bonds Sinking Fund and the Series 2009 A Bonds Reserve Account, shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2009 A Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2009 A Bonds, and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 2009 A Bonds Reserve Account which result in a reduction in the balance therein to below the Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2009 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2009 A Bonds Sinking Fund and the Series 2009 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2009 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2009 A Bonds and the Prior Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2009 A Bonds Sinking Fund and the Series 2009 A Bonds Reserve Account and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2009 A Bonds Sinking Fund and the Series 2009 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2009 A Bonds Sinking Fund and the Series 2009 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2009 A Bonds under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve account payments with respect to the Series 2009 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

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

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

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

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

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03, and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2009 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2009 A Bonds, there shall first be deposited with the Commission in the Series 2009 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2009 A Bonds for the period commencing on the date of issuance of the Series 2009 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 2009 A Bonds, there shall be deposited with the Commission in the Series 2009 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2009 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2009 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2009 A Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2009 A Bonds.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2009 A Bonds shall be applied as directed by the Council.

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

Except as provided in Section 6.01 hereof, disbursements from the Series 2009 A Bonds Construction Trust Fund shall be made only after submission to and approval from the Council, of a certificate, signed by an Authorized Officer stating that:

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

The Issuer shall expend all proceeds of the Series 2009 A Bonds within 3 years of the date of issuance of the Council's bonds, the proceeds of which were used to make the loan to the Issuer.

Pending such application, monies in the Series 2009 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer: All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2009 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2009 A Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2009 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2009 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2009 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds. The payment of the debt service of the Series 2009 A Bonds shall be secured by a first lien on the Net Revenues derived from the System on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2009 A Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement and the Issuer shall supply a certificate of certified public accountant to such effect. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Recommended Decision of the Public Service Commission of West Virginia March 15, 2007 which became Final Order on April 4, 2007 and Commission Order dated February 5, 2009, in Case 06-1864-PWD-CN, and such rates are hereby adopted.

So long as the Series 2009 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates, fees and charges initially established for the System in connection with

the Series 2009 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Series 2009 A Bonds and the Prior Bonds are outstanding and except as otherwise required by law or with the written consent of the Council, the Authority and the holders of the Prior Bonds, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2009 A Bonds, immediately be remitted to the Commission for deposit in the Series 2009 A Bonds Sinking Fund and applied to the payment of principal of and interest, if any, on the Series 2009 A Bonds. Any balance remaining after the payment of the Series 2009 A Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of \$10,000, the Issuer shall, by resolution duly adopted, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amount required to be paid into said fund by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2009 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2009 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2009 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2009 A Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2009 A Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolution shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2009 A Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and the Council and without complying with the conditions and requirements herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2009 A Bonds.

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

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

- (1) The Bonds then Outstanding;
- (2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and
- (3) The Parity Bonds then proposed to be issued.

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

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

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 2009 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2009 A Bonds.

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

Bonds, and the Issuer then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

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

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

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

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The Governing Body shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Council, the Authority, or any other original purchaser of the Series 2009 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2009 A Bonds, requesting the same, an annual report containing the following:

- (A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from and relating to the System.
- (B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation, and the status of all said funds and accounts.
- (C) The amount of any Bonds, notes or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required, in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto) and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2009 A Bonds, and shall submit said report to the Council and the Authority, or any other original purchaser of the Series 2009 A Bonds. Such audit report submitted to the Authority and the Council shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

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

Section 7.09. Rates. Prior to the issuance of the Series 2009 A Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2009 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2009 A Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit in the Series 2009 A Bonds Reserve Account and the reserve accounts for obligations on a parity with the Series 2009 A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such

balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2009 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2009 A Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

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

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

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

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

construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall employ qualified operating personnel properly certified by the State 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 20 days after the same shall become due and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System 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 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. Except as required by law, the Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the

System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

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

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

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

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

B. The Issuer shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal

to 100% of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract. The Issuer shall verify such bonds prior to commencement of construction.

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

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

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

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

Section 7.18. Reserved.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2009 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2009 A Bonds and shall be on a parity with the Prior Bonds.

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

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

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

Section 7.22. Contracts; Change Orders; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2009 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Council for written approval. The Issuer shall obtain the written approval of the Council before expending any proceeds of the Series 2009 A Bonds held in "contingency" as set forth in the respective schedules attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the Council before expending any proceeds of the Series 2009 A Bonds made available due to bid or construction or project underruns.

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

ARTICLE VIII

INVESTMENT OF FUNDS; USE OF PROCEEDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2009 A Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest, if any, on the Series 2009 A Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use of Proceeds; Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2009 A Bonds as a condition to issuance of the Series 2009 A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2009 A Bonds as may be necessary in order to maintain the status of the Series 2009 A Bonds as public purpose bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2009 A Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the Council, from which the proceeds of the Series 2009 A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from

taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the Council, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2009 A Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2009 A Bonds:

- (1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2009 A Bonds;
or
- (2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2009 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2009 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond;
- (3) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or
- (4) If default occurs under the Prior Bonds or the Prior Resolutions.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2009 A Bonds shall be on a parity with the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2009 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2009 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2009 A Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2009 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2009 A Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2009 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2009 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein respectively pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds, required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest, if any, on the Series 2009 A Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2009 A Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution, or the Series 2009 A Bonds.

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

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

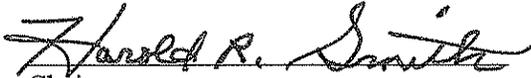
Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have

been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

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

[Remainder of Page Intentionally Blank]

Adopted this 22nd day of June, 2009.


Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of BRANCLAND-MIDKIFF PUBLIC SERVICE DISTRICT on the 22nd day of June, 2009.

Dated: June 24, 2009.

[SEAL]


Secretary

06.17.09
260730.00002

EXHIBIT A

Loan Agreement included in bond transcript as Documents 3.

BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT

**Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)**

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISIONS, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Branchland-Midkiff Public Service District (the "Issuer") has duly and officially adopted a bond resolution on June 22, 2009 (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF \$4,100,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO

SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Resolution provides for the issuance of Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), of the Issuer (the "Bonds"), in the aggregate principal amount not to exceed \$4,100,000 and has authorized the execution and delivery of the loan agreement relating to the Series 2009 A Bonds, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 16, Article 13A, and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Resolution it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provisions, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Bond Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$4,100,000. The Series 2009 A Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2049, and shall bear no interest. The principal of the Series 2009 A Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2010, to and including June 1, 2049, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2009 A Bonds. The Series 2009 A Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2009 A Bonds.

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

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

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

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

Section 6. The Issuer does hereby appoint and designate City National Bank, Branchland, West Virginia, to serve as Depository Bank under the Bond Resolution.

Section 7. Series 2009 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2009 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2009 A Bond Proceeds in the amount of \$105,808 shall be deposited in the Series 2009 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 2009 A Bonds shall be deposited in or credited to the Series 2009 A Bonds Construction Trust Fund for payment of the costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 10. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds to be issued hereby and by the Bond Resolution approved and provided for, to the end that the Bonds may be delivered on or about June 24, 2009, to the Authority pursuant to the Loan Agreement.

Section 11. The acquisition and construction of the Project and the financing thereof with proceeds of the Series 2009 A Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 12. The Issuer hereby determines that it is in the best interest of the Issuer to invest all monies in the funds and accounts established by the Bond Resolution held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Monies in the Series 2009 A Bonds Sinking Fund and the Series 2009 A Bonds Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 13. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project and the Chairman is hereby authorized and directed to execute and deliver all such contracts.

Section 14. This Supplemental Resolution shall be effective immediately following adoption hereof.

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Adopted this 22nd day of June, 2009.

BRANCLAND-MIDKIFF
PUBLIC SERVICE DISTRICT

By: Harold R. Smith
Its: Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Branchland-Midkiff Public Service District on June 22, 2009.

Dated: June 24, 2009.

[SEAL]


Secretary

06.17.09
260730.00002

IC-1
(11/01/04)

LOAN AGREEMENT

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

BRANCLAND MIDKIFF PUBLIC SERVICE DISTRICT
(2006W-935)

(Governmental Agency)

WITNESSETH:

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

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

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

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

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

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

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

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

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

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

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

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

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

(b) Covenants substantially as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE V

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

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

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

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

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

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

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

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

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

ARTICLE VII

Miscellaneous

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

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

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

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

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

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

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

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

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

7.10 This Loan Agreement shall terminate upon the earlier of:

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

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

BRANCHLAND MIDKIFF PUBLIC SERVICE DISTRICT

(SEAL)

By: Harold A. Smith
Its: Chairman
Date: June 24, 2009

Attest:

Alfred Abshire
Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: [Signature]
Its: Executive Director
Date: June 24, 2009

Attest:

Carol A. Cummings
Its: Secretary-Treasurer

{C1553057.1}

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

(Issuer)

(Name of Bonds)

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

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

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

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by [DEP/BPH/PSC] and any change orders approved by the Issuer, the Council and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least _____ years if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and my firm¹ has ascertained that all

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

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

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

[SEAL]

By: _____
West Virginia License No. _____

Esq.] and delete Amy firm has ascertained that@.

²If 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"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and (ii) the issue of a series of revenue bonds of the Governmental Agency, dated _____, (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are issued in the principal amount of \$_____, in the form of one bond, registered as to principal and interest to the Authority, with interest and principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, beginning _____, 1, _____, and ending _____, 1, _____, as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

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

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

EXHIBIT C

MONTHLY FINANCIAL REPORT

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

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

 Name of Person Completing Form

 Address

 Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

- Item 1 You will need a copy of the current fiscal year budget adopted by the Governmental Agency to complete Items 1 and 2. In Item 1, provide the amount of actual **Gross Revenues** for the current month and the total amount year-to-date in the respective columns. Divide the budgeted annual Gross Revenues by 12. For example, if Gross Revenues of \$1,200 are anticipated to be received for the year, each month the base would be increased by \$100 ($\$1,200/12$). This is the incremental amount for the Budget Year-to-Date column.
- Item 2 Provide the amount of actual **Operating Expenses** for the current month and the total amount year-to-date in the respective columns. Any administrative fee should be included in the Operating Expenses. Divide the budgeted annual Operating Expenses by 12. For example, if Operating Expenses of \$900 are anticipated to be incurred for the year, each month the base would be increased by \$75 ($\$900/12$). This is the incremental amount for the Budget Year-to-Date column.
- Item 3 Provide the **Bond Payments (principal, interest and reserve account)** for all the outstanding bonds of the Governmental Agency according to the source of funding. For example, Clean Water State Revolving Fund loan from Department of Environmental Protection, Drinking Water Treatment Revolving Fund loan from Bureau for Public Health, Infrastructure Fund loan from Infrastructure and Jobs Development Council, or a loan from the Water Development Authority, etc.
- Item 4 Provide the amount deposited into the **Renewal and Replacement Fund** each month. This amount is equal to 2.5% of Gross Revenues minus the total reserve account payments included in Item 3. If Gross Revenues are \$1,200, then \$30 (2.5% of \$1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Governmental Agency.

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

EXHIBIT D

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest \$

Principal \$

Total: \$

Reserve Account: \$

Witness my signature this ___ day of _____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds \$4,100,000
Purchase Price of Local Bonds \$4,100,000

The Local Bonds shall bear no interest. Commencing December 1, 2010, principal on the Local Bonds is payable quarterly. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

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

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

As of the date of the Loan Agreement, the Local Bonds are on a parity as to liens, pledge and source of and security for payment with the following obligations of the Governmental Agency: Branchland Midkiff Public Service District Water Revenue Bonds, Series 1998 (West Virginia Infrastructure Fund), dated July 29, 1998, issued in the original aggregate principal amount of \$1,280,000.

Number of New Customers to Be Served: 246
Location: Along County Route D13 (Roys Branch Road) from the intersection with State Route 10 running approximately 0.7 miles
Along County Route 10/14 (Lick Branch Road) from the intersection with State Route 10 running approximately 1.6 miles
Along County Route 37 from the intersection with State Route 10 running for approximately 7.8 miles
Along County Route 37/2 (Sulpher Spring Fork) from the intersection with County Route 37 running for approximately 2.6 miles
Along County Route 37/1 (Steer Fork) from the intersection with County Route 37 running for approximately 0.4 miles
Along County Route 37/20 (Wade Adkins Road) from the intersection with County Route 37 running for approximately 0.7 miles

**SCHEDULE Y
DEBT SERVICE SCHEDULE**

	Period Ending	Principal	Interest	Debt Service
	6/24/09			
	12/1/10	26,452.		26,452.
	3/1/11	26,452.		26,452.
	6/1/11	26,452.		26,452.
	9/1/11	26,452.		26,452.
	12/1/11	26,452.		26,452.
	3/1/12	26,452.		26,452.
	6/1/12	26,452.		26,452.
	9/1/12	26,452.		26,452.
	12/1/12	26,452.		26,452.
	3/1/13	26,452.		26,452.
	6/1/13	26,452.		26,452.
	9/1/13	26,452.		26,452.
	12/1/13	26,452.		26,452.
	3/1/14	26,452.		26,452.
	6/1/14	26,452.		26,452.
	9/1/14	26,452.		26,452.
	12/1/14	26,452.		26,452.
	3/1/15	26,452.		26,452.
	6/1/15	26,452.		26,452.
	9/1/15	26,452.		26,452.
	12/1/15	26,452.		26,452.
	3/1/16	26,452.		26,452.
	6/1/16	26,452.		26,452.
	9/1/16	26,452.		26,452.
	12/1/16	26,452.		26,452.
	3/1/17	26,452.		26,452.
	6/1/17	26,452.		26,452.
	9/1/17	26,452.		26,452.
	12/1/17	26,452.		26,452.
	3/1/18	26,452.		26,452.
	6/1/18	26,452.		26,452.
	9/1/18	26,452.		26,452.
	12/1/18	26,452.		26,452.
	3/1/19	26,452.		26,452.
	6/1/19	26,452.		26,452.
	9/1/19	26,452.		26,452.
	12/1/19	26,452.		26,452.
	3/1/20	26,452.		26,452.
	6/1/20	26,452.		26,452.
	9/1/20	26,452.		26,452.
	12/1/20	26,452.		26,452.
	3/1/21	26,452.		26,452.
	6/1/21	26,452.		26,452.
	9/1/21	26,452.		26,452.

	Period Ending	Principal	Interest	Debt Service
	12/1/21	26,452.		26,452.
	3/1/22	26,452.		26,452.
	6/1/22	26,452.		26,452.
	9/1/22	26,452.		26,452.
	12/1/22	26,452.		26,452.
	3/1/23	26,452.		26,452.
	6/1/23	26,452.		26,452.
	9/1/23	26,452.		26,452.
	12/1/23	26,452.		26,452.
	3/1/24	26,452.		26,452.
	6/1/24	26,452.		26,452.
	9/1/24	26,452.		26,452.
	12/1/24	26,452.		26,452.
	3/1/25	26,452.		26,452.
	6/1/25	26,452.		26,452.
	9/1/25	26,452.		26,452.
	12/1/25	26,452.		26,452.
	3/1/26	26,452.		26,452.
	6/1/26	26,452.		26,452.
	9/1/26	26,452.		26,452.
	12/1/26	26,452.		26,452.
	3/1/27	26,452.		26,452.
	6/1/27	26,452.		26,452.
	9/1/27	26,452.		26,452.
	12/1/27	26,452.		26,452.
	3/1/28	26,452.		26,452.
	6/1/28	26,452.		26,452.
	9/1/28	26,452.		26,452.
	12/1/28	26,452.		26,452.
	3/1/29	26,452.		26,452.
	6/1/29	26,452.		26,452.
	9/1/29	26,452.		26,452.
	12/1/29	26,452.		26,452.
	3/1/30	26,452.		26,452.
	6/1/30	26,452.		26,452.
	9/1/30	26,452.		26,452.
	12/1/30	26,452.		26,452.
	3/1/31	26,452.		26,452.
	6/1/31	26,452.		26,452.
	9/1/31	26,452.		26,452.
	12/1/31	26,452.		26,452.
	3/1/32	26,452.		26,452.
	6/1/32	26,452.		26,452.
	9/1/32	26,452.		26,452.
	12/1/32	26,452.		26,452.
	3/1/33	26,452.		26,452.
	6/1/33	26,452.		26,452.
	9/1/33	26,452.		26,452.
	12/1/33	26,452.		26,452.

	Period Ending	Principal	Interest	Debt Service
	3/1/34	26,452.		26,452.
	6/1/34	26,451.		26,451.
	9/1/34	26,451.		26,451.
	12/1/34	26,451.		26,451.
	3/1/35	26,451.		26,451.
	6/1/35	26,451.		26,451.
	9/1/35	26,451.		26,451.
	12/1/35	26,451.		26,451.
	3/1/36	26,451.		26,451.
	6/1/36	26,451.		26,451.
	9/1/36	26,451.		26,451.
	12/1/36	26,451.		26,451.
	3/1/37	26,451.		26,451.
	6/1/37	26,451.		26,451.
	9/1/37	26,451.		26,451.
	12/1/37	26,451.		26,451.
	3/1/38	26,451.		26,451.
	6/1/38	26,451.		26,451.
	9/1/38	26,451.		26,451.
	12/1/38	26,451.		26,451.
	3/1/39	26,451.		26,451.
	6/1/39	26,451.		26,451.
	9/1/39	26,451.		26,451.
	12/1/39	26,451.		26,451.
	3/1/40	26,451.		26,451.
	6/1/40	26,451.		26,451.
	9/1/40	26,451.		26,451.
	12/1/40	26,451.		26,451.
	3/1/41	26,451.		26,451.
	6/1/41	26,451.		26,451.
	9/1/41	26,451.		26,451.
	12/1/41	26,451.		26,451.
	3/1/42	26,451.		26,451.
	6/1/42	26,451.		26,451.
	9/1/42	26,451.		26,451.
	12/1/42	26,451.		26,451.
	3/1/43	26,451.		26,451.
	6/1/43	26,451.		26,451.
	9/1/43	26,451.		26,451.
	12/1/43	26,451.		26,451.
	3/1/44	26,451.		26,451.
	6/1/44	26,451.		26,451.
	9/1/44	26,451.		26,451.
	12/1/44	26,451.		26,451.
	3/1/45	26,451.		26,451.
	6/1/45	26,451.		26,451.
	9/1/45	26,451.		26,451.
	12/1/45	26,451.		26,451.
	3/1/46	26,451.		26,451.

SCHEDULE Z

None.



PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

Case No.: 06-1864-PWD-CN

BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT

Application for a certificate of convenience and necessity to construct and operate water lines in Lincoln and Wayne Counties to serve Route 37, Roy Branch, Lick Branch, Sulphur Springs and steer Fork areas of Lincoln and Wayne Counties including booster station and water storage tank improvements, and for the approval of related financing related thereto including authority to accept grants and utilize the same on an interim basis. (Fourteen Mile)

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

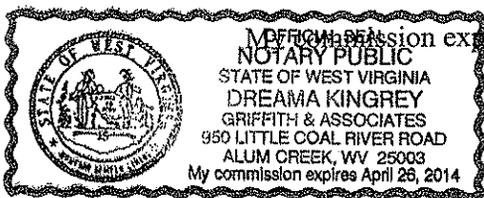
AFFIDAVIT

I, D. Denise Pauley, CPA, after making an oath of affirmation to tell the truth, say that, I have reviewed the Commission Orders of the Public Service Commission of West Virginia in Case No. 06-1864-PWD-CN dated February 5, 2009 and April 10, 2009 respectively which approved the funding of a \$903,000 United States Department of Agriculture Rural Utilities Service grant, a \$1,547,000 USDA RUS loan, a \$2,000,000 West Virginia Infrastructure and Jobs Development Council loan, a \$75,000 Rock Spring Development Coal Mine grant, and a \$75,000 Wayne County grant, and based upon all the information that has been provided to me to date, I am of the opinion that the rates and charges for the District (i) are not affected by the revised funding which includes a \$903,000 United States Department of Agriculture Rural Utilities Service grant, a \$4,100,000 West Virginia Infrastructure and Jobs Development Council loan, a \$75,000 Rock Spring Development Coal Mine grant, and \$175,000 in grants from Lincoln County and Wayne County; and (ii) will be sufficient to provide revenues which, together with other revenues of the System, will allow me to provide the CPA certification required for the issuance of the loans.

This Affidavit is executed on the 9 day of June, 2009.

D. Denise Pauley CPA
D. Denise Pauley, CPA
Griffith & Associates, PLLC

Taken, subscribed and sworn to before me this 9 day of June, 2009.



My commission expires April 26, 2014.

Dreama Kingrey
Notary Public

Michael D. Griffith, CPA, AFI
michaelgriffithcpa@verizon.net

950 Little Coal River Road Alum Creek, WV 25003
Phone: (304) 756.3600 Facsimile: (304) 756.2911

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

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

CASE NO. 06-1864-PWD-CN (Reopened)

BRANCLAND-MIDKIFF PUBLIC SERVICE DISTRICT,
a public utility, Branchland, Lincoln County.

Application for a certificate of convenience and necessity to construct and operate water lines in Lincoln and Wayne Counties to serve the Route 37, Roy Branch, Lick Branch, Sulphur Springs and Steer Fork areas of Lincoln and Wayne County including booster station and water storage tank improvements, and for the approval of related financing related thereto including authority to accept grants and utilize the same on an interim basis. (Fourteen Mile).

COMMISSION ORDER

The Commission denies the Petition to Reopen since the relief requested is not necessary.

BACKGROUND

By its March 15, 2007 Recommended Decision that became a final Order of the Commission on April 4, 2007, the Commission granted Branchland-Midkiff Public Service District ("District") a certificate of convenience and necessity ("Certificate") to construct and operate water lines in Lincoln and Wayne Counties and to make booster station and water storage tank improvements. The Commission also authorized a project-related water rate increase and project financing. See, Recommended Decision.

The Commission subsequently reopened this matter and gave permission for the District to accept a \$100,000 grant from the Lincoln County Commission for engineering and real estate costs. See, February 5, 2009 Commission Order.

On February 23, 2009, the District requested that the Commission reopen this matter a second time to approve revisions to the project cost and financing. The District stated that the total project cost increased to \$5,600,000 and reported that it has secured a revised funding package from the West Virginia Infrastructure and Jobs Development Council ("IJDC"). The District attached an affidavit from its accountant attesting that the changes will not affect rates. See, Petition to Reopen.

Commission Staff ("Staff") filed a memorandum recommending that the Commission deny the Petition to Reopen because the District does not need Commission approval for the proposed changes under the circumstances of this case. See, March 18, 2009 Staff Memorandum.

The District concurred with the March 18, 2009 Staff Memorandum in a subsequent letter and requested that the Commission follow the Staff recommendation. See, March 20, 2009 letter.

DISCUSSION

The Commission finds that the request to reopen this matter is unnecessary because it pertains to a revision of project cost and financing for an IJDC approved project that has no effect on customer rates. See, W.Va. Code §§ 16-13A-25 and 24-2-11. The District has complied with the statutory procedure for reporting cost changes by filing an affidavit. Therefore, the Commission will deny the Petition to Reopen.

FINDINGS OF FACT

1. The Commission previously approved a Certificate application from the District for construction of a water project. See, Recommended Decision Issued March 15, 2007, Final April 4, 2007.
2. The District requested that the Commission reopen this matter to approve changes to the project cost and financing including additional funds from the IJDC, but showed that the changes will not affect customer rates. See, Petition to Reopen.
3. Staff recommended that the Commission dismiss the Petition because Commission approval is unnecessary. See, March 18, 2009 Staff Memorandum.
4. The District filed a letter concurring with the Staff recommendation. See, March 20, 2009 letter.

CONCLUSION OF LAW

It is reasonable to deny the Petition to Reopen because the District may revise the project cost and funding package for an IJDC approved project without Commission consent when the revisions do not affect rates. See, W.Va. Code §§ 16-13A-25 and 24-2-11.

ORDER

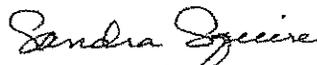
IT IS THEREFORE ORDERED that the Petition to Reopen this case is denied.

IT IS FURTHER ORDERED that the March 15, 2007 Recommended Decision, that became final on April 4, 2007, as modified by the February 5, 2009 Commission Order, remains 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 serve a copy of this Order on all parties of record by United States First Class Mail and on Staff by hand delivery.

A True Copy, Tester:


Sandra Squire
Executive Secretary

MJM/sek
061864cb.wpd

**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 5th day of February 2009.

CASE NO. 06-1864-PWD-CN (Reopened)

BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT,
a public utility, Branchland, Lincoln County.

Application for a certificate of convenience and necessity to construct and operate water lines in Lincoln and Wayne Counties to serve the Route 37, Roy Branch, Lick Branch, Sulphur Springs and Steer Fork areas of Lincoln and Wayne County including booster station and water storage tank improvements, and for the approval of related financing related thereto including authority to accept grants and utilize the same on an interim basis. (Fourteen Mile).

COMMISSION ORDER

By its March 15, 2007 Recommended Decision that became a final order of the Commission on April 4, 2007, the Commission granted Branchland-Midkiff Public Service District ("District") a certificate of convenience and necessity to construct and operate water lines in Lincoln and Wayne Counties and to make booster station and water storage tank improvements. The Commission also authorized a project-related water rate increase, all pursuant to W.Va. Code §§16-13A-25 and 24-2-11.

On December 16, 2008, the District filed a letter requesting authority to accept a \$100,000 grant from the Lincoln County Commission. The District explained that it would use the grant to offset costs related to engineering design and real estate acquisition problems.

On January 28, 2009, Commission Staff ("Staff") filed a memorandum recommending that the Commission grant the petition to reopen and approve the District's acceptance of the grant.

DISCUSSION

The District's acceptance of the \$100,000 grant will have no additional rate impact on the District's customers, and will help the District pay for real estate acquisition and engineering design costs encountered in its efforts to get this project to bid. Based on these factors, the Commission concludes that the District's request should be granted.

FINDINGS OF FACT

1. The District requested authority to accept a \$100,000 grant from the Lincoln County Commission to pay for project-related costs.
2. Staff recommended that the Commission grant the District's request.

CONCLUSION OF LAW

It is reasonable to grant the District's request because acceptance of the \$100,000 grant will have no rate impact on the District's customers and will pay for costs related to this certificated project.

ORDER

IT IS THEREFORE ORDERED that the District's petition to reopen this certificate case is granted and the District is authorized to accept a \$100,000 grant from the Lincoln County Commission to pay for costs of this certificated project.

IT IS FURTHER ORDERED that, if there is any further change in the cost of the project affecting rates, or in the scope, design or funding of the project, the District shall file a petition with the Commission for approval of those revisions.

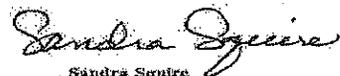
IT IS FURTHER ORDERED that, if there are any changes in the project costs that do not affect rates, the District shall file an affidavit, duly executed by its accountant, verifying that the District's rates and charges are not affected.

IT IS FURTHER ORDERED that, except as modified herein, the March 15, 2007 Recommended Decision, final as of April 4, 2007, remains in full force and effect.

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

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

A True Copy, Teste:


Sandra Squire
Executive Secretary

JML/klm
061864ca.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Issued: March 15, 2007

FINAL

4/4/2007

CASE NO. 06-1864-PWD-CN

BRANCLAND-MIDKIFF PUBLIC SERVICE DISTRICT

Application for a certificate of convenience and necessity to construct and operate water lines in Lincoln and Wayne Counties to serve the Route 37, Roy Branch, Lick Branch, Sulphur Springs and Steer Fork areas of Lincoln and Wayne County including booster station and water storage tank improvements, and for the approval of related financing related thereto including authority to accept grants and utilize the same on an interim basis. (Fourteen Mile).

RECOMMENDED DECISION

On December 1, 2006, Branchland-Midkiff Public Service District ("District"), by counsel Ronald J. Flora, filed with the Public Service Commission, ("Commission"), pursuant to W.Va. Code §§ 16-13A-25, and 24-2-11, an application for a certificate of convenience and necessity to construct and operate lines in Lincoln and Wayne Counties and to make booster station and water storage tank improvements. The District also requested approval of increased water rates. Supporting documentation was filed.

Also on December 1, 2006, the Commission directed the District to publish a Notice of Filing, which provided that, if no protest was filed within thirty days after the date(s) of publication, the Commission might waive formal hearing and grant the application based upon its review of the evidence submitted with the application.

On December 14, 2006, by Order, the Commission referred this matter to the Division of Administrative Law Judges for decision no later than June 29, 2007, if a timely protest was received, and no later than April 16, 2007, if no such protest was filed.

On December 19, 2006, Staff Attorney Cassius H. Toon filed an Initial Joint Staff Memorandum, with an attached memorandum from Jonathan Fowler, of the Engineering Division, and Michael T. Quinlan, of the Water and Wastewater Division.

On December 28, 2006, and January 5, 2007, the District, by counsel, filed affidavits of publication establishing, respectively, that the Notice of Filing had been published on December 8, 2006, in The Wayne County News, and on December 13, 2006, in The Lincoln Journal.

On January 31, 2007, the District, by counsel, filed a certificate stating that on December 29, 2006, the District had separately notified its customers by mail that it was requesting a rate increase.

On February 5, 2007, the undersigned issued a Procedural Order requiring Staff to file its final memorandum no later than March 1, 2007, because no protest had been filed.

On March 2, 2007, Mr. Toon filed the Final Joint Staff Memorandum, with an attached memorandum from Mr. Fowler and Mr. Quinlan, recommending that the application be granted and the project and financing be approved. Staff also recommended that the District's rates be raised to produce a 38% increase in revenue.

FINDINGS OF FACT

1. On December 1, 2006, Branchland-Midkiff Public Service District filed with the Public Service Commission an application for a certificate of convenience and necessity to construct and operate lines in Lincoln and Wayne Counties and to make booster station and water storage tank improvements. The District also requested approval of increased water rates. Supporting documentation was filed. (See application).
2. The District published the Notice of Filing in The Wayne County News on December 8, 2006, and in The Lincoln Journal on December 13, 2006. On December 26, 2006, the District separately notified its customers by mail that it was requesting a rate increase. No protest was filed. (See affidavits filed December 28, 2006, and January 5, 2007; January 31, 2007, filing; case file generally).
3. The project will supply water to approximately 291 new customers, who presently rely on wells. The well-water contains iron and other undesirable minerals and is subject to contamination. At times there is insufficient quantity of water. (See application; Final Joint Staff Memorandum filed March 2, 2007).

4. The District purchases all of its water from the Town of West Hamlin, which has adequate water capacity to provide to the District the additional water the District will need with completion of the project. (See application; Final Joint Staff Memorandum).

5. The project includes the following: installation of approximately 100,635 linear feet of two-inch to eight-inch water mains, construction of two water storage tanks and a water booster station, renovation of an existing water booster station, and installation of approximately 428 new customer services and forty-five fire hydrants. (See application; Final Joint Staff Memorandum).

3. On September 29, 2006, the West Virginia Office of Environmental Health Services issued Permit No. 17,255 authorizing construction of the project. (See application; Final Joint Staff Memorandum).

4. The project is estimated to cost \$4,600,000, of which \$3,729,520 is the estimated construction cost. The estimated \$12,816 cost per customer is somewhat high but not unreasonable. (See application; Final Joint Staff Memorandum).

5. The project will be financed by a \$903,000 United States Department of Agriculture Rural Utilities Service grant, a \$1,547,000 USDA RUS loan repayable over 40 years at an interest rate of 4.375%, a \$2,000,000 West Virginia Infrastructure and Jobs Development Council loan for 40 years at an interest rate of 0%, a \$75,000 Rock Spring Development Coal Mine grant, and a \$75,000 Wayne County Commission grant. (See application; Final Joint Staff Memorandum).

6. Staff recommended that the project and its funding be approved. (See Final Joint Staff Memorandum).

7. Staff also recommended that the District's water rates be increased by 38%, to cover the costs of the project and to provide a debt coverage ratio of 130%, and that the District's leak adjustment rate be revised, as provided in Appendix A hereto. (See Final Joint Staff Memorandum).

CONCLUSIONS OF LAW

1. It is appropriate to grant the application, pursuant to W.Va. Code §§16-13A-25 and 24-2-11, and to approve the project, contingent upon the District's filing copies of all necessary outstanding permits, because the public convenience and necessity require the project and no protest was filed.

2. It is also appropriate to approve the project's funding because the funding is reasonable and Commission Staff has recommended such approval.

3. It is appropriate to approve the rate increases recommended by Staff, including the leak adjustment rate, as provided in Appendix A hereto, because they are reasonable and necessary, and no protest was filed.

ORDER

IT IS, THEREFORE, ORDERED that the application filed on December 1, 2006, by Branchland-Midkiff Public Service District for a certificate of convenience and necessity to construct and operate water lines in Lincoln and Wayne Counties and to make booster station and water storage tank improvements, is granted and the project is approved, contingent upon receipt of the outstanding permit.

IT IS FURTHER ORDERED that the funding for the project, consisting of a \$903,000 United States Department of Agriculture Rural Utilities Service grant, a \$1,547,000 USDA RUS loan, a \$2,000,000 West Virginia Infrastructure and Jobs Development Council loan, a \$75,000 Rock Spring Development Coal Mine grant, and a \$75,000 Wayne County Commission grant, is approved.

IT IS FURTHER ORDERED that the rate increases and revisions contained in the Approved Tariff, attached hereto as Appendix A, are approved, to become effective upon completion of the project.

IT IS FURTHER ORDERED that, if there is any change in the cost of the project, estimated at \$4,600,000, which affects rates, or in the scope, design or funding of the project, Branchland-Midkiff Public Service District file a petition with the Commission for approval of such revisions.

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

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

IT IS FURTHER ORDERED that Branchland-Midkiff Public Service District submit a copy of the bids to the Commission, making the bids a part of the Commission's file in this case, as soon as the bids are tabulated.

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

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

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

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

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

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



Sunya Anderson
Administrative Law Judge

SA:s
061864aa.wpd

BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT (Water)
CASE NO. 06-1864-PWD-CN

APPROVED RATES

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

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

RATES (customers with metered water supply)

First	2,000 gallons used per month	\$13.94 per 1,000 gallons
Next	3,000 gallons used per month	\$12.02 per 1,000 gallons
Next	5,000 gallons used per month	\$11.41 per 1,000 gallons
Next	10,000 gallons used per month	\$10.75 per 1,000 gallons
All Over	20,000 gallons used per month	\$ 9.49 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than \$27.88 per month:

5/8	inch meter	\$ 27.88 per month
3/4	inch meter	\$ 41.82 per month
1	inch meter	\$ 69.70 per month
1-1/4	inch meter	\$ 101.76 per month
1-1/2	inch meter	\$ 139.40 per month
2	inch meter	\$ 223.04 per month
3	inch meter	\$ 418.20 per month
4	inch meter	\$ 697.00 per month
6	inch meter	\$1,394.00 per month
8	inch meter	\$2,230.40 per month

FLAT RATE CHARGE

Equivalent of 4,500 gallons of water usage, \$57.93 per month

DELAYED PAYMENT PENALTY

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

TAP FEE

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

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

~~A tap fee of \$350.00 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.~~

RECONNECTION \$25.00

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

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.

LEAK ADJUSTMENT

\$2.64 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.

Affidavit of Filing

Publishers Of: The Lincoln Journal / The Weekly News Sentinel / The Lincoln Times

AFFIDAVIT OF PUBLICATION

RECEIVED
2007 JAN -5 AM 8:51
W VA PUBLIC SERVICE
COMMISSION
SECRETARYS OFFICE

STATE OF WEST VIRGINIA
COUNTY OF LINCOLN, to wit:

I, **THOMAS A ROBINSON**, Publisher, being duly sworn upon my oath do depose and say that I am proprietor of the entitles:

The Lincoln Journal; plus our internet site www.lincolnjournal.com where your legal advertisement appeared at no extra cost to you; that such paper has been published for more than one year prior to publication of the annexed notice described below; that such newspaper is regularly published weekly, for at least fifty weeks during the calendar year, the Municipality of Hamlin, Lincoln County, West Virginia; that such newspaper is newspapers of "general circulation" as that term is defined in article three, chapter fifty-nine of the Code of West Virginia 1931, as amended, within the publication area or areas of the aforesaid municipality and county; that such newspapers average in length of four or more pages, exclusive of any cover, per issue; that such newspapers is circulated to the general public at a definite price or consideration; that such newspaper is newspaper to which the general public resorts for posting of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous, reading matters, advertisements, and other notices; that the annexed notice of

FLING

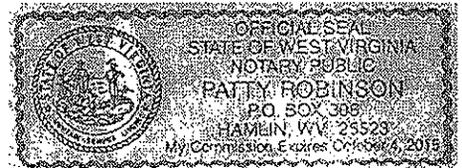
December 13 Notice Of Public Hearing Regarding The Enlargement Of The Boundaries Of Branchland-Midkiff Public Service District, A Political subdivision Of The State Of West Virginia

was duly published in said newspaper once a week for 1 week(s), commencing with the issue 13th day of December 2006 and ending with the issue of the 13th day of December 2006, that said annexed notice was published on the following date(s): December 13, 2006 and the cost of publishing the annexed notice as aforesaid was \$193.55.

Thomas A Robinson, Publisher

Taken, subscribed and sworn before me in my said county this 28th day of December 2006.

Patty Robinson, Notary Public of Lincoln County, West Virginia.
My commission expires **October 4, 2015**.



LEGAL ADVERTISEMENT

**STATE OF WEST VIRGINIA
PUBLIC SERVICE COMMISSION
CHARLESTON**

Entered by the Public Service Commission of West Virginia in the City of Charleston on the 1st day of December, 2006.

CASE NO. 06-1864 PWD-CN

BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT

Petition for a certificate of convenience and necessity to construct and operate water lines in Lincoln and Wayne Counties to serve the Route 37, Roy Branch, Lick Branch, Sulphur Springs and Steep Fork areas of Lincoln and Wayne County, including booster station and water storage tank improvements and for the approval of related financing related thereto including authority to accept grants and use the same on or after interim basis (fourteen mile).

NOTICE OF FILING

WHEREAS, on the 1st day of December, 2006, the Branchland-Midkiff Public Service District filed an application, duly verified, for a certificate to construct certain additions and improvements to the Branchland-Midkiff Public Service District system in Lincoln and Wayne Counties. The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, in Charleston, West Virginia.

WHEREAS, the Branchland-Midkiff Public Service District estimates that the total construction costs for the proposed project is \$4,600,000.00. The costs will be financed as follows: (1) A USDA Rural Loan @ 4.375% for 99 years in the amount of \$1,547,000.00; (2) A USDA RUS Grant in the amount of \$903,000.00; (3) An LDC Loan in the amount of \$2,000,000.00 at 0% interest for 40 years from date of closing; (4) Further, the County Commission of Wayne County has allocated a grant in the amount of \$75,000.00 for use on the water line extension project and Rock Spring Development Coal Mine has also allocated funds to the District for a \$75,000.00 grant to be utilized for the project.

WHEREAS, the utility anticipates charging the following water rates for its customers:

APPLICABILITY

Applicable in the entire territory served.

AVAILABILITY

Available for residential, commercial, public authority and industrial water service.

RATES

(Customers with metered water supply)

First 3,000 gallons per month \$11.50 per 1,000 gallons

Next 5,000 gallons used per month \$10.30 per 1,000 gallons

Next 12,000 gallons used per month \$9.30 per 1,000 gallons

All Over 20,000 gallons used per month \$8.30 per 1,000 gallons

MINIMUM CHARGE

No. minimum bill will be rendered for less than \$34.50 per month.

(Equivalent to 3,000 gallons of water usage)

5/8 inch meter \$34.50 per month

3/4 inch meter \$51.75 per month

1 inch meter \$66.25 per month

1-1/4 inch meter \$126.93 per month

1-1/2 inch meter \$172.50 per month

2 inch meter \$276.00 per month

3 inch meter \$517.50 per month

4 inch meter \$802.50 per month

5 inch meter \$1,172.50 per month

6 inch meter \$2,760.00 per month

FLAT RATE CHARGE

(Customers with non-metered water supply)

\$49.95 per month (Equivalent to 4,500 gallons of water usage)

DELATED PAYMENT PENALTY

The above schedule is not on all accounts not paid in full when due, ten percent will be added to the net current amount unpaid. This delayed payment is not interest and is to be collected only once for each bill where it is applicable.

TAP FEE \$350.00

The following charges are to be made whenever the utility installs a new tap. A fee of \$100 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

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

WATER DISCONNECT-RECONNECT ADMINISTRATIVE FEES \$20.00

Whenever water service has been disconnected for any reason, a disconnection fee of \$20.00 shall be charged. In the event the delinquent water bill is collected in full, an administrative fee of \$20.00 shall be charged. Whenever water service which has been previously disconnected for any reason is reconnected, a reconnection fee of \$20.00 shall be charged.

RETURNED CHECK CHARGE

A charge of \$35.00 will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

LEAK ADJUSTMENT \$300 per 1,000 gallons to be used when a 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.

These rates represent the following projected rate increases:

The going level rates represent the following increases (without the Fourteen Mile Customers):

INCREASE

INCREASE %

Residential (6,600 gallons per month) \$5.08 18%

Commercial (2,400 gallons per month) \$3.01 16%

The Pro-Forma project related increases with the Fourteen Mile Customers included:

INCREASE

INCREASE %

Residential (3,500 gallons per month) \$6.38 19.2%

Commercial (2,400 gallons per month) \$10.82 45.7%

Branchland-Midkiff Public Service District has no industrial or residential customers.

The going or level increased water rates and charges will produce approximately \$55,455 annually in additional revenue, an increase of 18%.

The pro-forma increased water rates and charges will produce approximately \$97,173 annually in additional revenue, a further increase of 73.5%.

Pursuant to §24-2-11, West Virginia Code, IT IS ORDERED that

Branchland-Midkiff Public Service District give notice of the filing of said application by publishing a copy of this order once in a newspaper duly qualified by the Secretary of State, published and of general circulation in Lincoln and Wayne Counties, making due return to this Commission of proper certification of publication immediately after publication. Anyone desiring to protest or intervene should file a written protest or notice of intervention within 30 days following the date of this publication unless otherwise modified by Commission order. Failure to timely protest or intervene can affect your right to protest aspects of this certificate, case including any associated rate increases of (contingent) future proceedings. All protests or requests to intervene should briefly state the reason for the protest or intervention. Requests to intervene must comply with the Commission's rules on intervention set forth in the Commission's Rules of Practice and Procedure. All protests and interventions should be

addressed to Sandra Shure, Executive Secretary, P. O. Box 612, Charleston, West Virginia 25323.

IT IS FURTHER ORDERED that if no protests are received within said thirty (30) day period, the Commission may waive formal hearing and grant the application based on the evidence submitted with said application and its review thereof.

A True Copy Test: Sandra Shure, Executive Secretary 1/12/06

RECEIVED
2007 JAN -5 AM 8:57
W VA PUBLIC SERVICE COMMISSION SECRETARY'S OFFICE

STATE OF WEST VIRGINIA
PUBLIC SERVICE COMMISSION
CHARLESTON

ordered by the Public Service Commission of West Virginia, in the City of Charleston on the 1st day of December, 2006.
No. 06-1864-PWD-CN

BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT, a public utility, petition for a certificate of convenience and necessity to construct and operate water lines in Lincoln and Wayne Counties to serve the Route 37, Roy Branch, Lick Branch, Spur Springs and Steer Fork areas of Lincoln and Wayne County including booster station and water storage tank improvements, and for the approval of related financing and therefor including authority to accept grants and utilize the same on an interim basis (Fourteen Mile).

NOTICE OF FILING

WHEREAS, on the 1st day of December, 2006, the Branchland-Midkiff Public Service District filed an application, duly verified, for a Certificate to construct certain additions and improvements to the Branchland-Midkiff Public Service District system in Lincoln and Wayne Counties. The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, in Charleston, West Virginia.

WHEREAS, the Branchland-Midkiff Public Service District estimates that the total construction costs for the proposed project is \$4,600,000.00. The costs will be financed as follows: (1) A USDA Rural Loan @ 4.375% for 35 years in the amount of \$1,547,000.00; (2) USDA RUS Grant in the amount of \$903,000.00; (3) An IJDC Loan, in the amount of \$1,000,000.00 at 0% interest for 40 years from date of closing (4) Further, the County Commission of Wayne County has allocated a grant in the amount of \$75,000.00 for use on the water line extension project and Rock Spring Development Coal Mine has also allocated funds to the District for a \$75,000.00 grant to be utilized for the project.

WHEREAS, the utility anticipates charging the following water rates for its customers:

APPLICABILITY

Applicable in the entire territory served.

AVAILABILITY

Available for residential, commercial, public authority and industrial water service.

RATES (Customers with metered water supply)

First 3,000 gallons per month	\$ 11.50 per 1,000 gallons
Next 5,000 gallons used per month	\$ 10.30 per 1,000 gallons
Next 12,000 gallons used per month	\$ 9.30 per 1,000 gallons
All Over 20,000 gallons used per month	\$ 8.30 per 1,000 gallons

MINIMUM CHARGE

No minimum bill will be rendered for less than \$34.50 per month (Equivalent to 3,000 gallons of water usage)

5/8 inch meter	\$ 34.50 per month
3/4 inch meter	\$ 51.75 per month
1 inch meter	\$ 86.25 per month
1-1/4 inch meter	\$ 125.93 per month
1-1/2 inch meter	\$ 172.50 per month
2 inch meter	\$ 278.00 per month
3 inch meter	\$ 517.50 per month
4 inch meter	\$ 862.50 per month
6 inch meter	\$ 1,725.00 per month
8 inch meter	\$ 2,760.00 per month

FLAT RATE CHARGE (Customers with non-metered water supply) \$49.95 per month (Equivalent to 4,500 gallons of water usage)

DELAYED PAYMENT PENALTY

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

TAP FEE \$ 350.00

The following charges are to be made whenever the utility installs a new tap to serve an applicant:

A tap fee of \$100 will be charge to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of \$350 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.
WATER DISCONNECT-RECONNECT-ADMINISTRATIVE FEES \$20.00

Whenever water service had been disconnected for any reason, a disconnection fee of \$20.00 shall be charged; or in the event the delinquent water bill is collected in the field, an administrative fee of \$20.00 shall be charged. Whenever water service which has been previously disconnected for any reason is reconnected, a reconnection fee of \$20.00 shall be charged.

Affidavit of Legal
Publication and Posting
STATE OF WEST VIRGINIA
COUNTY OF WAYNE, TO-WIT:

I, Thomas J. George
publisher of the WAYNE COUNTY NEWS, a newspaper published in the COUNTY OF WAYNE, STATE OF WEST VIRGINIA, hereby certify that the annexed publication was inserted in said newspaper on the following dates:

Commencing on December 8, 2006

And Ending on December 8, 2006

Given under my hand this 11th day

of December 20 06

[Signature]

Sworn to and subscribed before me this

11th day of December

20 06, at Wayne, Wayne County, West

Virginia.

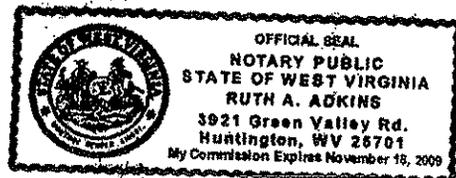
[Signature]
NOTARY PUBLIC

of, in and for WAYNE COUNTY, WEST VIRGINIA.

MY COMMISSION EXPIRES: Nov. 18, 2009

Amount Due for Publishing Annexed Notice:

\$ 215.44





WEST VIRGINIA

Infrastructure & Jobs Development Council

Gov. Joe Manchin, III
Chairman

December 16, 2008

Kenneth Lowe, Jr.
Public Member

Harold Smith, Chairman
Branchland Midkiff PSD
Route 2, Box 496
Branchland, WV 25506

Dwight Calhoun
Public Member

David "Bones" McComas
Public Member

Re: Branchland Midkiff Public Service District
2006W-935 Revised Binding Commitment
(Action Required by January 31, 2009)

Ron Justice
Public Member

Barbara J. Pauley
Administrative Secretary

Dear Mr. Smith:

As a result of revised cost estimates and under the terms of the previous commitment, the West Virginia Infrastructure and Jobs Development Council (Infrastructure Council) provides this revised binding offer of an additional Infrastructure Fund loan of \$2,100,000 (Loan) and an Infrastructure Fund grant of \$347,000 (Grant), including an option for an additional grant source to replace a portion of the additional Infrastructure Fund Loan, to the Branchland Midkiff Public Service District (District) for the above referenced water project (Project). This commitment supersedes the commitment letter dated October 10, 2006, sent to the District. The additional Loan and Grant will be subject to the terms set forth on Schedule A attached hereto and incorporated herein by reference. The final Loan and Grant amounts will be established after the District has received acceptable bids for the Project.

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

- a. Prepare and submit the Preliminary Title Opinion not later than January 16, 2009;
- b. File a revised Certificate Case with the Public Service Commission no later than January 15, 2009;
- c. Advertise for bids no later than February 1, 2009. (The District must receive authority from the Infrastructure Council before bidding the project.)

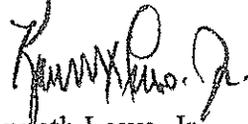
The Infrastructure Council reserves the right to withdraw this Loan commitment if any of the above schedule dates are not met. The Infrastructure Council may, when justifiable circumstances occur, offer to modify the schedule. Any decision to modify the schedule is at the sole discretion of the Infrastructure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

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

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

If the District has any questions regarding this commitment, please contact the Council at the below-referenced telephone number.

Sincerely,



Kenneth Lowe, Jr.

KL:bjp

Enclosure

cc: Bob DeCrease, P.E., BPH (w/o enclosure) (via e-mail)
Jack Ramsey, P.E., Triad Engineering, Inc.
John Stump, Steptoe & Johnson
Region 2-Planning & Development Council

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

Branchland Midkiff Public Service District

By: _____

Its: _____

Date: _____

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

Branchland Midkiff PSD
Water Project 2006W-935
December 16, 2008

SCHEDULE A

A. Approximate Amount:	\$2,000,000	Loan
	2,100,000	Additional Loan
	347,000	Grant
	<u>\$4,447,000</u>	Total

B. Loan: \$ 4,100,000

1. Maturity Date: 40 years from date of closing.
2. Interest Rate: 0%
3. Loan Advancement Date(s): Monthly, upon receipt of proper requisition.
4. Debt Service Commencement: The first quarter following completion of construction, which date must be identified prior to closing.

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

C. Grant: \$347,000

5. Grant Advancement Date(s): Monthly, upon receipt of proper requisition and after advancement of all Loan funding.

D. Special Conditions: The funding package may be reduced prior to closing if an additional grant source is procured.

E. Other Funding:

USDA grant	\$ 903,000
Lincoln County Commission	175,000
Coal Company contribution	<u>75,000</u>

F. Total Project Cost: \$5,600,000

G. Proposed User Rates: Approximately \$56.52 / 4000 gallons

West Virginia Infrastructure & Jobs Development Council

Public Members:

Mark Prince
Hurricane
Dwight Calhoun
Petersburg
Tim Stranko
Morgantown
Dave McComas
Prichard

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

Jefferson E. Brady, PE
Executive Director

Jefferson.Brady@verizon.net

October 10, 2006

Mr. Harold Smith, Chairman
Branchland Midkiff Public Service District
Route 2, Box 496
Branchland, West Virginia 25506

Re: Binding Commitment Letter
Branchland Midkiff Public Service District
Water Project 2006W-935

Dear Mr. Smith:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") provides this binding offer of an Infrastructure Fund loan of approximately \$2,000,000 (the "Loan") for the above referenced water project. (Project). The Infrastructure Council has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The Loan will be subject to the terms set forth on Schedule A attached hereto and incorporated herein by reference. The final Loan amount will be established after the District has received acceptable bids for the Project. The Infrastructure Council will set aside a portion of the Infrastructure Fund to make the Loan upon the District's compliance with the program requirements. The Loan agreement will be between the District and the West Virginia Water Development Authority (Authority), acting on behalf of the Infrastructure Council.

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

- a. Submit Plans & Specification to the Rural Utility Service by October 15, 2006;
- b. File Certificate Case with the Public Service Commission no later than December 1, 2006;
- c. Advertise for bids no later than July 15, 2007.
(The District must receive authority from the Infrastructure Council before bidding the project.)

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

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

Harold Smith
October 10, 2006
Page 2

District to be unable to meet the schedule. In addition, please immediately notify the Infrastructure Council if any of the other dates on the attached schedule have or will not be met.

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

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

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

Sincerely,



Mark Prince

MP/jb

Attachments

cc: Pat Taylor, BPH
Jack Ramsey, Triad Engineering
John Stump, Steptoe & Johnson
Michael Griffith, CPA
Ron Flora, Esquire
Virginia McDonald, RUS

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

Branchland Midkiff Public Service District

By: _____

Its: _____

Date: _____

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

Branchland Midkiff Public Service District
Water Project
Project 2006W-935
October 10, 2006

SCHEDULE A

- A. Approximate Amount: \$2,000,000 Loan
- B. Loan: \$2,000,000
1. Maturity Date: 40 years from date of closing.
 2. Interest Rate: 0%
 3. Loan Advancement Date(s) Monthly, upon receipt of proper requisition
 4. Debt Service Commencement: The first quarter following completion of construction, which date must be identified prior to closing.
-
5. Special Conditions:
- A. Reserve requirements: One year's annual debt service
OR
Funding one year's annual debt service over the first ten years
 - B. Coverage: 115% unless reserve fund is fully funded then coverage is 110%

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

- C. Other Funding Sources:
- | | |
|---------------------------|---------------|
| RUS loan | \$1,547,000 |
| RUS grant | 903,000 |
| Wayne County Commission | 75,000 |
| Coal Company contribution | <u>75,000</u> |
- D. Total Project Cost: \$4,600,000
- E. Proposed User Rates: \$49.95 / 4500 gallons

BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On this 24th day of June, 2009, 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 Branchland-Midkiff Public Service District (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), of the Issuer, in the principal amount of \$4,100,000, numbered AR-1 (the "Series 2009 A Bonds"), issued as a single, fully registered Bond, and dated June 24, 2009.

2. At the time of such receipt, all the Series 2009 A Bonds had been executed by the Chairman and the Secretary of the Issuer by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2009 A Bonds, of \$142,029, being a portion of the principal amount of the Series 2009 A Bonds. The balance of the principal amount of the Series 2009 A Bonds will be advanced by the Authority and the West Virginia Infrastructure and Jobs Development Council to the Issuer as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By: Carol A. Cummings
Its: Authorized Representative

BRANGLAND-MIDKIFF PUBLIC SERVICE
DISTRICT

By: Harold R. Smith
Its: Chairman

06.17.09
260730.00002

BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

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

Ladies and Gentlemen:

On this 24th day of June, 2009, there are delivered to you herewith:

- (1) Bond No. AR-1, constituting the entire original issue of Branchland-Midkiff Public Service District Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), in the principal amount of \$4,100,000 (the "Series 2009 A Bonds"), dated June 24, 2009 (collectively, the "Bonds"), executed by the Chairman and Secretary of Branchland-Midkiff Public Service District (the "Issuer") and bearing the official seal of the Issuer authorized to be issued under and pursuant to a Bond Resolution duly adopted by the Issuer on June 22, 2009, and a Supplemental Resolution duly adopted by the Issuer on June 22, 2009 (collectively, the "Bond Legislation");
- (2) A copy of the Bond Legislation authorizing the above-captioned Bonds, duly certified by the Secretary of the Issuer;
- (3) Executed counterparts of a loan agreement for the Series 2009 A Bonds, dated June 24, 2009, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council") (the "Loan Agreement"); and
- (4) Executed opinion of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Bonds.

You are hereby requested and authorized to deliver the Series 2009 A Bonds to the Authority upon payment to the Issuer of the sum of \$142,029, representing a portion of the

principal amount of the Series 2009 A Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

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Dated as of the day and year first written above.

BRANCLAND-MIDKIFF PUBLIC SERVICE
DISTRICT

By: Harold R. Smith
Its: Chairman

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2009 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1

\$4,100,000

KNOW ALL MEN BY THESE PRESENTS: That on this the 24th day of June, 2009, BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Lincoln and Wayne Counties 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 FOUR MILLION ONE HUNDRED THOUSAND DOLLARS (\$4,100,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2010, to and including June 1, 2049 as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated June 24, 2009.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of improvements and extensions to the existing public waterworks system of the Issuer (the "Project"); (ii) to fund the Series 2009 A Bonds Reserve Account; and (iii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Resolution duly adopted by the Issuer on June 22, 2009, and a Supplemental Resolution duly adopted by the Issuer on June 22, 2009 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds

would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S WATER REVENUE BONDS, SERIES 1998 (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 29, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,280,000 (THE "SERIES 1998 BONDS" OR THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2009 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2009 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2009 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

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

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

[SEAL]

Handwritten signature
SPECIMEN
Chairman

ATTEST:

Handwritten signature
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2009 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: June 24, 2009.

THE HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

Handwritten signature
SPECIMEN

EXHIBIT A
RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$142,029	June 24, 2009	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL \$ _____

EXHIBIT B

DEBT SERVICE SCHEDULE

BOND DEBT SERVICE
 Branchland Midkiff PSD
 0% Interest Rate
 40 Years from Closing Date

Dated Date 6/24/2009
 Delivery
 Date 6/24/2009

Period Ending	Principal	Interest	Debt Service
6/24/2009			
12/1/2010	26,452.		26,452.
3/1/2011	26,452.		26,452.
6/1/2011	26,452.		26,452.
9/1/2011	26,452.		26,452.
12/1/2011	26,452.		26,452.
3/1/2012	26,452.		26,452.
6/1/2012	26,452.		26,452.
9/1/2012	26,452.		26,452.
12/1/2012	26,452.		26,452.
3/1/2013	26,452.		26,452.
6/1/2013	26,452.		26,452.
9/1/2013	26,452.		26,452.
12/1/2013	26,452.		26,452.
3/1/2014	26,452.		26,452.
6/1/2014	26,452.		26,452.
9/1/2014	26,452.		26,452.
12/1/2014	26,452.		26,452.
3/1/2015	26,452.		26,452.
6/1/2015	26,452.		26,452.
9/1/2015	26,452.		26,452.
12/1/2015	26,452.		26,452.
3/1/2016	26,452.		26,452.
6/1/2016	26,452.		26,452.
9/1/2016	26,452.		26,452.
12/1/2016	26,452.		26,452.
3/1/2017	26,452.		26,452.
6/1/2017	26,452.		26,452.
9/1/2017	26,452.		26,452.
12/1/2017	26,452.		26,452.
3/1/2018	26,452.		26,452.
6/1/2018	26,452.		26,452.
9/1/2018	26,452.		26,452.
12/1/2018	26,452.		26,452.
3/1/2019	26,452.		26,452.
6/1/2019	26,452.		26,452.
9/1/2019	26,452.		26,452.
12/1/2019	26,452.		26,452.
3/1/2020	26,452.		26,452.
6/1/2020	26,452.		26,452.
9/1/2020	26,452.		26,452.
12/1/2020	26,452.		26,452.
3/1/2021	26,452.		26,452.
6/1/2021	26,452.		26,452.
9/1/2021	26,452.		26,452.

BOND DEBT SERVICE
 Branchland Midkiff PSD
 0% Interest Rate
 40 Years from Closing Date

Period Ending	Principal	Interest Debt Service
12/1/2021	26,452.	26,452.
3/1/2022	26,452.	26,452.
6/1/2022	26,452.	26,452.
9/1/2022	26,452.	26,452.
12/1/2022	26,452.	26,452.
3/1/2023	26,452.	26,452.
6/1/2023	26,452.	26,452.
9/1/2023	26,452.	26,452.
12/1/2023	26,452.	26,452.
3/1/2024	26,452.	26,452.
6/1/2024	26,452.	26,452.
9/1/2024	26,452.	26,452.
12/1/2024	26,452.	26,452.
3/1/2025	26,452.	26,452.
6/1/2025	26,452.	26,452.
9/1/2025	26,452.	26,452.
12/1/2025	26,452.	26,452.
3/1/2026	26,452.	26,452.
6/1/2026	26,452.	26,452.
9/1/2026	26,452.	26,452.
12/1/2026	26,452.	26,452.
3/1/2027	26,452.	26,452.
6/1/2027	26,452.	26,452.
9/1/2027	26,452.	26,452.
12/1/2027	26,452.	26,452.
3/1/2028	26,452.	26,452.
6/1/2028	26,452.	26,452.
9/1/2028	26,452.	26,452.
12/1/2028	26,452.	26,452.
3/1/2029	26,452.	26,452.
6/1/2029	26,452.	26,452.
9/1/2029	26,452.	26,452.
12/1/2029	26,452.	26,452.
3/1/2030	26,452.	26,452.
6/1/2030	26,452.	26,452.
9/1/2030	26,452.	26,452.
12/1/2030	26,452.	26,452.
3/1/2031	26,452.	26,452.
6/1/2031	26,452.	26,452.
9/1/2031	26,452.	26,452.
12/1/2031	26,452.	26,452.
3/1/2032	26,452.	26,452.
6/1/2032	26,452.	26,452.
9/1/2032	26,452.	26,452.
12/1/2032	26,452.	26,452.
3/1/2033	26,452.	26,452.
6/1/2033	26,452.	26,452.
9/1/2033	26,452.	26,452.
12/1/2033	26,452.	26,452.

BOND DEBT SERVICE
 Branchland Midkiff PSD
 0% Interest Rate
 40 Years from Closing Date

Period Ending	Principal	Interest Debt Service
3/1/2034	26,452.	26,452.
6/1/2034	26,451.	26,451.
9/1/2034	26,451.	26,451.
12/1/2034	26,451.	26,451.
3/1/2035	26,451.	26,451.
6/1/2035	26,451.	26,451.
9/1/2035	26,451.	26,451.
12/1/2035	26,451.	26,451.
3/1/2036	26,451.	26,451.
6/1/2036	26,451.	26,451.
9/1/2036	26,451.	26,451.
12/1/2036	26,451.	26,451.
3/1/2037	26,451.	26,451.
6/1/2037	26,451.	26,451.
9/1/2037	26,451.	26,451.
12/1/2037	26,451.	26,451.
3/1/2038	26,451.	26,451.
6/1/2038	26,451.	26,451.
9/1/2038	26,451.	26,451.
12/1/2038	26,451.	26,451.
3/1/2039	26,451.	26,451.
6/1/2039	26,451.	26,451.
9/1/2039	26,451.	26,451.
12/1/2039	26,451.	26,451.
3/1/2040	26,451.	26,451.
6/1/2040	26,451.	26,451.
9/1/2040	26,451.	26,451.
12/1/2040	26,451.	26,451.
3/1/2041	26,451.	26,451.
6/1/2041	26,451.	26,451.
9/1/2041	26,451.	26,451.
12/1/2041	26,451.	26,451.
3/1/2042	26,451.	26,451.
6/1/2042	26,451.	26,451.
9/1/2042	26,451.	26,451.
12/1/2042	26,451.	26,451.
3/1/2043	26,451.	26,451.
6/1/2043	26,451.	26,451.
9/1/2043	26,451.	26,451.
12/1/2043	26,451.	26,451.
3/1/2044	26,451.	26,451.
6/1/2044	26,451.	26,451.
9/1/2044	26,451.	26,451.
12/1/2044	26,451.	26,451.
3/1/2045	26,451.	26,451.
6/1/2045	26,451.	26,451.
9/1/2045	26,451.	26,451.
12/1/2045	26,451.	26,451.
3/1/2046	26,451.	26,451.

BOND DEBT SERVICE
Branchland Midkiff PSD
0% Interest Rate
40 Years from Closing Date

<u>Period</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
6/1/2046	26,451.		26,451.
9/1/2046	26,451.		26,451.
12/1/2046	26,451.		26,451.
3/1/2047	26,451.		26,451.
6/1/2047	26,451.		26,451.
9/1/2047	26,451.		26,451.
12/1/2047	26,451.		26,451.
3/1/2048	26,451.		26,451.
6/1/2048	26,451.		26,451.
9/1/2048	26,451.		26,451.
12/1/2048	26,451.		26,451.
3/1/2049	26,451.		26,451.
6/1/2049	26,452.		26,452.
	<u>4,100,000.</u>		<u>4,100,000.</u>

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint
_____, Attorney to transfer the said Bond on the books
kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

In the presence of:



**STEP TOE &
JOHNSON**
P L L C
ATTORNEYS AT LAW

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

Writer's Contact Information

June 24, 2009

Branchland-Midkiff Public Service District
Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

Branchland-Midkiff Public Service District
Branchland, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs
Development Council
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Branchland-Midkiff Public Service District (the "Issuer"), a public service district, public corporation and political subdivision created and existing under the laws of the State of West Virginia, of its \$4,100,000 Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated June 24, 2009, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2010, to and including June 1, 2049, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of improvements and extensions to the existing public waterworks system of the

Issuer (the "Project"); (ii) funding the Series 2009 A Bonds Reserve Account; and (iii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Resolution duly adopted by the Issuer on June 22, 2009, as supplemented by a Supplemental Resolution duly adopted by the Issuer on June 22, 2009 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

1. The Issuer is a duly created and validly existing public service district, public corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt the Bond Legislation and to issue and sell the Bonds, all under the Act and other applicable provisions of law.

2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and the Council and cannot be amended by the Issuer so as to affect adversely the rights of the Authority and the Council or diminish the obligations of the Issuer without the written consent of the Authority and the Council.

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

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's: Water Revenue Bonds, Series 1998 (West Virginia Infrastructure Fund), dated July 29, 1998, issued in the original aggregate principal amount of \$1,280,000 (the "Series 1998 Bonds" or the "Prior Bonds"), all in accordance with the terms of the Bonds and the Bond Legislation.

5. The Bonds are, under the Act, exempt from taxation by the State of West Virginia and the other taxing bodies of the State, and the interest on the Bonds, if any, is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

6. The Bonds have not been issued on the basis that the interest, if any, thereon is or will be excluded from the gross income of the owners thereof for federal income tax purposes. We express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Bonds.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Loan Agreement and the Bond Legislation, and the liens and pledges set forth therein, may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion and the application of equitable remedies in appropriate cases.

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

Very truly yours,



STEPHENS & JOHNSON PLLC

06.17.09
260730.00002

Ronald J. Flora

ATTORNEY AT LAW
1115 SMITH STREET
MILTON, WEST VIRGINIA 25541

(304) 743-5354
FAX (304) 743-4120
E-MAIL: lawro77@aol.com

Jennifer R. Smith / C.L.A.

June 24, 2009

Branchland-Midkiff Public Service District
Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

Branchland-Midkiff Public Service District
Branchland, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs
Development Council
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to Branchland-Midkiff Public Service District, a public service district, in Lincoln and Wayne Counties, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a loan agreement for the Series 2009 A Bonds dated June 24, 2009, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), the Bond Resolution duly adopted by the Issuer on June 22, 2009, as supplemented by the Supplemental Resolution duly adopted by the Issuer on June 22, 2009 (collectively, the "Bond Legislation"), orders of The County Commission of Lincoln County relating to the Issuer and the appointment of members of the Public Service Board of the Issuer, and other documents, papers, agreements, instruments and certificates relating to the above-captioned Bonds of the Issuer (collectively, the "Bonds"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreement when used herein.

I am of the opinion that:

1. The Issuer is duly created and validly existing as a public service district and as a public corporation and political subdivision of the State of West Virginia.
2. The Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, 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 Bond Legislation has been duly adopted by the Issuer and is in full force and effect.

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

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

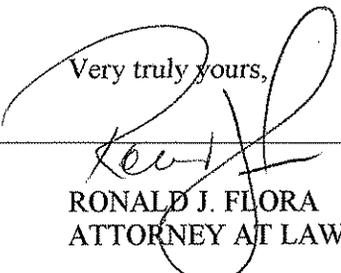
7. To the best of my knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Loan Agreement, the Bond Legislation, the acquisition and construction of the Project, the operation of the System, the validity of the Bonds or the collection or pledge of the Net Revenues therefor.

8. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders, certificates and approvals from The County Commission of Lincoln County, the Bureau for Public Health, the Council and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges. The Issuer has received a Recommended Decision of the Public Service Commission of West Virginia dated March 15, 2007, which became Final Order on April 4, 2007, in Case No. 06-1864-PWD-CN, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project, approving the financing for the Project and approving the rates for the System. The time for appeal of such Final Order has expired prior to the date hereof without any appeal. Such Order remains in full force and effect.

9. Prior to the execution of construction contracts by the Issuer, I will verify that all successful bidders have made the required provisions for all insurance and payment and performance bonds and I will verify such insurance policies and bonds for accuracy. Prior to the execution of construction contracts by the Issuer, I will review the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, and verify that such surety bonds and policies (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interests of the Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act, the Bond Legislation and the Loan Agreements; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

Very truly yours,



RONALD J. FLORA
ATTORNEY AT LAW

06.17.09
260730.00002

Ronald J. Flora

ATTORNEY AT LAW
1115 SMITH STREET
MILTON, WEST VIRGINIA 25541

(304) 743-5354
FAX (304) 743-4120
E-MAIL: lawro77@aol.com

Jennifer R. Smith / C.L.A.

FINAL TITLE OPINION

June 24, 2009

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Re: Branchland Midkiff Public Service District

Dear Ladies & Gentlemen:

This firm represents Branchland Midkiff Public Service District (the "District") with regard to a proposed project to construct additions and improvements to its water distribution system, consisting of water lines in Lincoln and Wayne Counties to serve the Route 37, Roy Branch, Lick Branch, Sulphur Springs and Steer Fork areas including booster station and water storage tank improvements, together with all appurtenant facilities (the "Project"), and provides this final title opinion on behalf of the District to satisfy the requirements of the West Virginia Infrastructure and Jobs Development Council (the "Council") with regard to the financing proposed for the Project. Please be advised of the following:

1. That I am of the opinion that the Branchland Midkiff Public Service District is a duly created and existing public service district possessed with all the powers and authority granted to public service districts under the laws of the State of West Virginia and has the full power and authority to construct, operate and maintain the Project as approved by the Bureau for Public Health.

2. That the District has obtained approval for all necessary permits and approvals for the construction of the Project.

3. That I have investigated and ascertained the location of and am familiar with the legal description of the necessary sites, including easements and/or rights of way, required for the Project as set forth in the plans for the Project prepared by Triad Engineering, Inc, the consulting engineers for the Project.

4. That I have examined the records on file in the Offices of the Clerk of the County Commission of Lincoln County, West Virginia, and the Clerk of the County Commission of Wayne County the counties in which the Project is to be located, and, in my opinion, the District has acquired legal title or such other estate or interest in the

June 24, 2009
Page Two

necessary site components for the Project sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the facilities to be constructed [, **except and subject to the following:**

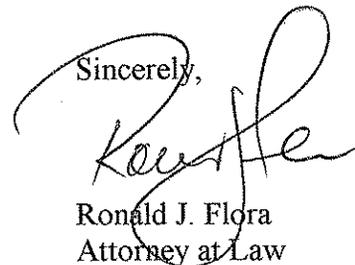
The following listed properties are being acquired by eminent domain and the necessary filings have been made [or will be made prior to closing] in the Office(s) of the Clerk of the County Commission of [applicable county(ies)], West Virginia to permit the District a right-of-entry for the purpose of construction, operation and maintenance of the subject facilities on the subject properties. The District's title thereto is defeasible in the event the District does not satisfy any resulting judgment and/or award in the proceedings for acquisition of said properties, and our certification is subject to the pending litigation:]

The fee simple acquisitions namely; Lindsey and Jacqueline Napier, Hatfield Properties, LLC and Becky Williamson Hamill are the subject of Sales Agreements. These properties will be acquired per the terms of the Sales Agreements as soon as the funds are available to the District to purchase the same. The Hatfield Properties, LLC, tract is to be purchased for the sum of \$1.00. However, a Partial Release will need to be obtained from the current lienholder.

See attached list

5. That all deeds or other documents which have been acquired to date by the District have been duly recorded in the aforesaid Clerk's Office(s) in order to protect the legal title to and interest of the District.

Sincerely,



Ronald J. Flora
Attorney at Law

EXHIBIT "A"

C. EXCEPTIONS:

Condemnations

1.	Vernon McCoy Estate- Linc Co	Civil Action No. 09-C-66	Right-of-Entry Order
2.	Hurston McCoy Estate- Wayne Co	Civil Action No. 09-C-113	Right-of-Entry Order
3.	Ova Neace Estate -Linc Co	Civil Action No. 09-C-64	Right-of-Entry Order
4.	Marshall Headly heirs - Linc Co	Civil Action No. 09-C-65	Right-of-Entry Order
5.	Norma Stanley - Linc Co	Civil Action No. 09-C-63	Right-of-Entry Order
6.	Charles Nelson - Wayne Co	Civil Action No. 09-C-111	Right-of-Entry Order
7.	Freda and Alfred Dyer -Wayne Co	Civil Action No. 09-C-112	Right-of-Entry Order
8.	Dale & Jewell Maynard -Wayne Co	Civil Action No. 09-F-114	Right-of-Entry Order

**BRANCHLAND-MIDKIFF PSD EASEMENTS ACQUIRED
AND SEARCHED**

	NAME	TAX MAP/PARCEL	BOOK/PAGE
Orange Files			
1.	James & Brenda McNeely	TM 21, PCL 43.3	37/156
2.	Clarence R. Cyfers	TM 21, PCL 65.1	37/159
3.	Robert L. Manns	TM 21, PCL 54.1	37/288
4.	Dottie L. Adkins	TM 21, PCL 43.1	37/162
5.	Robert & Beverly Richmond	TM 21, PCL 63.2	37/165
6.	Gary & Dorothy Street	TM 21, PCL 44	37/168
7.	Ruby Smith	TM 21, PCL 64.1	37/171
8.	Audrey Dean (Beverly Richmond)		37/303
<hr/>			
Red Files			
1.	Weldon & Becky Harless	TM 6, PCL 60	37/225
2.	Weldon & Becky Harless		37/222
3.	Wetzel Lusher (Mildred Lusher, George Lusher et al	TM 19, PCL 35	37/153
Green Files			
1.	Melissa Vinson	TM19, PCL 6.2	37/174
2.	James & Sue Burton	TM 15, PCL 87.1	37/27
3.	Eugene Cochran	TM 19, PCL 10.1	37/306
4.	Vernon M. Eplin	TM 19, PCL 5.6	37/177
5.	Vernon M. Eplin	TM 19, PCL 5.7	37/177
6.	Tammy L. Adkins	TM 19, PCL 5.1	37/183
7.	Tammy L. Adkins		37/186 37/494
8.	Angela Nelson	TM 19, PCL 10.2	37/189
9.	Frederick & Shelia Harris	TM 19, PCL 10	37/195
10.	Delmer Harris		37/192
11.	Hazel & Ivan Plumley	TM 19, PCL 7	37/66
12.	Hazel Plumley		37/198
13.	Raymond & Myra Roy	TM 19, PCL 6.4	37/309
14.	Donald & Glenna Roy	TM 19, PCL 6.6	37/33
15.	Donald & Charlotte Roy	TM 19, PCL 6.5	37/30
16.	Charles & Betty Thacker	TM19, PCL 5.5	37/201
17.	Charles & Betty Thacker	TM19, PCL 5.8	37/204

18.	Mildred Thacker	TM 19, PCL 6.1	37/207
19.	Betty Jo & James Edward Vinson	TM 19, PCL 7.1	37/210
20.	James & Candace Vinson	TM 19, PCL 6.7	37/213
21.	Herbert & Cathy Thacker	TM 19, PCL 5.9	37/36

Yellow Files

1.	Charles & Linda Hager	TM 25, PCL 23	37/72
2.	Donald & Jackie Caldwell	TM 25, PCL 47	37/261
3.	James and Linda Clevinger	TM 24, PCL 10.0002	37/312
4.	Randy & Phyllis Berry	TM 25, PCL 41	37/264
5.	Anna L. Bell	TM 25, PCL 23.0004	37/243
6.	Philip & Carolyn Adkins	TM 25, PCL 44.0001	663/250
7.	Thurman Caldwell, Jr.	TM 25, PCL 47.0002	37/75
8.	Jerry & Edith Pack	TM 25, PCL 56.1	37/78
9.	Walter & Susan Neace	TM 25, PCL 52	37/81
10.	Walter & Susan Neace	TM 25, PCL 53	37/84
11.	Walter Neace	TM 21, PCL 59	37/87
12.	Walter Neace		37/90
13.	Walter Neace		37/93
14.	James & Sallie Neace	TM 25, PCL 22	37/96
15.	Clifton & Chyrl Smith	TM 25, PCL 16	37/267
16.	Fred & Angeline Sias	TM 25, PCL 41.0008	37/99
17.	Gloria Triplett	TM 25, PCL 4.0002	37/102
18.	Ricky & Tonya Nelson	TM 25, PCL 55.1	37/135
19.	Ronald & Paula Nelson	TM 25, PCL	37/141
20.	Mabel Godby		37/132
21.	Virgil & Judith Nance	TM 25, PCL 56.4	37/273
22.	William Neace	TM 25, PCL 56.3	37/270
23.	James Ramey	TM 24, PCL 11.4	37/219
24.	Joeann Ramey (Life)	TM 25, PCL 40	37/276
25.	Evelyn Smith	TM 25, PCL 39.1	37/105
26.	Herbert Spaulding & Mildred Adkins	TM 25, PCL 4	37/108
27.	Herbert Spaulding & Mildred Adkins		37/111
28.	Bobbie & Bonnie Tomblin	TM 25, PCL 67	37/234
29.	Lonnie & Carolyn Neace	TM 25, PCL 55	37/297
30.	Violet & Thomas Neace	TM 25, PCL 3	37/114
31.	Robert & Marie Dean	TM 29, PCL 20	37/39
32.	William & Annabel Cyfers	TM 21, PCL 42.1	37/249
33.	Ben Dean	TM 25, PCL 65	37/252
34.	Danny Dean	TM 25, PCL 64, 67	37/42
35.	Howard & Emma Dyer	TM 25, PCL 42, 54	37/45
36.	Howard & Emma Dyer		37/144
37.	Dennis & Dorothy Cyfers	TM 25, PCL 58	37/246

38.	Ronald Collins	TM 25, PCL 24.5	37/48
39.	Patricia Wentz	TM 25, PCL 69	37/117
40.	Patricia Wentz		37/120
41.	Ward & Patricia Wentz	TM 25, PCL 71	37/123
42.	Gladys F. Crawford	TM 25, PCL 60.2	37/51
43.	Harold Adkins, Jr., Shirley & Lisa	TM 25, PCL 62.1	37/291
44.	Jesse & Teresa A. Willimson	TM 21, PCL 72	37/216
45.	Boyd & Jennifer Wiley	TM	37/255
46.	Geneva Wall	TM 24, PCL 7.14	37/54
47.	Ronald & Florene Wiley	TM 30, PCL 3	37/258
48.	Harold & Donna Adkins	TM 25, PCL 59	37/57
49.	David & Diana Vance	TM 29, PCL 11	37/60
50.	William Toppings	TM 21, PCL 52	37/63
51.	Irvin & Judy Wiley	TM 6, PCL 56	37/69
52.	Timber & Land Assoc	TM 25, PCL 72, 73	37/300
53.	Briget Meeks	TM 25, PCL 24.7'	37/279
54.	Trena Lucas	TM 25, PCL 70	37/150
55.	Charles R. Zettlemoyer	TM 18, PCL 4, 8, 12	37/147
56.	Gary & Sandra Hayes	TM ____, PCL ____	37/240
57.	Shirley Maynard	TM 25, PCL 55.2	37/129
58.	Robert & Dorene Hatfield	TM 25, PCL 51	37/126
59.	Willie McClellan	TM 25, PCL 41.1	37/282
60.	Michael Frailey	TM 24, PCL 6	37/285
61.	Kathy A. Burton		37/237
62.	Terry & Linda Cyfers		37/315
63.	Jackie & Lois Wiley		37/318
64.	Dennis Adkins		37/294

Blue Files (Wayne Co)

1.	Dale Marcum		661/848
2.	James & Patricia Dyer	TM 37, PCL 14.1	661/857
3.	James & Patricia Dyer	TM 37, PCL 4	661/854
4.	James & Patricia Dyer		661/851
5.	Rosa Lee Adkins	TM 37, PCL 3.0004	661/782
6.	Elijah & Millie Brooks	TM 37, PCL 19.002	661/785
7.	Elsie Maynard	TM 37, PCL 15	662/179
8.	Howard & Nova Robertson	TM 33, PCL 22	661/788
9.	Charles E. & Herman Robertson	TM 38, PCL 5.0001	661/821
10.	Virgil E. & Leva Neace	TM 33, PCL 22	661/797
11.	Virgil & Eddie Neace		661/794
12.	Virgil & Eddie Neace		661/791
13.	Pamela L. Davis	TM 38, PCL 3.0001	661/839
14.	Richard W. McKosch	TM 38, PCL 11	661/800
15.	Charles & Paula Nelson	TM 37, PCL 4.0001	661/804

16.	Kenneth Ray Ross	TM 37, PCL 51	661/807
17.	John & Linda Ross	TM 37, PCL 51.0002	661/811
18.	Millie Ross	TM 33, PCL 20	661/814
19.	Lindsey & Jacqueline Napier	TM 38, PCL 15	661/818
20.	Lindsey and Jacqueline Napier	TM 33, PCL 21.2	662/182
	Lindsey and Jacqueline Napier		37/349
21.	Leah D. Ross Morris	TM 37, PCL 17	661/824
22.	Luther & Martha Napier	TM 38, PCL 7	661/827
23.	Gwendolyn Wiley	TM 33, PCL 12	662/185
24.	Todd & Theresa Marcum	TM 33, PCL 22.0002	661/830
25.	Freddie N. Elkins, Jr.	TM 38, PCL 6	661/833
26.	Paul & Ida Tabor (Tomblin)	TM 33, PCL 23	662/176
27.	Earl R. & Julia McCoy	TM 37, PCL 7	661/836
28.	Roger L. & LaVonna Napier	TM 33, PCL 21.0001	661/842
29.	Bernard & Nella Toppings	TM 37, PCL 51.0003	661/845
30.	Dewey Pack	TM 44, PCL 23.3	662/152
31.	Claude Toppins		663/247
32.	Joe and Jean Olsen		662/188
33.	Kenneth and Phyllis Cook	TM 37, PCL 19	663/334

Yellow Files (Wayne Co)

1.	Robin Adkins	TM 38, PCL 4.0002	662/155
2.	Brookie McCoy	TM 37, PCL 10	662/158
3.	Johnny & Verenia Abbott	TM 33, PCL 8	662/161
4.	Lige Williamson	TM 37, PCL 3	662/164
5.	Lige Williamson	TM 33, PCL 16	662/167
6.	Darryl G. McCoy	TM 38, PCL 17	662/170
7.	Pete & Frances Burgess	TM 37, PCL 51	662/173
8.	Travis & Edith Dalton	TM 38, PCL 18	664/463
9.	Allen & Phyllis Maynard	TM 38, PCL 18	664/466
10.	Freeda Dyer	TM 37, PCL 14	664/460
11.	Kenneth R. Collins, et al	TM 43, PCL 30	664/469
12.	Kenneth R. Collins, et al	TM 43, PCL 30	664/472
13.	Kenneth R. Collins, et al	TM 43, PCL 30	664/475

Tank Sites

1.	Lindsey & Jacqueline Napier	TM 38, PCL 12
2.	Hatfield Properties, LLC	TM 25, PCL 51
3.	Becky Williamson (Hamill)	TM 11, PCL 49

BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT

**Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)**

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

We, the undersigned CHAIRMAN and the undersigned SECRETARY of the Public Service Board of Branchland-Midkiff Public Service District in Lincoln and Wayne Counties, West Virginia (the "Issuer"), and the undersigned COUNSEL TO THE ISSUER, hereby certify on this the 24th day of June, 2009, in connection with the Issuer's Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated the date hereof (collectively, the "Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond Resolution of the Issuer duly adopted June 22, 2009, and the Supplemental Resolution duly adopted June 22, 2009 (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, the acquisition or construction of the Project, the operation of the System, the receipt of the Net Revenues, or in any way contesting or affecting the validity of the Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or application of the Net Revenues or any other moneys or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, the pledge or application of moneys and security or the collection of the Gross Revenues or the pledge of the Net Revenues as security for the Bonds.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable and necessary approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Bonds have been duly and timely obtained and remain in full force and effect. Competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the West Virginia Code of 1931, as amended, which bids remain in full force and effect.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the approval, execution and delivery by the Issuer of the Loan Agreement, and the Issuer has met all conditions prescribed in the Loan Agreement. The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete the Project.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2009 A Bonds as to liens, pledge and source of and security for payment, being the Issuer's Water Revenue Bonds, Series 1998 (West Virginia Infrastructure Fund), dated July 29, 1998, issued in the original aggregate principal amount of \$1,280,000 (the "Series 1998 Bonds" or the "Prior Bonds").

The Series 2009 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all respects. The Issuer has obtained (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2009 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the covenants of the Prior Bonds and the Prior Resolutions.

5. CERTIFICATION OF COPIES OF DOCUMENTS: The copies of the below-listed documents hereto attached or delivered herewith or heretofore delivered are true,

correct and complete copies of the originals of the documents of which they purport to be copies, and such original documents are in full force and effect and have not been repealed, rescinded, amended, supplemented or changed in any way unless modification appears from later documents also listed below:

Bond Resolution

Supplemental Resolution

Series 2009 A Bond Loan Agreement

Public Service Commission Orders

Infrastructure and Jobs Development Council Approval

County Commission Orders Creating, Enlarging the Boundaries of, and Merging other Districts into, the District and Public Service Commission Order relating thereto

County Commission Orders Appointing Current Boardmembers

Oaths of Office of Current Boardmembers

Rules of Procedure

Minutes on Organizational Meeting

Minutes on Adoption of Bond Resolution, Supplemental Resolution

Environmental Health Services Permit

Evidence of Insurance

Prior Bond Resolutions

WDA Consent to Parity

Infrastructure Fund Grant Agreement

Evidence of Rockspring Development, Inc Contribution

Evidence of United States Department of Agriculture Grant

Evidence of Wayne County Commission Grant

Evidence of Lincoln County Commission Grant

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

<u>Name</u>	<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
Ron Lucas	January 1, 2006	December 31, 2009
Alfred Abshire	January 1, 2006	December 31, 2011
Harold Smith	January 1, 2005	December 31, 2010

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 2009 are as follows:

Chairperson	-	Harold Smith
Secretary	-	Alfred Abshire

The duly appointed and acting counsel to the Issuer is Ron Flora, Esquire, in Milton, West Virginia.

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

8. **MEETINGS, ETC.:** All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with

the issuance of the Bonds and the acquisition, construction, operation and financing of the Project and the System were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including, particularly and without limitation, Chapter 6, Article 9A of the West Virginia Code of 1931, as amended, and a quorum of duly elected or appointed, as applicable, qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

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

10. LOAN AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement is 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 all covenants, terms and representations in the Loan Agreement.

11. RATES: The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on March 15, 2007 which became Final Order on April 4, 2007, Commission Order dated February 5, 2009 and Commission Order dated April 10, 2009, in Case No. 06-1864-PWD-CN, approving the rates and charges for the services of the System, and has adopted a resolution prescribing such rates and charges. The time for appeal of such Final Order has expired prior to the date hereof without any appeal. Such Final Order remains in full force and effect. The rates are currently in effect.

12. PUBLIC SERVICE COMMISSION ORDERS: The Issuer has received the Final Order and the Commission Order of the Public Service Commission of West Virginia entered on March 15, 2007 which became Final Order on April 4, 2007, Commission Order dated February 5, 2009 and Commission Order dated April 10, 2009, in Case No. 06-1864-PWD-CN, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of such Final Order has expired prior to the date hereof without any appeal. The Order is in full force and effect.

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

14. BOND PROCEEDS: On the date hereof, the Issuer also received \$142,029 from the Authority and the Council, being a portion of the principal amount of the Series 2009 A Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

~~15. PUBLICATION OF NOTICE OF PSC FILING: The Issuer has published any required notice with respect to, among other things, the acquisition and construction of the Project, anticipated user rates and charges, the issuance of the Bonds and filing of a formal application for a certificate of public convenience and necessity with the Public Service Commission of West Virginia.~~

16. SPECIMEN BONDS: Delivered concurrently herewith is a true and accurate specimen of the Bonds.

17. CONFLICT OF INTEREST: No member, officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Bonds, the Bond Legislation and/or the Project, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

18. PROCUREMENT OF ENGINEERING SERVICES: The Issuer has complied in all respects with the requirements of Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended, in the procurement of engineering services to be paid from proceeds of the Bonds.

19. 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.

WITNESS our signatures and the official seal of BRANCLAND-MIDKIFF
PUBLIC SERVICE DISTRICT on this day and year first written above.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

Harold R. Smith

Chairman

Alfred Akhmed

Secretary

Counsel to Issuer

06.17.09
260730.00002

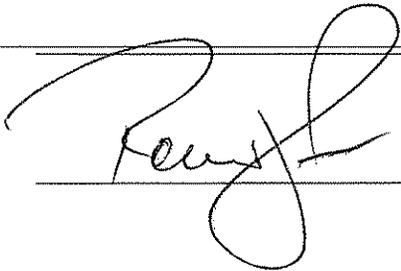
WITNESS our signatures and the official seal of BRANCLAND-MIDKIFF
PUBLIC SERVICE DISTRICT on this day and year first written above.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

Chairman



Secretary

Counsel to Issuer

06.17.09
260730.00002

BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

CERTIFICATE OF ENGINEER

I, Jack Ramsey, P.E., Registered Professional Engineer, West Virginia License No.014749, of Triad Engineering, Inc., St. Albans, West Virginia, hereby certify on this 24th day of June, 2009 as follows:

1. My firm is engineer for the acquisition and construction of certain improvements and extensions (the "Project") to the existing public waterworks facilities (the "System") of Branchland-Midkiff Public Service District (the "Issuer") to be constructed in Lincoln and Wayne Counties, West Virginia, which acquisition and construction are being financed in part by the proceeds of the above-captioned bonds (collectively, the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Resolution adopted by the Issuer on June 22, 2009, as supplemented by Supplemental Resolution duly adopted by the Issuer on June 22, 2009, and the Loan Agreement for the Series 2009 A Bonds, by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), dated June 22, 2009 (the "Loan Agreement").

2. The Series 2009 A Bonds are being issued for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project; (ii) funding the Series 2009 A Bonds Reserve Account; and (iii) paying certain costs of issuance of the Bonds and related costs.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the West Virginia Bureau for Public Health ("BPH") and the Council and any change orders approved by the Issuer, the Council, the BPH and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least forty years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and the Issuer's counsel, Ron Flora, Esquire, has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds

have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the BPH and the bid forms provided to the bidders contain the 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 the operation of the System; (ix) in reliance upon the certificate of the Issuer's certified public accountant, Griffith & Associates, as of the effective date thereof, the rates and charges for the System as approved by the Public Service Commission of West Virginia and 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 approved by the BPH; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

4. The Project will serve 246 customers in the Roys Branch Road, Lick Branch Road, Sulphur Spring Fork, Steer Fork and Wade Adkins Road areas along Route 37.

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WITNESS my signature and seal on day and year first written above.

TRIAD ENGINEERING, INC.

(SEAL)

Jack E. Ramsey

Jack Ramsey, P.E.
West Virginia License No. 014749



06.17.09
260730.00002

**WEST VIRGINIA INFRASTRUCTURE
SCHEDULE B
BRANCHLAND MIDKIFF PSD
WATER PROJECT**

June 1, 2009

A. COST OF PROJECT	TOTAL	IJDC	USDA	Lincoln Co	Coal Co
1 Construction					
Contract 1	1,423,029.00	843,729.00	329,300.00	175,000.00	75,000.00
Contract 2	2,159,735.99	2,159,735.99	0.00	0.00	0.00
Contract 3	568,070.00	568,070.00	0.00	0.00	0.00
Contract A	30,060.50	30,060.50	0.00	0.00	0.00
Contingency	613,751.75	498,751.75	115,000.00	0.00	0.00
2 Technical Services					
a. Planning	10,000.00	0.00	10,000.00	0.00	0.00
b. Design	251,000.00	0.00	251,000.00	0.00	0.00
c. Construction	197,700.00	0.00	197,700.00	0.00	0.00
3 Legal & Fiscal					
a. Legal	40,000.00	40,000.00	0.00	0.00	0.00
b. Accounting	35,000.00	35,000.00	0.00	0.00	0.00
4 Administrative	40,000.00	40,000.00	0.00	0.00	0.00
5 Sites & Other Lands	35,000.00	35,000.00	0.00	0.00	0.00
6 Project Contingency	50,800.00	50,800.00	0.00	0.00	0.00
7 Miscellaneous	19,544.76	19,544.76	0.00	0.00	0.00
8 TOTAL of Lines 1 through 7	5,473,692.00	4,320,692.00	903,000.00	175,000.00	75,000.00
B. COST OF FINANCING					
9 Funded Reserve	105,808.00	105,808.00	0.00	0.00	0.00
10 Registrar	500.00	500.00	0.00	0.00	0.00
11 Bond Counsel	20,000.00	20,000.00	0.00	0.00	0.00
12 Cost of Financing (Total Lines 9 through 11)	126,308.00	126,308.00	0.00	0.00	0.00
13 TOTAL PROJECT COST line 8 plus line 12	5,600,000.00	4,447,000.00	903,000.00	175,000.00	75,000.00
C. SOURCES OF OTHER FUNDS					
14 Federal Grant (USDA)	903,000.00	0.00	903,000.00	0.00	0.00
15 State Grant (IJDC)	347,000.00	347,000.00	0.00	0.00	0.00
16 Other Grant (County)	175,000.00	0.00	0.00	175,000.00	0.00
17 Any Other Source	75,000.00	0.00	0.00	0.00	75,000.00
18 TOTAL GRANTS Lines 14 through 17	1,500,000.00	347,000.00	903,000.00	175,000.00	75,000.00
19 Size of Bond Issue	4,100,000.00	4,100,000.00	0.00	0.00	0.00

Harold R. Smith

Branchland Midkiff PSD

June 24, 2009
Date

Patricia M. Rowling

Engineer

June 24, 2009
Date



June 24, 2009

Branchland-Midkiff Public Service District
Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

Branchland-Midkiff Public Service District
Branchland, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure & Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the Recommended Decision of the Public Service Commission of West Virginia entered March 15, 2007 which became Final Order April 4, 2007, in Case No. 06-1864-PWD-CN and the current operation and maintenance expenses and customer usage as furnished to us by Branchland-Midkiff Public Service District (the "Issuer"), it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the waterworks system (the "System") of the Issuer, will pay all repair, operation and maintenance expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Issuer's Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund) (the "Bonds"), to be issued to the West Virginia Water Development Authority on the date hereof, and all other obligations secured by a lien on or payable from the revenues of the System, on a parity with the Bonds, including the Issuer's Water Revenue Bonds, Series 1998 (West Virginia Infrastructure Fund), dated July 29, 1998, issued in the original aggregate principal amount of \$1,280,000 (the "Series 1998 Bonds" or the "Prior Bonds").

It is further our opinion the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Series 2009 A Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Series 2009 A Bonds, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Prior Bonds and the Series 2009 A Bonds.

Very truly yours,

Michael D. Griffith, CPA
GRIFFITH & ASSOCIATES, PLLC

MDG/rm

Michael D. Griffith, CPA, AFI
michaelgriffithcpa@verizon.net

950 Little Coal River Road Alum Creek, WV 25003
Phone: (304) 756.3600 Facsimile: (304) 756.2911

BRANCLAND-MIDKIFF PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Chairman of the Public Service Board of Branchland-Midkiff Public Service District in Lincoln and Wayne Counties, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of \$4,100,000 Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), of the Issuer, dated June 24, 2009 (the "Bonds"), hereby certify this 24th day of June, 2009 as follows:

1. I am one of the officers of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Resolution duly adopted by the Issuer on June 22, 2009 and the Supplemental Resolution duly adopted by the Issuer on June 22, 2009 (collectively, the "Bond Resolution"), authorizing the Bonds.

2. This certificate may be relied upon as the certificate of the Issuer.

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on June 24, 2009, the date on which the Bonds are being physically delivered in exchange for an initial advance of the principal amount of the Series 2009 A Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

4. In the Bond Resolution pursuant to which the Bonds are issued, the Issuer has covenanted that it shall not take, or permit or suffer to be taken, any action with respect to Issuer's use of the proceeds of the Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (collectively, the "Code"), issued by the West Virginia Water Development Authority (the "Authority") or the West Virginia Infrastructure and Jobs Development Council (the "Council"), as the case may be, from which the proceeds of the Bonds are derived, to lose their status as tax-exempt bonds. The Issuer hereby covenants to take all actions necessary to comply with such covenant.

5. The Series 2009 A Bonds were sold on June 24, 2009, to the Authority, pursuant to a loan agreement dated June 24, 2009, by and between the Issuer and the Authority,

on behalf of the Council, for an aggregate purchase price of \$4,100,000 (100% of par), at which time, the Issuer received \$142,029 from the Authority and the Council, being the first advance of the principal amount of the Series 2009 A Bonds. No accrued interest has been or will be paid on the Series 2009 A Bonds. The balance of the principal amount of the Series 2009 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2009 A Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project; (ii) funding the Series 2009 A Bonds Reserve Account; and (iii) paying certain costs of issuance and related costs.

7. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before October 1, 2010. The acquisition and construction of the Project is expected to be completed by April 1, 2010.

8. The total cost of the Project is estimated at \$5,600,000. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 2009 A Bonds	\$4,100,000
Infrastructure Council Grant	\$347,000
Rockspring Development, Inc Contribution	\$75,000
United States Department of Agriculture Grant	\$ 903,000
Wayne County Commission Grant	\$ 5,000
Lincoln County Commission Grant	\$100,000
 Total Sources	 <u>\$5,600,000</u>

USES

Costs of Acquisition and Construction of the Project	\$5,473,692
Series 2009 A Bonds Reserve Account	\$105,808
Costs of Issuance	<u>\$20,500</u>
 Total Uses	 <u>\$5,600,000</u>

9. Pursuant to Article V of the Bond Resolution, the following special funds or accounts have been created or continued relative to the Series 2009 A Bonds:

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund;
- (3) Series 2009 A Bonds Construction Trust Fund;
- (4) Series 2009 A Bonds Sinking Fund; and
- (5) Series 2009 A Bonds Reserve Account.

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

(1) Series 2009 A Bond proceeds in the amount of \$-0- will be deposited in the Series 2009 A Bonds Sinking Fund as capitalized interest and applied to payment of interest on the Series 2009 A Bonds during acquisition and construction of the Project and for a period not to exceed six months following completion thereof.

(2) Series 2009 A Bonds proceeds in the amount of \$105,808 will be deposited in the Series 2009 A Bonds Reserve Account.

(3) The balance of the proceeds of the Series 2009 A Bonds will be deposited in the Series 2009 A Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Series 2009 A Bonds and related costs.

11. Monies held in the Series 2009 A Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 2009 A Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on monies in the Series 2009 A Bonds Sinking Fund and Series 2009 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2009 A Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Resolution.

12. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within nine (9) months of the date hereof.

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

14. With the exception of the amount deposited in the Series 2009 A Bonds Sinking Fund for payment of interest, if any, on the Bonds and the amount deposited in the Series 2009 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within fifteen (15) months from the date of issuance thereof.

15. The Issuer does not expect to sell or otherwise dispose of the Project in whole or in part prior to the last maturity date of the Bonds.

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

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

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

19. The original proceeds of the Bonds will not exceed the amount necessary for the purposes of the issue.

20. The Issuer shall use the Bond proceeds solely for the costs of the Project, and the Project will be operated solely for a public purpose as a local governmental activity of the Issuer.

21. The Bonds are not federally guaranteed.

22. The Issuer has retained the right to amend the Bond Resolution authorizing the issuance of the Bonds if such amendment is necessary to assure that the Bonds remain public purpose bonds.

23. The Issuer has either (a) funded the Series 2009 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due, on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2009 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2009 A Bonds Reserve Account hold an amount equal to the maximum amount of principal and interest which will mature and become due, respectively, on the Bonds in the then current or any succeeding year. Monies in the Series 2009 A Bonds Reserve Account and the Series 2009 A Bonds Sinking Fund will be used solely to pay principal of and interest on each series of the Bonds and will not be available to pay costs of the Project.

24. There are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Series 2009 A Bonds, (b) are to be sold pursuant to a common plan of financing together with the 2009 A Bonds 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 Bonds.

25. To the best of my knowledge, information and belief, there are no other facts, estimates and circumstances which would materially change the expectations herein expressed.

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

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

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

BRANCHLAND-MIDKIFF PUBLIC SERVICE
DISTRICT

By: Harold R. Smith
Its: Chairman

**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 25th day of June, 2007.

CASE NO. 07-0253-PWD-PC

LINCOLN COUNTY COMMISSION and
WAYNE COUNTY COMMISSION

Petition for consent and approval to enlarge the
boundaries of the Branchland-Midkiff Public Service District.

COMMISSION ORDER

BACKGROUND

On March 5, 2007, the Branchland-Midkiff Public Service District ("District") filed a "Petition for Approval of the Public Service Commission of West Virginia for Enlargement of Branchland-Midkiff Public Service District." According to the "Amended Petition of the Branchland-Midkiff Public Service District to Enlarge the Service Boundaries of Branchland-Midkiff Public Service District to Include a Portion of Wayne County, West Virginia Pursuant to West Virginia Code 16-13A-2" filed with the Wayne County Commission ("Wayne County") and Lincoln County Commission ("Lincoln County"), the District currently provides water service to 884 residential and commercial customers in Lincoln County, West Virginia. The District received funding commitments in the amount of \$4,600,000 to provide for an extension of water service to approximately 233 potential new customers in Lincoln and Wayne Counties, West Virginia. Approximately 98 of the potential new customers are residents of Wayne County, West Virginia, which lies outside of the current territory of the District.

By order entered January 22, 2007, Wayne County scheduled a public hearing on March 1, 2007, to discuss the District's proposed expansion. On March 5, 2007, the District filed, on behalf of Wayne County, an "Affidavit of Publication" from the *Wayne County News* evidencing publication of notice of the Wayne County public hearing. Additionally, the District filed an affidavit of posting evidencing posting on January 30, 2007, in five (5) conspicuous areas within the proposed enlargement and an order of Wayne County dated March 1, 2007, approving the proposed District expansion.

By order entered December 7, 2006, Lincoln County scheduled a public hearing on January 4, 2007, to discuss the District's proposed expansion. On March 5, 2007, the District filed, on behalf of Lincoln County, a copy of the "Affidavit of Publication" from *The Lincoln Journal* evidencing publication on December 13, 2006, of the Lincoln County public hearing. Additionally,

the District filed an affidavit of posting evidencing posting on December 18, 2006, in five (5) conspicuous areas within the proposed enlargement, the notice of January 4, 2007, public hearing and an order of the Lincoln County dated January 4, 2007, approving the proposed District expansion and describing in metes and bounds the proposed extension.

On March 22, 2007, the District filed an amended order of Lincoln County, including the signatures of all county commissioners approving the District's petition to enlarge.

On March 29, 2007, Commission Staff ("Staff") filed an "Initial and Final Joint Staff Memorandum." To be consistent with the Commission's decision in *Cabell County Commission*, Case No. 05-1019-PSD-PC (November 9, 2007), Staff recommended that notice of the proceeding before the Commission should be published and an opportunity to protest should be provided. Staff stated that if substantial protests are filed, then the Commission may determine that a hearing is necessary.

The Commission issued an Order on April 18, 2007, directing Wayne County and Lincoln County to publish a "Notice of Filing" indicating that this proceeding was currently before the Commission. Affidavits of publication were filed on May 14, 2007, evidencing publication in the *Wayne County News* on April 23, 2007, and *The Lincoln Journal* on April 25, 2007.

No protests were filed.

DISCUSSION

West Virginia Code §16-13A-2 establishes the requirements for modifying public service district boundaries. In accordance with that procedure, Wayne County and Lincoln County each issued an order approving the proposed District enlargement. However, no order of a county commission regarding public service district boundary modification can be effective without approval of the Commission.

The Commission has discretion to determine whether or not a hearing is needed in boundary modification cases. See, *W. Va. Code* § 16-13A-2. No protests have been received in response to the filing of this case or in response to the public notice published on April 23 and 25, 2007. Based upon the foregoing, the Commission scheduled a hearing in this matter.

Rule 8.4.a. of the Commission's *Rules for the Government of Water Utilities* ("Water Rules") states:

After public comment and hearing the Commission shall, by order, approve, disapprove or modify a county commission order creating, expanding, merging, consolidating, reducing or dissolving a public service district. In deliberating on approval, modification or disapproval the Commission may consider, among other things:

1. the public convenience and necessity;
2. the economic feasibility, including sources of funding, costs and related benefits of the county commission's order;
3. the adequacy of facilities;
4. other facilities in the area; and
5. other possible alternatives.

In light of these considerations and based upon the matters contained in the record and the Staff recommendation, the Commission will approve the revised boundary modifications enlarging the District as described in the petition filed herein.

FINDINGS OF FACT

1. On March 5, 2007, the District filed, on behalf of Wayne County and Lincoln County, a "Petition for Approval of the Public Service Commission of West Virginia for Enlargement of Branchland-Midkiff Public Service District," pursuant to *West Virginia Code* §16-13A-2.
2. After notice and hearing in the area affected, Wayne County and Lincoln County each issued an order approving the boundary modification.
3. Notice of the pendency of this proceeding at the Commission was published and the public was given an opportunity to protest.
4. No protests have been received.
5. Staff recommended that the boundary modifications, as described in the March 5, 2007 filings made on behalf of Wayne County and Lincoln County, be approved.

CONCLUSIONS OF LAW

1. No order issued by a county commission regarding public service district boundary modifications can be effective without approval of the Commission. See, *W. Va. Code* § 16-13A-2.
2. No protests have been filed; therefore, a hearing on the proposed boundary modifications will not be required.
3. Giving due consideration to the requirements of Rule 8.4. a. of the *Water Rules*, it is appropriate to approve the District's boundary enlargement as set forth in the March 5, 2007 filing on behalf of Wayne County and Lincoln County.

ORDER

IT IS, THEREFORE, ORDERED that the March 22, 2007 Amended Order of the Lincoln County Commission approving the proposed enlargement of the boundaries of the Branchland-Midkiff Public Service District is hereby approved.

IT IS FURTHER ORDERED that the March 1, 2007 Order of the Wayne County Commission approving the proposed enlargement of the boundaries of the Branchland-Midkiff Public Service District are hereby approved.

IT IS FURTHER ORDERED that upon entry of this Order, this case shall be removed from the Commission's docket of active cases.

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

A True Copy, Testes


Sandra Squire
Executive Secretary

SMS/las
070253ca.wpd

Publishers Of: The Lincoln Journal / The Weekly News Sentinel / The Lincoln Times

AFFIDAVIT OF PUBLICATION

STATE OF WEST VIRGINIA
COUNTY OF LINCOLN, to wit:

I, THOMAS A ROBINSON, Publisher, being duly sworn upon my oath do depose and say that I am proprietor of the entitles:

The Lincoln Journal; plus our internet site www.lincolnjournal.com where your legal advertisement appeared at no extra cost to you; that such paper has been published for more than one year prior to publication of the annexed notice described below; that such newspaper is regularly published weekly, for at least fifty weeks during the calendar year, the Municipality of Hamlin, Lincoln County, West Virginia; that such newspaper is newspapers of "general circulation" as that term is defined in article three, chapter fifty-nine of the Code of West Virginia 1931, as amended, within the publication area or areas of the aforesaid municipality and county; that such newspapers average in length of four or more pages, exclusive of any cover, per issue; that such newspapers is circulated to the general public at a definite price or consideration; that such newspaper is newspaper to which the general public resorts for posting of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matters, advertisements, and other notices; that the annexed notice of

Notice Of Filing Case # 07-0253-PWD-PC

was duly published in said newspapers once a week for 1 week(s), commencing with the issue 25th day of April 2007 and ending with the issue of the 25th day of April 2007 that said annexed notice was published on the following dates: April 25, 2007



Thomas A Robinson, Publisher

Taken, subscribed and sworn before me in my said county this 28th day of April 2007.



Patty Robinson, Notary Public of Lincoln County, West Virginia.
My commission expires October 4, 2015.



LEGAL ADVERTISEMENT

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 18th day of April, 2007.

CASE NO. 07-0253-PWD-PC

LINCOLN COUNTY

COMMISSION and
WAYNE COUNTY COMMISSION

Petition for consent and approval to enlarge the boundaries of the Branchland-Midkiff Public Service District.

NOTICE OF FILING

On March 5, 2007, the Branchland-Midkiff Public Service District ("District"), on behalf of the Lincoln County Commission, filed a petition for consent and approval to enlarge the boundaries of the District pursuant to West Virginia Code § 16-13A-2. The proposed enlargement of the District's boundaries include a portion of Wayne County, West Virginia. A complete description of the boundary enlargement is on file with the Lincoln County Commission, the Wayne County Commission, and the Public Service Commission's office.

Anyone desiring to protest or intervene should file a written protest or notice of intervention within 30 days following the date of this publication unless otherwise modified by Commission order. All protests or requests to intervene should briefly state the reason for the protest or intervention. Requests to intervene must comply with the Commission's rules on intervention set forth in the Commission's *Rules of Practice and Procedure*. All protests and interventions should be addressed to Sandra Squire, Executive Secretary, West Virginia Public Service Commission, P. O. Box 812, Charleston, West Virginia 25323.

LINCOLN COUNTY
COMMISSION

1/4-28-07

**Affidavit of Legal
Publication and Posting
STATE OF WEST VIRGINIA
COUNTY OF WAYNE, TO-WIT:**

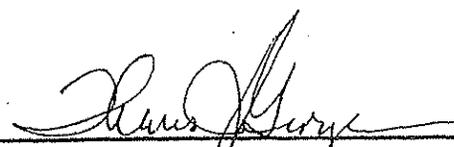
I, Thomas J. George
publisher of the WAYNE COUNTY NEWS, a
newspaper published in the COUNTY OF
WAYNE, STATE OF WEST VIRGINIA,
hereby certify that the annexed publication was
inserted in said newspaper on the following dates:

Commencing on April 23, 2007

And Ending on _____

Given under my hand this 30th day

of April 20 07



Sworn to and subscribed before me this
30th day of April

20 07, at Wayne, Wayne County, West
Virginia.



NOTARY PUBLIC

of, in and for WAYNE COUNTY, WEST
VIRGINIA.

MY COMMISSION EXPIRES: Nov. 18, 2009

Amount Due for Publishing Annexed Notice:

\$ 48.92



ADVICE
COMMISSION
OF WEST
VIRGINIA
CHARLESTON
Case No. 07-0283
P.W.D.-C

At a session of the
Public Service Com-
mission of West Vir-
ginia, in the City of
Charleston, on the
18th day of April,
2007.

Lincoln County
Commission and
Wayne County
Commission

Petition for con-
sent and approval to
enlarge the bound-
aries of the
Branchland-Middif
Public Service Dis-
trict.

**NOTICE OF
FILING**

On March 5,
2007, the
Branchland-Middif
Public Service Dis-
trict (District), on
behalf of the Wayne
County Commis-
sion, filed a petition
for consent and ap-
proval to enlarge
the boundaries of
the District pur-
uant to West Virginia
Code § 16-13A-2.
The proposal en-
largement of the
District's bound-

aries include a por-
tion of Wayne
County, West Vir-
ginia. A complete
description of the
boundaries enlarge-
ments on file with
the Lincoln
County Commis-
sion, the Wayne
County Commis-
sion and the Public
Service
Commission's office.

Anyone desiring
to protest or inter-
vene should file a
written protest or
notice of interven-
tion within 30 days
following the date of
this publication un-
less otherwise mod-
ified by Commission
order. All protests
or requests to inter-
vene should briefly
state the reason for
the protest or inter-
vention. Requests
to intervene must
comply with the
Commission's rules
on intervention.
Locate in the
Commission's Rules
of Practice and Pro-
cedure. All protests
and interventions
should be addressed
to Secretary,
Executive Secre-
tary, West Virginia
Public Service Com-
mission, P.O. Box
812, Charleston,
West Virginia,
25323.

Wayne County
Commission
4/23/07

IN THE COUNTY COMMISSION OF WAYNE
COUNTY, WEST VIRGINIA

IN RE: BRANCHLAND-MIDKIFF PUBLIC SERVICE
DISTRICT

CASE NO. _____

NOTICE OF PUBLIC HEARING REGARDING THE ENLARGEMENT OF THE
BOUNDARIES OF BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT, A
POLITICAL SUBDIVISION OF THE STATE OF WEST VIRGINIA

On MARCH 1, 2007, at the hour of 3:00 p.m. in the Wayne County
Commission Chambers, Room 103 at the Wayne County Courthouse, Wayne, West Virginia, the
Branchland-Midkiff Public Service District will present for approval by the Wayne County
Commission to enlarge the boundaries of the Branchland-Midkiff Public Service District
pursuant to West Virginia Code 16-13A-2(c). Any persons residing in, owning or having any
interest in property in the proposed service area shall be afforded an opportunity to be heard for
or against the proposed enlargement of the service territory of Branchland-Midkiff Public Service
District. The proposed district boundaries including the enlargement area are hereby described as
follows:

Current Boundaries:

An area comprised of communities of Branchland, Hubball, and Midkiff, being
specifically described as follows:

BEGINNING at a point in Guyandot River opposite the Mouth of Peyton Branch
and the boundary of Pleasant View Public Service District, down Guyandot River

to a point having a latitude of North 38°14'49" and longitude West 82°11'10". Thence South 0.4 miles to a point having a latitude of North 38°14'24" and longitude of West 82°11'10". Thence Southwesterly direction 0.7 miles to a point having a latitude of North 38°14'03" and longitude of West 82°11'45". Thence Southerly 0.8 miles to a point having a latitude of North 38°13'19". Thence Southeasterly 1.0 miles to a point having a latitude of North 38°12'47" and longitude of West 82°10'53". Thence South 1.2 miles to a point having a latitude of North 38°11'45" and longitude of West 82°10'56". Thence Southeasterly 1.3 miles to a point having a latitude of North 38°10'46" and longitude of West 82°10'12". Thence Southeasterly 0.5 miles to a point having a latitude of North 38°10'28" and longitude West 82°09'45". Thence Southwesterly 1.2 miles to a point having a latitude of North 38°09'32" and longitude of West 82°10'00". Thence crossing Guyandott River West 0.3 miles to a point having a latitude of North 38°09'32" and a longitude of West 82°10'52". Thence Northwest 1.4 miles to a point having a latitude of North 38°11'11" and longitude of West 82°11'11" and longitude of West 82°11'08". Thence Northwesterly 0.6 miles to a point having a latitude of North 38°11'47" and longitude of West 82°11'49". Thence West 0.5 miles to a point having a latitude of North 38°11'47" and longitude of North 38°11'47" and longitude of West 82°12'24". Thence North 0.6 miles to a point having a latitude of North 38°12'17" and longitude of West 82°12'24". Thence East 0.8 miles to a point having a latitude North 38°12'17" and longitude West 82°11'30". Thence North 0.4 miles to a point having a latitude North 38°12'38" and Longitude West 82°11'30". Thence Northwesterly 0.8 miles to a point having latitude of North 38°13'00" and longitude West 82°12'12" West 0.3 miles to a point having a latitude of North 38°13'00" and longitude 82°12'32". Thence North 1.5 miles to a point having a latitude of North 38°44'18", and a longitude of West 82°12'32". Thence North easterly 0.8 miles to a point having a latitude of North 38°14'41" and longitude West 82°11'47". Thence East 0.1 miles to the place of BEGINNING, containing square miles 5.1 and being a part of Sheridan and Laurel Magisterial Districts of Lincoln County, West Virginia.

The proposed territorial service extension in Wayne County, West Virginia, is hereinafter described as follows:

Wayne County Extension

A tract of land situated in Stonewall District, Wayne County, West Virginia to be added into the existing Branchland-Midkiff Public Service District in Laurel Hill and Sheridan Districts, Lincoln County, West Virginia by minor boundary adjustment, more particularly described as follows:

Beginning at a point located on the existing boundary of the Branchland-Midkiff Public Service District, in the division line of Lincoln County, Wayne County and the tract herein described, near Cove Knob, with a Latitude of 38°04'35" and a Longitude of 82°14'08", thence, from a said Point of Beginning, leaving said

division line, due West, 25,579 feet to a point located on Crackersneck Ridge in said State of West Virginia; thence southerly, with a bearing of 38°04'33" and a distance of 2,123 feet; thence, northeasterly, 25,275 feet, to a point located on Beech Fork, with a Latitude 38°13'17" and a Longitude of 82°18'22"; thence northeasterly, 12,323 feet to a point in said division line of Wayne and Lincoln Counties, said point being presented as the Northwest corner of Branchland-Midkiff Public Service District's existing boundary, with a Latitude of 38°13'44" and a Longitude of 82°15'50"; thence with a bearing of said division line, South, 83,065 feet to the Point of Beginning, thus encompassing an area of approximately 27.11 square miles.

A copy of this report was obtained at the Branchland-Midkiff Public Service District

Office at Route 2 Box 496, Branchland, West Virginia 25506-9756.

WAYNE COUNTY COMMISSION
BY Charles E. Loman
COMMISSION PRESIDENT

**IN THE COUNTY COMMISSION OF WAYNE
COUNTY, WEST VIRGINIA**

NOTICE OF RESCHEDULED PUBLIC HEARING

The Public Hearing heretofore scheduled for February 1, 2007, at 3:15 o'clock p.m., before the Wayne County Commission regarding the Petition by the Branchland-Midkiff Public Service District to enlarge its boundaries into Wayne County has been ~~rescheduled~~ until March 1, 2007, at 3:00 o'clock p.m., before the Wayne County Commission, at the Wayne County Commission Offices at which time and place all interested persons may appear.

**BRANCHLAND-MIDKIFF
PUBLIC SERVICE DISTRICT**
By Counsel,
Ronald J. Flora

FILE COPY

Ronald J. Flora
ATTORNEY AT LAW
1115 SMITH STREET
MILTON, WEST VIRGINIA 25541

(304) 743-5854
FAX (304) 743-4120
E-MAIL: lawro77@aol.com

Jennifer R. Smith / C.L.A.

February 2, 2007

Ms. Sandra Squire, Executive Secretary
Public Service Commission
Post Office Box 812
Charleston, West Virginia 25323

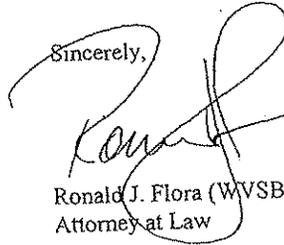
Re: Branchland-Midkiff Public Service District/Petition
to Enlarge Boundaries in Lincoln and Wayne
Counties

Dear Ms. Squire:

Enclosed please find an original and twelve (12) copies of a **Affidavit of Publication** from the **Wayne County News** relative to a **Public Hearing** scheduled for **March 1, 2007**, on the above-styled matter. Please forward to the respective divisions.

Should you require anything further, please do not hesitate to contact me at your earliest possible convenience.

Sincerely,



Ronald J. Flora (WVSB #1227)
Attorney at Law

RJF/js

Enclosures

cc: Branchland-Midkiff Public Service District

LEGAL ADVERTISEMENT

IN THE COUNTY COMMISSION OF WAYNE COUNTY, WEST VIRGINIA NOTICE OF RESCHEDULED PUBLIC HEARING

The Public Hearing heretofore scheduled for February 1, 2007, at 3:15 o'clock p.m., before the Wayne County Commission to enlarge the boundaries of the Branchland-Midkiff Public Service District pursuant to West Virginia Code 16-13A-2(c). Any persons residing in, owning or having any interest in property in the proposed service area shall be afforded an opportunity to be heard for or against the proposed enlargement of the service territory of Branchland-Midkiff Public Service District. The proposed district boundaries including the enlargement area are hereby described as follows:

CURRENT BOUNDARIES
An area comprised of communities of Branchland, Hubball, and Midkiff, being specifically described as follows:

Beginning at a point in Guyandot River opposite the Mouth of Peyton Branch and the boundary of Pleasant View Public Service District, down Guyandot River to a point having a latitude of North 38° 14' 49" and longitude West 82° 11' 16". Thence South 0.4 miles to a point having a latitude of North 38° 14' 24" and longitude of West 82° 11' 10". Thence Southwesterly direction 0.7 miles to a point having a latitude of North 08° 14' 03" and longitude of West 82° 11' 46". Thence Southerly 0.8 miles to a point having a latitude of

North 38° 13' 19". Thence Southeasterly 1.0 miles to a point having a latitude of North 38° 12' 47" and longitude of West 82° 10' 53". Thence South 1.2 miles to a point having a latitude of North 38° 11' 46" and longitude of West 82° 10' 56". Thence Southeasterly 1.3 miles to a point having a latitude of North 38° 10' 46" and longitude of West 82° 10' 12". Thence Southeasterly 0.5 miles to a point having a latitude of North 38° 10' 28" and longitude West 82° 09' 46". Thence Southwesterly 1.2 miles to a point having a latitude of North 38° 09' 32" and longitude of West 82° 10' 00". Thence crossing Guyandot River West 0.8 miles to a point having a latitude of North 38° 09' 32" and a longitude of West 82° 10' 52". Thence Northwest 1.4 miles to a point North 38° 11' 11" and longitude of West 82° 11' 11" and longitude of West 82° 11' 08". Thence Northwesterly 0.6 miles to a point having a latitude of North 38° 11' 47" and longitude of West 82° 11' 49". Thence West 0.5 miles to a point having a latitude of North 38° 11' 47" and longitude of West 82° 12' 24". Thence North 0.6 miles to a point having a latitude of North 38° 12' 17" and longitude of West 82° 12' 24". Thence East 0.8 miles to a point having a latitude North 38° 12' 17" and longitude West 82° 11' 30". Thence North 0.4 miles to a point having a latitude of

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Beginning at a point located on the existing boundary of the Branchland-Midkiff Public Service District, in the division line of Lincoln County, Wayne County and the tract herein described, near Cove Knob, with a lati-

LEGAL ADVERTISEMENT

Room, 103 at the Wayne County Courthouse, Wayne, West Virginia, the Branchland-Midkiff Public Service District will present for approval by the Wayne County Commission to enlarge the boundaries of the Branchland-Midkiff Public Service District pursuant to West Virginia Code 16-13A-2(c). Any persons residing in, owning or having any interest in property in the proposed service area shall be afforded an opportunity to be heard for or against the proposed enlargement of the service territory of Branchland-Midkiff Public Service District. The proposed district boundaries including the enlargement area are hereby described as follows:

CURRENT BOUNDARIES
An area comprised of communities of Branchland, Hubball, and Midkiff, being specifically described as follows:

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Beginning at a point located on the existing boundary of the Branchland-Midkiff Public Service District, in the division line of Lincoln County, Wayne County and the tract herein described, near Cove Knob, with a lati-

LEGAL ADVERTISEMENT

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Wayne County Extension
A tract of land situated in Stonewall District, Wayne County, West Virginia to be added into the existing Branchland-Midkiff Public Service District in Laurel Hill and Sheridan Districts, Lincoln County, West Virginia by minor boundary adjustment, more particularly described as follows:

Beginning at a point located on the existing boundary of the Branchland-Midkiff Public Service District, in the division line of Lincoln County, Wayne County and the tract herein described, near Cove Knob, with a lati-

LEGAL ADVERTISEMENT

tude of 38° 04' 35" and a Longitude of 82° 14' 08", thence, from a said Point of Beginning, leaving said division line, due West, 25,679 feet to a point located on Crackersneck Ridge in said Stonewall Magisterial District of Wayne County, with a Latitude 38° 04' 33" and a Longitude of 82° 19' 28" thence, Northeast-erly, 53,276 feet to a point located on Beech Fork, with a Latitude 38° 13' 17" and a Longitude of 82° 18' 22", thence Northeast-erly, 12,323 feet to a point in said division line of Wayne and Lincoln Counties, said point being described as the Northwest corner of Branchland-Midkiff Public Service District's existing boundary, with a Latitude of 38° 13' 44" and a Longitude of 82° 15' 54", thence with the meander of said division line, South, 53,065 feet to the Point of Beginning, thus encompassing an area of approximately 27.71 square miles.

A copy of the Petition may be obtained at the Branchland-Midkiff Public Service District Office at Route 2, Box 496, Branchland, West Virginia 25506-9766.

Wayne County Commission By Charles E. Saimmons Commission President 1/25/10

Beginning at a point located on the existing boundary of the Branchland-Midkiff Public Service District, in the division line of Lincoln County, Wayne County and the tract herein described, near Cove Knob, with a lati-

LEGAL ADVERTISEMENT

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A copy of the Petition may be obtained at the Branchland-Midkiff Public Service District Office at Route 2, Box 496, Branchland, West Virginia 25506-9766.

Wayne County Commission By Charles E. Saimmons Commission President 1/25/10

Beginning at a point located on the existing boundary of the Branchland-Midkiff Public Service District, in the division line of Lincoln County, Wayne County and the tract herein described, near Cove Knob, with a lati-

Affidavit of Legal
Publication and Posting
STATE OF WEST VIRGINIA
COUNTY OF WAYNE, TO-WIT:

I, Thomas J. George

publisher of the WAYNE COUNTY NEWS,
newspaper published in the COUNTY OF
WAYNE, STATE OF WEST VIRGINIA
hereby certify that the annexed publication was
inserted in said newspaper on the following dates:

January 26, 2005

January 26, 2007

commencing on the 26th

day of January, 20 07

Given under my hand this 31st day

of January, 20 07

Thomas J. George

Sworn to and subscribed before me this

31st day of January,

20 07, at Wayne, Wayne County, West

Virginia.

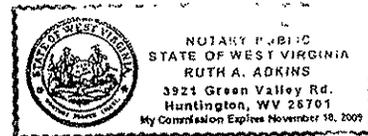
Ruth A. Adkins
NOTARY PUBLIC

of, in and for WAYNE COUNTY, WEST
VIRGINIA.

MY COMMISSION EXPIRES: Nov. 18, 2009

Amount Due for Publishing Annexed Notice:

\$ 176.80



IN THE COUNTY COMMISSION OF WAYNE
COUNTY, WEST VIRGINIA

IN RE: BRANCLAND-MIDKIFF PUBLIC SERVICE
DISTRICT

CASE NO. _____

**ORDER APPROVING
PETITION OF THE BRANCLAND-MIDKIFF PUBLIC SERVICE DISTRICT
TO ENLARGE THE SERVICE BOUNDARIES OF BRANCLAND-MIDKIFF
PUBLIC SERVICE DISTRICT PURSUANT TO WEST VIRGINIA CODE 16-13A-2**

On this the 1st day of March, 2007, came the Petitioner, Branchland-Midkiff Public Service District, by its counsel, Ronald J. Flora, pursuant to a Notice of Hearing upon Amended Petition to Enlarge the Boundaries of Branchland-Midkiff Public Service District. Ronald J. Flora, counsel for the Branchland-Midkiff Public Service District, then tendered to the Commission copies of the Affidavits of Publication, Affidavit of Posting, photographs showing the posted locations and a plat of the Branchland-Midkiff Public Service District boundaries including the proposed enlarged area.

Counsel for the Branchland-Midkiff Public Service District then represented this Honorable Commission that publication per the terms of West Virginia Code 16-13A-2 had been

perfected as evidenced by the Affidavits of Publication attached hereto and incorporated herein as Class I Legal Advertisements which said Advertisements were placed in a newspaper of general circulation no less than ten (10) days prior to the hearing as were the posed notices.

West Virginia Code 16-13A-2 requires that the Branchland-Midkiff Public Service District transmit a copy of any Order from this Commission regarding the enlargement of the District's boundaries to the Public Service Commission, for Public Service Commission approval. The description of the area sought by the Branchland-Midkiff Public Service District to be added to its service territory is as follows:

WAYNE COUNTY EXTENSION

A tract of land situated in Stonewall District, Wayne County, West Virginia to be added into the existing Branchland-Midkiff Public Service District in Laurel Hill and Sheridan Districts, Lincoln County, West Virginia by minor boundary adjustment, more particularly described as follows:

Beginning at a point located on the existing boundary of the Branchland-Midkiff Public Service District, in the division line of Lincoln County, Wayne County and the tract herein described, near Cove Knob, with a Latitude of 038°04'35" North and a Longitude of 082°14'08" West, thence, from a said Point of Beginning, leaving said division line due West, 16,000 feet to a point with a Latitude of 038°04'35" North and a Longitude of 082°17'28" West, thence, due North 5,000 feet to a point with a Latitude of 038°05'24" North and a Longitude of 082°17'28" West, thence, Northeasterly, 18,379.05 feet to a point located in said division line of Wayne and Lincoln Counties with a Latitude of 038°08'02" North and a Longitude of 082°15'35" West, thence, with the meander of said division line, South 31,784.3 feet to the Point of Beginning, thus encompassing an area of approximately 5.876 square miles.

The Wayne County Commission believes that it is in the best interest of the public and citizens of Lincoln and Wayne County that the Branchland-Midkiff Public Service District be allowed to enlarge its service territory.

Upon Motion duly made, seconded and affirmed by majority vote the Amended Petition of the Branchland-Midkiff Public Service District to enlarge its boundaries was approved by the Wayne County Commission. It is therefore **ORDERED** that the boundaries of the Branchland-Midkiff Public Service District shall be as hereinafter described:

WAYNE COUNTY EXTENSION

A tract of land situated in Stonewall District, Wayne County, West Virginia to be added into the existing Branchland-Midkiff Public Service District in Laurel Hill and Sheridan Districts, Lincoln County, West Virginia by minor boundary adjustment, more particularly described as follows:

Beginning at a point located on the existing boundary of the Branchland-Midkiff Public Service District, in the division line of Lincoln County, Wayne County and the tract herein described, near Cove Knob, with a Latitude of 038°04'35" North and a Longitude of 082°14'08" West, thence, from a said Point of Beginning, leaving said division line due West, 16,000 feet to a point with a Latitude of 038°04'35" North and a Longitude of 082°17'28" West, thence, due North 5,000 feet to a point with a Latitude of 038°05'24" North and a Longitude of 082°17'28" West, thence, Northeasterly, 18,379.05 feet to a point located in said division line of Wayne and Lincoln Counties with a Latitude of 038°08'02" North and a Longitude of 082°15'35" West, thence, with the meander of said division line, South 31,784.3 feet to the Point of Beginning, thus encompassing an area of approximately 5.876 square miles.

A copy of a plat evidencing these boundaries is attached hereto and incorporated herein by reference.

DATED this 1st day of MARCH, 2007

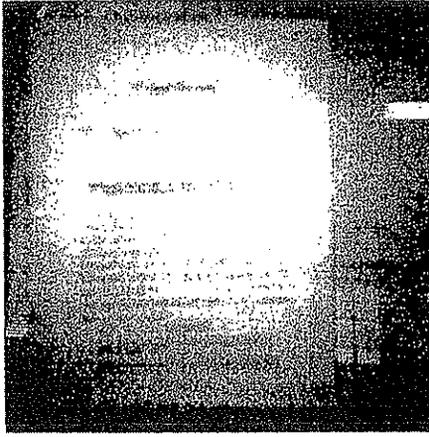
Charles E. Summers
Commissioner

James H. Boston
Commissioner

Paul Wilk
Commissioner

PREPARED BY:

Ronald J. Flora
RONALD J. FLORA (WVSB#1227)
Counsel for Branchland-Midkiff Public Service District
1115 Smith Street
Milton, West Virginia 25541
(304) 743-5354
C:\Branchland-PSD\branchland-boundary-way-extension-amd.ord.wpd



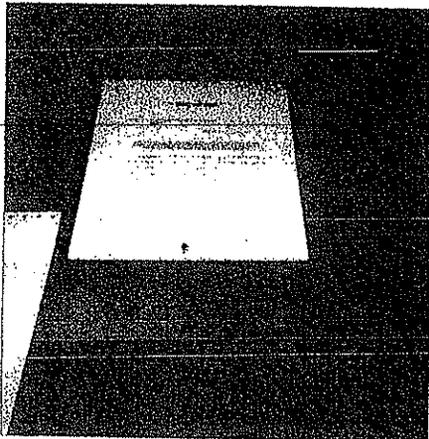
2nd Boundaries notice at Office

01/30/07



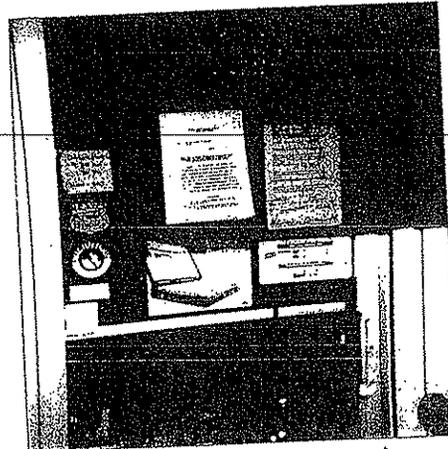
2nd Notice Cove Gap US Church

01/30/07



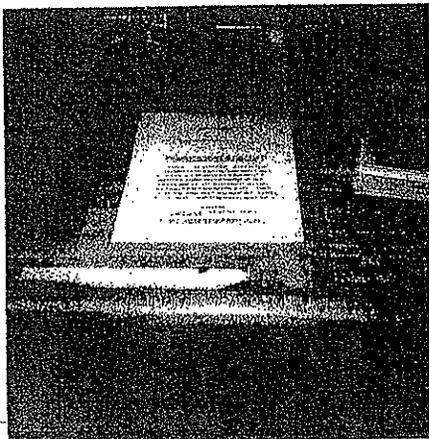
2nd Notice Restaurant beside
Queens Store

01/30/07



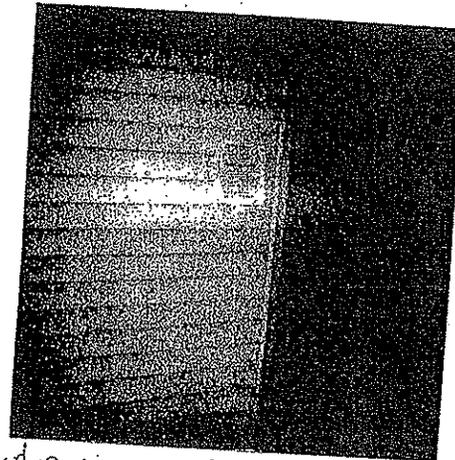
2nd Notice at Knoxville PD

01/30/07



2nd Notice at Queens Store

01/30/07



2nd Notice at Freedom US Church

01/30/07

1/22/07

RECEIVED

2007 JAN 24 AM 8:48

W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

Ronald J. Flora
ATTORNEY AT LAW
1115 SMITH STREET
MILTON, WEST VIRGINIA 25541

(304) 743-5354
FAX (304) 743-4120
E-MAIL: lawro77@aol.com
Jennifer R. Smith / C.L.R.

January 23, 2007

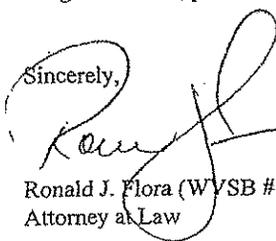
Ms. Sandra Squire, Executive Secretary
Public Service Commission
Post Office Box 812
Charleston, West Virginia 25323

Re: Branchland-Midkiff Public Service District/Petition
to Enlarge District Boundaries

Dear Ms. Squire:

Enclosed please find original and twelve (12) copies of the **Order entered by the Wayne County Commission on January 22, 2007**, on the above matter for filing. This Order is not in the way of the filing of a Petition but is merely indicating compliance with the provisions of West Virginia Code 16-13A-2. Please forward to the respective divisions.

Should you have any further questions concerning this matter, please do not hesitate to contact me, at your earliest possible convenience.

Sincerely,

Ronald J. Flora (WYSB #1227)
Attorney at Law

RJF/js
Enclosures
cc: Branchland-Midkiff Public Service District

1/22/07

IN THE COUNTY COMMISSION OF WAYNE COUNTY, WEST VIRGINIA

IN RE: PETITION OF BRANGLAND-MIDKIFF PUBLIC SERVICE
DISTRICT TO ENLARGE DISTRICT BOUNDARIES

COMMISSION ORDER

On this the 22nd day of January, 2007, the Wayne County Commission considered the Petition and Amended Petition of the Branchland-Midkiff-Public Service District to enlarge District boundaries pursuant to West Virginia Code 16-13A-2 et seq.

Upon consideration of the Petition and Amended Petition and the attachments thereto the Wayne County Commission does hereby Order the following:

1. A public hearing shall be set in this matter on March 1, 2007 at the hour of 3:00 p.m. in the Commission Chambers at the Wayne County Courthouse, Wayne, West Virginia, for the purpose of affording affected persons an opportunity to be heard regarding the District proposal.

2. The Branchland-Midkiff Public Service District shall publish a Notice of Public Hearing in the form attached hereto no later than ten (10) days prior to the date of said hearing, as a Class I Legal Advertisement in a newspaper of general circulation within the county.

3. Within ten (10) days from the entry of this Commission order, counsel for the Branchland-Midkiff Public Service District shall serve upon the West Virginia Public Service Commission a copy of the Order and Notice of Public Hearing pursuant to West Virginia Code 16-13A-2(c).

4. The Branchland-Midkiff Public Service District shall post a copy of the Notice of Public Hearing in five (5) conspicuous places within the proposed service territory of

Branchland-Midkiff Public Service District, further pursuant to West Virginia Code 16-13A-

2(d).

5. The Branchland-Midkiff Public Service District shall present for Commission review an Affidavit of Publication and an Affidavit of Posting per West Virginia Code 16-13A-

2(d) at the hearing to be held on March 1, 2007 at 3:00 p.m.

Upon Motion of Wellman and seconded by

Boaton the Wayne County Commission

unanimously approved the matters set forth herein above.

Entered this 22nd day of January, 2007.

Chris S. Johnson
Commissioner

James H. Boaton
Commissioner

Paul Well
Commissioner

PREPARED BY:

Ronald J. Flora

RONALD J. FLORA (WVSB#1227)
Counsel for Branchland-Midkiff Public Service District
1115 Smith Street
Milton, West Virginia 25541
(304) 743-5354
(304) 743-4120 (fax)

C:\Branchland-PSD\branchland-boundary-wvcom-approv.ord.wpd

IN THE COUNTY COMMISSION OF LINCOLN
COUNTY, WEST VIRGINIA

IN RE: BRANCLAND-MIDKIFF PUBLIC SERVICE
 DISTRICT

CASE NO. _____

NOTICE OF PUBLIC HEARING REGARDING THE ENLARGEMENT OF THE
BOUNDARIES OF BRANCLAND-MIDKIFF PUBLIC SERVICE DISTRICT, A
POLITICAL SUBDIVISION OF THE STATE OF WEST VIRGINIA

On January 4, 2007, at the hour of 5:30 .m. in the Lincoln County
Commission Chambers, Lincoln County Courthouse, Hamlin, West Virginia, the Branchland-
Midkiff Public Service District will present for approval by the Lincoln County Commission an
Amended Petition to enlarge the boundaries of the Branchland-Midkiff Public Service District
pursuant to West Virginia Code 16-13A-2(c). Any persons residing in, owning or having any
interest in property in the proposed service area shall be afforded an opportunity to be heard for
or against the proposed enlargement of the service territory of Branchland-Midkiff Public Service
District. The proposed district boundaries including the enlargement area are hereby described as
follows:

Current Boundaries:

An area comprised of communities of Branchland, Hubball, and Midkiff, being
specifically described as follows:

BEGINNING at a point in Guyandot River opposite the Mouth of Peyton Branch
and the boundary of Pleasant View Public Service District, down Guyandot River

to a point having a latitude of North 38°14'49" and longitude West 82°11'10". Thence South 0.4 miles to a point having a latitude of North 38°14'24" and longitude of West 82°11'10". Thence Southwesterly direction 0.7 miles to a point having a latitude of North 08°14'03" and longitude of West 82°11'45". Thence Southerly 0.8 miles to a point having a latitude of North 38°13'19", Thence Southeasterly 1.0 miles to a pint having a latitude of North 38°12'47" and longitude of West 82°10'53", Thence South 1.2 miles to a point having a latitude of North 38°11'45" and longitude of West 82°10'56", Thence Southeasterly 1.3 miles to a point having a latitude of North 38°10' 46" and longitude of West 82°10'12", Thence Southeasterly 0.5 miles to a point having a latitude of North 38°10'28" and longitude West 82°09'45", Thence Southwesterly 1.2 miles to a point having a latitude of North 38°09'32" and longitude of West 82°10'00", Thence crossing Guyandott River West 0,8 miles to a point having a latitude of North 38°09'32" and a longitude of West 82°10'52", Thence Northwest 1.4 miles to a point having a latitude of North 38°11'11" and longitude of West 82°11'11" and longitude of West 82°11'08", Thence Northwesterly 0.6 miles to a point having a latitude of North 38°11'47" and longitude of West 82°11'49", Thence West 0.5 miles to a point having a latitude of North 38°11'47" and longitude of North 38°11'47" and longitude of West 82°12'24", Thence North 0.6 miles to a point having a latitude of North 38°12'17" and longitude of West 82°12'24", Thence East 0.8 miles to a point having a latitude North 38°12'17" and longitude West 82°11'30", Thence North 0.4 miles to a point having a latitude North 38°12'38" and Longitude West 82°11'30", Thence Northwesterly 0.8 miles to a point having latitude of North 38°13'00" and longitude West 82°12'12" West 0.3 miles to a point having a latitude of North 38°13'00" and longitude 82°12'32", Thence North 1.5 miles to a point having a latitude of North 38°44'18", and a longitude of West 82°12'32", Thence North easterly 0.8 miles to a point having a latitude of North 38°14'41" and longitude West 82°11'47", Thence East 0.1 miles to the place of BEGINNING, containing square miles 5.1 and being a part of Sheridan and Laurel Magisterial Districts of Lincoln County, West Virginia.

The proposed territorial service extension in Wayne County, West Virginia, is hereinafter described as follows:

Revised Wayne County Extension

A tract of land situated in Stonewall District, Wayne County, West Virginia to be added into the existing Branchland-Midkiff Public Service District in Laurel Hill and Sheridan Districts, Lincoln County, West Virginia by minor boundary adjustment, more particularly described as follows:

Beginning at a point located on the existing boundary of the Branchland-Midkiff Public Service District, in the division line of Lincoln County, Wayne County and the tract herein described, near Cove Knob, with a Latitude of 038°04'35" North and a Longitude of 082°14'08" West, thence, from a said Point of Beginning,

leaving said division line due West, 16,000 feet to a point with a Latitude of 038°04'35" North and a Longitude of 082°17'28" West, thence, due North 5,000 feet to a point with a Latitude of 038°05'24" North and a Longitude of 082°17'28" West, thence, Northeasterly, 18,379.05 feet to a point located in said division line of Wayne and Lincoln Counties with a Latitude of 038°08'02" North and a Longitude of 082°15'35" West, thence, with the meander of said division line, South 31,784.3 feet to the Point of Beginning, thus encompassing an area of approximately 5.876 square miles.

A copy of the Amended Petition may be obtained at the Branchland-Midkiff Public Service District Office at Route 2 Box 496, Branchland, West Virginia 25506-9756.

LINCOLN COUNTY COMMISSION
BY *Charles A. McClain*
COMMISSION PRESIDENT

IN THE COUNTY COMMISSION OF LINCOLN COUNTY, WEST VIRGINIA

IN RE: PETITION OF BRANCHLAND-MIDKIFF PUBLIC SERVICE
DISTRICT TO ENLARGE DISTRICT BOUNDARIES

COMMISSION ORDER

On this the 7th day of December, 2006, the Lincoln County Commission considered the Amended Petition of the Branchland-Midkiff-Public Service District to enlarge District boundaries pursuant to West Virginia Code 16-13A-2 et seq.

Upon consideration of the Amended Petition and the attachments thereto the Lincoln County Commission does hereby Order the following:

1. A public hearing shall be set in this matter on January 4, 2007 at the hour of 5:30 p.m. in the Commission Chambers at the Lincoln County Courthouse, Hamlin, West Virginia, for the purpose of affording affected persons an opportunity to be heard regarding the District proposal.

2. The Branchland-Midkiff Public Service District shall publish a Notice of Public Hearing in the form attached hereto no later than ten (10) days prior to the date of said hearing, as a Class I Legal Advertisement in a newspaper of general circulation within the county.

3. Within ten (10) days from the entry of this Commission order, counsel for the Branchland-Midkiff Public Service District shall serve upon the West Virginia Public Service Commission a copy of the Order and Notice of Public Hearing pursuant to West Virginia Code 16-13A-2(c).

4. The Branchland-Midkiff Public Service District shall post a copy of the Notice of Public Hearing in five (5) conspicuous places within the proposed service territory of

Branchland-Midkiff Public Service District, further pursuant to West Virginia Code 16-13A-

2(d).

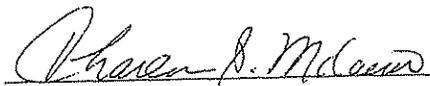
5. The Branchland-Midkiff Public Service District shall present for Commission review an Affidavit of Publication and an Affidavit of Posting per West Virginia Code 16-13A-

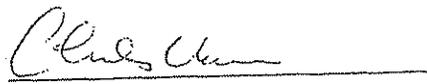
2(d) at the hearing to be held on JANUARY 4 2007 AT 5:30 P.M

Upon Motion of CHARLES VANCE and seconded by CHARLES MCCANN the

Lincoln County Commission unanimously approved the matters set forth herein above.

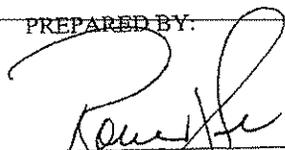
Entered this 7th day of DECEMBER, 20 06.


Commissioner


Commissioner

Commissioner

PREPARED BY:



RONALD J. FLORA (WVSB#1227)
Counsel for Branchland-Midkiff Public Service District
1115 Smith Street
Milton, West Virginia 25541
(304) 743-5354
(304) 743-4120 (fax)

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1-4-07

IN THE COUNTY COMMISSION OF LINCOLN
COUNTY, WEST VIRGINIA

IN RE: BRANCHLAND-MIDKIFF PUBLIC SERVICE
DISTRICT

CASE NO. _____

ORDER APPROVING
PETITION OF THE BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT
TO ENLARGE THE SERVICE BOUNDARIES OF BRANCHLAND-MIDKIFF
PUBLIC SERVICE DISTRICT PURSUANT TO WEST VIRGINIA CODE 16-13A-2

On this the 4th day of JANUARY, 2007, came the Petitioner, Branchland-Midkiff
Public Service District, by its counsel, Ronald J. Flora, pursuant to a Notice of Hearing upon an
Amended Petition to Enlarge the Boundaries of Branchland-Midkiff Public Service District.
Ronald J. Flora, counsel for the Branchland-Midkiff Public Service District, then tendered to the
Commission copies of the Affidavits of Publication, Affidavit of Posting, photographs showing
the posted locations and a plat of the Branchland-Midkiff Public Service District boundaries
including the proposed enlarged area.

Counsel for the Branchland-Midkiff Public Service District then represented this
Honorable Commission that publication per the terms of West Virginia Code 16-13A-2 had been

perfected as evidenced by the Affidavits of Publication attached hereto and incorporated herein as Class I Legal Advertisements which said Advertisements were placed in a newspaper of general circulation no less than ten (10) days prior to the hearing as were the posed notices.

West Virginia Code 16-13A-2 requires that the Branchland-Midkiff Public Service District transmit a copy of any Order from this Commission regarding the enlargement of the District's boundaries to the Public Service Commission, for Public Service Commission approval. The description of the area sought by the Branchland-Midkiff Public Service District to be added to its service territory is as follows:

WAYNE COUNTY EXTENSION

A tract of land situated in Stonewall District, Wayne County, West Virginia to be added into the existing Branchland-Midkiff Public Service District in Laurel Hill and Sheridan Districts, Lincoln County, West Virginia by minor boundary adjustment, more particularly described as follows:

Beginning at a point located on the existing boundary of the Branchland-Midkiff Public Service District, in the division line of Lincoln County, Wayne County and the tract herein described, near Cove Knob, with a Latitude of 038°04'35" North and a Longitude of 082°14'08" West, thence, from a said Point of Beginning, leaving said division line due West, 16,000 feet to a point with a Latitude of 038°04'35" North and a Longitude of 082°17'28" West, thence, due North 5,000 feet to a point with a Latitude of 038°05'24" North and a Longitude of 082°17'28" West, thence, Northeasterly, 18,379.05 feet to a point located in said division line of Wayne and Lincoln Counties with a Latitude of 038°08'02" North and a Longitude of 082°15'35" West, thence, with the meander of said division line, South 31,784.3 feet to the Point of Beginning, thus encompassing an area of approximately 5.876 square miles.

The Lincoln County Commission believes that it is in the best interest of the public and citizens of Lincoln and Wayne County that the Branchland-Midkiff Public Service District be allowed to enlarge its service territory.

Upon Motion duly made, seconded and affirmed by majority vote the Amended Petition of the Branchland-Midkiff Public Service District to enlarge its boundaries was approved by the Lincoln County Commission. It is therefore **ORDERED** that the boundaries of the Branchland-Midkiff Public Service District shall be as hereinafter described:

WAYNE COUNTY EXTENSION

A tract of land situated in Stonewall District, Wayne County, West Virginia to be added into the existing Branchland-Midkiff Public Service District in Laurel Hill and Sheridan Districts, Lincoln County, West Virginia by minor boundary adjustment, more particularly described as follows:

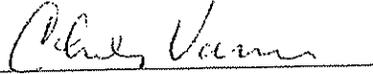
Beginning at a point located on the existing boundary of the Branchland-Midkiff Public Service District, in the division line of Lincoln County, Wayne County and the tract herein described, near Cove Knob, with a Latitude of 038°04'35" North and a Longitude of 082°14'08" West, thence, from a said Point of Beginning, leaving said division line due West, 16,000 feet to a point with a Latitude of 038°04'35" North and a Longitude of 082°17'28" West, thence, due North 5,000 feet to a point with a Latitude of 038°05'24" North and a Longitude of 082°17'28" West, thence, Northeasterly, 18,379.05 feet to a point located in said division line of Wayne and Lincoln Counties with a Latitude of 038°08'02" North and a Longitude of 082°15'35" West, thence, with the meander of said division line, South 31,784.3 feet to the Point of Beginning, thus encompassing an area of approximately 5.876 square miles.

A copy of a plat evidencing these boundaries is attached hereto and incorporated herein by reference.

DATED this 4th day of JANUARY, 2007.



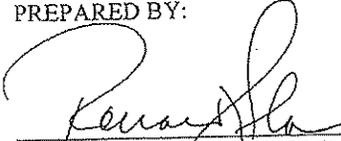
Commissioner



Commissioner

Commissioner

PREPARED BY:



RONALD J. FLORA (WVSB#1227)
Counsel for Branchland-Midkiff Public Service District
1115 Smith Street
Milton, West Virginia 25541
(304) 743-5354
C:\Branchland-PSD\branchland-boundary-line-extension-nmd.ord.wpd

FROM :

FAX NO. :

Jan. 04 2007 03:46PM P2

IN THE COUNTY COMMISSIONS OF LINCOLN AND WAYNE COUNTY, WEST VIRGINIA

IN RE: BRANCLAND-MIDKIFF PUBLIC SERVICE DISTRICT

CASE NO. _____

PETITION OF THE BRANCLAND-MIDKIFF PUBLIC SERVICE DISTRICT TO ENLARGE THE SERVICE BOUNDARIES OF BRANCLAND-MIDKIFF PUBLIC SERVICE DISTRICT TO INCLUDE A PORTION OF WAYNE COUNTY, WEST VIRGINIA PURSUANT TO WEST VIRGINIA CODE 16-13A-2

AFFIDAVIT OF POSTING

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

I, L. Michelle Beaty, Office Manager for the Branchland-Midkiff Public Service District, do hereby aver as follows:

1. That on or about the 18th day of December, 2006, I caused the attached Notices to be posted in five (5) conspicuous areas within the proposed enlargement territory.

2. Further, Affiant saith not.

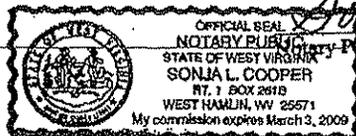
DATED this 4th day of January, 2007.

L. Michelle Beaty

Taken and subscribed before me this 4th day of January, 2006, by L. Michelle Beaty, in my county and state aforesaid.

My commission expires Mar. 3, 2009

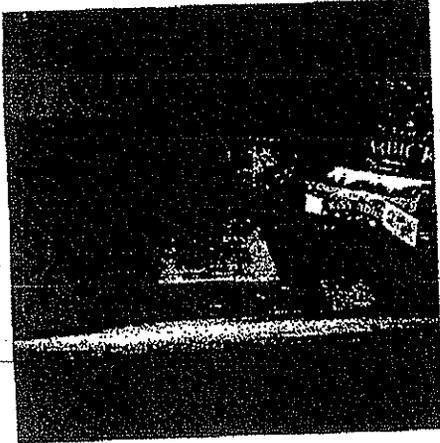
Sonia L Cooper



FROM :

FAX NO. :

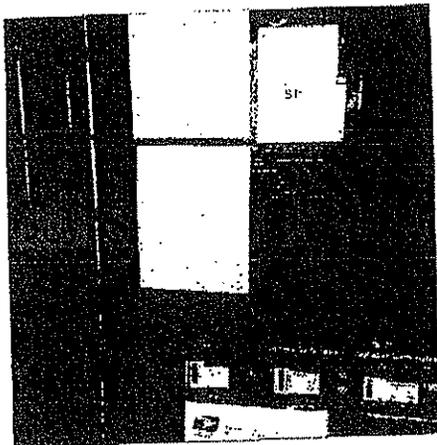
Jan. 04 2007 03:47PM P3



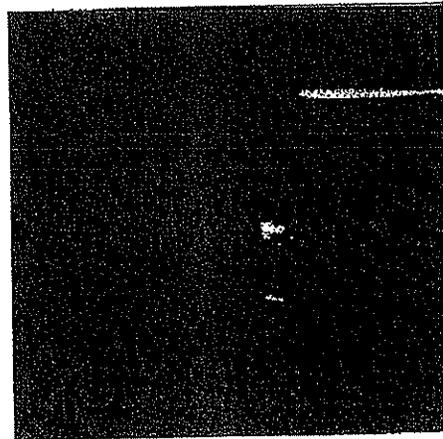
Queens Grocery
Rt. 37 Wayne 12/18/06



Cove Gap Church
Rt. 37 Wayne 12/18/06



Kiahsville Post Office
Rt. 37 Wayne 12/18/06

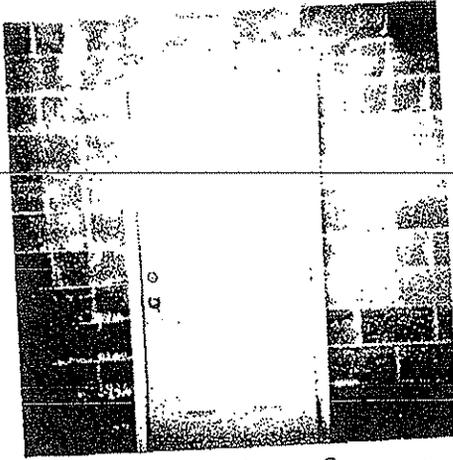


Boundaries Enlargement Notice
Posted at Branchland Middle ASD
Office 12/18/06

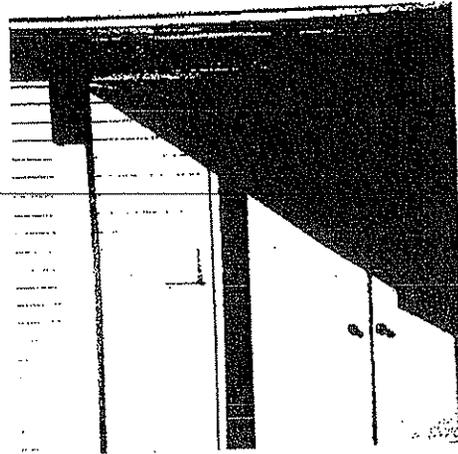
FROM :

FAX NO. :

Jan. 04 2007 03:48PM P4



Kiahs Creek Cov. Church
Rt. 37 Wayne 12/17/06



Freedom Church 12/18/06
Rt. 37 Wayne

LEGAL ADVERTISEMENT	LEGAL ADVERTISEMENT	LEGAL ADVERTISEMENT	LEGAL ADVERTISEMENT	LEGAL ADVERTISEMENT
<p>IN THE COUNTY COMMISSION OF WAYNE COUNTY, WEST VIRGINIA NOTICE OF RESCHEDULED PUBLIC HEARING</p> <p>The Public Hearing heretofore scheduled for February 1, 2007, at 3:15 o'clock p.m., before the Wayne County Commission regarding the Petition by the Branchland-Midkiff Public Service District to enlarge its boundaries into Wayne County has been rescheduled until March 1, 2007, at 3:00 o'clock p.m., before the Wayne County Commission, at the Wayne County Commission Offices at which time and place all interested persons may appear.</p> <p>Branchland-Midkiff Public Service District By Counsel, Ronald J. Flora</p> <p>IN THE COUNTY COMMISSION OF WAYNE COUNTY, WEST VIRGINIA</p> <p>RE: BRANCLAND-MIDKIFF PUBLIC SERVICE DISTRICT NOTICE OF PUBLIC HEARING REGARDING THE ENLARGEMENT OF THE BOUNDARIES OF BRANCLAND-MIDKIFF PUBLIC SERVICE DISTRICT, A POLITICAL SUBDIVISION OF THE STATE OF WEST VIRGINIA</p> <p>On March 1, 2007 at the hour of 3:00 p.m. in the Wayne County Commission Chambers,</p>	<p>Room, 103 at the Wayne County Courthouse, Wayne, West Virginia, the Branchland-Midkiff Public Service District will present for approval by the Wayne County Commission to enlarge the boundaries of the Branchland-Midkiff Public Service District pursuant to West Virginia Code 16-13A-2(c). Any persons residing in, owning or having any interest in property in the proposed service area shall be afforded an opportunity to be heard for or against the proposed enlargement of the service territory of Branchland-Midkiff Public Service District. The proposed district boundaries including the enlargement area are hereby described as follows:</p> <p>CURRENT BOUNDARIES</p> <p>An area comprised of communities of Branchland, Hubball, and Midkiff, being specifically described as follows:</p> <p>Beginning at a point in Guyandot River opposite the Mouth of Peyton Branch and the boundary of Pleasant View Public Service District, down Guyandot River to a point having a latitude of North 38° 14' 49" and longitude West 82° 11' 10". Thence South 0.4 miles to a point having a latitude of North 38° 14' 24" and longitude of West 82° 11' 10". Thence Southwesterly direction 0.7 miles to a point having a latitude of North 38° 14' 03" and longitude of West 82° 11' 45". Thence Southerly 0.8 miles to a point having a latitude of</p>	<p>North 38° 13' 19", Thence Southeasterly 1.0 miles to a point having a latitude of North 38° 12' 47" and longitude of West 82° 10' 53". Thence South 1.2 miles to a point having a latitude of North 38° 11' 45" and longitude of West 82° 10' 56". Thence Southeasterly 1.3 miles to a point having a latitude of North 38° 10' 46" and longitude of West 82° 10' 12". Thence Southeasterly 0.5 miles to a point having a latitude of North 38° 10' 28" and longitude West 82° 09' 45". Thence Southwesterly 1.2 miles to a point having a latitude of North 38° 09' 32" and longitude of West 82° 10' 00". Thence crossing Guyandot River West 0.8 miles to a point having a latitude of North 38° 09' 32" and a longitude of West 82° 10' 52". Thence Northwest 1.4 miles to a point North 38° 11' 11" and longitude of West 82° 11' 11" and longitude of West 82° 11' 08". Thence Northwesterly 0.6 miles to a point having a latitude of North 38° 11' 47" and longitude of West 82° 11' 49". Thence West 0.5 miles to a point having a latitude of North 38° 11' 47" and longitude of North 38° 11' 47" and longitude of West 82° 12' 24". Thence North 0.6 miles to a point having a latitude of North 38° 12' 17" and longitude of West 82° 12' 24". Thence East 0.8 miles to a point having a latitude North 38° 12' 17" and longitude West 82° 11' 30". Thence North 0.4 miles to a point having a latitude of</p>	<p>North 38° 12' 39" and Longitude West 82° 11' 30". Thence Northwesterly 0.8 miles to a point having latitude of North 38° 13' 00" and longitude West 82° 12' 12". West 0.3 miles to a point having a latitude of North 38° 13' 00" and longitude 82° 12' 32". Thence North 1.5 miles to a point having a latitude of North 38° 44' 18" and a longitude of West 82° 12' 32". Thence North easterly 0.8 miles to a point having a latitude of North 38° 14' 41" and longitude West 82° 11' 47". Thence East 0.1 miles to the place of BEGINNING, containing square miles 6.1 and being a part of Sheridan and Laurel Magisterial Districts of Lincoln County, West Virginia.</p> <p>The proposed territorial service extension in Wayne County, West Virginia, is hereinafter described as follows:</p> <p>Wayne County Extension</p> <p>A tract of land situated in Stonewall District, Wayne County, West Virginia to be added into the existing Branchland-Midkiff Public Service District in Laurel Hill and Sheridan Districts, Lincoln County, West Virginia by minor boundary adjustment, more particularly described as follows:</p> <p>Beginning at a point located on the existing boundary of the Branchland-Midkiff Public Service District, in the division line of Lincoln County, Wayne County and the tract herein described, near Cove Knob, with a lati-</p>	<p>tude of 38° 04' 35" and a Longitude of 82° 14' 08", thence, from a said Point of Beginning, leaving said division line, due West, 25,579 feet to a point located on Crickersneck Ridge in said Stonewall Magisterial District of Wayne County, with a Latitude 38° 04' 33" and a Longitude of 82° 19' 28" thence, Northeast-erly, 53,275 feet to a point located on Beech Fork, with a Latitude 38° 13' 17" and a Longitude of 82° 18' 22", thence Northeasterly, 12,323 feet to a point in said division line of Wayne and Lincoln Counties, said point being described as the Northwest corner of Branchland-Midkiff Public Service District's existing boundary, with a Latitude of 38° 13' 44" and a Longitude of 82° 15' 54", thence with the remainder of said division line, South, 83,065 feet to the Point of Beginning, thus encompassing an area of approximately 27.71 square miles.</p> <p>A copy of the Petition may be obtained at the Branchland-Midkiff Public Service District Office at Route 2, Box 1496, Branchland, West Virginia, 26506-8756.</p> <p>Wayne County Commission By Charles E. Sammons Commission President 1/26/11c</p>

Affidavit of Legal
Publication and Posting
STATE OF WEST VIRGINIA
COUNTY OF WAYNE, TO-WIT:

I, Thomas J. George

publisher of the WAYNE COUNTY NEWS,
newspaper published in the COUNTY C
WAYNE, STATE OF WEST VIRGINIA,
hereby certify that the annexed publication was
inserted in said newspaper on the following date

January 26, 2007

January 26, 2007

commencing on the 26th

day of January 20 07

Given under my hand this 31st day

of January 20 07

Ruth A. Adkins

Sworn to and subscribed before me this

31st day of January

20 07, at Wayne, Wayne County, West

Virginia.

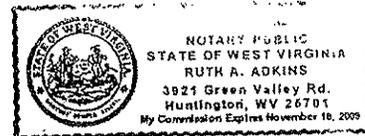
Ruth A. Adkins
NOTARY PUBLIC

of, in and for WAYNE COUNTY, WEST
VIRGINIA.

MY COMMISSION EXPIRES: Nov. 18, 2009

Amount Due for Publishing Annexed Notice:

\$ 176.80



12/06

Ronald J. Flora
ATTORNEY AT LAW
1115 SMITH STREET
MILTON, WEST VIRGINIA 25541

(304) 743-5354
FAX (304) 743-4120
E-MAIL: lawr077@aol.com

Jennifer R. Smith / C.L.A.

December 29, 2006

Ms. Sandra Squire, Executive Secretary
Public Service Commission
Post Office Box 812
Charleston, West Virginia 25323

RECEIVED
2007 JAN -2 PM 8:54
WAYNE COUNTY PUBLIC SERVICE DISTRICT
COMMUNICATIONS SECTION

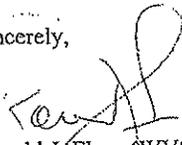
Re: Branchland-Midkiff Public Service District/Petition
to Enlarge Boundaries in Lincoln and Wayne
Counties

Dear Ms. Squire:

Enclosed please find original and twelve (12) copies of an **Affidavit of Publication** from the **Wayne County News** on the above matter for filing. Please forward to the respective divisions.

Should you have any further questions concerning this matter, please do not hesitate to contact me, at your earliest possible convenience.

Sincerely,



Ronald J. Flora (WVSB #1227)
Attorney at Law

RJF/js

Enclosures

cc: Branchland-Midkiff Public Service District

Affidavit of Legal
Publication and Posting
STATE OF WEST VIRGINIA
COUNTY OF WAYNE, TO-WIT:

I, Thomas J. George

publisher of the WAYNE COUNTY NEWS, a
newspaper published in the COUNTY OF
WAYNE, STATE OF WEST VIRGINIA,
hereby certify that the annexed publication was
inserted in said newspaper on the following dates:

Commencing on December 22, 2006

And Ending on December 22, 2006

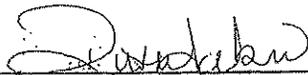
Given under my hand this 27 day
of December 2006



Sworn to and subscribed before me this

27 day of December,

2006, at Wayne, Wayne County, West
Virginia.



NOTARY PUBLIC

of, in and for WAYNE COUNTY, WEST
VIRGINIA.

MY COMMISSION EXPIRES: Nov. 18, 2009

Amount Due for Publishing Annexed Notice:

\$ 143.68

District boundaries including the enlargement area are hereby described as follows:

Current Boundaries:

An area comprised of communities of Branchland, Hubball, and Midkiff, being specifically described as follows:
Beginning at a point in Guyandot River opposite the Mouth of Peyton Branch and the boundary of Pleasant View Public Service District, down Guyandot River to a point having a latitude of North 38° 14' 49" and longitude West 82° 10' 10". Thence South 0.4 miles to a point having a latitude of North 38° 14' 24" and longitude West 82° 11' 10". Thence Southwesterly direction 0.4 miles to a point having a latitude of North 38° 14' 03" and longitude West 82° 11' 45". Thence Southerly 0.8 miles to a point having a latitude of North 38° 13' 15". Thence Southeasterly 1.0 miles to a point having a latitude of North 38° 12' 47" and longitude West 82° 10' 53". Thence Southwesterly 1.2 miles to a point having a latitude of North 38° 11' 45" and longitude West 82° 10' 59". Thence Southeasterly 1.2 miles to a point having a latitude of North 38° 10' 48" and longitude West 82° 10' 12". Thence Southeasterly 0.8 miles to a point having a latitude of North 38° 10' 28" and longitude West 82° 09' 45". Thence Southwesterly 1.2 miles to a point having a latitude of North 38° 09' 32" and longitude West 82° 10' 00". Thence crossing Guyandot River West 0.8 miles to a point having a latitude of North 38° 09' 32"

West Virginia to be added into the existing Branchland-Midkiff Public Service District in Laurel Hill and Sheridan Districts, Lincoln County, West Virginia by minor boundary adjustment, more particularly described as follows:
Beginning at a point located on the existing boundary of the Branchland-Midkiff Public Service District in the division line of Lincoln County, Wayne County and the tract herein described, near Cove Knob, with a latitude of 038° 04' 36" North and a longitude of 082° 14' 08" West, thence from said Point of Beginning, leaving said division line due West 15,000 feet to a point with a latitude of 038° 04' 35" North and a longitude of 082° 13' 25" West, thence, due North 5,000 feet to a point with a latitude of 038° 08' 44" North and a longitude of 082° 17' 28" West, thence, Northwesterly 48,979.06 feet to a point located in said division line of Wayne and Lincoln Counties with a latitude of 038° 08' 02" North and a longitude of 082° 18' 38" West, thence, with the meander of said division line, South 31,784.3 feet to the Point of Beginning, thus encompassing an area of approximately 5,378 square miles.
A copy of the Petition may be obtained at the Branchland-Midkiff Public Service District Office at Route 2, Box 438, Branchland, West Virginia 26608-9756.
Wayne County Commissioner
By Charles E. Hammett
Commissioner
12/22/10

Thence Northwest 1.4 miles to a point having a latitude of North 38° 11' 11" and longitude of West 82° 11' 11" and longitude of West 82° 11' 08". Thence Northwesterly 0.8 miles to a point having a latitude of North 38° 11' 47" and longitude of West 82° 11' 43". Thence West 0.5 miles to a point having a latitude of North 38° 11' 47" and longitude of West 82° 12' 17" and longitude of West 82° 12' 24". Thence East 0.8 miles to a point having a latitude of North 38° 12' 17" and longitude West 82° 11' 30". Thence North 0.4 miles to a point having a latitude of North 38° 12' 38" and longitude West 82° 11' 30". Thence Northwesterly 0.8 miles to a point having a latitude of North 38° 13' 00" and longitude 82° 12' 32". Thence North 1.5 miles to a point having a latitude of North 38° 44' 18" and a longitude of West 82° 12' 32". Thence Northwesterly 0.8 miles to a point having a latitude of North 38° 14' 41" and longitude West 82° 11' 47". Thence East 0.1 miles to the place of BEGINNING, containing 7 square miles, and being a part of Sheridan and Laurel Merit Districts of Lincoln County, West Virginia.

IN THE COUNTY COMMISSION OF WAYNE COUNTY, WEST VIRGINIA

RE: Branchland-Midkiff Public Service District
NOTICE OF PUBLIC HEARING REGARDING THE ENLARGEMENT OF THE BOUNDARIES OF BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT, A POLITICAL SUBDIVISION OF THE STATE OF WEST VIRGINIA
On February 20, 2017, at the hour of 3:15 p.m. in the Wayne County Commission Chambers, Room 103 of the Wayne County Courthouse, Wayne, West Virginia, the Branchland-Midkiff Public Service District will present for approval by the Wayne County Commission to enlarge the boundaries of the Branchland-Midkiff Public Service District pursuant to West Virginia Code 18-18A-2(c). Any persons residing in, owning or having an interest in property in the proposed service area shall be afforded an opportunity to be heard for or against the proposed enlargement of the service territory of Branchland-Midkiff Public Service District. The proposed

The proposed territorial service extension in Wayne County, West Virginia is hereinafter described as follows:
Revised Wayne County Extension
A tract of land situated in Stone Mountain District, Wayne County,

THE LINCOLN JOURNAL Inc.

www.lincolnjournal.com

Publishers Of: The Lincoln Journal / The Weekly News Sentinel / The Lincoln Times

AFFIDAVIT OF PUBLICATION

STATE OF WEST VIRGINIA
COUNTY OF LINCOLN, to wit:

I, THOMAS A ROBINSON, Publisher, being duly sworn upon my oath do depose and say that I am proprietor of the entitles:

The Lincoln Journal; plus our internet site www.lincolnjournal.com where your legal advertisement appeared at no extra cost to you; that such paper has been published for more than one year prior to publication of the annexed notice described below; that such newspaper is regularly published weekly, for at least fifty weeks during the calendar year, the Municipality of Hamlin, Lincoln County, West Virginia; that such newspaper is newspapers of "general circulation" as that term is defined in article three, chapter fifty-nine of the Code of West Virginia 1931, as amended, within the publication area or areas of the aforesaid municipality and county; that such newspapers average in length of four or more pages, exclusive of any cover, per issue; that such newspapers is circulated to the general public at a definite price or consideration; that such newspaper is newspaper to which the general public resorts for posting of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matters, advertisements, and other notices; that the annexed notice of

December 13 Notice Of Public Hearing Regarding The Enlargement Of The Boundaries Of Branchland-Midkiff Public Service District, A Politicalsubdivision Of The State Of West Virginia

was duly published in said newspaper once a week for 1 week(s), commencing with the issue 13th day of December 2006 and ending with the issue of the 13th day of December 2006, that said annexed notice was published on the following date(s): December 13, 2006 and the cost of publishing the annexed notice as aforesaid was \$193.55.



Thomas A Robinson, Publisher

Taken, subscribed and sworn before me in my said county this 28th day of December 2006.



Patty Robinson, Notary Public of Lincoln County, West Virginia.
My commission expires October 4, 2015.



Legal Advertisements

LEGAL ADVERTISEMENT
 Any Contractor submitting a bid for the construction of a concrete structure within a distance of 200 feet in a city, town or village, shall file a copy of the bid with the clerk of the court in the county in which the work is to be done. The contractor shall also file a copy of the bid with the clerk of the court in the county in which the work is to be done. The contractor shall also file a copy of the bid with the clerk of the court in the county in which the work is to be done.

NOTICE OF PUBLIC HEARING
 The Board of Supervisors of Lincoln County, Virginia, will hold a public hearing on the proposed amendments to the Comprehensive Zoning Ordinance on December 13, 2006, at 10:00 a.m. in the Board Room, Courthouse, Lincoln County, Virginia.

NOTICE OF PUBLIC HEARING
 The Board of Supervisors of Lincoln County, Virginia, will hold a public hearing on the proposed amendments to the Comprehensive Zoning Ordinance on December 13, 2006, at 10:00 a.m. in the Board Room, Courthouse, Lincoln County, Virginia.

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LEGAL ADVERTISEMENT
 The undersigned, a duly qualified and licensed attorney-at-law, is hereby offering for sale the following real estate: 1.000 acre tract in Lincoln County, Virginia, bounded on the north by the State of West Virginia, on the east by the State of North Carolina, on the south by the State of Tennessee, and on the west by the State of Kentucky. The tract is more particularly described in a plat of survey filed for record in the Clerk's Office of Lincoln County, Virginia, on this 15th day of December, 2006.

LEGAL ADVERTISEMENT
 The undersigned, a duly qualified and licensed attorney-at-law, is hereby offering for sale the following real estate: 1.000 acre tract in Lincoln County, Virginia, bounded on the north by the State of West Virginia, on the east by the State of North Carolina, on the south by the State of Tennessee, and on the west by the State of Kentucky. The tract is more particularly described in a plat of survey filed for record in the Clerk's Office of Lincoln County, Virginia, on this 15th day of December, 2006.

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

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WHEREAS, there has heretofore been filed in the office of the Clerk of the County Court of Lincoln County, West Virginia, a petition to this County Court, for the Creation of a public service district within Lincoln County, West Virginia; and

WHEREAS, said County Court Clerk has presented such petition to this County Court at this meeting; and

WHEREAS, pursuant to the provisions of Article 13-a of Chapter 16 of the West Virginia Code, this County Court upon presentation of such petition is required to fix a date of hearing on the creation of the proposed public service district:

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED AND ORDERED by the County Court of Lincoln County, West Virginia, as follows:

Section 1. That the County Court of Lincoln County, West Virginia, hereby finds and declares that there has been filed in the office of the County Court Clerk and presented by said County Court Clerk to this County Court, a petition for the creation of a public service district within Lincoln County, West Virginia, which Petition contains a description sufficient to identify the territory to be embraced within the proposed public service district and the name of the proposed Public service district and which Petition has been signed by at least one hundred legal voters resident within and owning real property within the limits of the proposed public service district, and said County Court further finds and declares that said petition in all respects meets the requirements of Article 13-a of Chapter 16 of the West Virginia Code.

SECTION 2. That said Petition, among other things, states as follows:

- (a) The name and corporate title of said public service district shall be the "Branchland-Midkiff Public Service District".
- (b) The territory to be embraced in said public service district shall be as follows: an area comprised of communities of Branchland, Hubball, and Midkiff, being specifically described as follows:

BEGINNING at a point in Guyandot River opposite the Mouth of Peyton Branch and the boundary of Pleasant View Public Service District, down Guyandot River to a point having a latitude of North $38^{\circ} 14' 49''$ and longitude West $82^{\circ} 11' 10''$.

THENCE South 0.4 Miles to a point having a latitude of North $38^{\circ} 14' 24''$ and longitude of West $82^{\circ} 11' 10''$,

THENCE Southwesterly direction 0.7 miles to a point having a latitude of North $38^{\circ} 14' 03''$ and longitude of West $82^{\circ} 11' 45''$

THENCE Southerly 0.8 miles to a point having a latitude of North $38^{\circ} 13' 19''$,
THENCE Southeasterly 1.0 Miles to a point having a latitude of North $38^{\circ} 12' 47''$ and longitude of West $82^{\circ} 10' 53''$,

THENCE SOUTH 1.2 miles to a point having a latitude of North $38^{\circ} 11' 45''$ and longitude of West $82^{\circ} 10' 56''$

THENCE Southeasterly 1.3 miles to a point having a latitude of North $38^{\circ} 10' 46''$ and longitude of West $82^{\circ} 10' 12''$

THENCE Southeasterly 0.5 Miles to a point having a latitude of North $38^{\circ} 10' 28''$ and longitude West $82^{\circ} 09' 45''$,

THENCE Southwesterly 1.2 miles to a point having a latitude of North $38^{\circ} 09' 32''$ and longitude of West $82^{\circ} 10' 00''$,

THENCE Crossing Guyandott River West 0.3 miles to a point having a latitude of North $38^{\circ} 09' 32''$ and a longitude of West $82^{\circ} 10' 52''$,

THENCE Northwest 1.4 miles to a point having a latitude of North 38° 11' 11" and longitude of West 82° 11' 11" and longitude of West 82° 11' 08",

THENCE Northwesterly 0.6 Miles to a point having a latitude of North 38° 11' 47" and longitude of West 82° 11' 49",

THENCE West 0.5 miles to a point having a latitude of North 38° 11' 47" and longitude of North 38° 11' 47" and longitude of West 82° 12' 24"

THENCE North 0.6 miles to a point having a latitude of North 38° 12' 17" and longitude of West 82° 12' 24"

THENCE East 0.8 miles to a point having a latitude of North 38° 12' 17" and longitude West 82° 11' 30",

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THENCE NORTH 1.5 miles to a point having a latitude of North 38° 14' 18", and a longitude of West 82° 12' 32"

THENCE North easterly 0.8 miles to a point having a latitude of North 38° 14' 41" and longitude West 82° 11' 47",

THENCE East 0.1 miles to place of BEGINNING, containing square miles 5.1 and being a part of Sheridan and Laurel Magisterial Districts of Lincoln County, West Virginia

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

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

SECTION 3. That on November 6, 1965, at the hour of 9:00 O'Clock, A. M., this County Court shall meet in the County Court House at Hamlin, West Virginia, for the purpose of conducting a public hearing on the creation of the proposed public service district; at which time and place all persons residing in or owning or having any interest in property in the proposed public service district may appear before this County Court and shall have an opportunity to be heard for and against the creation of said district, and at such hearing, this County Court shall consider and determine the feasibility of the creation of the proposed public service district.

SECTION 4. That the County Court Clerk is hereby authorized and directed to cause notice of such hearing in substantially the form hereinafter set out to be published on October 7, 1965, in the Hamlin Democrat a newspaper of general Circulation published in Lincoln County:

ADOPTED BY THE COUNTY COURT October 2, 1965.

N.W. Oxley
President

ATTEST:

Clerk

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STATE OF WEST VIRGINIA)
COUNTY OF LINCOLN) ss

I, George W. Johnson, hereby certify that I am the duly qualified and acting Clerk of

Ronald J. Flora
ATTORNEY AT LAW
1115 SMITH STREET
MILTON, WEST VIRGINIA 25541

(304) 743-5354
FAX (304) 743-4120
E-MAIL: lawro77@aol.com

Jennifer R. Smith / C.L.A.

November 16, 2006

Lincoln County Commission
Lincoln County Courthouse
Hamlin, West Virginia 25523

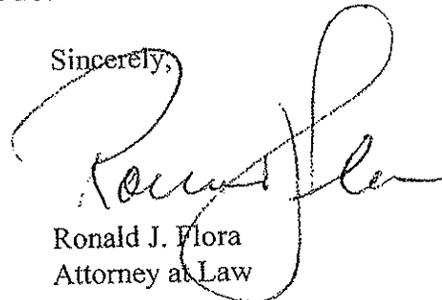
Re: Petition to Enlarge the Boundaries of
Branchland-Midkiff Public Service
District

Dear Sir or Madam:

Enclosed please find an **original** and three (3) copies of a Petition to Enlarge the Boundaries of the Branchland-Midkiff Public Service District to be included as an agenda item for the County Commission meeting scheduled for December 7, 2006, at 6:00 o'clock p.m.

Should you have any questions, please do not hesitate to contact me.

Sincerely,



Ronald J. Flora
Attorney at Law

RJF/js

Enclosures

cc: Branchland-Midkiff Public Service District
Mr. John Stump, Esq.
Mr. Michael Griffith
Mr. Bud McCallister, c/o Triad Engineering

IN THE COUNTY COMMISSIONS OF LINCOLN
AND WAYNE COUNTY, WEST VIRGINIA

IN RE: BRANCHLAND-MIDKIFF PUBLIC SERVICE
DISTRICT

CASE NO. _____

**PETITION OF THE BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT
TO ENLARGE THE SERVICE BOUNDARIES OF BRANCHLAND-MIDKIFF
PUBLIC SERVICE DISTRICT TO INCLUDE A PORTION OF WAYNE COUNTY,
WEST VIRGINIA PURSUANT TO WEST VIRGINIA CODE 16-13A-2**

Comes now the Branchland-Midkiff Public Service District, a water utility, organized under the laws of the State of West Virginia, hereinafter referred to as "District", and hereby petitions the Honorable County Commissions of Wayne and Lincoln County pursuant to West Virginia Code 16-13A-2(a) for permission and authority to enlarge the boundaries of the District as set out hereinbelow:

1. Branchland-Midkiff Public Service District is a water utility whose service territory as of the date of the filing of this Petition encompasses an area which includes only Lincoln County, West Virginia (see current boundaries below).
2. Branchland-Midkiff Public Service District currently provides water service to approximately 884 residential and commercial customers in and around the communities of Branchland and Midkiff and an area 5.1 square miles along the Guyandotte River and Four Mile Creek Red River Fork areas all of Lincoln County, West Virginia.
3. The District has received funding Commitments in the amount of \$4,600,000.00 to provide for an extension of water service to approximately 233 potential new customers in

Lincoln and Wayne County. Approximately 98 of the potential new customers are residents of Wayne County, West Virginia, which lies outside the current service territory of the Branchland-Midkiff Public Service District.

4. Funding for the proposed project includes a proposed Grant from the Wayne County Commission in the amount of \$75,000.00 to help offset certain costs of construction.

5. The current boundaries of the Branchland-Midkiff Public Service District as set forth in the Order creating the District dated the 2nd day of October, 1965, are as follows:

Current Boundaries:

An area comprised of communities of Branchland, Hubball, and Midkiff, being specifically described as follows:

BEGINNING at a point in Guyandot River opposite the Mouth of Peyton Branch and the boundary of Pleasant View Public Service District, down Guyandot River to a point having a latitude of North 38°14'49" and longitude West 82°11'10". Thence South 0.4 miles to a point having a latitude of North 38°14'24" and longitude of West 82°11'10". Thence Southwesterly direction 0.7 miles to a point having a latitude of North 08°14'03" and longitude of West 82°11'45". Thence Southerly 0.8 miles to a point having a latitude of North 38°13'19", Thence Southeasterly 1.0 miles to a pint having a latitude of North 38°12'47" and longitude of West 82°10'53", Thence South 1.2 miles to a point having a latitude of North 38°11'45" and longitude of West 82°10'56", Thence Southeasterly 1.3 miles to a point having a latitude of North 38°10' 46" and longitude of West 82°10'12", Thence Southeasterly 0.5 miles to a point having a latitude of North 38°10'28" and longitude West 82°09'45", Thence Southwesterly 1.2 miles to a point having a latitude of North 38°09'32" and longitude of West 82°10'00", Thence crossing Guyandott River West 0,8 miles to a point having a latitude of North 38°09'32" and a longitude of West 82°10'52", Thence Northwest 1.4 miles to a point having a latitude of North 38°11'11" and longitude of West 82°11'11" and longitude of West 82°11'08", Thence Northwesterly 0.6 miles to a point having a latitude of North 38°11'47" and longitude of West 82°11'49", Thence West 0.5 miles to a point having a latitude of North 38°11'47" and longitude of North 38°11'47" and longitude of West 82°12'24", Thence North 0.6 miles to a point having a latitude of North 38°12'17" and longitude of West 82°12'24", Thence East 0.8 miles to a point having a latitude North 38°12'17" and longitude West 82°11'30", Thence North 0.4 miles to a point having a latitude North

38°12'38" and Longitude West 82°11'30", Thence Northwesterly 0.8 miles to a point having latitude of North 38°13'00" and longitude West 82°12'12" West 0.3 miles to a point having a latitude of North 38°13'00" and longitude 82°12'32", Thence North 1.5 miles to a point having a latitude of North 38°44'18", and a longitude of West 82°12'32", Thence North easterly 0.8 miles to a point having a latitude of North 38°14'41" and longitude West 82°11'47", Thence East 0.1 miles to the place of BEGINNING, containing square miles 5.1 and being a part of Sheridan and Laurel Magisterial Districts of Lincoln County, West Virginia.

The proposed territorial service extension in Wayne County, West Virginia, is hereinafter described as follows:

Wayne County Extension

A tract of land situated in Stonewall District, Wayne County, West Virginia to be added into the existing Branchland-Midkiff Public Service District in Laurel Hill and Sheridan Districts, Lincoln County, West Virginia by minor boundary adjustment, more particularly described as follows:

Beginning at a point located on the existing boundary of the Branchland-Midkiff Public Service District, in the division line of Lincoln County, Wayne County and the tract herein described, near Cove Knob, with a Latitude of 38°04'35" and a Longitude of 82°14'08", thence, from a said Point of Beginning, leaving said division line, due West, 25,579 feet to a point located on Crackersneck Ridge in said Stonewall Magisterial District of Wayne County, with a Latitude 38°04'33" and a Longitude of 82°19'28" thence, Northeasterly, 53,275 feet to a point located on Beech Fork, with a Latitude 38°13'17" and a Longitude of 82°18'22", thence, Northeasterly, 12,323 feet to a point in said division line of Wayne and Lincoln Counties, said point being described as the Northwest corner of Branchland-Midkiff Public Service District's existing boundary, with a Latitude of 38°13'44" and a Longitude of 82°15'54", thence with the meander of said division line, South, 83,065 feet to the Point of Beginning, thus encompassing an area of approximately 27.71 square miles.

6. Pursuant to West Virginia Code 16-13A-2 and attached hereto is a plat indicating the revised boundaries of the District for the Wayne County service territory if the Honorable Commissions should allow and permit the boundary expansion.

7. The District is not currently servicing any customers in this extended service area, but pursuant to the proposed construction project 98 customers in Wayne County would be

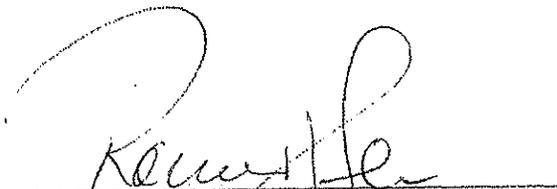
served with potable water by the construction project if the proposed boundary enlargement is permitted.

8. The District shall, pursuant to the Statute, deposit whatever funds are necessary for the publication of any and all notices which may be required by the respective County Commissions.

9. Based upon information and belief, no privately or publicly owned water utility system will be affected by the proposed enlargement of the District's boundaries, into Wayne County.

For the foregoing reasons the District does hereby respectfully request that the Honorable County Commissions of Wayne and Lincoln County enter Orders setting this matter for hearing or, in the alternative, pursuant to West Virginia Code 16-13A-2(a)(1) Order the enlargement on its own motion and for such other general relief as the respective Commissions may deem just and proper.

BRANCHLAND-MIDKIFF PUBLIC
SERVICE DISTRICT,
By counsel



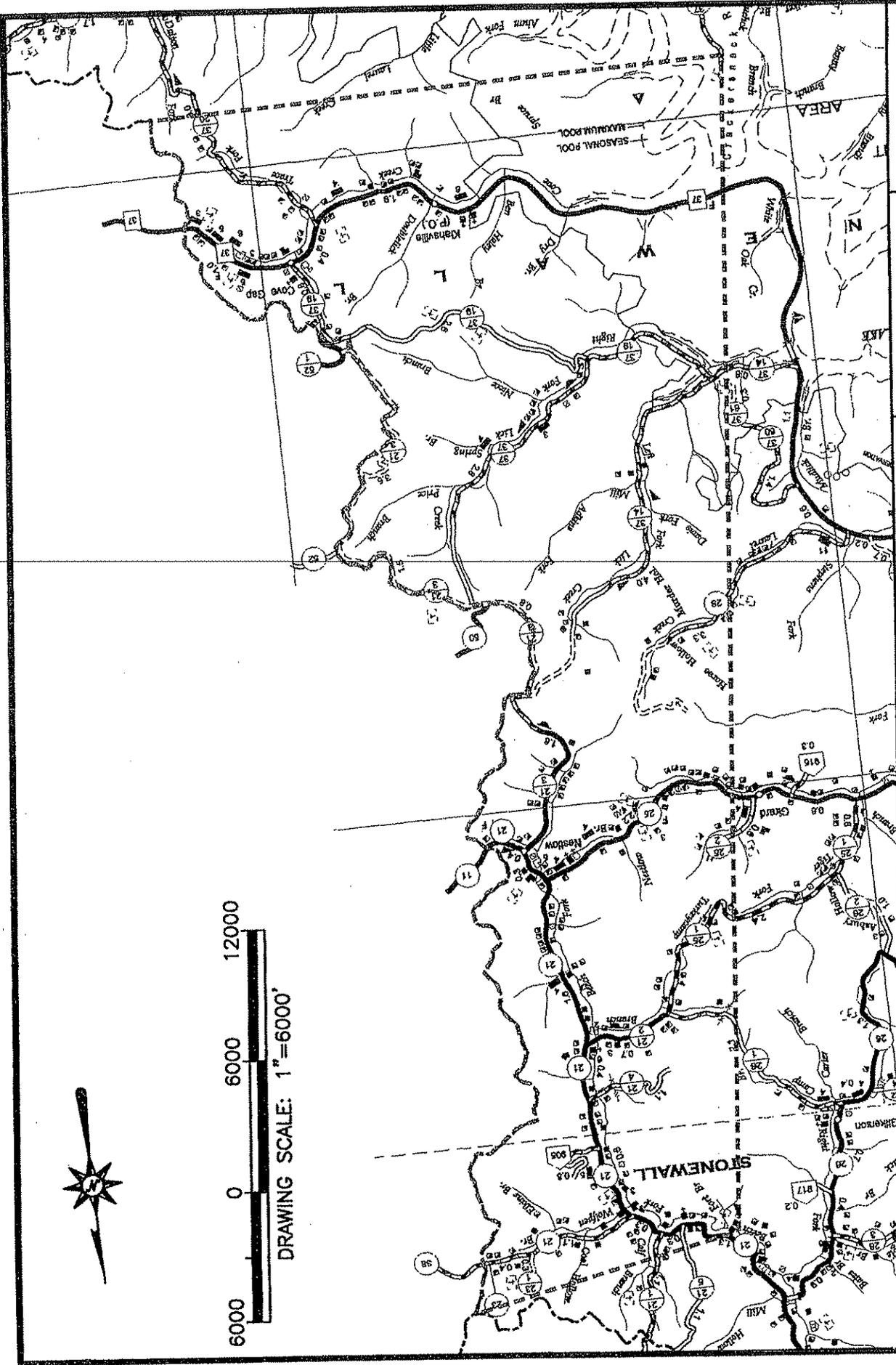
RONALD J. FLORA (WVSB#1227)
Counsel for Branchland-Midkiff Public Service District
1115 Smith Street
Milton, West Virginia 25541
(304) 743-5354

C:\Branchland-PSD\branchland-boundary-extension.pet.wpd

PROJECT No: 04-03-0443

DATE: 11-3-06

CAD FILE: Boundary Adjustment.dwg



ADJUSTMENT TO DISTRICT
 BOUNDARY
 BRANCHLAND-MIDKIFF P.S.D.
 WAYNE CO., W.V.

DRAWN BY: JAK
 CHECKED BY: HAM
 SCALE: 1"=6000'

FIGURE NO. 1

TRIAD
 P.O. BOX 1435
 4880 TEAYS VALLEY ROAD
 ST. ALBANS, WV 25177

Ronald J. Flora
ATTORNEY AT LAW
1115 SMITH STREET
MILTON, WEST VIRGINIA 25541

(304) 743-5354
FAX (304) 743-4120
E-MAIL: lawro77@aol.com

Jennifer R. Smith / C.L.A.

November 16, 2006

Wayne County Commission
Post Office Box 248
Wayne, West Virginia 25570

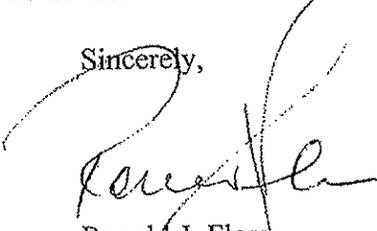
Re: Petition to Enlarge the Boundaries of
Branchland-Midkiff Public Service
District

Dear Sir or Madam:

Enclosed please find an **original** and three (3) copies of a Petition to Enlarge the Boundaries of the Branchland-Midkiff Public Service District to be included as an agenda item for the County Commission meeting scheduled for November 27, 2006, at 10:00 o'clock a.m.

Should you have any questions, please do not hesitate to contact me.

Sincerely,


Ronald J. Flora
Attorney at Law

RJF/js

Enclosures

cc: Branchland-Midkiff Public Service District
Mr. John Stump, Esq.
Mr. Michael Griffith
Mr. Bud McCallister, c/o Triad Engineering

IN THE COUNTY COMMISSIONS OF LINCOLN
AND WAYNE COUNTY, WEST VIRGINIA

IN RE: BRANCLAND-MIDKIFF PUBLIC SERVICE
DISTRICT

CASE NO. _____

**PETITION OF THE BRANCLAND-MIDKIFF PUBLIC SERVICE DISTRICT
TO ENLARGE THE SERVICE BOUNDARIES OF BRANCLAND-MIDKIFF
PUBLIC SERVICE DISTRICT TO INCLUDE A PORTION OF WAYNE COUNTY,
WEST VIRGINIA PURSUANT TO WEST VIRGINIA CODE 16-13A-2**

Comes now the Branchland-Midkiff Public Service District, a water utility, organized under the laws of the State of West Virginia, hereinafter referred to as "District", and hereby petitions the Honorable County Commissions of Wayne and Lincoln County pursuant to West Virginia Code 16-13A-2(a) for permission and authority to enlarge the boundaries of the District as set out hereinbelow:

1. Branchland-Midkiff Public Service District is a water utility whose service territory as of the date of the filing of this Petition encompasses an area which includes only Lincoln County, West Virginia (see current boundaries below).
2. Branchland-Midkiff Public Service District currently provides water service to approximately 884 residential and commercial customers in and around the communities of Branchland and Midkiff and an area 5.1 square miles along the Guyandotte River and Four Mile Creek Red River Fork areas all of Lincoln County, West Virginia.
3. The District has received funding Commitments in the amount of \$4,600,000.00 to provide for an extension of water service to approximately 233 potential new customers in

Lincoln and Wayne County. Approximately 98 of the potential new customers are residents of Wayne County, West Virginia, which lies outside the current service territory of the Branchland-Midkiff Public Service District.

4. Funding for the proposed project includes a proposed Grant from the Wayne County Commission in the amount of \$75,000.00 to help offset certain costs of construction.

5. The current boundaries of the Branchland-Midkiff Public Service District as set forth in the Order creating the District dated the 2nd day of October, 1965, are as follows:

Current Boundaries:

An area comprised of communities of Branchland, Hubball, and Midkiff, being specifically described as follows:

BEGINNING at a point in Guyandot River opposite the Mouth of Peyton Branch and the boundary of Pleasant View Public Service District, down Guyandot River to a point having a latitude of North 38°14'49" and longitude West 82°11'10". Thence South 0.4 miles to a point having a latitude of North 38°14'24" and longitude of West 82°11'10". Thence Southwesterly direction 0.7 miles to a point having a latitude of North 08°14'03" and longitude of West 82°11'45". Thence Southerly 0.8 miles to a point having a latitude of North 38°13'19", Thence Southeasterly 1.0 miles to a pint having a latitude of North 38°12'47" and longitude of West 82°10'53", Thence South 1.2 miles to a point having a latitude of North 38°11'45" and longitude of West 82°10'56", Thence Southeasterly 1.3 miles to a point having a latitude of North 38°10' 46" and longitude of West 82°10'12", Thence Southeasterly 0.5 miles to a point having a latitude of North 38°10'28" and longitude West 82°09'45", Thence Southwesterly 1.2 miles to a point having a latitude of North 38°09'32" and longitude of West 82°10'00", Thence crossing Guyandott River West 0,8 miles to a point having a latitude of North 38°09'32" and a longitude of West 82°10'52", Thence Northwest 1.4 miles to a point having a latitude of North 38°11'11" and longitude of West 82°11'11" and longitude of West 82°11'08", Thence Northwesterly 0.6 miles to a point having a latitude of North 38°11'47" and longitude of West 82°11'49", Thence West 0.5 miles to a point having a latitude of North 38°11'47" and longitude of North 38°11'47" and longitude of West 82°12'24", Thence North 0.6 miles to a point having a latitude of North 38°12'17" and longitude of West 82°12'24", Thence East 0.8 miles to a point having a latitude North 38°12'17" and longitude West 82°11'30", Thence North 0.4 miles to a point having a latitude North

38°12'38" and Longitude West 82°11'30", Thence Northwesterly 0.8 miles to a point having latitude of North 38°13'00" and longitude West 82°12'12" West 0.3 miles to a point having a latitude of North 38°13'00" and longitude 82°12'32", Thence North 1.5 miles to a point having a latitude of North 38°44'18", and a longitude of West 82°12'32", Thence North easterly 0.8 miles to a point having a latitude of North 38°14'41" and longitude West 82°11'47", Thence East 0.1 miles to the place of BEGINNING, containing square miles 5.1 and being a part of Sheridan and Laurel Magisterial Districts of Lincoln County, West Virginia.

The proposed territorial service extension in Wayne County, West Virginia, is hereinafter described as follows:

Wayne County Extension

A tract of land situated in Stonewall District, Wayne County, West Virginia to be added into the existing Branchland-Midkiff Public Service District in Laurel Hill and Sheridan Districts, Lincoln County, West Virginia by minor boundary adjustment, more particularly described as follows:

Beginning at a point located on the existing boundary of the Branchland-Midkiff Public Service District, in the division line of Lincoln County, Wayne County and the tract herein described, near Cove Knob, with a Latitude of 38°04'35" and a Longitude of 82°14'08", thence, from a said Point of Beginning, leaving said division line, due West, 25,579 feet to a point located on Crackersneck Ridge in said Stonewall Magisterial District of Wayne County, with a Latitude 38°04'33" and a Longitude of 82°19'28" thence, Northeasterly, 53,275 feet to a point located on Beech Fork, with a Latitude 38°13'17" and a Longitude of 82°18'22", thence, Northeasterly, 12,323 feet to a point in said division line of Wayne and Lincoln Counties, said point being described as the Northwest corner of Branchland-Midkiff Public Service District's existing boundary, with a Latitude of 38°13'44" and a Longitude of 82°15'54", thence with the meander of said division line, South, 83,065 feet to the Point of Beginning, thus encompassing an area of approximately 27.71 square miles.

6. Pursuant to West Virginia Code 16-13A-2 and attached hereto is a plat indicating the revised boundaries of the District for the Wayne County service territory if the Honorable Commissions should allow and permit the boundary expansion.

7. The District is not currently servicing any customers in this extended service area, but pursuant to the proposed construction project 98 customers in Wayne County would be

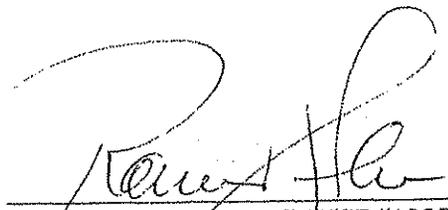
) served with potable water by the construction project if the proposed boundary enlargement is permitted.

8. The District shall, pursuant to the Statute, deposit whatever funds are necessary for the publication of any and all notices which may be required by the respective County Commissions.

9. Based upon information and belief, no privately or publicly owned water utility system will be affected by the proposed enlargement of the District's boundaries, into Wayne County.

For the foregoing reasons the District does hereby respectfully request that the Honorable ~~County Commissions of Wayne and Lincoln County enter Orders setting this matter for hearing~~ or, in the alternative, pursuant to West Virginia Code 16-13A-2(a)(1) Order the enlargement on its own motion and for such other general relief as the respective Commissions may deem just and proper.

BRANCHLAND-MIDKIFF PUBLIC
SERVICE DISTRICT,
By counsel



RONALD J. FLORA (WVSB#1227)
Counsel for Branchland-Midkiff Public Service District
1115 Smith Street
Milton, West Virginia 25541
(304) 743-5354
C:\Branchland-PSD\branchland-boundary-extension.pet.wpd

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AGENDA
LINCOLN COUNTY COMMISSION
JANUARY 6, 2005 AT 6:00 P.M.

THE LINCOLN COUNTY COMMISSION MET IN REGULAR SESSION ON JANUARY 6, 2005 AT 6:00 P.M. IN ROOM 108 OF THE LINCOLN COUNTY COURTHOUSE

MEMBERS

PRESENT

ABSENT

DONALD C. WHITTEN, CLERK
CHARLES MCCANN, PRESIDENT
BUSTER STOWERS, COMMISSIONER
CHARLES VANCE, COMMISSIONER
JACKIE STEVENS, PROSECUTING ATTY

 X
 X
 X
 X
 -

 -
 -
 -
 -
 X

PLEDGE OF ALLEGIANCE

I. CALL TO ORDER

THE MEETING WAS CALLED TO ORDER BY JUDY JOHNSON

II. APPOINTMENT OF PRESIDENT

MOTION BY CHARLES VANCE SECOND BY BUSTER STOWERS ALL VOTED YES
TO APPOINT CHARLES MCCANN AS PRESIDENT OF THE LINCOLN COUNTY
COMMISSION FOR THE CALENDAR YEAR OF 2005

III. SCHEDULE OF MEETINGS

MOTION BY CHARLES VANCE SECOND BY BUSTER STOWERS ALL VOTED YES
TO SCHEDULE THE MONTHLY MEETINGS OF THE LINCOLN COUNTY COMMISSION AS
FOLLOWS FOR THE CALENDAR YEAR OF 2005:

- FIRST THURSDAY OF EACH MONTH AT 6:00 P.M.
- THIRD THURSDAY OF EACH MONTH AT 10:00 A.M.

IV. APPROVAL OF MINUTES

MOTION BY BUSTER STOWERS SECOND BY CHARLES VANCE ALL VOTED YES
TO APPROVE THE MINUTES OF THE LINCOLN COUNTY COMMISSION MEETING HELD
ON DECEMBER 16, 2004 AT 10:00 A.M.

V. PUBLIC COMMENTS

NO COMMENTS WERE RECEIVED

VI. DISCUSSION OF CONCERN

JIM CUMM AND JIM GABEHART - BLUEGRASS/GOSPEL FESTIVAL
TO SET THE BLUEGRASS/GOSPEL FESTIVAL FOR AUGUST 27 & 28, 2005 AND TO
WORK ON ELECTRICAL FOR LIGHTS

UPPER MUD RIVER RESIDENTS AND THE TOWN OF WEST HAMLIN COUNCIL

LINCOLN COUNTY FIRE AND EMS - LEVY - EXPIRATION DATE JUNE 30, 2006

BRANCLAND-MIDKIFF PUBLIC SERVICE DISTRICT - BOARD OF DIRECTORS

MOTION BY CHARLES VANCE SECOND BY BUSTER STOWERS ALL VOTED YES
TO APPOINT HAROLD RAY SMITH TO THE BRANCLAND MIDKIFF PSD TERM
BEING JANUARY 1, 2005 THRU DECEMBER 31, 2010 ✓

ROXANNE LOWE - ESTATE OF WAVIE WILEY - TO SEND A LETTER TO THE
ADMINISTRATOR OF THE ESTATE WITH COPIES OF THE INVENTORY

VII. OLD BUSINESS

DILAPIDATED AND ABANDONED BUILDING COMMITTEE - MEETING SCHEDULED
FOR JANUARY 20, 2004 AT 12:00 P.M.

COURTHOUSE FACILITIES - GRANT APPLICATION TURNED IN TO REPLACE
COURTHOUSE WINDOWS IN THE TOTAL AMOUNT OF \$69,700; THE COUNTY
WOULD BE RESPONSIBLE FOR \$13,240

HOMELAND SECURITY - LIGHTS FOR THE BACK AND SIDE OF THE COURTHOUSE

"HAVE PRIDE, LET'S CLEAN UP LINCOLN COUNTY" -

COMPUTER SYSTEM - SHERIFF'S DEPARTMENT -

HATFIELD/MCCOY TRAIL SYSTEMS - FLEX-E GRANT WAS APPROVED TO CONDUCT
COMMUNITY MEETINGS TO GET INPUT AND GATHER SUPPORT FOR TRAIL ACCESS
DEVELOPMENT

LINCOLN COUNTY COMMUNITY FOUNDATION - APPROVAL OF FLEX E GRANT

VIII. NEW BUSINESS

MOTION BY BUSTER STOWERS SECOND BY CHARLES VANCE ALL VOTED YES
TO APPROVE THE BILLS AS SUBMITTED FOR PAYMENT

MOTION BY CHARLES VANCE SECOND BY BUSTER STOWERS ALL VOTED YES
TO APPROVE THE EXONERATION ORDERS AS SUBMITTED BY JERRY WEAVER,
ASSESSOR

MOTION BY BUSTER STOWERS SECOND BY CHARLES VANCE ALL VOTED YES
TO ACCEPT THE RESIGNATION OF MARSHA TRIPLETT AS CUSTODIAN EFFECTIVE
DECEMBER 6, 2004.

MOTION BY CHARLES VANCE SECOND BY BUSTER STOWERS ALL VOTED YES
TO APPROVE THE FULL-TIME EMPLOYMENT OF WANDA CLAY AS CUSTODIAN OF THE
LINCOLN COUNTY COURTHOUSE AT A RATE OF PAY OF \$1350 PER MONTH EFFECTIVE
JANUARY 1, 2005.

MOTION BY BUSTER STOWERS SECOND BY CHARLES VANCE ALL VOTED YES
TO APPROVE THE RESIGNATION OF CHAD RUNYAN AS A DEPUTY SHERIFF
EFFECTIVE DECEMBER 29, 2004.

MOTION BY CHARLES VANCE SECOND BY BUSTER STOWERS ALL VOTED YES
TO ADVERTISE IN THE LINCOLN JOURNAL OF ACCEPTING APPLICATIONS FOR A
BOARD OF DIRECTOR OF THE PLEASANT VIEW PUBLIC SERVICE DISTRICT

MOTION BY BUSTER STOWERS SECOND BY CHARLES VANCE ALL VOTED YES
TO SET THE FOLLOWING DATES FOR THE LINCOLN COUNTY COMMISSION TO MEET
AS THE BOARD OF EQUALIZATION AND REVIEW:
FEBRUARY 1, 4, 8, 10, 15, 2005 FROM 9:00 A.M. - 4:30 P.M. BY APPOINTMENT ONLY AND
FEBRUARY 8, 2005 HAS BEEN SELECTED AS NATURAL RESOURCES DAY.

MOTION BY BUSTER STOWERS SECOND BY CHARLES VANCE ALL VOTED YES
TO TABLE THE APPOINTMENT TO THE SOLID WASTE AUTHORITY AS A BOARD OF
DIRECTOR.

ALLEN HOLDER - DIRECTOR OF LINCOLN 911

MOTION BY BUSTER STOWERS SECOND BY CHARLES VANCE ALL VOTED YES
TO APPROVE THE TEMPORARY EMPLOYMENT OF BRANDY STERLING ON A SIXTY
DAY EMPLOYMENT AS REQUESTED BY ALLEN HOLDER, DIRECTOR

FCC RULING WITH VONAGE COMMUNICATIONS

MOTION BY CHARLES VANCE SECOND BY BUSTER STOWERS ALL VOTED YES
TO GIVE ALLEN HOLDER AUTHORIZATION TO SUBMIT A LETTER ON BEHALF OF THE
COMMISSION CONCERNING THE FCC RULING ON VONAGE COMMUNICATIONS

NEW BUSINESS CONTINUED

LINCOLN COUNTY PARKS AND RECREATION APPOINTMENT TO BOARD

MOTION BY CHARLES VANCE SECOND BY BUSTER STOWERS ALL VOTED YES
TO APPOINT THE FOLLOWING TO THE LINCOLN COUNTY PARKS AND RECREATION
BOARD OF DIRECTORS: CHARLES R. ADKINS AND VIRGINIA LYNN SCRAGGS

LINCOLN COUNTY HEALTH DEPARTMENT APPOINTMENT TO BOARD

MOTION BY BUSTER STOWERS SECOND BY CHARLES VANCE ALL VOTED YES
TO ACCEPT THE RESIGNATION OF HELEN HAULDREN AS A MEMBER OF THE LINCOLN
COUNTY HEALTH DEPARTMENT BOARD OF DIRECTORS AND TO ADVERTISE IN THE
LOCAL PAPER FOR A REPLACEMENT

SHERIFF'S DEPARTMENT

MOTION BY BUSTER STOWERS SECOND BY CHARLES VANCE ALL VOTED YES
TO APPROVE THE APPOINTMENT OF ELLA H. BURNS AS EXECUTRIX OF THE ESTATE
OF YANCEY EDWARD BURNS. DONE IN VACATION OF THE LINCOLN COUNTY
COMMISSION BY DONALD C. WHITTEN, CLERK.

MOTION BY CHARLES VANCE SECOND BY BUSTER STOWERS ALL VOTED YES
TO APPROVE THE APPOINTMENT OF BARBARA HESS AS EXECUTRIX OF THE ESTATE
OF VERA RUNYAN OURS. DONE IN VACATION OF THE LINCOLN COUNTY
COMMISSION BY DONALD C. WHITTEN, CLERK.

MOTION BY BUSTER STOWERS SECOND BY CHARLES VANCE ALL VOTED YES
TO APPROVE THE APPOINTMENT OF JANET L. CLARK AS ADMINISTRATRIX OF THE
ESTATE OF STEVEN ALLEN CLARK. DONE IN VACATION OF THE LINCOLN COUNTY
COMMISSION BY DONALD C. WHITTEN, CLERK.

MOTION BY CHARLES VANCE SECOND BY BUSTER STOWERS ALL VOTED YES
TO APPROVE THE APPOINTMENT OF DEBRA L. HALSTEAD AS EXECUTRIX OF THE
ESTATE OF GERALD ALAN HALSTEAD. DONE IN VACATION OF THE LINCOLN
COUNTY COMMISSION BY DONALD C. WHITTEN, CLERK.

MOTION BY BUSTER STOWERS SECOND BY CHARLES VANCE ALL VOTED YES
TO APPROVE THE APPOINTMENT OF GARY LEE ADKINS AS ADMINISTRATOR OF THE
ESTATE OF GARY LEE ADKINS, JR. DONE IN VACATION OF THE LINCOLN COUNTY
COMMISSION BY DONALD C. WHITTEN, CLERK.

MOTION BY CHARLES VANCE SECOND BY BUSTER STOWERS ALL VOTED YES
TO APPROVE THE APPOINTMENT OF ROGER DALE KEELING AS EXECUTOR OF THE
ESTATE OF NORRIS R. KEELING. DONE IN VACATION OF THE LINCOLN COUNTY
COMMISSION BY DONALD C. WHITTEN, CLERK.

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LINCOLN COUNTY COMMISSION
JANUARY 6, 2005 6:00 P.M.
PAGE 5 OF 5

NEW BUSINESS CONTINUED

MOTION BY BUSTER STOWERS SECOND BY CHARLES VANCE ALL VOTED YES
TO APPROVE THE APPOINTMENT OF LINDA K. NIDA AS ADMINISTRATRIX OF THE
ESTATE OF MELVIN H. NIDA. DONE IN VACATION OF THE LINCOLN COUNTY
COMMISSION BY DONALD C. WHITTEN, CLERK

MOTION BY CHARLES VANCE SECOND BY BUSTER STOWERS ALL VOTED YES
TO APPROVE THE APPOINTMENT OF DANNY LAWRENCE AS EXECUTOR OF THE
ESTATE OF DONALD MASON. DONE IN VACATION OF THE LINCOLN COUNTY
COMMISSION BY DONALD C. WHITTEN, CLERK

MOTION BY BUSTER STOWERS SECOND BY CHARLES VANCE ALL VOTED YES
TO APPROVE THE DRAW DOWN REQUEST #2 IN THE AMOUNT OF \$1,241.09 FROM THE
LAW ENFORCEMENT AND \$5,720.73 FROM THE EMERGENCY OPERATION CENTER OF
THE HOMELAND SECURITY GRANT

IX. COMMISSION CONCERN

HISTORICAL PHOTO'S OF LINCOLN COUNTY AT THE CULTURE CENTER
RESEARCH ARCHIVES AT THE WEST VIRGINIA CULTURE CENTER OF PICTURES OF
DIFFERENT AREAS OF LINCOLN COUNTY TO COPY AND HANG THROUGHOUT THE
LINCOLN COUNTY COURTHOUSE

THE LINCOLN COUNTY HOME CONFINEMENT WILL BE MONITORED BY THE
PROBATION DEPARTMENT ON FEBRUARY 1, 2005

X. ADJOURNMENT

MOTION BY CHARLES VANCE SECOND BY BUSTER STOWERS ALL VOTED YES
TO ADJOURN THIS SESSION OF THE LINCOLN COUNTY COMMISSION AT THE TIME OF
8:55 P.M.

NEXT MEETING DATE: JANUARY 20, 2004 10:00 A.M. REGULAR SESSION

**AGENDA
LINCOLN COUNTY COMMISSION
JANUARY 5, 2006 6:00 P.M.**

THE LINCOLN COUNTY COMMISSION MET IN REGULAR SESSION ON JANUARY 5, 2006 AT 6:00 P.M. IN ROOM #108 OF THE LINCOLN COUNTY COURTHOUSE

<u>MEMBERS</u>	<u>PRESENT</u>	<u>ABSENT</u>
DONALD C. WHITTEN, CLERK	<u> X </u>	<u> </u>
CHARLES MCCANN, PRESIDENT	<u> X </u>	<u> </u>
BUSTER STOWERS, COMMISSIONER	<u> X </u>	<u> </u>
CHARLES VANCE, COMMISSIONER	<u> X </u>	<u> </u>
JACKIE STEVENS, PROSECUTING ATTY	<u> </u>	<u> X </u>

PLEDGE OF ALLEGIANCE

I. CALL TO ORDER

THE MEETING WAS CALLED TO ORDER BY JUDY JOHNSON

II. APPOINTMENT OF PRESIDENT OF COMMISSION

MOTION BY BUSTER STOWERS SECOND BY CHARLES VANCE
TO APPOINT CHARLES S. MCCANN AS PRESIDENT OF THE LINCOLN COUNTY
COMMISSION FOR THE 2006 CALENDAR YEAR .

VOTE:
MCCANN YES STOWERS YES VANCE YES

III. SET MEETING DATE AND TIME

MOTION BY CHARLES VANCE SECOND BY BUSTER STOWERS
TO SET THE MEETING DATE AND TIME FOR THE 2006 CALENDAR YEAR AS FOLLOWS:
1ST AND 3RD THURSDAY OF EACH MONTH. 1ST THURSDAY AT 6:00 P.M. AND 3RD
THURSDAY AT 10:00 A.M.

VOTE:
MCCANN YES STOWERS YES VANCE YES

IV. APPROVAL OF MINUTES

MOTION BY BUSTER STOWERS SECOND BY CHARLES VANCE
TO APPROVE THE MINUTES OF THE REGULAR SESSION OF THE LINCOLN COUNTY
COMMISSION MEETING THAT WAS HELD ON DECEMBER 15, 2005 AT 10:00 A.M.

VOTE:
MCCANN YES STOWERS YES VANCE YES

V. PUBLIC COMMENTS

RIC MCDOWELL - UPDATE OF THE EPA GRANT

LINCOLN COUNTY COMMISSION
JANUARY 5, 2006 6:00 P.M.
PAGE 2 OF 5

VI. DISCUSSION OF CONCERN

DISCUSSION ON FUTURE FUNDING AND PRIORITY LIST FOR WATER PROJECTS TO BRING THE LIST OF THE TOP THREE PRIORITY LIST
FRED SNODGRASS - JIM WESOLOWSKI - LINCOLN PSD
EDDIE PARSONS - TOWN OF WEST HAMLIN
HAROLD SMITH - BRANCHLAND-MIDKIFF PSD
RICK ROBERTS - LOGAN PSD

MAUREEN HAULDREN - SOLID WASTE AUTHORITY - REQUESTING FUNDING FOR ALLIED WASTE DROP BINS IN THE AMOUNT OF \$6,000 AND FUNDING FOR THE DIRECTORS SALARY IN THE AMOUNT OF \$8,000

REGINA BOOTH- COUNTY ROAD 58/2 - A COPY OF THE LETTER WAS GIVEN TO ALLEN HOLDER, DIRECTOR OF LINCOLN 911 AND SUBMIT A COPY TO THE DOH

VII. OLD BUSINESS

APPOINTMENT TO THE BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT BOARD OF DIRECTORS

MOTION BY **CHARLES VANCE** SECOND BY **BUSTER STOWERS**
TO APPOINT RONALD LUCAS - FOUR YEAR TERM JANUARY 1, 2006 - DECEMBER 31, 2009 AND ALFRED ABSHIRE - SIX YEAR JANUARY 1, 2006 - DECEMBER 31, 2011 TO THE BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT BOARD OF DIRECTORS.

VOTE:

MCCANN YES STOWERS YES VANCE YES

COMPUTER SYSTEM - SHERIFF'S DEPARTMENT - REQUEST AN UPDATE FROM LISA THORNBURG

HATFIELD/MCCOY TRAIL SYSTEMS -NEAL VANCE

MOTION BY **CHARLES VANCE** SECOND BY **BUSTER STOWERS**
TO ACCEPT THE RESIGNATION OF KEITH JOHNSON AS A REPRESENTATIVE TO THE HATFIELD/MCCOY TRAIL SYSTEMS.

VOTE:

MCCANN YES STOWERS YES VANCE YES

MOTION BY **BUSTER STOWERS** SECOND BY **CHARLES MCCANN**
TO APPOINT CHARLES VANCE TO THE HATFIELD/MCCOY TRAIL SYSTEMS BOARD OF DIRECTORS AS A REPRESENTATIVE FOR LINCOLN COUNTY

VOTE:

MCCANN YES STOWERS YES VANCE YES

LINCOLN COUNTY COMMUNITY FOUNDATION -

ATV -

OLD BUSINESS CONTINUED

STATE ROUTE 10 - PRESS RELEASE - CHARLES MCCANN GAVE AN UPDATE

"HAVE PRIDE, LET'S CLEAN UP LINCOLN COUNTY"-

SHOOTING RANGE - CHARLES MCCANN WILL MEET WITH ERIC RICHMOND WITH DNR

VIII. NEW BUSINESS

MOTION BY BUSTER STOWERS SECOND BY CHARLES VANCE
TO APPROVE THE BILLS AS SUBMITTED FOR PAYMENT

VOTE:

MCCANN YES STOWERS YES VANCE YES

SHERIFF'S DEPT - PURCHASE NEW CAR

MOTION BY BUSTER STOWERS SECOND BY CHARLES VANCE
TO APPROVE THE PURCHASE OF A DODGE CHARGER WITH A HEMI FOR THE LAW
ENFORCEMENT IN THE AMOUNT OF \$21,790

VOTE:

MCCANN YES STOWERS YES VANCE YES

MOTION BY CHARLES VANCE SECOND BY BUSTER STOWERS
TO APPROVE THE FOLLOWING APPOINTMENTS DONE IN VACATION OF THE LINCOLN
COUNTY COMMISSION BY DONALD C. WHITTEN, CLERK:

BARBARA ANN STOWERS AS ADMINISTRATRIX OF THE ESTATE OF HOWARD KELLY
STOWERS

WETZEL FULKS AS ADMINISTRATOR OF THE ESTATE OF JOANN FULKS

JERRY L. EGNOR AS EXECUTOR OF THE ESTATE OF JAMES S. EGNOR, JR

TAMMY E. ORE AS EXECUTRIX OF THE ESTATE OF ANNIE PATRICIA CLARK

VICKIE LYNN KOPSOLIAS LINVILLE AS EXECUTRIX OF THE ESTATE OF RUTH

KATHLEEN KOPSOLIAS

VOTE:

MCCANN YES STOWERS YES VANCE YES

MOTION BY BUSTER STOWERS SECOND BY CHARLES VANCE
TO RE-OPEN THE ESTATE OF JOY L. MANNON AND APPOINT CHRISTY L. ADKINS AS
EXECUTRIX, FOR THE SOLE PURPOSE TO DISTRIBUTE AN ASBESTOS CLAIM.

VOTE:

MCCANN YES STOWERS YES VANCE YES

MOTION BY CHARLES VANCE SECOND BY BUSTER STOWERS
TO APPROVE THE ELECTION OFFICIALS AS PRESENTED FOR THE UPCOMING
ELECTION TO BE HELD ON FEBRUARY 18, 2006

VOTE:

MCCANN YES STOWERS YES VANCE YES

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LINCOLN COUNTY COMMISSION
JANUARY 5, 2006 6:00 P.M.
PAGE 4 OF 5

NEW BUSINESS CONTINUED

MOTION BY CHARLES VANCE SECOND BY BUSTER STOWERS
TO APPOINT KENNY R. ADKINS TO THE CORRIDOR G REGIONAL DEVELOPMENT
AUTHORITY BOARD OF DIRECTORS AS A REPRESENTATIVE FOR LINCOLN COUNTY
VOTE:

MCCANN YES STOWERS YES VANCE YES

MOTION BY CHARLES VANCE SECOND BY BUSTER STOWERS
TO SET THE BOARD OF EQUALIZATION AND REVIEW FOR THE FOLLOWING DATES:

FEBRUARY 1, 2006	9:00 A.M. - 4:30 P.M.
FEBRUARY 3, 2006	9:00 A.M. - 4:30 P.M.
FEBRUARY 7, 2006	1:00 P.M. - 4:30 P.M.
FEBRUARY 9, 2006	9:00 A.M. - 4:30 P.M.
FEBRUARY 15, 2006	9:00 A.M. - 4:30 P.M.

FEBRUARY 1, 2006 HAS BEEN SELECTED AS NATURAL RESOURCES DAY

VOTE:

MCCANN YES STOWERS YES VANCE YES

MOTION BY CHARLES VANCE SECOND BY BUSTER STOWERS
TO ACCEPT THE RESIGNATION OF JERRY WEAVER AS ASSESSOR OF LINCOLN
COUNTY, EFFECTIVE DECEMBER 30, 2005

VOTE:

MCCANN YES STOWERS YES VANCE YES

MOTION BY CHARLES VANCE SECOND BY BUSTER STOWERS
TO SET THE GOALS OF THE LINCOLN COUNTY COMMISSION FOR THE YEAR OF 2006
AS PRESENTED.

VOTE:

MCCANN YES STOWERS YES VANCE YES

ALLEN HOLDER - LINCOLN 911 EMPLOYEE BENEFITS
LANDING ZONE FOR THE COUNTY FARM

MOTION BY CHARLES VANCE SECOND BY BUSTER STOWERS
TO APPROVE THE REQUEST TO PAY FOR 911 EMPLOYEE INSURANCE COVERAGE UP
TO THE AMOUNT OF \$300 SUBMITTED BY ALLEN HOLDER, DIRECTOR

VOTE:

MCCANN YES STOWERS YES VANCE YES

MOTION BY BUSTER STOWERS SECOND BY CHARLES VANCE
TO APPROVE THE PAY RAISES FOR THE LINCOLN 9-1-1 EMPLOYEES AS PRESENTED
WITH DOCUMENTATION STATING THAT THE FUNDING IS AVAILABLE AS REQUESTED
BY ALLEN HOLDER, DIRECTOR

VOTE:

MCCANN YES STOWERS YES VANCE YES

NEW BUSINESS CONTINUED

MOTION BY BUSTER STOWERS SECOND BY CHARLES VANCE
TO APPOINT GUY S. BROWNING, CHIEF APPRAISER TO ACT UPON THE LIMITED
DUTIES AS THE LINCOLN COUNTY ASSESSOR FROM JANUARY 6, 2006 UNTIL
JANUARY 19, 2006 OR UNTIL SUCH TIME AS THE LINCOLN COUNTY COMMISSION
SHOULD FILL THE VACANCY IN OFFICE AS PROVIDED BY LAW AND TO
CONTINUE IN HIS DUTIES AS CHIEF APPRAISER

VOTE:
MCCANN YES STOWERS YES VANCE YES

MOTION BY CHARLES VANCE SECOND BY BUSTER STOWERS
TO APPOINT MARY RICHMOND, REPRESENTATIVE OF THE REPUBLICAN PARTY
AND BETTY SLONE AS REPRESENTATIVE OF THE DEMOCRAT PARTY AS BALLOT
COMMISSIONERS FOR THE UPCOMING ELECTIONS

VOTE:
MCCANN YES STOWERS YES VANCE YES

MOTION BY CHARLES VANCE SECOND BY BUSTER STOWERS
TO GO INTO EXECUTIVE SESSION OF THE LINCOLN COUNTY COMMISSION

VOTE:
MCCANN YES STOWERS YES VANCE YES

MOTION BY CHARLES VANCE SECOND BY BUSTER STOWERS
TO SCHEDULE A SPECIAL SESSION OF THE LINCOLN COUNTY COMMISSION FOR
JANUARY 9, 2006 AT 9:00 A.M. TO REVIEW THE APPLICATIONS FOR ASSESSOR

VOTE:
MCCANN YES STOWERS YES VANCE YES

MOTION BY CHARLES VANCE SECOND BY BUSTER STOWERS
TO SCHEDULE A SPECIAL SESSION OF THE LINCOLN COUNTY COMMISSION FOR
JANUARY 12, 2006 AT 10:00 A.M. TO INTERVIEW THE APPLICANTS FOR ASSESSOR

VOTE:
MCCANN YES STOWERS YES VANCE YES

VII. COMMISSION CONCERN

VIII. ADJOURNMENT

MOTION BY BUSTER STOWERS SECOND BY CHARLES VANCE
TO ADJOURN THIS REGULAR SESSION OF THE LINCOLN COUNTY COMMISSION AT
THE TIME OF 9:12 P.M.

VOTE:
MCCANN YES STOWERS YES VANCE YES

NEXT MEETING DATE: JANUARY 19, 2006 AT 10:00 A.M. REGULAR SESSION

2006 JUN 16 PM 3:14

OATH OF OFFICE

STATE OF WEST VIRGINIA
COUNTY OF LINCOLN, TO WIT:

I, Alfred Abshire, 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 Board of Directors of the Branchland-
Midkiff Public Service District for the County of Lincoln, and the State of West Virginia
to the best of my skill and judgement, So Help Me God.

Alfred Abshire
Alfred Abshire

Taken, subscribed and sworn to before the undersigned authority the 15th day of
June, 2006
My commission expires March 4, 2012.

Judith A. Johnson
Notary Public

CERTIFIED TO BE A TRUE
TESTE Donald C. Whitten
CLERK LINCOLN COUNTY COMMISSION

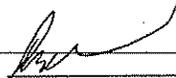
Lincoln County Clerk's Office 6-16-06. This instrument was this day presented to me
at my office, and thereupon, together with the Certificate thereto annexed, is certified to record
Teste Donald C. Whitten Clerk By Deraldine Keyton

2006 JUN 16 PM 3: 14

OATH OF OFFICE

STATE OF WEST VIRGINIA
COUNTY OF LINCOLN, TO WIT:

I, Ronald Lucas, 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 Board of Directors of the Branchland-
Midkiff Public Service District for the County of Lincoln, and the State of West Virginia
to the best of my skill and judgement, So Help Me God.



Ronald Lucas

Taken, subscribed and sworn to before the undersigned authority the 15th day of
June, 2006
My commission expires March 4, 2012.



Notary Public

CERTIFIED TO BE A TRUE
TESTE: Donald C. Whitten
CLERK LINCOLN COUNTY COMMISSION

Lincoln County Clerk's Office 6-16-06. This instrument is filed for record and to be
at my office, and thereupon, together with the Certificate of record or Deirdra the record of
Teste: Donald C. Whitten Clerk by Deirdra

2006 JUN 16 PM 3: 14

OATH OF OFFICE

STATE OF WEST VIRGINIA
COUNTY OF LINCOLN, TO WIT:

I, Harold Ray Smith, 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 Board of Directors of the Branchland-
Midkiff Public Service District for the County of Lincoln, and the State of West Virginia
to the best of my skill and judgement, So Help Me God.

Harold R. Smith
Harold Ray Smith

Taken, subscribed and sworn to before the undersigned authority the 15th day of
June, 2006
My commission expires March 4, 2008.

Harold R. Smith
Notary Public
Judith A. Johnson

CERTIFIED TO BE A TRUE
TESTE: Donald C. Whitten
CLERK LINCOLN COUNTY COMMISSION

Lincoln County Clerk's Office 6-16-06. This instrument was this day presented to me
at my office, and thereupon, together with the Certificate of said instrument, I did read to myself
Tested: _____ Clerk by _____ deputy

RULES OF PROCEDURE

BRANCLAND MIDKIFF PUBLIC SERVICE DISTRICT

ARTICLE I

NAME AND PLACE OF BUSINESS

Section 1. Name: BRANCLAND MIDKIFF PUBLIC SERVICE DISTRICT.

Section 2. The principal office of Branchland Midkiff Public Service District (the "District") will be located at Route 10, Lincoln County, West Virginia.

Section 3. The Common Seal of the District shall consist of 2 concentric circles between which circles shall be inscribed Branchland Midkiff 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 Lincoln 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

Section 1. The members of the Board shall hold regular monthly meetings on the 2nd Monday 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

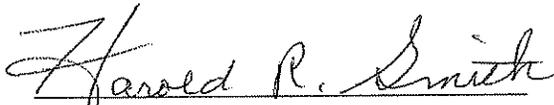
AMENDMENTS TO RULES OF PROCEDURE

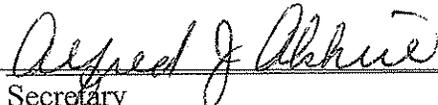
These Rules of Procedure may be altered, changed, amended, repealed or added to at any regular or special meeting of the Board by a majority vote of the entire Board, or at any regular or special meeting of the members when a quorum is present in person and a majority of those present vote for the amendment; 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 this 9th day of April, 2007.


Chairman


Secretary

04.04.07
260730.00002

CH885354.1

BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

EXCERPT OF MINUTES ON ADOPTION OF BOND
RESOLUTION, SUPPLEMENTAL RESOLUTION, SWEEP
RESOLUTION AND DRAW RESOLUTION

The undersigned SECRETARY of Branchland-Midkiff 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:

Branchland-Midkiff Public Service District met in special session, pursuant to notice duly posted, on the 22nd day of June, 2009, in Branchland, West Virginia, at the hour of 10:00 a.m.

PRESENT: Harold Smith
Alfred Abshire
Ron Lucas

Harold Smith, Chairman, presided, and Alfred Abshire, 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.

The following were duly elected for Chairman and Secretary:
Harold Smith, Chairman
Alfred Abshire, Secretary

Thereupon, the Chairman presented a proposed Bond Resolution in writing entitled:

RESOLUTION AUTHORIZING THE CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF BRANCLAND-MIDKIFF PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF \$4,100,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH

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

and caused the same to be read and there was discussion. Thereupon, on motion duly made by Alfred Abshire and seconded by Harold Smith, 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 AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISIONS, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, on motion duly made by Alfred Abshire and seconded by Harold Smith, 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 Sweep Resolution for the authorization of electronic monthly debt service and reserve fund payments to the Municipal Bond Commission. Thereupon, on motion duly made by Alfred Abshire and seconded by Harold Smith, it was unanimously ordered that the said Sweep Resolution be adopted.

Next, the Chairman presented a proposed Draw Resolution for the approval of invoices. Thereupon, on motion duly made by Alfred Abshire and seconded by Harold Smith, it was unanimously ordered that the said Draw Resolution be adopted.

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

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CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of Branchland-Midkiff 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 24th day of June, 2009.


Secretary

06.17.09
260730.00002

BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

EXCERPT OF MINUTES ON ADOPTION OF BOND
RESOLUTION, SUPPLEMENTAL RESOLUTION, SWEEP
RESOLUTION AND DRAW RESOLUTION

The undersigned SECRETARY of Branchland-Midkiff 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:

Branchland-Midkiff Public Service District met in special session, pursuant to notice duly posted, on the 22nd day of June, 2009, in Branchland, West Virginia, at the hour of 10:00 a.m.

PRESENT: Harold Smith
Alfred Abshire
Ron Lucas

Harold Smith, Chairman, presided, and Alfred Abshire, 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.

The following were duly elected for Chairman and Secretary:
Harold Smith, Chairman
Alfred Abshire, Secretary

Thereupon, the Chairman presented a proposed Bond Resolution in writing entitled:

RESOLUTION AUTHORIZING THE CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF \$4,100,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH

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

and caused the same to be read and there was discussion. Thereupon, on motion duly made by Alfred Abshire and seconded by Harold Smith, 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 AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISIONS, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, on motion duly made by Alfred Abshire and seconded by Harold Smith, 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 Sweep Resolution for the authorization of electronic monthly debt service and reserve fund payments to the Municipal Bond Commission. Thereupon, on motion duly made by Alfred Abshire and seconded by Harold Smith, it was unanimously ordered that the said Sweep Resolution be adopted.

Next, the Chairman presented a proposed Draw Resolution for the approval of invoices. Thereupon, on motion duly made by Alfred Abshire and seconded by Harold Smith, it was unanimously ordered that the said Draw Resolution be adopted.

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

[Remainder of Page Intentionally Blank]

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of Branchland-Midkiff 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 24th day of June, 2009.


Secretary

06.17.09
260730.00002

BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

City National Bank, West Hamlin, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Resolution of the Branchland-Midkiff Public Service District (the "Issuer"), adopted June 22, 2009, and a Supplemental Resolution of the Issuer adopted June 22, 2009 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated June 24, 2009, in the principal amount of \$4,100,000 (the "Bonds") and agrees to serve as Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 24th day of June, 2009.

CITY NATIONAL BANK

By: *Tim W. Childs* SVP
Its: Authorized Officer

06.17.09
260730.00002

BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT

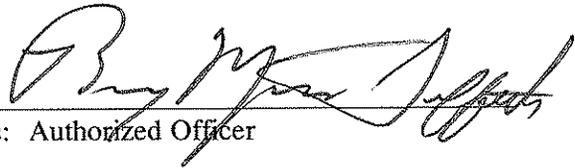
Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF DUTIES AS REGISTRAR

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Branchland-Midkiff Public Service District Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated June 24, 2009, issued in the principal amount of \$4,100,000 (the "Bonds"), and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 24th day of June, 2009.

THE HUNTINGTON NATIONAL BANK

By: 

Its: Authorized Officer

BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT

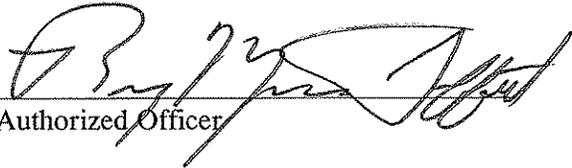
Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

CERTIFICATE OF REGISTRATION OF BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of Branchland-Midkiff Public Service District (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Water Revenue Bond, Series 2009 A (West Virginia Infrastructure Fund), of the Issuer, dated June 24, 2009, in the principal amount of \$4,100,000, numbered AR-1, was registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 24th day of June, 2009.

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

BRANCLAND-MIDKIFF PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 24th day of June, 2009, by and between BRANCLAND-MIDKIFF 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 \$4,100,000 Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), in fully registered form (the "Bonds"), pursuant to the Bond Resolution of the Issuer duly adopted June 22, 2009, and the Supplemental Resolution of the Issuer duly adopted June 22, 2009 (collectively, the "Bond Legislation");

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

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

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

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

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

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

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

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

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

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

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

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

ISSUER: Branchland-Midkiff Public Service District
Route 2, Box 496
Branchland, West Virginia 25506
Attn: Chairman

REGISTRAR: The Huntington National Bank
One Huntington Square
Charleston, West Virginia 25301
Attention: Corporate Trust Department

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

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 written about.

BRANCHLAND-MIDKIFF
PUBLIC SERVICE DISTRICT

By: Harold R. Smith
Its: Chairman

THE HUNTINGTON NATIONAL BANK

By: [Signature]
Its: Authorized Officer

06.17.09
260730.00002

EXHIBIT A

Bond Legislation included in bond transcript as Documents Nos. 1 and 2.

SCHEDULE OF COMPENSATION

Private Financial Group
P.O. Box 633 - WE3013
Charleston, West Virginia 25322-0633



STATEMENT OF REGISTRAR'S FEES
Invoice Date June 24, 2009

Branchland-Midkiff Public Service District
Account Number 6089001809

Branchland-Midkiff Public Service District
Water Revenue Bond, Series 2009 A
C/o John C. Stump
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

FEE CALCULATION FOR June, 2009

TOTAL AMOUNT	\$	500.00
TOTAL DUE	\$	<u>500.00</u>

- * FEE INVOICES ARE PAYABLE WITHIN 30 DAYS. IF PAYMENT *
- * IS NOT RECEIVED, FEES WILL BE DEDUCTED FROM THE PLAN *
- * .. MAIL CHECK TO: HUNTINGTON NATIONAL BANK, ATTN: BARRY. . *
- * .. GRIFFITH, 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

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

WASHINGTON and CAPITOL STREETS 1 DAVIS SQUARE, SUITE 200 CHARLESTON, WEST VIRGINIA 25301
TELEPHONE 304-558-2981

PERMIT

(Water)
PROJECT: Route 37 (Fourteen Mile) Water Line Extension and Route 10 Water Line Upgrade PERMIT NO.: 17,255
LOCATION: Ranger COUNTY: Lincoln DATE: 9-28-2006

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

Branchland-Midkiff Public Service District
Route 2, Box 496
Branchland, West Virginia 25506

is hereby granted approval to: install approximately 20,355 LF of 8", 76,080 LF of 6" and 4,200 LF of 2" water line; upgrade the existing Ranger booster station with new two (2) 165 G.P.M. booster pumps with VFD, telemetry and new fencing; add a 155 G.P.M. duplex water booster station with VFD, telemetry and fencing; a new 50,000 gallon and a new 150,000 gallon water storage tanks with telemetry and fencing; and all necessary valves and appurtenances.

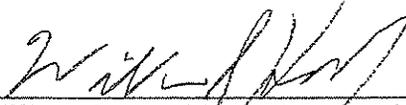
Facilities are to serve approximately 291 customers along Route 10 at Ranger and along Route 37 (Fourteen Mile) in the Branchland-Midkiff Public Service District.

NOTE: This permit is contingent upon all new water line and storage tanks being disinfected, flushed and bacteriologically tested prior to use.

The Environmental Engineering Division of the St. Albans District Office (304) 722-0611, is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR



William S. Herold, Jr., P.E., Assistant Manager
Infrastructure and Capacity Development
Environmental Engineering Division

WSH:emt

pc: \Triad Engineering, Inc.
James W. Ellars, P.E., PSC-Engineering Division
Amy Swann, Public Service Commission
Lincoln County Health Department
OEHS-EED St. Albans District Office

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
05/18/2009

PRODUCER (304)375-4900 FAX (304)375-2162
 Bill Bailey Insurance Agency
 701 Highland Avenue
 P. O. Box 246
 Williamstown, WV 26187

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE NAIC #

INSURED Branchland-Midkiff PSD
 Rt. 2, Box 496
 Branchland, WV 25506

INSURER A: American Alternative Insurance

INSURER B:

INSURER C:

INSURER D:

INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INSRC	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	SP9152677-01	10/01/2008	10/01/2009	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000
	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	SA8052758-02	10/01/2008	10/01/2009	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
A	EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE RETENTION \$	SX9250963-01	10/01/2008	10/01/2009	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 \$ \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
	OTHER				

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

CERTIFICATE HOLDER

WV Water Development Authority
 180 Association Drive
 Charleston, WV 25311

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

BRANCLAND/MIDKIFF PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 1998
(WEST VIRGINIA INFRASTRUCTURE FUND)

BOND RESOLUTION

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"Bond" means the not more than \$1,280,000 aggregate principal amount of Water Revenue Bonds, Series 1998 (West Virginia Infrastructure Fund), originally authorized hereby.

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

"Bonds Sinking Fund" means the Bonds Sinking Fund established by Section 4.02 hereof.

"Bondholder" or "Holder of the Bonds" or "Holder" or "Registered Owner" or any similar term means any person who shall be the registered owner of any Outstanding Bond or Bonds.

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

"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.

"Construction Fund" means the Construction Fund established by Section 4.01 hereof.

"Consulting Engineers" means Haworth, Meyer & Boleyn, Inc., South Charleston, West Virginia, or any qualified engineer or firm of engineers that shall at any time now or hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof; provided however, that the Consulting Engineer shall not be a regular, full-time employee of the State or any of its agencies, commissions or political subdivisions.

"Council" means the West Virginia Infrastructure and Jobs Development Council or any successor thereto.

"Depository Bank" means the bank designated as such herein or in any Supplemental Resolution, and its successors and assigns.

"FDIC" means the Federal Deposit Insurance Corporation or 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.

"Governmental 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.

assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being delivered except (a) any Bond for the payment of which moneys, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Resolution and set aside for such payment (whether upon or prior to maturity); and (b) any Bond deemed to have been paid as provided in Article VI hereof.

"Paying Agent" means the Commission designated as such herein or in any supplemental Resolution, and its successors and assigns.

"Project" means the Project described in Section 1.03A hereof.

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

(a) Government Obligations;

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

(c) Bonds, debentures, Bonds 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, Bond, 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;

extensions, improvements, replacements, properties or other facilities at any time acquired or constructed for said water system after completion of the Project.

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

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

Additional terms and phrases are defined in this Resolution as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

Words importing singular number include the plural number in each case and vice versa, words importing the masculine gender include every other gender, and words importing persons include firms, partnerships, associations and corporations.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Resolution; and the term "hereafter" means after the date of adoption of this Resolution.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Resolution so numbered.

Section 1.02. Authority for this Resolution. This Resolution, together with any resolution supplemental hereto or amendatory hereof, is adopted pursuant to the provisions of the Act and other applicable provisions of the law.

Section 1.03. Findings. It is hereby found, determined and declared as follows:

A. The Issuer now operates the System and desires to improve and expand the System. It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer and, accordingly, it is hereby ordered, that there be acquired and constructed certain additions, betterments and improvements to the existing System of the Issuer so as to improve the public health, comfort and convenience of residents of the Issuer, including the construction and installation of all necessary appurtenant facilities (the "Project"), and generally described as water line extensions, pumps, pumping stations, water plant improvements and necessary appurtenances particularly described in and according to the plans and specifications prepared by the Consulting Engineer for the Project and heretofore filed in the office of the Issuer and to pay the costs of issuance of revenue bonds to be issued to finance a portion of the cost of such improvements. The construction and acquisition of the Project and the financing hereby authorized and provided for are public purposes of

ARTICLE II

AUTHORIZATION OF THE ACQUISITION AND CONSTRUCTION OF THE PROJECT AND ENTRY INTO THE LOAN AGREEMENT

Section 2.01. Authorization of the Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project at an estimated cost of \$2,560,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers and filed in the office of the Board. The proceeds of the Bonds are hereby authorized and shall be applied as provided in Article IV hereof. The Issuer has or will enter into contracts for the acquisition and construction of the Project compatible with the finance plan in the Application.

Section 2.02. Authorization for Issuer to Enter Into Loan Agreement. The Issuer hereby approves the Loan Agreement and the sale of the Bonds pursuant to the Loan Agreement. The Chairman or Acting Chairman is hereby authorized and directed to execute and deliver the Loan Agreement to the Authority.

Section 2.03. Designation of Parties. The Issuer hereby designates The Twentieth Street Bank, West Hamlin, West Virginia, to serve as the Depository Bank and One Valley Bank, National Association, Charleston, West Virginia, to serve as the Registrar for the Bonds. The Commission is hereby designated as Paying Agent for the Bonds.

ARTICLE III

THE BONDS

Section 3.01. Authorization of the Bonds. For the purposes of financing a portion of the costs of acquiring and constructing of the Project and paying the costs of issuance of the Bonds and related costs, there shall be and hereby are authorized to be issued the Water Revenue Bonds, Series 1998 (West Virginia Infrastructure Fund), of the Issuer, in an aggregate principal amount of \$1,280,000.

Section 3.02. Terms of Bonds. The Bonds shall be issued in fully registered form and shall be initially issued as one Bond, numbered R-1, in the principal amount of \$1,280,000. The Bonds shall be dated June 29, 1998, shall bear interest at zero percent (0%), shall mature on June 1, 2038, in such amount, shall be payable quarterly, each March 1, June 1, September 1 and December 1, commencing December 1, 1999, and shall be subject to such repayment or redemption, all as provided herein or in any Supplemental Resolution or the Bond.

The aggregate principal amount of the Bonds need not be paid to the Issuer upon delivery of the Bonds but may be advanced to the Issuer as requested by the Issuer from time to time; and the Bonds shall evidence only the indebtedness recorded on the Record

instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. Upon the transfer of a Bond, there shall be issued to the transferee another fully registered Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Bond.

In all cases in which the privilege of transferring Bonds is exercised, Bonds shall be delivered in accordance with the provisions of this Resolution. All Bonds surrendered in any such transfers shall forthwith be canceled by the Registrar. For every such transfer of Bonds, the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer and the cost of preparing each new Bond upon each transfer, and any other expenses of the Registrar incurred in connection therewith, which sum or sums shall be paid by the person requesting such transfer (except for the Authority) as a condition precedent to the exercise of the privilege of making such transfer. The Registrar shall not be obliged to make any such transfer of Bonds during the 15 days preceding an interest payment date on the Bonds or after notice of any prepayment of the Bonds has been given.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer, may in its discretion, issue and deliver a new Bond in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bonds or in lieu of and substitution for the Bond destroyed, stolen or lost and upon the Holder's furnishing the Issuer proof of ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Council may prescribe and paying such expenses as the Issuer may incur. All Bonds so surrendered shall be submitted to and canceled by the Registrar and held for the account of the Issuer. If such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.06. Form of Bond. The text of the Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Resolution or any Supplemental Resolution adopted prior to the issuance thereof:

statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Resolution duly adopted by the Issuer on July 22, 1998 (the "Bond Legislation"), and is subject to all the terms and conditions thereof.

The principal of this Bond is payable only from and secured by a first lien on Net Revenues (as defined in the Bond Legislation) of the System, on a parity with the Issuer's \$180,000 Water-Works System Revenue Bond, Series A (1966) (the "Prior Bonds"), moneys in the Series 1998 Bonds Reserve Account and unexpended proceeds of this Bond. All moneys from the operation of the System shall be deposited into the Revenue Fund established or continued under the Bond Legislation for the prompt payment of the principal of this Bond on a parity with the Prior Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside in a special fund hereby pledged for such purpose. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on this Bond, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with this Bond, as well as the Prior Bonds; provided however, that so long as the Series 1998 Bonds Reserve Account is funded in an amount at least equal to the maximum amount of principal and interest which will come due on this Bond in the then current or any succeeding year, and the reserve account for any other obligations outstanding prior to or on a parity with this Bond, including the Prior Bonds, is funded in an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of this Bond for the terms of which reference is made to the Resolution. Remedies provided the Registered Owners of this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter provisions or limitations, nor shall the Issuer be obligated to pay the same except from the sources set forth above. Under the Bond Legislation, the Issuer has entered into certain covenants with the Authority, for the terms of which reference is made to the Bond Legislation. Remedies provided the Authority are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the requirements for transfer set forth herein, this Bond is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the West Virginia. This Bond is transferable, as provided in the Bond Legislation, only by transfer of registration upon the books of the Registrar, to be made at the request of the registered owner hereof in person or by his attorney duly authorized in writing, and upon surrender hereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney.

IN WITNESS WHEREOF, BRANCLAND/MIDKIFF PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Acting Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated July 29, 1998.

BRANCLAND/MIDKIFF PUBLIC SERVICE DISTRICT

[SEAL]

By: _____
Acting Chairman

Attest:

By: _____
Secretary

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____
_____ the within-mentioned Bond and does hereby irrevocably
constitute and appoint _____, attorney, to transfer said Bond on the books of
the Registrar on behalf of said Issuer with full power of substitution in the premises.

Dated: _____

IN THE PRESENCE OF :

West Virginia Infrastructure and Jobs Development Council
Branchland/Midkiff Public Service District
Debt Service Schedule
Closing: July 29, 1998
Total Amount Borrowed: \$1,280,000

<u>Date</u>	<u>Coupon</u>	<u>Principal</u>	<u>Quarterly Debt Service</u>	<u>Annual Debt Service</u>
-------------	---------------	------------------	-----------------------------------	--------------------------------

(B) The Issuer will comply in all respects with the terms and provisions of any grant agreements applicable to the System and with all applicable State and federal laws and regulations governing the implementation of such grant agreements.

(C) The Issuer will, in the event proceeds of the grants for the System and/or proceeds of revenue bonds, refunding bonds or other obligations of the Issuer, issued subsequent to the issuance of the Bonds, are not sufficient or available to pay the Bonds in full by the maturity date of the Bonds, issue and sell its refunding bonds and apply the proceeds of its refunding bonds to the payment of the Bonds.

(D) The Issuer will comply with all the terms and conditions of the Loan Agreement.

Section 3.13. Required Notices to Holders of Bonds. The Issuer will provide the Authority and the Council prompt written notice, appropriately documented, of any of the following events:

(A) Any suspension, termination or modification of any grant;

(B) The authorization by the Issuer of any additional indebtedness related to the System;
and

(C) Any activity that would stop the work schedule on the Project.

Section 3.14. "Amended Schedule B." Upon completion of acquisition and construction of the Project, the Issuer will file with the Authority a schedule in substantially the form of the "Amended Schedule B" to the Loan Agreement, setting forth the actual Costs of the Project and sources of funds therefor.

ARTICLE IV

REVENUES AND APPLICATION THEREOF; DISPOSITION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created and established or contained with and shall be held by the Depository Bank, separate, distinct and apart from all other funds or accounts of the Depository Bank and from each other:

- (1) Revenue Fund;
- (2) Construction Fund;
- (3) Renewal and Replacement Fund; and
- (4) Rebate Fund.

Section 4.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created and established or contained with the Commission:

deduction of any such portion. All payments made from the Construction Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Construction Fund. The Consulting Engineer shall from time to time file with the Depository Bank written statements advising the Depository Bank of its then authorized representative.

Pending application as provided in this Section 4.04, money and funds in the Construction Fund shall be invested and reinvested at the direction of the Issuer in Qualified Investments.

When construction of the Project has been completed and all Costs thereof have been paid or provision for such payment has been made, any balance remaining in the Construction Fund shall be applied as directed by the Council.

Section 4.05. Covenants of the Issuer as to Revenues and Funds. So long as the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 1998 Bonds Reserve Account, a sum sufficient to pay, when due, the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the holder of the Bonds as follows:

(A) Revenue Fund. The entire Gross Revenues derived from the operation of the System, and all parts thereof, and all Tap Fees received, shall be deposited as collected by the Issuer in the Depository Bank, in a fund known as the "Revenue Fund" which is hereby established with the Depository Bank. The Revenue Fund shall constitute a trust fund for the purposes provided herein and shall be kept separate and distinct from all other funds of the Issuer and used only for the purposes and in the manner provided herein.

(B) Disposition of Revenues. All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

(1) The Issuer shall first each month transfer sufficient moneys from the Revenue Fund to pay all current Operating Expenses.

(2) The Issuer shall next, (i) on the required payment dates, remit all payments of principal and interest owed on the Prior Bonds under the terms of the Prior Resolution, on a parity with the Series 1998 Bonds, (ii) on the first day of each month, commencing four (4) months prior to the first date of payment of interest on the Series 1998 Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission, for deposit in the Series 1998 Bonds Sinking Fund, a sum equal to 1/3 of the amount of interest which will become due on said Bonds, if any, on a parity with the Prior Bonds, on the next ensuing quarterly interest payment date; provided, that, in the event the period to elapse between the date of such initial deposit in the Series 1998 Bonds Sinking Fund and the next quarterly interest payment date is less than four (4) months, then such monthly payments shall be increased proportionately to provide, one (1) month prior to the next quarterly interest payment date, the required amount of interest coming due on such date, and (iii) on the first day of each month, commencing four (4) months prior to the first date of payment of principal on the Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1998 Bonds Sinking Fund, a sum equal to 1/3 of the amount of principal which will mature and become due on said Bonds, on a parity with the

Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full to the Series 1998 Bonds Sinking Fund for payment of debt service on the Series 1998 Bonds.

As and when additional bonds ranking on a parity with the Bonds and the Prior Bonds are issued, provision shall be made for additional payments into the sinking fund sufficient to pay the interest on such additional parity bonds and accomplish retirement thereof at maturity and to accumulate a balance in the reserve account in an amount equal to the maximum provided and required to be paid into the sinking fund in any year for account of the Bonds and such additional bonds which by their terms are payable from such sinking fund.

The Issuer shall not be required to make any further payments into the Series 1998 Bonds Sinking Fund or into the Series 1998 Bonds Reserve Account therein when the aggregate amount of funds in said Sinking Fund and Reserve Account are at least equal to the aggregate principal amount of the Bonds issued pursuant to this Bond Resolution then Outstanding and all interest to accrue until the maturity thereof.

~~The payments into the Sinking Fund shall be made on the first day of each month, except that when the first day of any month shall be a Sunday or legal holiday, then such payments shall be made on the next succeeding business day, and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Resolution. In the case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority at anytime, make the necessary arrangements whereby such required payments shall be automatically deducted from the Revenue Fund and transferred to the Commission on the dates required.~~

The Series 1998 Bonds Sinking Fund, including the Series 1998 Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Bonds and any additional bonds ranking on a parity therewith that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into the Series 1998 Bonds Sinking Fund, including the Series 1998 Bonds Reserve Account therein and the Renewal and Replacement Fund during the following month or such other period as required by law, such excess shall be considered Surplus Revenues of the System. Surplus Revenues may be used for any lawful purpose of the System.

Whenever the money in the Series 1998 Bonds Reserve Account shall be sufficient to prepay the Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Bonds at the earliest practical date and in accordance with applicable provisions hereof.

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 1998 Bonds Reserve Account, and the Depository Bank is hereby designated as the Fiscal Agent for the administration of the Renewal and Replacement Fund, herein provided, and

(F) Remittances. All remittances made by the Issuer to the Commission and to the Depository Bank shall clearly identify the fund or account into which each amount is to be deposited.

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

ARTICLE V

ADDITIONAL COVENANTS OF THE ISSUER

Section 5.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Resolution shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds. In addition to the other covenants, agreements and provisions of this Resolution, the Issuer hereby covenants and agrees with the Holders of the Bonds as hereinafter provided in this Article V. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of said Bonds or the interest thereon is Outstanding and unpaid.

Section 5.02. Bonds Not to be Indebtedness of the Issuer. The Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation on indebtedness, but shall be payable solely from the funds pledged for such payment by this Resolution. No Holder or Holders of any Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Bonds or the interest thereon.

Section 5.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 1998 Bonds issued hereunder shall be secured forthwith by a first lien on the Net Revenues derived from the operation of the System, on a parity with the Prior Bonds.

The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds and to make the payments into the Series 1998 Bonds Sinking Fund, including the Series 1998 Bonds Reserve Account therein, and all other payments provided for in the Resolution are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Bonds, on a parity with the Prior Bonds, as the same become due, and for the other purposes provided in the Resolution.

Section 5.04. Initial Schedule of Rates and Charges. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the existing or proposed rate resolution of the Issuer adopted on July 22, 1998, and to take effect upon completion of the Project, as approved by the Public Service Commission of West Virginia by Recommended Decision entered on April 24, 1998, in Case No. 97-0964-PWD-CN.

Section 5.05. Sale of the System. 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 all the Bonds, if any, Outstanding, or to effectively defease this Resolution in accordance with Section 8.01 hereof. The proceeds from any such sale, mortgage,

All obligations issued by the Issuer after the issuance of the Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 1998 Bonds and the Prior Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the Series 1998 Bonds Reserve Account and the Renewal and Replacement Fund at the time of the issuance of such subordinate obligations have been made and are current.

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

Section 5.07. Parity Bonds. A. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Bonds issued pursuant to this Resolution, except under the conditions and in the manner herein provided. No Parity Bonds shall be issued without the prior written consent of the Authority and the Council.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 1998 Bonds and the Prior Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, improvements or betterments to the System or refunding one or more series of Bonds issued pursuant hereto, or both such purposes.

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

- (1) The Bonds and Prior Bonds then Outstanding;
- (2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and
- (3) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the three (3) succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements

B. Notwithstanding the foregoing, or any provision of Section 5.06 to the contrary, additional Bonds may be issued solely for the purpose of completing the Project as described in the application to the Authority submitted as of the date of the Loan Agreement without regard to the restrictions set forth in this Section 5.07, if there is first obtained by the Issuer the written consent of the Authority to the issuance of bonds on a parity with the Bonds and the Prior Bonds.

Section 5.08. Books, Records and Facilities. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority, acting by and through its Director, or his duly authorized agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at any and all reasonable times for the purpose of audit and examination, and the Issuer shall submit to the Authority such documents and information as it may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the Loan or any State and federal grants or other sources of financing for the Project.

The Issuer shall permit the Authority and its agents and representatives to have access to the records 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.

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

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed by the Uniform System of accounts promulgated by the PSC. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The Governing Body shall prescribe and institute the manner by which subsidiary records of the accounting system, which may be installed remote from the direct supervision of the Governing Body, shall be reported to such agent of the Issuer as the Governing Body shall direct.

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

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

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Resolution with respect to said Bonds and the status of all said funds and accounts.

revenues prior to or on a parity with the Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate resolution described in Section 5.04.

Section 5.10. Operating Budget and Audit. The Issuer shall annually, at least forty-five (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. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of ten percent (10%) of the amount of such budget shall be made except upon the further certificate of the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The Issuer shall, within thirty (30) days of the adoption thereof, 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 Bond, 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 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 Bond, or anyone acting for and on behalf of such Holder of any Bonds.

In addition, the Issuer shall annually cause the records of the System to be audited by an Independent Certified Public Accountant, in compliance with OMB Circular 128, or any successor thereto, and the Single Audit Act, the report of which audit shall be submitted to the Authority and which audit report shall include a statement that the Issuer is in compliance with the terms and provisions of this Bond Legislation and the Loan Agreement.

Section 5.11. 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 5.12. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineer in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

The Issuer shall provide and maintain competent and adequate resident engineering services satisfactory to the 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 on behalf of the Consulting Engineers, which have been approved by all necessary governmental bodies. The

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, ON ALL above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for said Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

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

(4) FLOOD INSURANCE, to the extent available at reasonable cost to the Issuer.

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

B. The Issuer shall also require all contractors engaged in the construction of the Project to carry such Workers' Compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts satisfactory to the Authority and the Council; and as is customarily carried with respect to works and properties similar to the Project. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

Section 5.16. 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.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including those deemed necessary by the Authority) so that the interest on the Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including those determined by the Authority) which would adversely affect such exclusion.

Section 5.20. Securities 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, annual operating related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. Part 240, (240, 15c2-12).

Section 5.21. Public Service Commission Approval. The Issuer shall obtain all requisite orders of and approvals from the Public Service Commission of West Virginia necessary for the construction of the Project and operation of the System, and the Authority shall receive an opinion of counsel to the Issuer to such effect.

Section 5.22. Restrictions on Use of Bond Proceeds. The Issuer agrees that it will be in default hereunder if any Bond proceeds are used for a purpose that contributes to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

ARTICLE VI

INVESTMENT OF FUNDS; NON ARBITRAGE

Section 6.01. Investments. Any moneys held as a part of the funds and accounts created or continued by this Resolution, other than the Revenue Fund, shall be invested and re-invested 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 moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 6.01.

Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current

Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. In addition, the Issuer shall cooperate with the Authority in preparing rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer. To the extent not so performed by the Authority, the Issuer and the Depository Bank (at the expense of the Issuer) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Depository Bank may deem appropriate in order to assure compliance with this Section 6.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 6.03 in accordance with the requirements of Section 148(f) of the Code or such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

The Issuer shall submit to the Authority within fifteen (15) days following the end of each Bond Year a certified copy of its rebate calculation and certificate with respect thereto. The Issuer shall furnish to the Authority such information with respect to earnings on all moneys constituting "Gross Proceeds" of the Bonds (as such term is defined in the Code) from time to time as the Authority may request. The Issuer shall also furnish to the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority.

ARTICLE VII

DEFAULT AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Bonds:

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

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Bonds in this Resolution, any Supplemental Resolution, or in the Bonds, as the case may be, and such default shall have continued for a period of thirty (30) days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, any other bank or banking association holding any fund or account hereunder or a Holder of a Bond; or

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 the Holder or Holders of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and the Holder or Holders of the Bonds under the provisions of this Resolution, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE VIII

DEFEASANCE

Section 8.01. Defeasance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then this Resolution, the funds pledged under this Resolution and all covenants, agreements and other obligations of the Issuer to Holders of the Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited in the Bonds Payment Fund at the same or earlier time, shall be sufficient, to pay as and when due the principal of and interest, if any, on the Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Depository Bank either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which when due, will provide moneys which, together with the moneys, if any, deposited with the Depository Bank at the same time, shall be sufficient, to pay when due the principal of and interest, if any, due and to become due on said Bonds on and prior to the maturity dates thereof. Neither securities nor moneys deposited with the Depository Bank pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the respective principal of and interest, if any, on the Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Depository Bank if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and interest, if any, to become due on the Bonds on and prior to such maturity dates thereof, and interest earned from such reinvestment shall be paid over to the Issuer as received by the Depository Bank free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

County, together with a notice stating that this Resolution will be considered for adoption and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the Issuer's Public Service Board upon a date certain, not less than ten (10) days subsequent to the date of the publication of such abstract of this Resolution and notice, and present protests, and that a certified copy of this Resolution is on file with the Issuer for review by interested persons during office hours of the Issuer. At such hearing, all objections and suggestions shall be heard and the Issuer's Public Service Board shall take such action as it shall deem proper in the premises.

Adopted Following Public Hearing – July 22, 1998

Adopted this 22nd day of July, 1998.

BRANCHLAND/MIDKIFF PUBLIC SERVICE DISTRICT

By:  _____
Acting Chairman

By:  _____
Member

By: _____
Member

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BRANCLAND/MIDKIFF PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 1998
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. R-1

\$1,280,000.00

Date: July 29, 1998

KNOW ALL MEN BY THESE PRESENTS: That BRANCLAND/MIDKIFF PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Lincoln County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the sources and in the manner provided therefor, as hereinafter set forth, to the order of the West Virginia Water Development Authority (the "Authority") or registered assigns, the principal sum of One Million Two Hundred Eighty Thousand and 00/100 Dollars (\$1,280,000.00 U.S.), 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 hereto and incorporated herein by reference as a part hereof, without interest on the unpaid principal balance.

The principal of and interest on this Bond are payable in any coin or currency which on the date of payment thereof is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). Principal shall be repaid in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 1999, as set forth on the "Debt Service Schedule" attached as Exhibit A hereto and incorporated herein by reference.

Principal on this Bond 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 One Valley Bank, National Association, Charleston, West Virginia (the "Registrar"), on the 15th day of the month next preceding such payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council") and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement dated July 29, 1998, by and between the Issuer and the Authority, on behalf of the Council.

This Bond is issued (i) to finance a portion of the costs of the acquisition and construction of water service extensions of the Issuer, the Project, and together with any existing water facilities of the Issuer and any further additions, betterments and improvements thereto, collectively referred to as the "System") and (ii) to pay the costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a

On August 1, 1999, if the amount set forth on the Record of Advances is less than \$1,280,000, the Authority shall upon written instruction of the Council revise Exhibit B to reflect the lesser amount but amortized at the same interest rate and quarterly payment amount.

Under the Act, this Bond is exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

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

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

~~THIS BOND SHALL BE ON A PARITY AS TO LIEN ON AND SOURCE OF PAYMENT WITH THE ISSUER'S \$180,000 WATER-WORKS SYSTEM REVENUE BOND, SERIES A (1966).~~

The loan will be in default should any proceeds of the loan funds obtained from this parity bond issue be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the Bonds described in and issued under the provisions of the within-mentioned Bond Legislation and has been duly registered in the name of the registered owned set forth above.

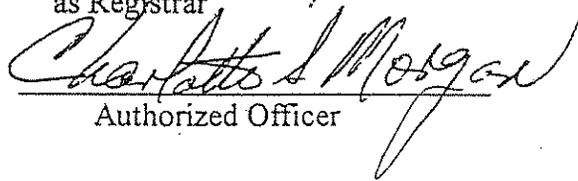
Date: July 29, 1998.

SPECIMEN

ONE VALLEY BANK, NATIONAL ASSOCIATION,

as Registrar

By:



Authorized Officer

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$ 158,296.00	July 29, 1998	(16) \$	
(2) \$		(17) \$	
(3) \$		(18) \$	
(4) \$		(19) \$	
(5) \$		(20) \$	
(6) \$		(21) \$	
(7) \$		(22) \$	
(8) \$		(23) \$	
(9) \$		(24) \$	
(10) \$		(25) \$	
(11) \$		(26) \$	
(12) \$		(27) \$	
(13) \$		(28) \$	
(14) \$		(29) \$	
(15) \$		(30) \$	

TOTAL \$ _____

Schedule Y
Quarterly Debt Service Schedule

Date	#	Principal	Interest	Total
12/1/09	41	8,258.06		8,258.06
3/1/10	42	8,258.06		8,258.06
6/1/10	43	8,258.06		8,258.06
9/1/10	44	8,258.06		8,258.06
12/1/10	45	8,258.06		8,258.06
3/1/11	46	8,258.06		8,258.06
6/1/11	47	8,258.06		8,258.06
9/1/11	48	8,258.06		8,258.06
12/1/11	49	8,258.06		8,258.06
3/1/12	50	8,258.06		8,258.06
6/1/12	51	8,258.06		8,258.06
9/1/12	52	8,258.06		8,258.06
12/1/12	53	8,258.06		8,258.06
3/1/13	54	8,258.06		8,258.06
6/1/13	55	8,258.06		8,258.06
9/1/13	56	8,258.06		8,258.06
12/1/13	57	8,258.06		8,258.06
3/1/14	58	8,258.06		8,258.06
6/1/14	59	8,258.06		8,258.06
9/1/14	60	8,258.06		8,258.06
12/1/14	61	8,258.06		8,258.06
3/1/15	62	8,258.06		8,258.06
6/1/15	63	8,258.06		8,258.06
9/1/15	64	8,258.06		8,258.06
12/1/15	65	8,258.06		8,258.06
3/1/16	66	8,258.06		8,258.06
6/1/16	67	8,258.06		8,258.06
9/1/16	68	8,258.06		8,258.06
12/1/16	69	8,258.06		8,258.06
3/1/17	70	8,258.06		8,258.06
6/1/17	71	8,258.06		8,258.06
9/1/17	72	8,258.06		8,258.06
12/1/17	73	8,258.06		8,258.06
3/1/18	74	8,258.06		8,258.06
6/1/18	75	8,258.06		8,258.06
9/1/18	76	8,258.06		8,258.06
12/1/18	77	8,258.06		8,258.06
3/1/19	78	8,258.06		8,258.06
6/1/19	79	8,258.06		8,258.06
9/1/19	80	8,258.06		8,258.06
12/1/19	81	8,258.06		8,258.06
3/1/20	82	8,258.06		8,258.06
6/1/20	83	8,258.06		8,258.06
9/1/20	84	8,258.06		8,258.06
12/1/20	85	8,258.06		8,258.06
3/1/21	86	8,258.06		8,258.06
6/1/21	87	8,258.06		8,258.06
9/1/21	88	8,258.06		8,258.06

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Schedule Y
Quarterly Debt Service Schedule

Date	#	Principal	Interest	Total
12/1/33	137	8,258.06		8,258.06
3/1/34	138	8,258.06		8,258.06
6/1/34	139	8,258.06		8,258.06
9/1/34	140	8,258.06		8,258.06
12/1/34	141	8,258.06		8,258.06
3/1/35	142	8,258.06		8,258.06
6/1/35	143	8,258.06		8,258.06
9/1/35	144	8,258.06		8,258.06
12/1/35	145	8,258.06		8,258.06
3/1/36	146	8,258.06		8,258.06
6/1/36	147	8,258.06		8,258.06
9/1/36	148	8,258.06		8,258.06
12/1/36	149	8,258.06		8,258.06
3/1/37	150	8,258.06		8,258.06
6/1/37	151	8,258.06		8,258.06
9/1/37	152	8,258.06		8,258.06
12/1/37	153	8,258.06		8,258.06
3/1/38	154	8,258.06		8,258.06
6/1/38	155	8,258.76		8,258.76
		1,280,000.00		1,280,000.00

SPECIMEN

BRANCLAND/MIDKIFF PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 1998
(WEST VIRGINIA INFRASTRUCTURE FUND)

BOND RESOLUTION

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BRANCHLAND/MIDKIFF PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE CONSTRUCTION OF NEW PUBLIC WATER FACILITIES OF BRANCHLAND/MIDKIFF PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COSTS THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF \$1,280,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 1998 (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS, AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH BONDS; APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ADOPTED BY THE PUBLIC SERVICE BOARD OF THE BRANCHLAND/MIDKIFF PUBLIC SERVICE DISTRICT:

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY AND FINDINGS

Section 1.01. Definitions. The following terms shall have the following meanings in this Resolution unless the context expressly requires otherwise.

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

"Administrative Fee" means any administrative fee required to be paid under the Loan Agreement.

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

"Authorized Officer" means the Chairman or Acting Chairman of the Governing Body of the Issuer or any other officer or person of the Issuer specifically designated by resolution of the Governing Body of the Issuer.

"Board" or "Public Service Board" means the public service board of the Issuer or any successor thereto.

"Bond" means the not more than \$1,280,000 aggregate principal amount of Water Revenue Bonds, Series 1998 (West Virginia Infrastructure Fund), originally authorized hereby.

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

"Bonds Sinking Fund" means the Bonds Sinking Fund established by Section 4.02 hereof.

"Bondholder" or "Holder of the Bonds" or "Holder" or "Registered Owner" or any similar term means any person who shall be the registered owner of any Outstanding Bond or Bonds.

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

"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.

"Construction Fund" means the Construction Fund established by Section 4.01 hereof.

"Consulting Engineers" means Haworth, Meyer & Boleyn, Inc., South Charleston, West Virginia, or any qualified engineer or firm of engineers that shall at any time now or hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof, provided however, that the Consulting Engineer shall not be a regular, full-time employee of the State or any of its agencies, commissions or political subdivisions.

"Council" means the West Virginia Infrastructure and Jobs Development Council or any successor thereto.

"Depository Bank" means the bank designated as such herein or in any Supplemental Resolution, and its successors and assigns.

"FDIC" means the Federal Deposit Insurance Corporation or 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.

"Governmental 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 the \$1,280,000 grant to be made to the Issuer by the Council and to be used to pay a portion of the cost of the Project.

"Grant Agreement" means the contract between the Council and the Issuer governing the terms of the Grant.

"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" shall not include any proceeds from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined).

"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 such System in the normal operation of its business and affairs.

"Issuer" means Branchland/Midkiff Public Service District, a public service district and political subdivision of the State of West Virginia, in Lincoln County, West Virginia, and, unless the context clearly indicates otherwise, includes the Board and any successor thereto.

"Loan Agreement" means the Loan Agreement heretofore entered into, or to be entered into, between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Bonds from the Issuer by the Authority, the form of which is hereby approved, and the execution and delivery by the Issuer authorized and directed or ratified herein.

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

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

assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being delivered except (a) any Bond for the payment of which moneys, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Resolution and set aside for such payment (whether upon or prior to maturity); and (b) any Bond deemed to have been paid as provided in Article VI hereof.

"Paying Agent" means the Commission designated as such herein or in any supplemental Resolution, and its successors and assigns.

"Project" means the Project described in Section 1.03A hereof.

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

(a) Government Obligations;

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

(c) Bonds, debentures, Bonds 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, Bond, 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 State Board of Investments pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended; and

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

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

"Secretary" means the Secretary of the Issuer.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution of the Issuer amending or supplementing this Resolution.

"Surplus Revenues" means the Net Revenues, if any, not required by any Prior Bonds or any prior bond resolution to be set aside and held for the payment of or security for any outstanding bonds or notes of the Issuer, including any reserve or depreciation accounts.

"System" means the Project initially, and all existing water facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter acquired and/or owned, held or used in connection with the System, including mains, hydrants, meters, valves, standpipes, storage tanks, pump tanks, pumping stations, intakes, wells, impounding reservoirs, pumps, machinery, purification plants, softening apparatus and all other facilities necessary, appropriate, useful, convenient or incidental in connection with or to a public water system; and shall also include any and all additions,

extensions, improvements, replacements, properties or other facilities at any time acquired or constructed for said water system after completion of the Project.

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

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

Additional terms and phrases are defined in this Resolution as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

Words importing singular number include the plural number in each case and vice versa, words importing the masculine gender include every other gender, and words importing persons include firms, partnerships, associations and corporations.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Resolution; and the term "hereafter" means after the date of adoption of this Resolution.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Resolution so numbered.

Section 1.02. Authority for this Resolution. This Resolution, together with any resolution supplemental hereto or amendatory hereof, is adopted pursuant to the provisions of the Act and other applicable provisions of the law.

Section 1.03. Findings. It is hereby found, determined and declared as follows:

A. The Issuer now operates the System and desires to improve and expand the System. It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer and, accordingly, it is hereby ordered, that there be acquired and constructed certain additions, betterments and improvements to the existing System of the Issuer so as to improve the public health, comfort and convenience of residents of the Issuer, including the construction and installation of all necessary appurtenant facilities (the "Project"), and generally described as water line extensions, pumps, pumping stations, water plant improvements and necessary appurtenances particularly described in and according to the plans and specifications prepared by the Consulting Engineer for the Project and heretofore filed in the office of the Issuer and to pay the costs of issuance of revenue bonds to be issued to finance a portion of the cost of such improvements. The construction and acquisition of the Project and the financing hereby authorized and provided for are public purposes of

the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

B. It is deemed necessary for the Issuer to issue its Bond, in an aggregate principal amount of \$1,280,000, to finance a portion of the costs of the acquisition and construction of the Project and the costs of issuance of the Bonds and related costs, and which, with the Grant, will pay the costs of the Project.

C. It is in the best interests of the Issuer that its Bonds be sold to the Authority pursuant to the terms and provisions of the Loan Agreement.

D. There are no other outstanding obligations of the Issuer which will rank on a parity with the Bonds as to pledge on and source of and security for payment except for the Issuer's \$180,000 Water-Works System Revenue Bond, Series A (1966) (the "Prior Bonds"). There are no other outstanding bonds or other obligations of the Issuer which will rank senior and prior to or on a parity with the Bonds as to lien, pledge and source of and security for payment. The Bonds shall be payable only from and secured by a first lien, on a parity with the Prior Bonds, on the Net Revenues from the System. The Issuer has no other obligations outstanding, other than the Prior Bonds, which are payable from any source from which the Bonds are payable. The parity tests required by the resolution adopted on August 31, 1966 (the "Prior Resolution") have been met or waived.

E. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to the authorization of the acquisition and construction of the Project and the issuance of the Bonds, or will have so complied prior to issuance of the Bonds, including the obtaining of approval of the acquisition and construction of the Project and the issuance of the Bonds from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired, including the issuance of the Commission Order Reopening Proceeding and Granting Petition specifically authorizing the issuance of the Bonds.

F. Pursuant to the Act, the Project has been reviewed and determined to be technically and financially feasible by the Council, and the Council has authorized the Authority to make a loan to the Issuer from the West Virginia Infrastructure Fund (or will have so authorized prior to issuance of the Bonds).

Section 1.04. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Bonds by those who shall be Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owners of the Bonds.

ARTICLE II

AUTHORIZATION OF THE ACQUISITION AND CONSTRUCTION OF THE PROJECT AND ENTRY INTO THE LOAN AGREEMENT

Section 2.01. Authorization of the Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project at an estimated cost of \$2,560,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers and filed in the office of the Board. The proceeds of the Bonds are hereby authorized and shall be applied as provided in Article IV hereof. The Issuer has or will enter into contracts for the acquisition and construction of the Project compatible with the finance plan in the Application.

Section 2.02. Authorization for Issuer to Enter Into Loan Agreement. The Issuer hereby approves the Loan Agreement and the sale of the Bonds pursuant to the Loan Agreement. The Chairman or Acting Chairman is hereby authorized and directed to execute and deliver the Loan Agreement to the Authority.

Section 2.03. Designation of Parties. The Issuer hereby designates The Twentieth Street Bank, West Hamlin, West Virginia, to serve as the Depository Bank and One Valley Bank, National Association, Charleston, West Virginia, to serve as the Registrar for the Bonds. The Commission is hereby designated as Paying Agent for the Bonds.

ARTICLE III

THE BONDS

Section 3.01. Authorization of the Bonds. For the purposes of financing a portion of the costs of acquiring and constructing of the Project and paying the costs of issuance of the Bonds and related costs, there shall be and hereby are authorized to be issued the Water Revenue Bonds, Series 1998 (West Virginia Infrastructure Fund), of the Issuer, in an aggregate principal amount of \$1,280,000.

Section 3.02. Terms of Bonds. The Bonds shall be issued in fully registered form and shall be initially issued as one Bond, numbered R-1, in the principal amount of \$1,280,000. The Bonds shall be dated June 29, 1998, shall bear interest at zero percent (0%), shall mature on June 1, 2038, in such amount, shall be payable quarterly, each March 1, June 1, September 1 and December 1, commencing December 1, 1999, and shall be subject to such repayment or redemption, all as provided herein or in any Supplemental Resolution or the Bond.

The aggregate principal amount of the Bonds need not be paid to the Issuer upon delivery of the Bonds but may be advanced to the Issuer as requested by the Issuer from time to time; and the Bonds shall evidence only the indebtedness recorded on the Record

of Advances attached thereto and incorporated therein. Interest shall accrue on the Bonds only on the amount of each advance from the actual date thereof as listed on said Record of Advances.

The Bonds shall be payable as to principal and interest at the principal office of the Paying Agent in any coin or currency which, on the dates of payment, is legal tender for the payment of public and private debts under the laws of the United States of America.

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

No Bond shall be valid or entitled to any security or benefit under this Resolution unless and until the certificate of authentication and registration on such Bond shall have been duly manually executed by the Registrar, and such executed certificate of the Registrar upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bonds Legislation. The certificate of authentication and registration shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the certificate of authentication and registration on all of the Bonds issued hereunder.

Section 3.04. Negotiability, Transfer and Registration. Subject to the restrictions on transfer set forth below, the Bonds shall be and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder, in accepting any of said Bonds, shall be conclusively deemed to have agreed that said Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Bonds remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Bonds. The Bonds shall be transferrable only upon the books of the Registrar which shall be kept for that purpose at the office of the Registrar by request of the registered owner thereof in person or by his attorney duly authorized in writing, and upon surrender thereof, together with a written

instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. Upon the transfer of a Bond, there shall be issued to the transferee another fully registered Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Bond.

In all cases in which the privilege of transferring Bonds is exercised, Bonds shall be delivered in accordance with the provisions of this Resolution. All Bonds surrendered in any such transfers shall forthwith be canceled by the Registrar. For every such transfer of Bonds, the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer and the cost of preparing each new Bond upon each transfer, and any other expenses of the Registrar incurred in connection therewith, which sum or sums shall be paid by the person requesting such transfer (except for the Authority) as a condition precedent to the exercise of the privilege of making such transfer. The Registrar shall not be obliged to make any such transfer of Bonds during the 15 days preceding an interest payment date on the Bonds or after notice of any prepayment of the Bonds has been given.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer, may in its discretion, issue and deliver a new Bond in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bonds or in lieu of and substitution for the Bond destroyed, stolen or lost and upon the Holder's furnishing the Issuer proof of ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Council may prescribe and paying such expenses as the Issuer may incur. All Bonds so surrendered shall be submitted to and canceled by the Registrar and held for the account of the Issuer. If such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.06. Form of Bond. The text of the Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Resolution or any Supplemental Resolution adopted prior to the issuance thereof:

(Form of Bond)
UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BRANCLAND/MIDKIFF PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 1998
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. R-1

\$1,280,000.00

Date: July 29, 1998

KNOW ALL MEN BY THESE PRESENTS: That BRANCLAND/MIDKIFF PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Lincoln County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the sources and in the manner provided therefor, as hereinafter set forth, to the order of the West Virginia Water Development Authority (the "Authority") or registered assigns, the principal sum of One Million Two Hundred Eighty Thousand and 00/100 Dollars (\$1,280,000.00 U.S.), 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 hereto and incorporated herein by reference as a part hereof, without interest on the unpaid principal balance.

The principal of and interest on this Bond are payable in any coin or currency which on the date of payment thereof is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). Principal shall be repaid in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 1999, as set forth on the "Debt Service Schedule" attached as Exhibit A hereto and incorporated herein by reference.

Principal on this Bond 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 One Valley Bank, National Association, Charleston, West Virginia (the "Registrar"), on the 15th day of the month next preceding such payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council") and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement dated July 29, 1998, by and between the Issuer and the Authority, on behalf of the Council.

This Bond is issued (i) to finance a portion of the costs of the acquisition and construction of water service extensions of the Issuer (the "Project", and together with any existing water facilities of the Issuer and any further additions, betterments and improvements thereto, collectively referred to as the "System") and (ii) to pay the costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and

statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Resolution duly adopted by the Issuer on July 22, 1998 (the "Bond Legislation"), and is subject to all the terms and conditions thereof.

The principal of this Bond is payable only from and secured by a first lien on Net Revenues (as defined in the Bond Legislation) of the System, on a parity with the Issuer's \$180,000 Water-Works System Revenue Bond, Series A (1966) (the "Prior Bonds"), moneys in the Series 1998 Bonds Reserve Account and unexpended proceeds of this Bond. All moneys from the operation of the System shall be deposited into the Revenue Fund established or continued under the Bond Legislation for the prompt payment of the principal of this Bond on a parity with the Prior Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside in a special fund hereby pledged for such purpose. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on this Bond, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with this Bond, as well as the Prior Bonds; provided however, that so long as the Series 1998 Bonds Reserve Account is funded in an amount at least equal to the maximum amount of principal and interest which will come due on this Bond in the then current or any succeeding year, and the reserve account for any other obligations outstanding prior to or on a parity with this Bond, including the Prior Bonds, is funded in an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of this Bond for the terms of which reference is made to the Resolution. Remedies provided the Registered Owners of this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter provisions or limitations, nor shall the Issuer be obligated to pay the same except from the sources set forth above. Under the Bond Legislation, the Issuer has entered into certain covenants with the Authority, for the terms of which reference is made to the Bond Legislation. Remedies provided the Authority are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the requirements for transfer set forth herein, this Bond is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the West Virginia. This Bond is transferable, as provided in the Bond Legislation, only by transfer of registration upon the books of the Registrar, to be made at the request of the registered owner hereof in person or by his attorney duly authorized in writing, and upon surrender hereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney.

All moneys received from the sale of this Bond shall be applied solely to the payment of the costs of acquisition and construction of the Project and the costs of issuance and related costs described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

On August 1, 1999, if the amount set forth on the Record of Advances is less than \$1,280,000, the Authority shall upon written instruction of the Council revise Exhibit B to reflect the lesser amount but amortized at the same interest rate and quarterly payment amount.

Under the Act, this Bond is exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

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

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

THIS BOND SHALL BE ON A PARITY AS TO LIEN ON AND SOURCE OF PAYMENT WITH THE ISSUER'S \$180,000 WATER-WORKS SYSTEM REVENUE BOND, SERIES A (1966).

The loan will be in default should any proceeds of the loan funds obtained from this parity bond issue be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

IN WITNESS WHEREOF, BRANCLAND/MIDKIFF PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Acting Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated July 29, 1998.

BRANCLAND/MIDKIFF PUBLIC SERVICE DISTRICT

[SEAL]

By: _____
Acting Chairman

Attest:

By: _____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the Bonds described in and issued under the provisions of the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: July 29, 1998.

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By: _____
Authorized Officer

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____
_____ the within-mentioned Bond and does hereby irrevocably
constitute and appoint _____, attorney, to transfer said Bond on the books of
the Registrar on behalf of said Issuer with full power of substitution in the premises.

Dated: _____

IN THE PRESENCE OF :

RECORD OF ADVANCES

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

TOTAL \$ _____

West Virginia Infrastructure and Jobs Development Council
Branchland/Midkiff Public Service District
Debt Service Schedule
Closing: July 29, 1998
Total Amount Borrowed: \$1,280,000

<u>Date</u>	<u>Coupon</u>	<u>Principal</u>	<u>Quarterly Debt Service</u>	<u>Annual Debt Service</u>
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Section 3.07. Sale of Bonds; Ratification and Execution of Loan Agreement with Authority. The Bonds shall be sold to the Authority pursuant to the terms and conditions of the Loan Agreement contemporaneously with, or as soon as practicable and authorized and permitted by applicable law after, adoption of this Resolution; provided, that the Authority and the Issuer shall have agreed to the purchase thereof. The Chairman or Acting Chairman is specifically authorized and directed to execute the Loan Agreement, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized ratified and approved.

Section 3.08. Advances of Principal of Bonds; Excess Bond Proceeds. The Issuer shall requisition the Council for the proceeds of the Bonds as needed to pay the costs of acquisition and construction of the Project and the costs of issuance of the Bonds and related costs, and such proceeds shall be paid to the Issuer or its designated payee only to pay the costs authorized by this Bond Legislation. Upon completion of the Project, any Bond Proceeds not required for the Project Costs shall be applied as directed by the Council.

Section 3.09. Pledge of Security for the Bonds. The principal of and interest on the Bonds shall be payable only from and secured by a first lien, on a parity with the Prior Bonds, on Net Revenues all of which are hereby pledged for such payment.

Section 3.10. Bonds Not to be Indebtedness of Issuer. The Bonds shall be special obligations of the Issuer, payable solely from the sources described above. The Bonds do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation. The general funds of the Issuer are not liable, and neither the full faith and credit nor the taxing power of the Issuer, if any, is pledged for the payment of the Bonds. The Holders of the Bonds shall never have the right to compel the forfeiture of any property of the Issuer. The Bonds shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as pledged therefor by this Resolution.

Section 3.11. Prohibition of Other Loans. So long as the Bonds and the Prior Bonds are outstanding, no bonds or other evidences of indebtedness against the System shall be issued by the Issuer without the prior written consent of the Authority and the Council and the holder of the Prior Bonds; provided however, that the Issuer may issue refunding bonds to pay the entire outstanding principal of and interest accrued on the Bonds in full. The Issuer shall give the Authority and the Council prior written notice of its issuance of any other obligations to be used for the System, payable from the revenues of the System or from any grants, or any other obligations related to the Project or the System.

Section 3.12. Covenants with Holders of Bonds. In order to secure the payment of the Bonds, the Issuer hereby covenants and agrees with the Holders of the Bonds, as follows:

(A) The Issuer will not make or cause or permit to be made any application of the proceeds of the Bonds except in accordance with the provisions of Section 4.03 hereof, or of any moneys held in the Construction Fund except in accordance with the provisions of Section 4.04 hereof.

(B) The Issuer will comply in all respects with the terms and provisions of any grant agreements applicable to the System and with all applicable State and federal laws and regulations governing the implementation of such grant agreements.

(C) The Issuer will, in the event proceeds of the grants for the System and/or proceeds of revenue bonds, refunding bonds or other obligations of the Issuer, issued subsequent to the issuance of the Bonds, are not sufficient or available to pay the Bonds in full by the maturity date of the Bonds, issue and sell its refunding bonds and apply the proceeds of its refunding bonds to the payment of the Bonds.

(D) The Issuer will comply with all the terms and conditions of the Loan Agreement.

Section 3.13. Required Notices to Holders of Bonds. The Issuer will provide the Authority and the Council prompt written notice, appropriately documented, of any of the following events:

(A) Any suspension, termination or modification of any grant;

(B) The authorization by the Issuer of any additional indebtedness related to the System;
and

(C) Any activity that would stop the work schedule on the Project.

Section 3.14. "Amended Schedule B." Upon completion of acquisition and construction of the Project, the Issuer will file with the Authority a schedule in substantially the form of the "Amended Schedule B" to the Loan Agreement, setting forth the actual Costs of the Project and sources of funds therefor.

ARTICLE IV

REVENUES AND APPLICATION THEREOF; DISPOSITION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created and established or contained with and shall be held by the Depository Bank, separate, distinct and apart from all other funds or accounts of the Depository Bank and from each other:

- (1) Revenue Fund;
- (2) Construction Fund;
- (3) Renewal and Replacement Fund; and
- (4) Rebate Fund.

Section 4.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created and established or contained with the Commission:

- (1) Series 1998 Bonds Sinking Fund;
 - (a) Within the Series 1998 Bonds Sinking Fund, the Series 1998 Bonds Reserve Account.

Section 4.03. Bond Proceeds; Construction Fund. From the moneys received from time to time from the sale of the Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Bonds, there shall first be paid any and all borrowing by the Issuer made for the purpose of temporarily financing a portion of the Costs of the Project, including interest accrued thereon to the date of such payment.

B. Next, from the proceeds of the Bonds, there shall be deposited with the Commission in the Series 1998 Bonds Reserve Account the sum, if any, set forth herein or in a Supplemental Resolution for funding of the Series 1998 Bonds Reserve Account.

C. The remaining moneys derived from the sale of the Bonds shall be deposited with the Depository Bank in the Construction Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 4.04.

D. The Depository Bank shall act as a trustee and fiduciary for the Holder of the Bonds with respect to the Construction Fund and shall comply with all requirements with respect to the disposition of the Construction Fund set forth in this Resolution. Moneys in the Construction Fund shall be used solely to pay costs of the Project and, until so expended, are hereby pledged as additional security for the Bonds.

Section 4.04. Disbursements From the Construction Fund. Payments for Costs of the Project shall be made monthly.

Disbursements from the Construction Fund, except for the costs of issuance of the Bonds, which shall be made upon request of the Issuer, shall be made only after submission to the Depository Bank of a certificate, signed by the Chairman or Acting Chairman and the Consulting Engineer, stating:

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

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

(C) That each of such costs has been otherwise properly incurred; and

(D) That payment for each of the items proposed is then due and owing.

In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Construction Fund only the net amount remaining after

deduction of any such portion. All payments made from the Construction Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Construction Fund. The Consulting Engineer shall from time to time file with the Depository Bank written statements advising the Depository Bank of its then authorized representative.

Pending application as provided in this Section 4.04, money and funds in the Construction Fund shall be invested and reinvested at the direction of the Issuer in Qualified Investments.

When construction of the Project has been completed and all Costs thereof have been paid or provision for such payment has been made, any balance remaining in the Construction Fund shall be applied as directed by the Council.

Section 4.05. Covenants of the Issuer as to Revenues and Funds. So long as the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 1998 Bonds Reserve Account, a sum sufficient to pay, when due, the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the holder of the Bonds as follows:

(A) Revenue Fund. The entire Gross Revenues derived from the operation of the System, and all parts thereof, and all Tap Fees received, shall be deposited as collected by the Issuer in the Depository Bank, in a fund known as the "Revenue Fund" which is hereby established with the Depository Bank. The Revenue Fund shall constitute a trust fund for the purposes provided herein and shall be kept separate and distinct from all other funds of the Issuer and used only for the purposes and in the manner provided herein.

(B) Disposition of Revenues. All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

(1) The Issuer shall first each month transfer sufficient moneys from the Revenue Fund to pay all current Operating Expenses.

(2) The Issuer shall next, (i) on the required payment dates, remit all payments of principal and interest owed on the Prior Bonds under the terms of the Prior Resolution, on a parity with the Series 1998 Bonds, (ii) on the first day of each month, commencing four (4) months prior to the first date of payment of interest on the Series 1998 Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission, for deposit in the Series 1998 Bonds Sinking Fund, a sum equal to 1/3 of the amount of interest which will become due on said Bonds, if any, on a parity with the Prior Bonds, on the next ensuing quarterly interest payment date; provided, that, in the event the period to elapse between the date of such initial deposit in the Series 1998 Bonds Sinking Fund and the next quarterly interest payment date is less than four (4) months, then such monthly payments shall be increased proportionately to provide, one (1) month prior to the next quarterly interest payment date, the required amount of interest coming due on such date, and (iii) on the first day of each month, commencing four (4) months prior to the first date of payment of principal on the Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1998 Bonds Sinking Fund, a sum equal to 1/3 of the amount of principal which will mature and become due on said Bonds, on a parity with the

Prior Bonds, on the next ensuing principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1998 Bonds Sinking Fund and the next quarterly principal payment date is less than four (4) months, then such monthly payments shall be increased proportionately to provide, one (1) month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall (i) on the required payment dates, remit for deposit any reserve payments required to be made on the Prior Bonds under the terms of the Prior Resolution and (ii), on the first day of each month, commencing four (4) months prior to the first date of payment of principal of the Series 1998 Bonds, if not fully funded upon issuance of the Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1998 Bonds Reserve Account, an amount equal to 1/120 of the Series 1998 Bonds Reserve Requirement, which is the maximum amount of principal and interest which will become due on the Bonds in any year; provided, that no further payments shall be made into the Series 1998 Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1998 Bonds Reserve Requirement. All funds in the Series 1998 Bonds Reserve Account shall be kept separate and apart by the Commission from other funds of the Issuer and shall be invested and reinvested in Qualified Investments.

(4) From the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, transfer to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of the Series 1998 Bonds Reserve Account and the Prior Bonds. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in Qualified Investments. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Series 1998 Bonds Reserve Account [except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded to the maximum extent required hereof] shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the Series 1998 Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Bonds as the same shall become due. Moneys in the Series 1998 Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Bonds, as the same shall come due when other moneys in the attendant Sinking Fund are insufficient therefore, and for no other purpose.

All investment earnings on moneys in the Series 1998 Bonds Sinking Fund and Series 1998 Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Construction Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payments, if any, due on the Bonds, and then to the next ensuing principal payments due thereon.

Any withdrawals from the Series 1998 Bonds Reserve Account which result in a reduction in the balance of the Series 1998 Bonds Reserve Account to below the Series 1998 Bonds

Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full to the Series 1998 Bonds Sinking Fund for payment of debt service on the Series 1998 Bonds.

As and when additional bonds ranking on a parity with the Bonds and the Prior Bonds are issued, provision shall be made for additional payments into the sinking fund sufficient to pay the interest on such additional parity bonds and accomplish retirement thereof at maturity and to accumulate a balance in the reserve account in an amount equal to the maximum provided and required to be paid into the sinking fund in any year for account of the Bonds and such additional bonds which by their terms are payable from such sinking fund.

The Issuer shall not be required to make any further payments into the Series 1998 Bonds Sinking Fund or into the Series 1998 Bonds Reserve Account therein when the aggregate amount of funds in said Sinking Fund and Reserve Account are at least equal to the aggregate principal amount of the Bonds issued pursuant to this Bond Resolution then Outstanding and all interest to accrue until the maturity thereof.

~~The payments into the Sinking Fund shall be made on the first day of each month, except that when the first day of any month shall be a Sunday or legal holiday, then such payments shall be made on the next succeeding business day, and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Resolution. In the case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority at anytime, make the necessary arrangements whereby such required payments shall be automatically deducted from the Revenue Fund and transferred to the Commission on the dates required.~~

The Series 1998 Bonds Sinking Fund, including the Series 1998 Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Bonds and any additional bonds ranking on a parity therewith that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into the Series 1998 Bonds Sinking Fund, including the Series 1998 Bonds Reserve Account therein and the Renewal and Replacement Fund during the following month or such other period as required by law, such excess shall be considered Surplus Revenues of the System. Surplus Revenues may be used for any lawful purpose of the System.

Whenever the money in the Series 1998 Bonds Reserve Account shall be sufficient to prepay the Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Bonds at the earliest practical date and in accordance with applicable provisions hereof.

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 1998 Bonds Reserve Account, and the Depository Bank is hereby designated as the Fiscal Agent for the administration of the Renewal and Replacement Fund, herein provided, and

all amounts required for the Series 1998 Bonds Reserve Account and the Renewal and Replacement Fund will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such fund. In the case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority at anytime, make the necessary arrangements whereby such required payments shall be automatically deducted from the Revenue Fund and transferred to the Commission on the dates required.

All the funds provided for in this Section shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used the Authority shall have a lien thereon for further securing payment of the Bonds and the interest thereon, but the Commission and the Depository Bank shall not be a trustee as to such funds.

If on any payment date the Net Revenues are insufficient to make the payments and transfers as hereinabove provided, the deficiency shall be made up in the subsequent payments and transfers in addition to those which would otherwise be required to be made on the subsequent payment dates.

The Commission and the Depository Bank, at the direction of the Issuer, shall keep the moneys in the Series 1998 Bonds Reserve Account and the Renewal and Replacement Fund, respectively, invested and reinvested to the fullest extent possible in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Bond Resolution shall, unless otherwise provided herein or required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia State Investment Management Board. Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account.

(C) Change of Depository Bank. The Issuer may designate another bank or trust company insured by FDIC as Depository Bank if the aforesaid bank should cease for any reason to serve or if the Issuer determines by supplemental resolution that said bank or its successor should no longer serve as Depository Bank. Upon any such change, the Issuer will cause notice of the change to be sent by registered or certified mail to the Authority.

(D) Charges and Fees. The Issuer shall remit from the Revenue Fund to the Commission and to the Depository Bank such additional sums as shall be necessary to pay the charges and fees of the Commission and the Depository Bank then due.

(E) Investment of Excess Balances. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in any of such funds or accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, in a lawful manner for securing deposits of state and municipal funds under the laws of the State.

(F) Remittances. All remittances made by the Issuer to the Commission and to the Depository Bank shall clearly identify the fund or account into which each amount is to be deposited.

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

ARTICLE V

ADDITIONAL COVENANTS OF THE ISSUER

Section 5.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Resolution shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds. In addition to the other covenants, agreements and provisions of this Resolution, the Issuer hereby covenants and agrees with the Holders of the Bonds as hereinafter provided in this Article V. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of said Bonds or the interest thereon is Outstanding and unpaid.

Section 5.02. Bonds Not to be Indebtedness of the Issuer. The Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation on indebtedness, but shall be payable solely from the funds pledged for such payment by this Resolution. No Holder or Holders of any Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Bonds or the interest thereon.

Section 5.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 1998 Bonds issued hereunder shall be secured forthwith by a first lien on the Net Revenues derived from the operation of the System, on a parity with the Prior Bonds.

The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds and to make the payments into the Series 1998 Bonds Sinking Fund, including the Series 1998 Bonds Reserve Account therein, and all other payments provided for in the Resolution are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Bonds, on a parity with the Prior Bonds, as the same become due, and for the other purposes provided in the Resolution.

Section 5.04. Initial Schedule of Rates and Charges. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the existing or proposed rate resolution of the Issuer adopted on July 22, 1998, and to take effect upon completion of the Project, as approved by the Public Service Commission of West Virginia by Recommended Decision entered on April 24, 1998, in Case No. 97-0964-PWD-CN.

Section 5.05. Sale of the System. 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 all the Bonds, if any, Outstanding, or to effectively defease this Resolution in accordance with Section 8.01 hereof. The proceeds from any such sale, mortgage,

lease or other disposition of the System shall, with respect to the Bonds, immediately be remitted to the Commission for deposit in the Series 1998 Bonds Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Bonds. Any balance remaining after the payment of all the Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of \$10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of \$10,000 and not in excess of \$50,000, shall with the written consent of the Authority, be remitted by the Issuer to the Commission for deposit in the Series 1998 Bonds Sinking Fund and shall be applied only to the purchase of Bonds, on a parity with the Prior Bonds, of the last maturities then Outstanding at prices not greater than the par value thereof plus three percent (3%) of such par value or otherwise. Such payment of such proceeds into the Series 1998 Bonds Sinking Fund or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Resolution. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of \$50,000 and insufficient to pay all Bonds then outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of over 50% in amount of the Bonds then outstanding and the Consulting Engineers. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 5.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 5.06 and in Section 5.07B, and, so long as any of the Bonds are outstanding, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds and the Prior Bonds. All obligations issued by the Issuer after the issuance of the Bonds and payable from the revenues

All obligations issued by the Issuer after the issuance of the Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 1998 Bonds and the Prior Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the Series 1998 Bonds Reserve Account and the Renewal and Replacement Fund at the time of the issuance of such subordinate obligations have been made and are current.

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

Section 5.07. Parity Bonds. A. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Bonds issued pursuant to this Resolution, except under the conditions and in the manner herein provided. No Parity Bonds shall be issued without the prior written consent of the Authority and the Council.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 1998 Bonds and the Prior Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, improvements or betterments to the System or refunding one or more series of Bonds issued pursuant hereto, or both such purposes.

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

- (1) The Bonds and Prior Bonds then Outstanding;
- (2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and
- (3) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the three (3) succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements

to be financed by such Parity Bonds and (b) any increase in rates adopted by the Issuer, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed with the Chairman prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the twelve (12) consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Consulting Engineers and the said Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and said Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

Not later than simultaneously with the delivery of such Parity Bonds, the Issuer shall have entered into written contracts for the immediate construction or acquisition of such additions, betterments or improvements, if any, to the System that are to be financed by such Parity Bonds.

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

All Parity Bonds shall mature on the specified day of the years of maturities, and the quarterly interest thereon shall be payable on the days of each year specified herein or in any Supplemental Resolution.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior lien of the Series 1998 Bonds and the Prior Bonds. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 1998 Bonds and the Prior Bonds.

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

B. Notwithstanding the foregoing, or any provision of Section 5.06 to the contrary, additional Bonds may be issued solely for the purpose of completing the Project as described in the application to the Authority submitted as of the date of the Loan Agreement without regard to the restrictions set forth in this Section 5.07, if there is first obtained by the Issuer the written consent of the Authority to the issuance of bonds on a parity with the Bonds and the Prior Bonds.

Section 5.08. Books, Records and Facilities. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority, acting by and through its Director, or his duly authorized agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at any and all reasonable times for the purpose of audit and examination, and the Issuer shall submit to the Authority such documents and information as it may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the Loan or any State and federal grants or other sources of financing for the Project.

The Issuer shall permit the Authority and its agents and representatives to have access to the records 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.

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

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed by the Uniform System of accounts promulgated by the PSC. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The Governing Body shall prescribe and institute the manner by which subsidiary records of the accounting system, which may be installed remote from the direct supervision of the Governing Body, shall be reported to such agent of the Issuer as the Governing Body shall direct.

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

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

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Resolution with respect to said Bonds and the status of all said funds and accounts.

(C) The amount of any Bonds, Notes or other obligations outstanding and secured by a lien on the Net Revenues of the System.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with OMB Circular 128, or any successor thereto, and the Single Audit Act and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of Bonds and shall submit said report to the Authority, or any other original purchaser of the Bonds. Such audit report submitted to the Authority shall include a statement that the Issuer is in compliance with the terms and provisions of the Loan Agreement and this Bond Legislation and that the Issuer's revenues are adequate to meet its expenses and debt service requirements.

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

The Issuer shall also, during construction of the Project and for two years following the completion of the Project, complete a Monthly Financial Report, as described in the Loan Agreement, and forward a copy by the 15th of each month to the Authority and the Council.

Section 5.09. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file at the office of the Issuer, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all reasonable expenses of operation, repair and maintenance of the System and (ii) to leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount required in any year for payment of principal of and interest on the Bonds, the Prior Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit in the reserve accounts or reserve accounts for obligations prior to or on a parity with the Bonds, the Prior Bonds are funded at least at the requirement therefor, such balance each year need only equal at least one hundred ten percent (110%) of the maximum amount required in any year for payment of principal of and interest on the Bonds, the Prior Bonds and all other obligations secured by a lien on or payable from such

revenues prior to or on a parity with the Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate resolution described in Section 5.04.

Section 5.10. Operating Budget and Audit. The Issuer shall annually, at least forty-five (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. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of ten percent (10%) of the amount of such budget shall be made except upon the further certificate of the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The Issuer shall, within thirty (30) days of the adoption thereof, 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 Bond, 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 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 Bond, or anyone acting for and on behalf of such Holder of any Bonds.

In addition, the Issuer shall annually cause the records of the System to be audited by an Independent Certified Public Accountant, in compliance with OMB Circular 128, or any successor thereto, and the Single Audit Act, the report of which audit shall be submitted to the Authority and which audit report shall include a statement that the Issuer is in compliance with the terms and provisions of this Bond Legislation and the Loan Agreement.

Section 5.11. 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 5.12. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineer in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

The Issuer shall provide and maintain competent and adequate resident engineering services satisfactory to the 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 on behalf of the Consulting Engineers, which have been approved by all necessary governmental bodies. The

Consulting Engineer shall certify to the Authority and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer agrees that qualified operating personnel properly certified by the State will be retained to operate the System during the entire term of the Loan Agreement.

Section 5.13. 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 thirty (30) days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid, to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of a sewer system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 5.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class: and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 5.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as any of the Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, ON ALL above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for said Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

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

(4) FLOOD INSURANCE, to the extent available at reasonable cost to the Issuer.

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

B. The Issuer shall also require all contractors engaged in the construction of the Project to carry such Workers' Compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts satisfactory to the Authority and the Council; and as is customarily carried with respect to works and properties similar to the Project. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

Section 5.16. 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 5.17. Completion and Operation of Project; Permits and Orders. The Issuer hereby covenants and agrees to 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 applicable laws, rules and regulations issued by the Council, the Authority or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System.

The Issuer will obtain all permits and approvals required by State and federal laws for the acquisition and construction of the Project and all orders and approvals from the Public Service Commission of West Virginia necessary for the acquisition and construction of the Project and the operation of the System with the appeal periods having expired without successful appeal.

Section 5.18. Compliance with Loan Agreement and Law. The Issuer agrees to comply with all terms and conditions of the Loan Agreement. 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 purchase and acquisition of the Project and the operation, maintenance and use of the System.

Section 5.19. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of ten percent (10%) of the Net Proceeds of the Bonds are used for private business use if, in addition, the payment of more than ten percent (10%) of the principal or ten percent (10%) of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a private business use or in payments in respect of property used or to be used for a private business use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a private business use, and (ii) and that, in the event that both (A) in excess of five percent (5%) of the Net Proceeds of the Bonds are used for a private business use, and (B) an amount in excess of five percent (5%) of the principal or five percent (5%) of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said private business use or in payments in respect of property used or to be used for said private business use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said private business use, then said excess over said five percent (5%) of Net Proceeds of the Bonds used for a private business use shall be used for a Private Business Use related to the governmental use of the Project, or if the Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such private business use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of five percent (5%) of the Net Proceeds of the Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. **FEDERAL GUARANTEE PROHIBITION.** The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. **INFORMATION RETURN.** The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. **FURTHER ACTIONS.** The Issuer will take any and all actions that may be required of it (including those deemed necessary by the Authority) so that the interest on the Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including those determined by the Authority) which would adversely affect such exclusion.

Section 5.20. Securities 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, annual operating related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. Part 240, (240, 15c2-12).

Section 5.21. Public Service Commission Approval. The Issuer shall obtain all requisite orders of and approvals from the Public Service Commission of West Virginia necessary for the construction of the Project and operation of the System, and the Authority shall receive an opinion of counsel to the Issuer to such effect.

Section 5.22. Restrictions on Use of Bond Proceeds. The Issuer agrees that it will be in default hereunder if any Bond proceeds are used for a purpose that contributes to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

ARTICLE VI

INVESTMENT OF FUNDS; NON ARBITRAGE

Section 6.01. Investments. Any moneys held as a part of the funds and accounts created or continued by this Resolution, other than the Revenue Fund, shall be invested and re-invested 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 moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 6.01.

Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current

market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission, the Depository Bank, or such other bank or national banking association, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank, or such other bank or national banking association, as the case may be, may make any and all investments permitted by this section through its own trust 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, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Bonds are outstanding.

Section 6.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Bonds in such manner and to such extent as may be necessary, in view of the Issuer's reasonable expectations at the time of issuance of the Bonds, so that the Bonds will not constitute "Arbitrage Bonds" under Section 148 of the Code and Regulations, and (ii) it will take all actions that may be required of it or shall refrain from taking any action, as shall be deemed necessary by the Authority (including, without implied limitation, the timely filing of a Federal Information Return with respect to the Bonds) so that the interest on the Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 6.03. Tax Certificate and Rebate. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, unless otherwise agreed by the Authority, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder, and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate

Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. In addition, the Issuer shall cooperate with the Authority in preparing rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer. To the extent not so performed by the Authority, the Issuer and the Depository Bank (at the expense of the Issuer) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Depository Bank may deem appropriate in order to assure compliance with this Section 6.03. The Issuer shall keep and retain, ~~or cause to be kept and retained, records of the determinations made pursuant to this Section 6.03~~ in accordance with the requirements of Section 148(f) of the Code or such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

The Issuer shall submit to the Authority within fifteen (15) days following the end of each Bond Year a certified copy of its rebate calculation and certificate with respect thereto. The Issuer shall furnish to the Authority such information with respect to earnings on all moneys constituting "Gross Proceeds" of the Bonds (as such term is defined in the Code) from time to time as the Authority may request. The Issuer shall also furnish to the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority.

ARTICLE VII

DEFAULT AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Bonds:

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

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Bonds in this Resolution, any Supplemental Resolution, or in the Bonds, as the case may be, and such default shall have continued for a period of thirty (30) days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, any other bank or banking association holding any fund or account hereunder or a Holder of a Bond; or

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

Section 7.02. Remedies. Upon the happening and continuance of any Event of Default, any 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 the Holders of the Bonds including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Holders of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of the Holders of the Bonds.

Section 7.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Resolution and the Act, including, after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default in payment of principal or interest on the Bonds with respect to such Bond any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project or both, as provided by law, on behalf of the Issuer with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bond and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Resolution and the Act.

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

Such receiver, in the performance of the powers hereinabove conferred upon him, 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 the Holder or Holders of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and the Holder or Holders of the Bonds under the provisions of this Resolution, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE VIII

DEFEASANCE

Section 8.01. Defeasance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then this Resolution, the funds pledged under this Resolution and all covenants, agreements and other obligations of the Issuer to Holders of the Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited in the Bonds Payment Fund at the same or earlier time, shall be sufficient, to pay as and when due the principal of and interest, if any, on the Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Depository Bank either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which when due, will provide moneys which, together with the moneys, if any, deposited with the Depository Bank at the same time, shall be sufficient, to pay when due the principal of and interest, if any, due and to become due on said Bonds on and prior to the maturity dates thereof. Neither securities nor moneys deposited with the Depository Bank pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the respective principal of and interest, if any, on the Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Depository Bank if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and interest, if any, to become due on the Bonds on and prior to such maturity dates thereof, and interest earned from such reinvestment shall be paid over to the Issuer as received by the Depository Bank free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Amendment or Modification of Resolution. Prior to issuance of the Bonds, this Resolution may be amended or supplemented in any way by a Supplemental Resolution. Following issuance of the Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Bondholders shall be made without the consent in writing of the Holders of the Bonds then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein pledged therefor without the consent of the Holder thereof.

Section 9.02. Resolution Constitutes Contract. The provisions of this Resolution shall constitute a contract between the Issuer and the Holder of the Bonds, and no change, variation or alteration of any kind of the provisions of the Resolution shall be made in any manner, except as in this Resolution provided.

Section 9.03. 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 or the Bonds.

Section 9.04. 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 9.05. Conflicting Provisions Repealed. All resolutions, indentures or orders, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed.

Section 9.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption and passage of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Acting Chairman, Secretary and members of the Public Service Board were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 9.07. Effective Date. This Resolution shall take effect immediately upon adoption hereof.

Section 9.08. Statutory Notice and Public Hearing. Prior to adoption hereof, an abstract of this Resolution determined to contain sufficient information as to give notice of the contents hereof shall be published in a qualified newspaper published and of general circulation in Lincoln

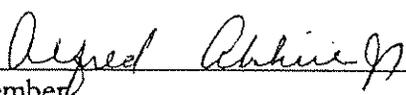
County, together with a notice stating that this Resolution will be considered for adoption and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the Issuer's Public Service Board upon a date certain, not less than ten (10) days subsequent to the date of the publication of such abstract of this Resolution and notice, and present protests, and that a certified copy of this Resolution is on file with the Issuer for review by interested persons during office hours of the Issuer. At such hearing, all objections and suggestions shall be heard and the Issuer's Public Service Board shall take such action as it shall deem proper in the premises.

Adopted Following Public Hearing – July 22, 1998

Adopted this 22nd day of July, 1998.

BRANCHLAND/MIDKIFF PUBLIC SERVICE DISTRICT

By:  _____
Acting Chairman

By:  _____
Member

By: _____
Member

CERTIFICATION

The undersigned does hereby certify that the attached Bond Resolution is a true and accurate copy of the Bond Resolution duly adopted by the Public Service Board of BRANCLAND/MIDKIFF PUBLIC SERVICE DISTRICT on July 22, 1998, and that the foregoing document remains in full force and effect and has not been amended.

Dated: July 22, 1998.

[SEAL]


Secretary

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BRANCLAND/MIDKIFF PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 1998
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. R-1

\$1,280,000.00

Date: July 29, 1998

KNOW ALL MEN BY THESE PRESENTS: That BRANCLAND/MIDKIFF PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Lincoln County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the sources and in the manner provided therefor, as hereinafter set forth, to the order of the West Virginia Water Development Authority (the "Authority") or registered assigns, the principal sum of One Million Two Hundred Eighty Thousand and 00/100 Dollars (\$1,280,000.00 U.S.), 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 hereto and incorporated herein by reference as a part hereof, without interest on the unpaid principal balance.

The principal of and interest on this Bond are payable in any coin or currency which on the date of payment thereof is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). Principal shall be repaid in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 1999, as set forth on the "Debt Service Schedule" attached as Exhibit A hereto and incorporated herein by reference.

Principal on this Bond 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 One Valley Bank, National Association, Charleston, West Virginia (the "Registrar"), on the 15th day of the month next preceding such payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council") and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement dated July 29, 1998, by and between the Issuer and the Authority, on behalf of the Council.

This Bond is issued (i) to finance a portion of the costs of the acquisition and construction of water service extensions of the Issuer, the Project, and together with any existing water facilities of the Issuer and any further additions, betterments and improvements thereto, collectively referred to as the "System") and (ii) to pay the costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a

Bond Resolution duly adopted by the Issuer on July 22, 1998 (the "Bond Legislation"), and is subject to all the terms and conditions thereof.

The principal of this Bond is payable only from and secured by a first lien on Net Revenues (as defined in the Bond Legislation) of the System, on a parity with the Issuer's \$180,000 Water-Works System Revenue Bond, Series A (1966) (the "Prior Bonds"), moneys in the Series 1998 Bonds Reserve Account and unexpended proceeds of this Bond. All moneys from the operation of the System shall be deposited into the Revenue Fund established or continued under the Bond Legislation for the prompt payment of the principal of this Bond on a parity with the Prior Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside in a special fund hereby pledged for such purpose. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on this Bond, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with this Bond, as well as the Prior Bonds; provided however, that so long as the Series 1998 Bonds Reserve Account is funded in an amount at least equal to the maximum amount of principal and interest which will come due on this Bond in the then current or any succeeding year, and the reserve account for any other obligations outstanding prior to or on a parity with this Bond, including the Prior Bonds, is funded in an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of this Bond for the terms of which reference is made to the Resolution. Remedies provided the Registered Owners of this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter provisions or limitations, nor shall the Issuer be obligated to pay the same except from the sources set forth above. Under the Bond Legislation, the Issuer has entered into certain covenants with the Authority, for the terms of which reference is made to the Bond Legislation. Remedies provided the Authority are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the requirements for transfer set forth herein, this Bond is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the West Virginia. This Bond is transferable, as provided in the Bond Legislation, only by transfer of registration upon the books of the Registrar, to be made at the request of the registered owner hereof in person or by his attorney duly authorized in writing, and upon surrender hereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney.

All moneys received from the sale of this Bond shall be applied solely to the payment of the costs of acquisition and construction of the Project and the costs of issuance and related costs described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

On August 1, 1999, if the amount set forth on the Record of Advances is less than \$1,280,000, the Authority shall upon written instruction of the Council revise Exhibit B to reflect the lesser amount but amortized at the same interest rate and quarterly payment amount.

Under the Act, this Bond is exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

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

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

THIS BOND SHALL BE ON A PARITY AS TO LIEN ON AND SOURCE OF PAYMENT WITH THE ISSUER'S \$180,000 WATER-WORKS SYSTEM REVENUE BOND, SERIES A (1966).

The loan will be in default should any proceeds of the loan funds obtained from this parity bond issue be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the Bonds described in and issued under the provisions of the within-mentioned Bond Legislation and has been duly registered in the name of the registered owned set forth above.

Date: July 29, 1998.

SPECIMEN

ONE VALLEY BANK, NATIONAL ASSOCIATION,

as Registrar

By:

Charlotte S. Morgan

Authorized Officer

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ the within-mentioned Bond and does hereby irrevocably constitute and appoint _____, attorney, to transfer said Bond on the books of the Registrar on behalf of said Issuer with full power of substitution in the premises.

SPECIMEN

Dated: _____

IN THE PRESENCE OF :

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$ 158,296.00	July 29, 1998	(16) \$	
(2) \$		(17) \$	
(3) \$		(18) \$	
(4) \$		(19) \$	
(5) \$		(20) \$	
(6) \$		(21) \$	
(7) \$		(22) \$	
(8) \$		(23) \$	
(9) \$		(24) \$	
(10) \$		(25) \$	
(11) \$		(26) \$	
(12) \$		(27) \$	
(13) \$		(28) \$	
(14) \$		(29) \$	
(15) \$		(30) \$	

TOTAL \$ _____

Schedule Y
Quarterly Debt Service Schedule

Date	#	Principal	Interest	Total
12/1/09	41	8,258.06		8,258.06
3/1/10	42	8,258.06		8,258.06
6/1/10	43	8,258.06		8,258.06
9/1/10	44	8,258.06		8,258.06
12/1/10	45	8,258.06		8,258.06
3/1/11	46	8,258.06		8,258.06
6/1/11	47	8,258.06		8,258.06
9/1/11	48	8,258.06		8,258.06
12/1/11	49	8,258.06		8,258.06
3/1/12	50	8,258.06		8,258.06
6/1/12	51	8,258.06		8,258.06
9/1/12	52	8,258.06		8,258.06
12/1/12	53	8,258.06		8,258.06
3/1/13	54	8,258.06		8,258.06
6/1/13	55	8,258.06		8,258.06
9/1/13	56	8,258.06		8,258.06
12/1/13	57	8,258.06		8,258.06
3/1/14	58	8,258.06		8,258.06
6/1/14	59	8,258.06		8,258.06
9/1/14	60	8,258.06		8,258.06
12/1/14	61	8,258.06		8,258.06
3/1/15	62	8,258.06		8,258.06
6/1/15	63	8,258.06		8,258.06
9/1/15	64	8,258.06		8,258.06
12/1/15	65	8,258.06		8,258.06
3/1/16	66	8,258.06		8,258.06
6/1/16	67	8,258.06		8,258.06
9/1/16	68	8,258.06		8,258.06
12/1/16	69	8,258.06		8,258.06
3/1/17	70	8,258.06		8,258.06
6/1/17	71	8,258.06		8,258.06
9/1/17	72	8,258.06		8,258.06
12/1/17	73	8,258.06		8,258.06
3/1/18	74	8,258.06		8,258.06
6/1/18	75	8,258.06		8,258.06
9/1/18	76	8,258.06		8,258.06
12/1/18	77	8,258.06		8,258.06
3/1/19	78	8,258.06		8,258.06
6/1/19	79	8,258.06		8,258.06
9/1/19	80	8,258.06		8,258.06
12/1/19	81	8,258.06		8,258.06
3/1/20	82	8,258.06		8,258.06
6/1/20	83	8,258.06		8,258.06
9/1/20	84	8,258.06		8,258.06
12/1/20	85	8,258.06		8,258.06
3/1/21	86	8,258.06		8,258.06
6/1/21	87	8,258.06		8,258.06
9/1/21	88	8,258.06		8,258.06

SPECIMEN

Schedule Y
Quarterly Debt Service Schedule

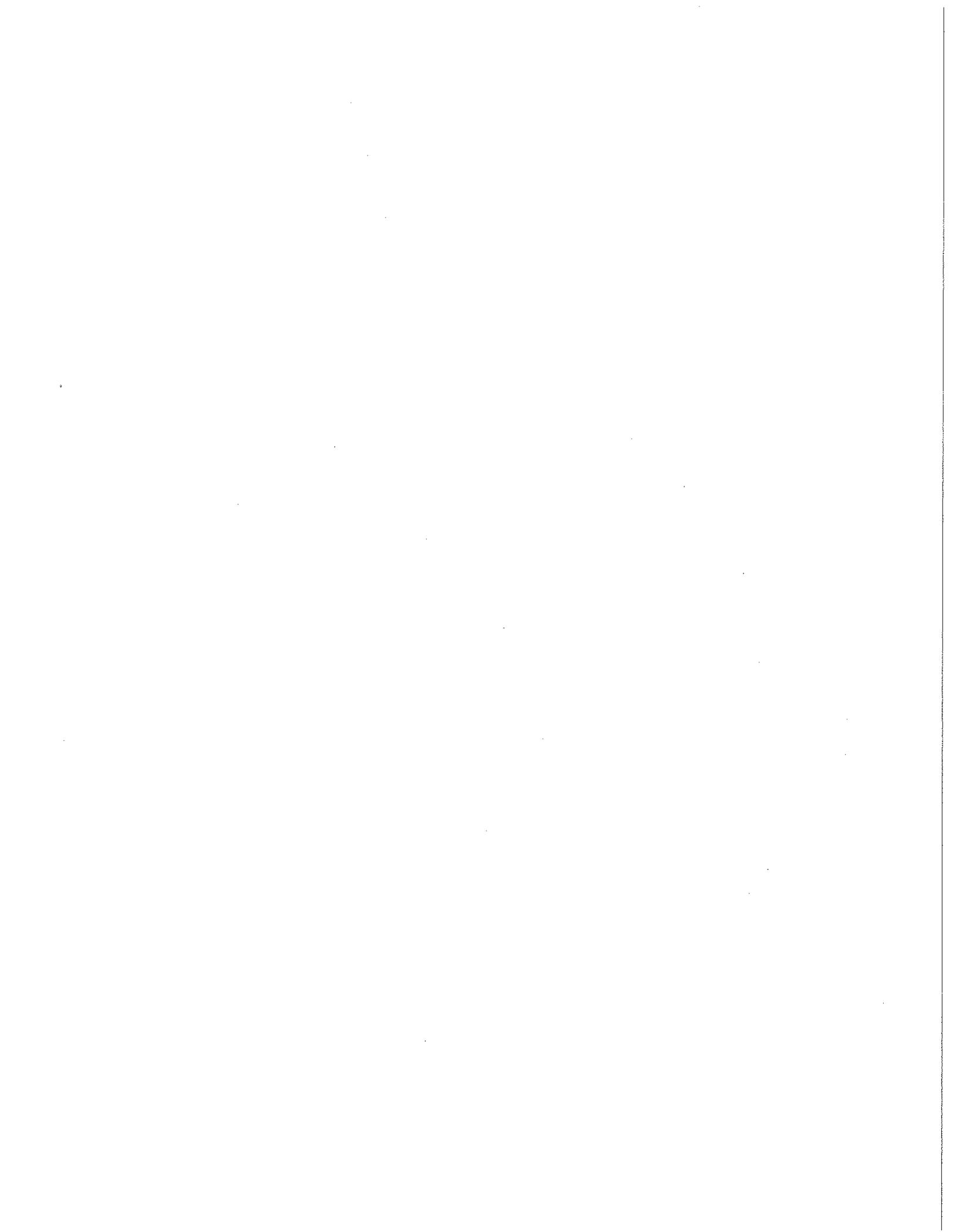
Date	#	Principal	Interest	Total
12/1/21	89	8,258.06		8,258.06
3/1/22	90	8,258.06		8,258.06
6/1/22	91	8,258.06		8,258.06
9/1/22	92	8,258.06		8,258.06
12/1/22	93	8,258.06		8,258.06
3/1/23	94	8,258.06		8,258.06
6/1/23	95	8,258.06		8,258.06
9/1/23	96	8,258.06		8,258.06
12/1/23	97	8,258.06		8,258.06
3/1/24	98	8,258.06		8,258.06
6/1/24	99	8,258.06		8,258.06
9/1/24	100	8,258.06		8,258.06
12/1/24	101	8,258.06		8,258.06
3/1/25	102	8,258.06		8,258.06
6/1/25	103	8,258.06		8,258.06
9/1/25	104	8,258.06		8,258.06
12/1/25	105	8,258.06		8,258.06
3/1/26	106	8,258.06		8,258.06
6/1/26	107	8,258.06		8,258.06
9/1/26	108	8,258.06		8,258.06
12/1/26	109	8,258.06		8,258.06
3/1/27	110	8,258.06		8,258.06
6/1/27	111	8,258.06		8,258.06
9/1/27	112	8,258.06		8,258.06
12/1/27	113	8,258.06		8,258.06
3/1/28	114	8,258.06		8,258.06
6/1/28	115	8,258.06		8,258.06
9/1/28	116	8,258.06		8,258.06
12/1/28	117	8,258.06		8,258.06
3/1/29	118	8,258.06		8,258.06
6/1/29	119	8,258.06		8,258.06
9/1/29	120	8,258.06		8,258.06
12/1/29	121	8,258.06		8,258.06
3/1/30	122	8,258.06		8,258.06
6/1/30	123	8,258.06		8,258.06
9/1/30	124	8,258.06		8,258.06
12/1/30	125	8,258.06		8,258.06
3/1/31	126	8,258.06		8,258.06
6/1/31	127	8,258.06		8,258.06
9/1/31	128	8,258.06		8,258.06
12/1/31	129	8,258.06		8,258.06
3/1/32	130	8,258.06		8,258.06
6/1/32	131	8,258.06		8,258.06
9/1/32	132	8,258.06		8,258.06
12/1/32	133	8,258.06		8,258.06
3/1/33	134	8,258.06		8,258.06
6/1/33	135	8,258.06		8,258.06
9/1/33	136	8,258.06		8,258.06

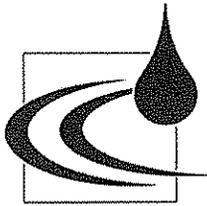
SPECIAL AGENT

Schedule Y
Quarterly Debt Service Schedule

Date	#	Principal	Interest	Total
12/1/33	137	8,258.06		8,258.06
3/1/34	138	8,258.06		8,258.06
6/1/34	139	8,258.06		8,258.06
9/1/34	140	8,258.06		8,258.06
12/1/34	141	8,258.06		8,258.06
3/1/35	142	8,258.06		8,258.06
6/1/35	143	8,258.06		8,258.06
9/1/35	144	8,258.06		8,258.06
12/1/35	145	8,258.06		8,258.06
3/1/36	146	8,258.06		8,258.06
6/1/36	147	8,258.06		8,258.06
9/1/36	148	8,258.06		8,258.06
12/1/36	149	8,258.06		8,258.06
3/1/37	150	8,258.06		8,258.06
6/1/37	151	8,258.06		8,258.06
9/1/37	152	8,258.06		8,258.06
12/1/37	153	8,258.06		8,258.06
3/1/38	154	8,258.06		8,258.06
6/1/38	155	8,258.76		8,258.76
		1,280,000.00		1,280,000.00

SPECIMEN





WEST VIRGINIA

Water Development Authority

Celebrating 35 Years of Service 1974 - 2009

June 24, 2009

Branchland-Midkiff Public Service District
Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

TO WHOM IT MAY CONCERN:

The undersigned duly authorized representative for the West Virginia Water Development Authority, the present holder of the Prior Bonds, hereinafter defined and described, in reliance upon the certificate of Griffith and Associates, independent certified public accountants, and Steptoe & Johnson PLLC bond counsel, that the Issuer has met the coverage and parity requirements set forth in the Resolution authorizing the Prior Bonds, hereby consents to the issuance of the Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund) (the "Series 2009 A Bonds"), in the principal amount of \$4,100,000, by Branchland-Midkiff Public Service District (the "Issuer"), under the terms of the resolution authorizing the Series 2009 A Bonds on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's: Water Revenue Bonds, Series 1998 (West Virginia Infrastructure Fund), dated July 29, 1998, issued in the original aggregate principal amount of \$1,280,000 (the "Series 1998 Bonds" or the "Prior Bonds").

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By: Carol A. Cummings
Its: Authorized Representative



CLOSING MEMORANDUM

To: Financing Team

From: John C. Stump, Esquire

Date: June 24, 2009

Re: Branchland-Midkiff Public Service District
Route 2, Box 496, Branchland, WV 25506
Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

1. DISBURSEMENTS TO DISTRICT

Payor: West Virginia Infrastructure and Jobs Development Council
Amount: \$36,221
Form: Wire Transfer
Bank: City National Bank
ABA No.: 051904524
Acct. No.: 8005612588
Contact: Becky Hill 304.824.7225
Account: Series 2009 A Bonds Construction Trust Fund

2. DISBURSEMENTS TO MUNICIPAL BOND COMMISSION

Payor: West Virginia Infrastructure and Jobs Development Council
Source: Series 2009 A Bonds Proceeds
Amount: \$105,808
Form: Wire Transfer
Payee: Branchland-Midkiff Public Service District
Bank: Municipal Bond Commission
Routing #: 051503394
Contact: Sara Boardman, 558.3971
Account: Series 2009 A Bonds Reserve Account

06.17.09
260730.00002

State of West Virginia
WATER DEVELOPMENT AUTHORITY
 180 Association Drive, Charleston, WV 25311-1217
 (304) 558-3612 - (304) 558-0299 (Fax)
 Internet: www.wvwda.org - Email: contact@wvwda.org

PRECLOSING ATTENDANCE LIST

Date 10/23/07 Time 1 pm LGA Branchland WVA #17 AFD Program IC

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
Ryan Whit	Jackson Kelly	340-1083	340-1070	rwhite@jacksonkelly.com
John Stump	Stump & Johnson PLLC	304-353-8181	304-553-8181	john.stump@stump-johnson.com
Shirley Lee	Jackson Kelly LLC	304-340-1318	304-340-1172	sgcc@jacksonkelly.com
Carol Cummings	WDA	304-558-3612	304-558-0888	Cummings@wvwda.org

The Authority requests that the following information concerning the individual who will be responsible for sending Debt Service Payments to the Municipal Bond Commission be provided. (If that individual is in attendance, he/she should also sign above.) Please Print:

Name Harold Smith, Chair Telephone 304-728-7711 E-Mail N/A

Address Route 2, Box 496, Branchland WV 25506

REMINDER: As a participant in this program, the Local Governmental Agency (LGA) agrees and is required to submit annually to the WDA a copy of its audited financial statements and a copy of its adopted budget. Also, pursuant to the Loan Agreement and the Non-Arbitrage Certificate (both of which are contained in the bond transcript) you are to provide annually to the WDA a rebate calculation certificate or an exception opinion showing whether a rebate amount is due to the US Government under arbitrage requirements in Section 148(f) of the US Internal Revenue Code, 1986, as amended.

RESOLUTION OF THE BRANGLAND MIDKIFF PUBLIC SERVICE DISTRICT APPROVING INVOICES RELATING TO SERVICES FOR THE PROPOSED WATER PROJECT AND AUTHORIZING PAYMENT THEREOF,

WHEREAS, the Branchland Midkiff Public Service District, has reviewed the invoices attached hereto and incorporated herein by reference relation to the Project funded in part by the Infrastructure & Jobs Development Council (IJDC), Rural Utilities Service (RUS), Lincoln County Commission (County), and Coal Company (Coal Co.) and find as follows:

- a) That none of the items for which payment is proposed to be made has formed the basis for any disbursement theretofore made.
- b) That each item for which the payment is proposed to be 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 the payment for each of the items proposed is due and owing.

NOW, THEREFOR, BE IT RESOLVED Branchland Midkiff Public Service District by as follows: There is hereby authorized and directed the payment of the attached invoices as follows:

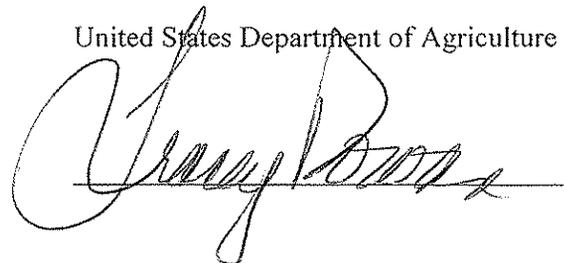
Vendor	Total	IJDC	RUS	County	Coal Co
Stephoe & Johnson	20,000.00	20,000.00	0	0	0
Huntington Bank	500.00	500.00	0	0	0
Municipal Bond Commission (reserves)	105,808.00	105,808.00	0	0	0
Triad	263,500.00	0	263,500.00	0	0
Griffith	0	0	0	0	0
Flora	7361.50	7,361.50	0	0	0
PSD	3,359.47	3,359.47	0	0	0
Lands & ROWs Napier - \$3,000 Hamill - \$2,000	5,000.00	5,000.00			
TOTAL	405,528.97	142,028.97	263,500.00	0	0

ADOPTED BY the Branchland Midkiff Public Service District, at the meeting held on the 22nd day of June 2009

Branchland Midkiff Public Service District

United States Department of Agriculture

By: 



Its: Chairman

SWEEP RESOLUTION

Branchland-Midkiff Public Service District

WHEREAS, Branchland-Midkiff Public Service District (the "Issuer") is a governmental body and political subdivision of West Virginia;

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

WHEREAS, the Issuer makes or will make monthly debt service payments on and transfers reserve funds for the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

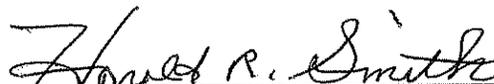
WHEREAS, the MBC may accept such monthly payments by electronic funds transfer, thereby eliminating delay in payments and lost checks;

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

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

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

Adopted this 22nd day of June, 2009.



Chairman

GRANT AGREEMENT

This Grant Agreement entered into by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council") and the BRANCHLAND MIDKIFF PUBLIC SERVICE DISTRICT (the "Governmental Agency").

RECITALS

WHEREAS, the Council has authorized the Authority to make a grant to the Governmental Agency in the amount not to exceed \$347,000 (the "Grant") for the purposes of the design, acquisition or construction of a project for which a preliminary application has been submitted and approved by the Council;

WHEREAS, the Governmental Agency wishes to accept the Grant upon such terms and conditions as are hereinafter set forth for the purposes of designing, acquiring or constructing the project described in Exhibit A attached hereto and incorporated herein by reference (the "Project");

WHEREAS, this Grant Agreement sets forth the Council, the Authority and the Governmental Agency's understandings and agreements with regard to the Grant.

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

TERMS

1. Prior to the distribution of the Grant, the Governmental Agency shall provide the Authority with a Project budget and an anticipated monthly draw schedule reflecting the receipt dates and amounts from other funding sources.

2. The Authority shall advance the Council's share of the Project costs from the Grant from time to time upon receipt of a requisition evidencing the costs incurred, which requisition must be satisfactory to the Authority.

3. The monthly requisition will also set forth (i) the amounts requested for that requisition period from all other funding agencies, and (ii) the amounts advanced for the Project to date from all other funding agencies.

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

BRANCLAND MIDKIFF PUBLIC SERVICE DISTRICT

By: Harold R. Smith
Its: Chairman
Date: June 24, 2009

(SEAL)

Attest:
Alfred Alakine
Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: [Signature]
Its: Executive Director
Date: June 24, 2009

(SEAL)

Attest:
Carol A. Cummings
Its: Secretary-Treasurer

Exhibit B

Project Description

The Project consists of acquisition and construction of improvements and extensions to the existing public waterworks system of the Governmental Agency.

Rockspring Development, Inc.

P.O. Box 390
Right Fork Camp Creek Road
East Lynn, WV 25512

(304) 849-3741

(304) 849-3742 Fax

April 10th, 2006

The Lincoln County Commission
P.O. Box 297
Hamlin, WV 25523

Subject: Tenmile and Fourteenmile (Route 37) Water Projects

Dear Honorable Commissioners:

Rockspring Development, Inc. ("Rockspring") has reviewed the two water line projects in our operating area that are under consideration by the Lincoln County Commission and the Branchland/Midkiff Public Service District. They are the Tenmile Creek project and the Fourteenmile Creek (Route 37) project.

I am happy to tell you that Rockspring is willing to contribute to the funding of these projects as and when they become ready for construction. We share the Commission's view that increased access to public water sources is beneficial to the community. Rockspring will allocate funds for the Tenmile project in the amount of \$50,000, thereby matching the \$50,000 pledge that we understand will be coming from the Lincoln County Commission. Rockspring will also allocate \$75,000 funds for the Fourteenmile Creek project, thus matching the \$75,000 contribution we are informed is being pledged by the Wayne County Commission.

Because Rockspring desires to see that these projects benefit the maximum number of local residents, release of the funds to be donated by Rockspring will be contingent upon concomitant funding by the county commissions in the amounts stated above. In addition, the timing of Rockspring's anticipated contributions will be subject to the following conditions, which we wish to disclose to assist project participants in their planning and financing efforts: (1) the \$75,000 donation will be funded by Rockspring only upon the start of construction for the Fourteenmile project and (2) the \$50,000 donation will be funded by Rockspring only upon the award of a construction contract for the Upper Tenmile project. With respect to each project, funds will be released as stated above upon Rockspring's receipt of notification duly verifying that the aforesaid conditions have been satisfied.

As I'm sure the Commission can appreciate, Rockspring wants to make it clear that these donations are completely voluntary in nature and Rockspring will have no obligations or liabilities in connection with these projects beyond the amounts of the voluntary contributions it is pledging as stated above, which contributions are conditional as aforesaid.

The Lincoln County Commission
December 7, 2005
Page 2

Rockspring sincerely appreciates the efforts of the Commission in promoting these important projects for the benefit of our community.

Sincerely,

A handwritten signature in cursive script that reads "Jeff Ellis".

Jeff Ellis
President

Cc: The Wayne County Commission
file

WATER OR WASTE SYSTEM GRANT AGREEMENT
UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

THIS AGREEMENT dated April 10, 2006 between

Branchland-Midkiff Public Service District

a public corporation organized and operating under

Chapter 16, Article 13A, West Virginia Code
(Authorizing Statute)

herein called "Grantee," and the United States of America acting through the Rural Utilities Service, Department of Agriculture, herein called "Grantor," WITNESSETH:

WHEREAS

Grantee has determined to undertake a project of acquisition, construction, enlargement, or capital improvement of a (water) (sewer) system to serve the area under jurisdiction at an estimated cost of \$ 4,600,000 and has duly authorized the undertaking of such project.

Grantee is able to finance not more than \$ 3,697,000 of the development cost through revenues, charges, taxes or assessments, or funds otherwise available to Grantee resulting in a reasonable user charge.

Said sum of \$ 3,697,000 has been committed to and by Grantee for such project development costs.

Grantor has agreed to grant the Grantee a sum not to exceed \$ 903,000 or 19.63% percent of said development costs, whichever is the lesser, subject to the terms and conditions established by the Grantor. Provided, however, that the proportionate share of any grant funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the conditions of the grant.

As a condition of this grant agreement, the Grantee assures and certifies that it is in compliance with and will comply in the course of the agreement with all applicable laws, regulations, Executive orders and other generally applicable requirements, including those set out in 7 CFR 3015.205(b), which hereby are incorporated into this agreement by reference, and such other statutory provisions as are specifically set forth herein.

NOW, THEREFORE, In consideration of said grant by Grantor to Grantee, to be made pursuant to Section 306 (a) of the Consolidated Farm and Rural Development Act the purpose only of defraying a part not to exceed 19.63% percent of the development costs, as defined by applicable Rural Utilities Service Instructions.

GRANTEE AGREES THAT GRANTEE WILL:

A. Cause said project to be constructed within the total sums available to it, including said grant, in accordance with the project plans and specifications and any modifications thereof prepared by Grantee and approved by Grantor.

B. Permit periodic inspection of the construction by a representative of Grantor during construction.

C. Manage, operate and maintain the system, including this project if less than the whole of said system, continuously in an efficient and economical manner.

D. Make the services of said system available within its capacity to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical or mental handicap (possess capacity to enter into legal contract for services) at reasonable charges, including assessments, taxes, or fees in accordance with a schedule of such charges, whether for one or more classes

of service,* adopted by resolution dated ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~, as may be modified from time to time by Grantee. The initial rate schedule must be approved by Grantor. Thereafter, Grantee may make such modifications to the rate system as long as the rate schedule remains reasonable and nondiscriminatory.

E. Adjust its operating costs and service charges from time to time to provide for adequate operation and maintenance, emergency repair reserves, obsolescence reserves, debt service and debt service reserves.

F. Expand its system from time to time to meet reasonably anticipated growth or service requirements in the area within its jurisdiction.

G. Provide Grantor with such periodic reports as it may require and permit periodic inspection of its operations by a representative of the Grantor.

H. To execute any agreements required by Grantor which Grantee is legally authorized to execute. If any such agreement has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, another agreement of the same type need not be executed in connection with this grant.

I. Upon any default under its representations or agreements set forth in this instrument, Grantee, at the option and demand of Grantor, will repay to Grantor forthwith the original principal amount of the grant stated herein above with the interest at the rate of 5 percentum per annum from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Grant Agreement may be enforced by Grantor, at its option and without regard to prior waivers by it previous defaults of Grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulations under which this grant is made.

J. Return immediately to Grantor, as required by the regulations of Grantor, any grant funds actually advanced and not needed by Grantee for approved purposes.

K. Use the real property including land, land improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed.

1. Title to real property shall vest in the recipient subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant as long as needed.

2. The Grantee shall obtain approval by the Grantor agency for the use of the real property in other projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Grantor.

* - as approved by the West Virginia Public Service Commission

3. When the real property is no longer needed as provided in 1 and 2 above, the Grantee shall request disposition instructions from the Grantor agency or its successor Federal agency. The Grantor agency shall observe the following rules in the disposition instructions:

(a) The Grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original project to the fair market value of the property.

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor agency. When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

[Revision 1, 04/17/1998]

(c) The Grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee's percentage of participation in the cost of the program or project to the current fair market value of the property.

This Grant Agreement covers the following described real property (use continuation sheets as necessary).

Approximately 20,000 lineal feet of existing 4 inch waterline to 8 inch between Low Gap Road and the Ranger pump station. Approximately 24 miles of various size waterline, one 50,000 gallon water storage tank, one 150,000 gallon water storage tank, one booster pump stations, one pressure reducing station, 50 fire hydrants, an office building, and necessary appurtenances to serve approximately 299 new customers in Lincoln County, West Virginia. The proposed service areas include State Route 37, Roy Branch, and Lick Branch.

L. Abide by the following conditions pertaining to equipment which is furnished by the Grantor or acquired wholly or in part with grant funds. Equipment means tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A Grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.

[Revision 1, 04/17/1998]

1. Use of equipment.

(a) The Grantee shall use the equipment in the project for which it was acquired as long as needed. When no longer needed for the original project, the Grantee shall use the equipment in connection with its other Federally sponsored activities, if any, in the following order of priority:

(1) Activities sponsored by the Grantor.

(2) Activities sponsored by other Federal agencies.

(b) During the time that equipment is held for use on the project for which it was acquired, the Grantee shall make it available for use on other projects if such other use will not interfere with the work on the project for which the equipment was originally acquired. First preference for such other use shall be given to Grantor sponsored projects. Second preference will be given to other Federally sponsored projects.

2. Disposition of equipment. When the Grantee no longer needs the equipment as provided in paragraph (a) above, the equipment may be used for other activities in accordance with the following standards:

(a) Equipment with a current per unit fair market value of less than \$5,000. The Grantee may use the equipment for other activities without reimbursement to the Federal Government or sell the equipment and retain the proceeds.

(b) Equipment with a current per unit fair market value of \$5,000 or more. The Grantee may retain the equipment for other uses provided that compensation is made to the original Grantor agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value or proceeds from sale of the equipment. If the Grantee has no need for the equipment and the equipment has further use value, the Grantee shall request disposition instructions from the original Grantor agency.

The Grantor agency shall determine whether the equipment can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the equipment shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR), to the General Services Administration by the Grantor agency to determine whether a requirement for the equipment exists in other Federal agencies. The Grantor agency shall issue instructions to the Grantee no later than 120 days after the Grantee requests and the following procedures shall govern:

(1) If so instructed or if disposition instructions are not issued within 120 calendar days after the Grantee's request, the Grantee shall sell the equipment and reimburse the Grantor agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the Grantee shall be permitted to deduct and retain from the Federal share ten percent of the proceeds, for Grantee's selling and handling expenses.

(2) If the Grantee is instructed to ship the equipment elsewhere the Grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the Grantee participation in the cost of the original grant project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.

(3) If the Grantee is instructed to otherwise dispose of the equipment, the Grantee shall be reimbursed by the Grantor agency for such costs incurred in its disposition.

3. The Grantee's property management standards for equipment shall also include:

(a) Records which accurately provide for: a description of the equipment; manufacturer's serial number or other identification number; acquisition date and cost; source of the equipment; percentage (at the end of budget year) of Federal participation in the cost of the project for which the equipment was acquired; location, use and condition of the equipment and the date the information was reported; and ultimate disposition data including sales price or the method used to determine current fair market value if the Grantee reimburses the Grantor for its share.

(b) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years to verify the existence, current utilization, and continued need for the equipment.

(c) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented.

(d) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(e) Proper sales procedures shall be established for unneeded equipment which would provide for competition to the extent practicable and result in the highest possible return.

This Grant Agreement covers the following described equipment (use continuation sheets as necessary).

None

M. Provide Financial Management Systems which will include:

1. Accurate, current; and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.
2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.
3. Effective control over and accountability for all funds, property and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.
4. Accounting records supported by source documentation.

N. Retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least three years after grant closing except that the records shall be retained beyond the three-year period if audit findings have not been resolved. Microfilm or photo copies or similar methods may be substituted in lieu of original records. The Grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Grantee's government which are pertinent to the specific grant program for the purpose of making audits, examinations, excerpts and transcripts.

O. Provide information as requested by the Grantor to determine the need for and complete any necessary Environmental Impact Statements.

P. Provide an audit report prepared in accordance with Grantor regulations to allow the Grantor to determine that funds have been used in compliance with the proposal, any applicable laws and regulations and this Agreement.

Q. Agree to account for and to return to Grantor interest earned on grant funds pending their disbursement for program purposes when the Grantee is a unit of local government. States and agencies or instrumentality's of states shall not be held accountable for interest earned on grant funds pending their disbursement.

R. Not encumber, transfer or dispose of the property or any part thereof, furnished by the Grantor or acquired wholly or in part with Grantor funds without the written consent of the Grantor except as provided in item K above.

S. To include in all contracts for construction or repair a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR, Part 3). The Grantee shall report all suspected or reported violations to the Grantor.

T. To include in all contracts in excess of \$100,000 a provision that the contractor agrees to comply with all the requirements of the Clean Air Act (42 U.S.C. §7414) and Section 308 of the Water Pollution Control Act (33 U.S.C. §1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 of the Clean Air Act and Section 308 of the Water Pollution Control Act and all regulations and guidelines issued thereunder after the award of the contract. In so doing the Contractor further agrees:

[Revision 1, 11/20/1997]

1. As a condition for the award of contract, to notify the Owner of the receipt of any communication from the Environmental Protection Agency (EPA) indicating that a facility to be utilized in the performance of the contract is under consideration to be listed on the EPA list of Violating Facilities. Prompt notification is required prior to contract award.

2. To certify that any facility to be utilized in the performance of any nonexempt contractor subcontract is not listed on the EPA list of Violating Facilities pursuant to 40 CFR Part 32 as of the date of contract award.

[Revision 1, 11/20/97]

3. To include or cause to be included the above criteria and the requirements in every nonexempt subcontract and that the Contractor will take such action as the Government may direct as a means of enforcing such provisions.

As used in these paragraphs the term "facility" means any building, plan, installation, structure, mine, vessel or other floating craft, location, or site of operations, owned, leased, or supervised by a Grantee, cooperator, contractor, or subcontractor, to be utilized in the performance of a grant, agreement, contract, subgrant, or subcontract. Where a location or site of operation contains or includes more than one building, plant, installation, or structure, the entire location shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are co-located in one geographical area.

Grantor Agrees That It:

A. Will make available to Grantee for the purpose of this Agreement not to exceed \$903,000.00 which it will advance to Grantee to meet not to exceed 19.63% percent of the project development costs of the project in accordance with the actual needs of Grantee as determined by Grantor.

B. Will assist Grantee, within available appropriations, with such technical assistance as Grantor deems appropriate in planning the project and coordinating the plan with local official comprehensive plans for sewer and water and with any State or area plans for the area in which the project is located.

C. At its sole discretion and at any time may give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (1) advisable to further the purpose of the grant or to protect Grantor's financial interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.

Termination of This Agreement

This Agreement may be terminated for cause in the event of default on the part of the Grantee as provided in paragraph I above or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the project will not produce beneficial results commensurate with the further expenditure of funds.

In witness whereof Grantee on the date first above written has caused these presence to be executed by its duly authorized

Chairman

and attested and its corporate seal affixed by its duly authorized

Secretary

Attest:

By:

Alfred Abshire

Alfred Abshire

(Title)

Secretary

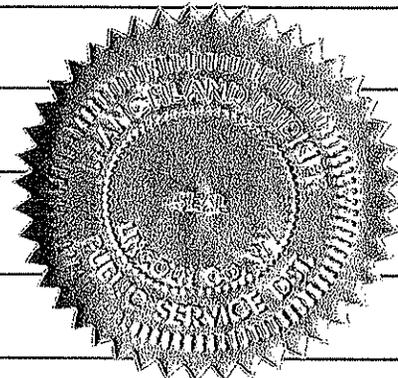
By:

Harold R. Smith

Harold R. Smith

(Title)

Chairman



UNITED STATES OF AMERICA

RURAL UTILITIES SERVICE

By:

Virginia M. McDonald

Virginia M. McDonald

Rural Development Specialist

(Title)



United States Department of Agriculture
Rural Development
West Virginia State Office

June 4, 2009

Mr. Harold Smith, Chairman
Branchland Midkiff Public Service District
Route 2, Box 496
Branchland, WV 25506

SUBJECT: Branchland Midkiff Public Service District
Fourteen Mile Waterline Extension Project
(RUS Grant - \$903,000)
Closing Instructions

Dear Mr. Smith:

The preliminary closing for the subject grant will be held on June 22, 2009, at 10:00 am at the Branchland Midkiff PSD's office. The grant must be handled and closed in accordance with your letter of conditions dated April 10, 2006. All of the requirements of this letter must be met and in addition, the grant must be closed in accordance with RD Instruction 1942-A and RUS Instruction 1780. **Please note that RUS will be recapturing the \$1,547,000 loan and the attached budget reflects this change.** The following instructions and comments are offered:

1. RUS will need to sign and date the RD Grant Agreement at the preliminary closing.
2. Form AD 1048, "Certification Regarding Debarment - Lower Tier Covered Transactions," should be provided on contractor(s).
3. Form RD 1927-10, "Final Title Opinion," effective the date of closing (June 24, 2009) must be provided for all property owned by the PSD.
4. Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way," must be provided showing no exceptions dated for June 24, 2009.
5. A narrative from your attorney dated June 24, 2009 concerning all permits, certifications, or other items necessary to show all legal requirements can be met. This narrative should identify the condemnation proceedings and how they will be handled now that right of entry has been obtained. This should include a certification that all requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and WV State Code Chapter 54 have been met with all acquisitions.

75 High Street Federal Building • Suite 320 • Morgantown, WV 26505-7500
Phone: 304.284.4860 • 1.800.295.8228 • Fax: 304.284.4893 • TTY/TDD: 304.284.4836 • Web: <http://www.rurdev.usda.gov/wv>

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"USDA is an equal opportunity provider, employer and lender."
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Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).

6. On June 22, 2009, the date of the preliminary closing, the applicant must provide evidence of all required insurance and position fidelity bond coverage in compliance with Item 11 of the letter of conditions dated April 10, 2006.
7. A compliance review will need to be conducted by the RUS prior to the start of construction.

If you have any questions regarding the above, please do not hesitate to contact me at (304) 776-5298 ext. 116.

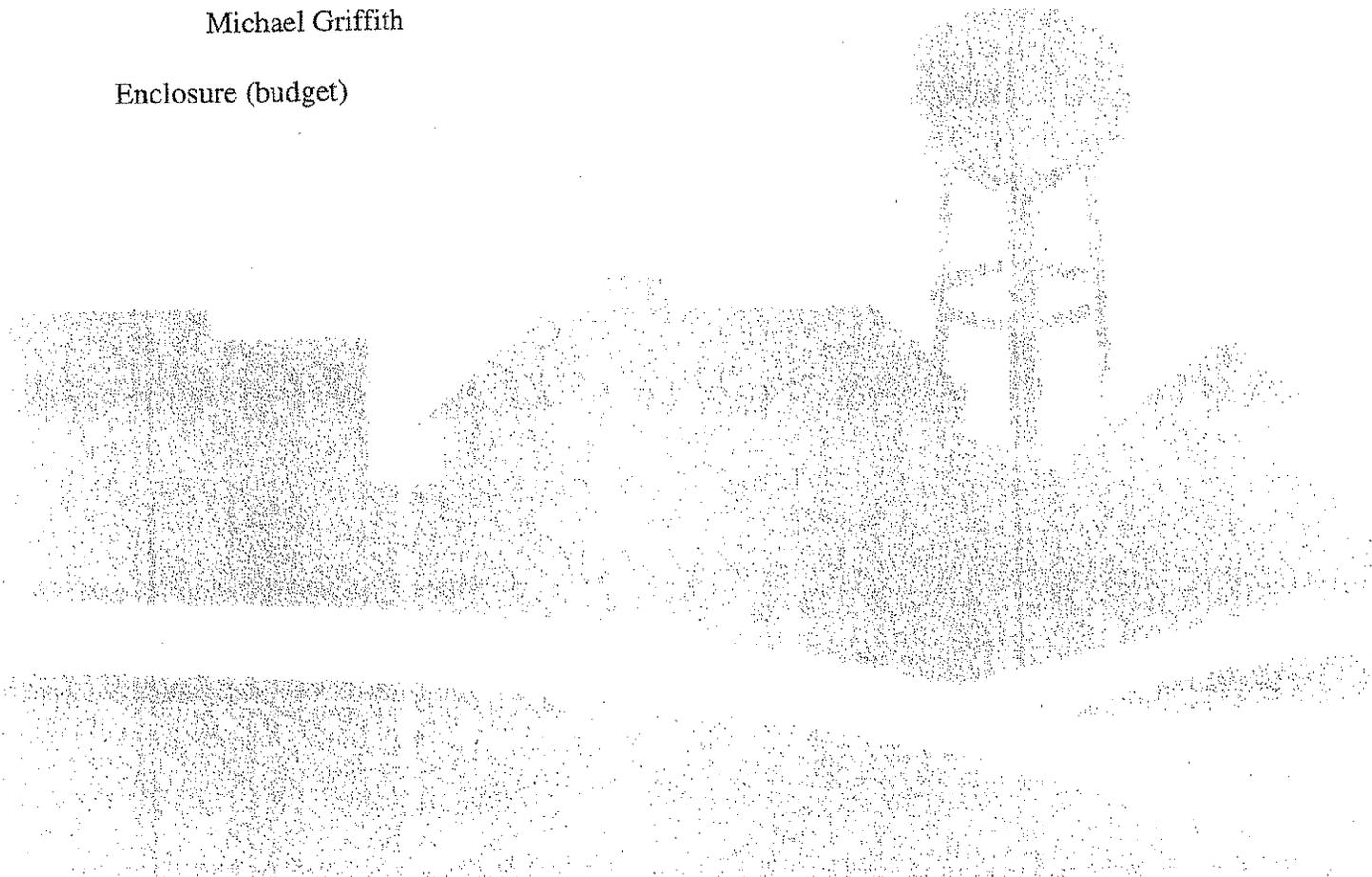
Sincerely,



Tracey Rowan
Community Programs Specialist

cc: USDA State Director
Mechelle Beaty
Pat Rawlings
Katy Mallory
Angela Chestnut
Samme Gee
Ron Flora
Michael Griffith

Enclosure (budget)



Attachment No. 1 to Letter of Conditions
 For: Branchland Midkiff PSD
 Date: June 4, 2009

Project Construction Budget

<u>PROJECT COST</u>	<u>RUS GRANT</u>	<u>IJDC GRANT</u>	<u>IJDC LOAN</u>	<u>LINCOLN COUNTY</u>	<u>COAL COMPANY</u>	<u>TOTAL</u>
CONSTRUCTION						
Contract 1	329,300.00		843,729.00	175,000.00	75,000.00	1,423,029.00
Contract 2			2,159,735.99			2,159,735.99
Contract 3			568,070.00			568,070.00
Contract A			30,060.50			30,060.50
CONST. CONTINGENCY	115,000.00	347,000.00	149,665.01			611,665.01
LAND & RIGHTS			35,000.00			35,000.00
LEGAL FEES			40,000.00			40,000.00
BOND COUNSEL			20,000.00			20,000.00
ACCOUNTING			35,000.00			35,000.00
ENGINEERING FEES						458,700.00
Planning	10,000.00					
Basic	251,000.00					
Inspection	197,700.00					
ADMINISTRATION			40,000.00			40,000.00
REGISTRAR			500.00			500.00
FUNDED RESERVE			107,894.74			107,894.74
MISCELLANEOUS			19,544.76			19,544.76
PROJECT CONTG.			50,800.00			50,800.00
TOTAL	\$ 903,000	\$ 347,000	\$ 4,100,000	\$ 175,000	\$ 75,000	\$ 5,600,000

NOTE: RUS ORIGINALLY COMMITTED A \$1,547,000 LOAN THAT WILL BE DE-OBLIGATED



United States Department of Agriculture
Rural Development
West Virginia State Office

April 10, 2006

Harold R. Smith, Chairman
Branchland-Midkiff Public Service District
Rt. 2, Box 496
Branchland, WV 25506

Dear Mr. Smith:

This letter, with Attachments 1 through 14 and enclosures, establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan and grant will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development, by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

The docket may be completed on the basis of an RUS loan in the amount of \$1,547,000, an RUS grant in the amount of \$903,000, and other funding in the amount of \$2,150,000, for a total project cost of \$4,600,000. The other funding is planned in the form of a \$2,000,000 loan from the West Virginia Infrastructure & Jobs Development Council; a \$75,000 contribution from the Wayne County Commission; and a \$75,000 contribution from the Rock Spring Development Coal Mine.

The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you. The interest rate will be the lower of the rate in effect at the time of loan approval or the time of loan closing.

Extra copies of this letter are being provided for use by your engineer, attorney, bond counsel and accountant. The enclosures and attachments listed below are attached to the copies as noted. Enclosed are the following:

- Attachment No. 1 - Project Construction Budget (All Copies)
- Attachment No. 2 - Water and Waste Processing Checklist for Branchland-Midkiff PSD (All Copies)
- Attachment No. 3 - RUS Instruction 1780, Subparts A and B (Applicant Copy)
- Attachment No. 4 - RUS Instruction 1780, Subpart C (Engineer Copy)

75 High Street Federal Building, Suite 320, Morgantown, WV 26505-7500
Phone: (304) 284-4860 • Fax: (304) 284-4893 • TDD: (304) 284-4836 • Web: <http://www.rurdev.usda.gov/wv>

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- Attachment No. 5 - RUS Instruction 1780, Subpart D (Attorney and Bond Counsel Copies)
- Attachment No. 6 - RUS Supplemental General Conditions (Engineer Copy)
- Attachment No. 7 - RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Project with RUS Financial Assistance"
- Attachment No. 8 - Government Auditing Standards (Revision 2003) (Accountant Copy)
- Attachment No. 9 - RUS Bulletin 1780-30, "Water Programs Audit Guide and Compliance Supplement"
- Attachment No. 10 - RUS Bulletin 1780-31, "Water Programs Compliance Supplement for OMB Circular A-133 Audits"
- Attachment No. 11 - Water Users Agreement (Applicant and Attorney Copies)
- Attachment No. 12 - Declination Statement (Applicant and Attorney Copies)
- Attachment No. 13 - RUS Policy regarding Use of Remaining Funds
- Attachment No. 14 - Various other RD Forms as identified on Attachment No. 2

The conditions referred to above are as follows:

1. Loan Repayment - The loan will be scheduled for repayment over a period of 40 years. The payments due the first 24 months will consist of interest only. Payments for the remaining 456 months will be equal amortized monthly installments. For planning purposes use a 4.375% interest rate and a monthly amortization factor of .00451, which provides for a monthly payment of \$6,977. You have the option of participating in the PREAUTHORIZED DEBIT (PAD) payment process. It will allow for your payment to be electronically debited from your account on the day your payment is due. Your authority must establish and fund monthly a debt service reserve account, which equals 10% of your monthly payment each month until you accumulate the equivalent of one annual installment on your loan.

You are reminded that your authority may be required to refinance (graduate) the unpaid balance of its RUS loan, in whole or in part, upon the request of RUS if at any time it shall be determined the authority is able to obtain a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time.

2. Security - The loan must be secured by a statutory lien of equal priority with the District's outstanding water revenue bonds, a pledge of the system's revenues and other agreements between you and RUS as set forth in the bond resolution which must be properly adopted and executed by the appropriate officials of your organization. Additional security requirements are contained in RUS Bulletin 1780-12 and RUS Bulletin 1780-27 which are mentioned later.
3. Users - This conditional commitment is based upon you providing evidence that you will have at least 1,117 bona fide users on the proposed system when it has been completed and is placed in operation. This evidence will consist of 233 signed

user agreements and a signed certification from you that identifies and attests to the number of users actually connected to and using the District's existing water system, which is to be partially replaced by the new system, at the time you request authorization to advertise the proposed project for construction bids.

The enclosed Water Users Agreement (¹⁹⁹⁵ RUS Bulletin 1780-9) will be used. Each user signing an agreement must make a user contribution of \$100.00. Each potential user who is located along planned lines and declines the offered service will be provided an opportunity to sign a "Service Declination Statement." A guide "Service Declination Statement" is attached for your use. If a potential user refuses to sign either a user agreement or a declination statement, the individual making the contact for the District should complete the declination statement for that potential user and note thereon his/her visit with the potential user, the potential user's refusal to sign, and the reason therefore. The declination statement should also be dated and signed by the individual making the contact.

Before RUS can agree to the project being advertised for construction bids, you must provide evidence that the total required number of bona fide users has been acquired and that all potential users have been offered the proposed service.

Information and material evidencing compliance with this requirement must consist of (1) your certification (written) as to the number of users connected to and using the water service of the existing system (paying monthly bills), (2) signed user agreements, (3) signed service declination statements, (4) records evidencing user contributions having been paid, (5) a map locating each potential user's property in the new service area identifying it by number, (6) a list of all signed bona fide users numbered so as to be a cross-reference with the map, and (7) a list of all declination statements numbered so as to be a cross-reference with the map.

4. Bond Counsel Services - The services of a recognized bond counsel are required. The bond counsel will prepare the form of resolution to be used, in accordance with Subpart D of RUS Instruction 1780. You should immediately provide your bond counsel with a copy of this letter of conditions, its attachments and enclosures.
5. Engineering Services - It will be necessary for you to obtain the services of an engineer. EJCDC No. 1910-1-FA, "Standard Form of Agreement between Owner and Engineer for Professional Services" (Funding Agency Edition) should be used to obtain the services of an engineer. The EJCDC document is issued under copyright and cannot be provided by RUS.
6. Legal Services - It will be necessary for you to obtain the services of a local attorney. For your convenience RUS "Legal Services Agreement" is enclosed for your use.

7. Accounting Services – It will be necessary for you to obtain the services of a qualified accountant. The accountant must agree to develop and provide the following:
- a. All necessary accounting material required by the Public Service Commission of West Virginia (Rule 42 Exhibit).
 - b. Prior to loan/grant closing, your accountant must certify that the accounts and records as required by your bond resolution have been established and are operational.

The Accountant's Agreement should be submitted to RUS for review. Compensation in the contract should include only those services identified above and not include payment for construction management services from the accountant unless RUS concurrence is obtained.

RUS regulations (Attachment No. 3) outline requirements for the submission of management reports and audits. ~~Appropriate state statutes place certain audit requirements on the District.~~ The attached booklets, "Government Auditing Standards (Revised 2003)" (Attachment No. 8), and RUS Bulletins 1780-30 1780-31 (Attachment Nos. 9 and 10) outline audit requirements.

You are reminded that certain provisions of the Office of Management and Budget Circular A-133 are applicable to any public body or nonprofit association that expends \$500,000 or more in federal funds in any one fiscal year. You must enter into an agreement annually with an accountant (or the State Tax Department) to perform the audit. The agreement must be in accordance with the requirements of the State Tax Commissioner of West Virginia. Compensation for preparation of the A-133 audit or your annual audit are not included in project funds and should be paid from the operational revenues generated from your system operation.

8. Facility Control - Prior to advertisement for construction bids, you must furnish satisfactory evidence that you have or can obtain adequate continuous and valid control over the lands and rights needed for the project. Such evidence must be in the following form:
- a. A right-of-way map showing clearly the location of all lands and rights needed for the project. The map must designate public and private lands and rights and the appropriate legal ownership thereof.
 - b. A copy of deeds, contracts or options for any lands needed other than rights-of-way, along with a preliminary title opinion covering such lands. Form RD 1927-9, "Preliminary Title Opinion" may be used. In the case of your existing system or where the District already acquired real property (land or facilities), a preliminary title opinion(s) concerning all such property(s) will be

provided.

- c. A narrative opinion from your attorney concerning all permits, certifications and other items necessary to show that all legal requirements can be met and stating how they will be met. This narrative should also identify any condemnation proceedings that are anticipated and state how they will be handled.
 - d. A certification and legal opinion relative to title to rights-of-way and easements. Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way," may be used. This form may contain a few exceptions such as properties that must be condemned; however, prior to the start of construction or loan closing, whichever occurs first, a new Form RD 442-22, must be provided which does not provide for any exceptions. The attorney's legal opinion should include a certification that all requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and West Virginia State Code Chapter 54 have been met in the acquisition of both real property and rights-of-way. Such requirements may include, but are not limited to, ~~distributing informational material to all affected property owners~~, and completing appraisals of the affected properties.
 - e. On the day of loan closing, the District's attorney must furnish final title opinions on all land(s) being acquired. Form RD 1927-10, "Final Title Opinion" may be used. In the case of your existing system or where the District has already acquired real property(s) (land or facilities), the District's attorney will provide a separate final title opinion(s) covering such property(s) on the day of loan closing.
9. Permits - Copies of all permits needed for the project must be provided for review prior to advertisement for construction bids. Such permits will include but are not limited to the following:
- West Virginia Department of Highways
 - State Department of Health
 - Corps of Engineers
 - Public Land Corporation
10. Public Service Commission Approvals - You must obtain the following from the West Virginia Public Service Commission:
- a. A Certificate of Convenience and Necessity.
 - b. Approval of user charges that are acceptable to you and the Rural Utilities Service.
 - c. Approval of financing for the project's proposed financing arrangements.

The "Rule 42" Exhibit to be attached to the Public Service Commission application must contain at least the information shown in Attachment No. 1. A copy of the Public Service Commission application and its "Rule 42" Exhibit must be provided for review.

11. Insurance and Bonding Requirements - Prior to preliminary loan closing, you must acquire the following insurance and bond coverage:

- 200,000
Risk*
- a. Liability Insurance - Personal Liability - \$500,000; Property Damage - \$200,000 - \$200,000. The limits of liability coverage noted herein should be considered as suggested amounts only. RUS recommends that you consider analyzing your actual needs in detail before you obtain coverage in a specific amount.
 - b. Workers' Compensation - In accordance with appropriate State laws.
 - c. Position Fidelity Bond(s) - All positions occupied by persons entrusted with the receipt and/or disbursement of funds must be bonded. As a good business practice you will probably wish to have each position bonded in an amount equal to the maximum amount of funds to be under the control of that position at any one time.

The minimum coverage acceptable to RUS once your project is in operation will be for each position to be bonded for an amount at least equal to one annual installment on your loan(s).

- d. Real Property Insurance - Prior to the acceptance of the facility from the contractor(s), you must obtain real property insurance (fire and extended coverage) on all above-ground structures, to include machinery and equipment housed therein. This does not apply to water reservoirs, standpipes, elevated tanks or noncombustible materials used in treatment plants, clearwells, filters and the like.

12. Contract Documents, Final Plans and Specifications -

- a. The contract documents should consist of the following:

- (1) EJCDC Document No. 1910-8-A-1-FA, 1997 Edition, "Standard Form of Agreement between Owner and Contractor on the Basis of Stipulated Price" and EJCDC Document No. 1910-8-FA, "Standard General Conditions of the Construction Contract - Funding Agency Edition" and Attachments. The EJCDC document is issued under copyright and cannot be provided by RUS.
- (2) "RUS Supplemental General Conditions."

RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Projects with RUS Financial Assistance," is enclosed for use by your engineer in the preparation of the contract documents (Attachment No. 7).

b. The contract documents must provide, as a minimum, the following insurance:

- (1) Liability Insurance - Personal Liability - \$500,000; Property Damage - \$200,000 - \$200,000. This coverage must include indemnification of the District and its engineer. RUS Bulletin 1780-13, Attachment 9, suggests certain limits of liability for insurance coverage. Those limits should be considered as minimum requirements only. It is recommended you consider increasing the given limits of liability after analyzing your specific needs.
- (2) Builder's Risk Insurance - On all structures and mechanical and electrical equipment in place or stored on the site to the full insurable value thereof.
- (3) Workers' Compensation - In accordance with applicable State laws.

c. The contract documents and final plans and specifications must be submitted to RUS for approval.

d. The project must be designed in compliance with Section 504 of the Rehabilitation Act of 1973.

13. State Prevailing Wage Law - You should ensure that all requirements of Article 5A of the West Virginia State Prevailing Wage Law, "Wages for Construction of Public Improvements" are met during construction of the project.
14. Disbursement of Funds - The RUS funds will be advanced as they are needed in the amount(s) necessary to cover the RUS proportionate share of any disbursements required of the District, over 30 day periods. Any grant funds not disbursed immediately upon receipt must be deposited in an interest bearing account.

Public Bodies - Interest earned on grant funds in excess of \$100 per year will be submitted to RUS at least quarterly as required in 7 CFR 3016.

The District will establish a separate fund, to be known and hereafter referred to as the Construction Account, with a lending institution insured by the Federal Deposit Corporation. The account shall be used solely for the purpose of paying the costs of the project as outlined in the construction budget. All funds in the account will be secured by a collateral pledge equaling at least 100% of the highest amount of funds expected to be deposited in the Construction Account. All deposits in excess

of \$100,000 will be secured by a collateral pledge in accordance with Treasury Circular Number 176.

The District must assure that all project funds are expended only for the eligible items included in the final project budget or as may be later approved by RUS.

15. Water Purchase Contract - You propose to purchase treated water from the Town of West Hamlin; therefore, you must enter into a Water Purchase Contract. Form RD 442-30 must be used unless you receive an exception from RUS.
16. Other Project Funds - Prior to advertisement for construction bids, you must provide evidence showing the approval of any other project funds. This evidence should include a copy of the funding award. Prior to award of the contract(s) to the contractor(s), you must provide evidence that the other project funds are available for expenditure. This evidence should consist of at least a letter from the funding agency stating the funds are available for expenditure.
17. ~~At a properly called meeting, you must adopt and properly execute the following forms, and minutes showing the adoption must be provided:~~

Form RD 1940-1 - "Request for Obligation of Funds"
 RUS Bulletin 1780-12 - "Water or Waste System Grant Agreement"
 RUS Bulletin 1780-27 - "Loan Resolution (Public Bodies)"
 Form RD 400-1 - "Equal Opportunity Agreement"
 Form RD 400-4 - "Assurance Agreement"
 Form AD 1047 - "Certification Regarding Debarment - Primary"
 Form AD 1049 - "Certification Regarding Drug-Free Workplace"
 Form RD 1910-11 - "Applicant Certification, Federal Collection Policies"
 FmHA Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans"
 Certification of Compliance
 Form RD 1942-46, "Letter of Intent to Meet Conditions"

18. The enclosed Water and Waste Processing Checklist (Attachment No. 2) outlines the items needed to complete the loan and grant docket. All the items listed must be included in the loan and grant docket when it is forwarded to the USDA - Rural Development State Office with a request for loan closing instructions to be issued.
19. Upon receipt of the loan and grant docket, which contains all the items required above, RUS may authorize you to advertise the project for construction bids. Such advertisement must be in accordance with appropriate State statutes. Immediately after bid opening you must provide RUS with (a) a bid tabulation, (b) recommendations from you and your engineer as to the acceptability of the bids received, and (c) your recommendations for contract awards. If all parties then

agree the construction bids received are acceptable, it is determined that adequate funds are available to cover the total facility costs, and that all the administrative conditions of loan approval have been satisfied, loan closing instructions will be issued. The closing instructions, a copy of which will be forwarded to you, will set forth any further requirements that must be met before the loan can be closed. When all parties agree that the closing requirements can be met, a mutually acceptable date for the loan closing will be scheduled.

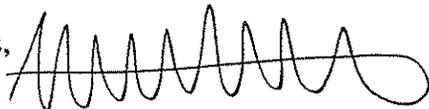
The "RUS Policy Regarding Use of Remaining Funds" is attached for your information and use (Attachment No. 13). This policy should be adhered to when addressing the use of bid underrun funds, as well as any funds remaining after project construction is complete.

Any applicant contribution shall be considered as the first funds expended. After providing for all authorized costs, any remaining RUS project funds will be considered to be RUS grant funds and refunded to RUS. If the amount of unused RUS project funds exceeds the RUS grant, that part would be RUS loan funds.

~~If the conditions set forth in this letter are not met within twelve (12) months from the date hereof, RUS reserves the right to discontinue processing of the application. In the event the project has not advanced to the point of loan closing within the twelve-month period and it is determined the authority still wishes to proceed, it will be necessary that the proposed budget be reviewed again in detail. If during that review, it is determined the budget is no longer current and/or adequate, RUS reserves the right to require that it be revised or replaced.~~

We believe the information herein clearly sets forth the actions which must be taken; however, if you have any questions, please do not hesitate to contact me.

Sincerely yours,



ROBERT M. STEPTOE, III
State Director

Enclosures

cc: Rural Development Specialist
Parkersburg, WV

Michael D. Griffith, CPA
Alum Creek, WV

Ronald J. Flora, Esquire
Milton, WV

Triad Engineering, Inc.
St. Albans, WV

Steptoe & Johnson, PLLC
Charleston, WV

WVIJDC
Charleston, WV

Project Construction Budget

<u>PROJECT COST</u>	<u>LOCAL COAL CO.</u>	<u>COUNTY COMMISSION</u>	<u>WV IJDC LOAN</u>	<u>RUS GRANT</u>	<u>RUS LOAN</u>	<u>TOTAL</u>
CONSTRUCTION	\$ 75,000	\$ 75,000	\$ 2,000,000	\$ 333,300	\$ 1,200,520	\$ 3,683,820
CONST. CONTINGENCY				\$ 184,000		\$ 184,000
LAND & RIGHTS					\$ 7,500	\$ 7,500
LEGAL FEES				\$ 4,000	\$ 16,000	\$ 20,000
BOND COUNSEL					\$ 20,000	\$ 20,000
ACCOUNTING					\$ 7,500	\$ 7,500
ENGINEERING FEES				\$ 246,400	\$ 208,800	\$ 455,200
Basic - \$261,000						\$ -
Insp. - \$149,200						\$ -
Special - \$45,000						\$ -
INTEREST				\$ 45,700	\$ 86,680	\$ 132,380
EQUIPMENT				\$ 89,600		\$ 89,600
PROJECT CONTG.						\$ -
TOTAL	\$ 75,000	\$ 75,000	\$ 2,000,000	\$ 903,000	\$ 1,547,000	\$ 4,600,000

Rates

Available for general domestic, commercial, and industrial service.

First	2,000	gallons @	\$ 13.08	per M gallons
Next	3,000	gallons @	\$ 11.25	per M gallons
Next	5,000	gallons @	\$ 10.69	per M gallons
Next	10,000	gallons @	\$ 10.06	per M gallons
Over	20,000	gallons @	\$ 8.89	per M gallons

Minimum Charge

No bill shall be rendered for less than the following amounts according to the size of meter installed.

5/8" x 3/4"	meter	\$ 26.16	per month
3/4"	meter	\$ 39.24	per month
1"	meter	\$ 65.40	per month
1 1/2"	meter	\$ 130.80	per month
2"	meter	\$ 209.28	per month
3"	meter	\$ 392.40	per month
4"	meter	\$ 654.00	per month
6"	meter	\$ 1,308.00	per month
8"	meter	\$ 2,092.80	per month

Minimum Monthly Bill \$ 26.16 for 2,000 gallons

Delayed Payment Penalty

The above tariff is net. On all accounts not paid in full within twenty (20) days of date of bill, ten percent (10%) will be added to net amount shown.

If any bill is not paid within sixty (60) days after date, water service to the customer will be discontinued. Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a reconnection charge have been paid.

Connection Charge

Prior to Construction - \$100.00

After the start of construction, there shall be a charge of \$300.00 for connection to the system.

Reconnection Charge

\$10.00

Use and Income Analysis - See Attached

Cash Flow Analysis - See Attached

Attachment No. 1 to Letter of Conditions
 For: Branchland-Midkiff Public Service District
 Date: April 10, 2006

BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT
 USE AND INCOME ANALYSIS
 EXISTING SYSTEM

Blocking	Cust.	Gal/ Mo.	Minimum Bills	First 2,000	Next 3,000	Next 5,000	Next 10,000	Over 20,000	TOTAL REVENUE
0 - 2,000	251	272.41	251						
2,001 - 5,000	430	1,486.43		860.00	626.43	220.95			
5,001 - 10,000	143	935.95		286.00	429.00	80.00	41.77		
10,001 - 12,000	16	201.77		32.00	48.00	15.00	30.00	28.12	
Over 20,000	3	88.12		6.00	9.00				
Monthly Total	843	2,984.68	251.00	1,184.00	1,112.43	315.95	71.77	28.12	
Proposed Rates			\$ 26.16	\$ 13.08	\$ 11.25	\$ 10.69	\$ 10.06	\$ 8.89	
Monthly Revenues			\$ 6,566.16	\$ 15,486.72	\$ 12,514.84	\$ 3,377.51	\$ 722.01	\$ 249.99	\$ 38,917.22
Annual Revenues			\$ 78,793.92	\$ 185,840.64	\$ 150,178.05	\$ 40,530.07	\$ 8,664.07	\$ 2,999.84	\$ 467,006.59

BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT
 USE AND INCOME ANALYSIS
 COMMERCIAL CUSTOMERS

Blocking	Cust.	Gal/ Mo.	Minimum Bills	First 2,000	Next 3,000	Next 5,000	Next 10,000	Over 20,000	TOTAL REVENUE
0 - 2,000	31	21.04	31						
2,001 - 5,000	6	19.25		12.00	7.25	2.63			
5,001 - 10,000	2	12.63		4.00	6.00	5.00	7.24		
10,001 - 12,000	1	17.24		2.00	3.00	5.00	6.84		
Over 20,000	1	16.84		2.00	3.00	5.00	6.84		
Monthly Total	41	87.00	31.00	20.00	19.25	12.63	14.08	0.00	
Proposed Rates			\$ 26.16	\$ 13.08	\$ 11.25	\$ 10.69	\$ 10.06	\$ 8.89	
Monthly Revenues			\$ 810.96	\$ 261.60	\$ 216.56	\$ 185.01	\$ 141.64	\$ -	\$ 1,565.78
Annual Revenues			\$ 9,731.52	\$ 3,139.20	\$ 2,598.75	\$ 1,620.18	\$ 1,699.74	\$ -	\$ 18,789.38

BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT
USE AND INCOME ANALYSIS
EXTENSION AREA

Blocking	Cust.	Gal/ Mo.	Minimum Bills	FIRST 2,000	NEXT 3,000	NEXT 5,000	NEXT 10,000	OVER 20,000	TOTAL REVENUE
0 - 2,000									
2,001 - 5,000	233	815.5		466	349.5				
5,001 - 10,000									
10,001 - 12,000									
Over 20,000									
Monthly Total	233	815.5	0	466	349.5	0	0	0	
Proposed Rates			\$ 26.16	\$ 13.08	\$ 11.25	\$ 10.69	\$ 10.06	\$ 8.89	
Monthly Revenues			\$ -	\$ 6,095.28	\$ 3,931.88	\$ -	\$ -	\$ -	\$ 10,027.16
Annual Revenues			\$ -	\$ 73,143.36	\$ 47,182.50	\$ -	\$ -	\$ -	\$ 120,325.86

BRANCHLAND-MIDKIFF PUBLIC SERVICE DISTRICT
 OPERATING BUDGET

OPERATING INCOME

Metered Sales	\$	606,121	
Penalties	\$	16,154	
Other Income	\$	993	
Reconnect Fees			
TOTAL OPERATING INCOME			<u>\$ 623,268</u>

NON OPERATING INCOME

Interest income	\$	281	
Miscellaneous	\$	3,380	
TOTAL NON OPERATING INCOME			<u>\$ 3,661</u>

TOTAL INCOME

\$ 626,929

EXPENSES

O & M	\$	406,562	
Taxes	\$	8,476	
TOTAL EXPENSES			<u>\$ 415,038</u>

INCOME AVAILABLE FOR DEBT SERVICE

\$ 211,891

DEBT SERVICE

City National (truck)	\$	14,033	
Existing Bond P & I	\$	33,684	
Proposed RUS Bond P & I	\$	83,724	
Proposed IJDC Bond P & I	\$	52,632	
TOTAL DEBT SERVICE			<u>\$ 184,073</u>

DEBT SERVICE RESERVE

Existing Debt Service Reserve	\$	3,368	
Proposed RUS Debt Service Reserve	\$	8,373	
Proposed IJDC Debt Service Reserve	\$	5,263	
TOTAL DEBT SERVICE RESERVE			<u>\$ 17,004</u>

SURPLUS (DEFICIT)

\$ 10,814

DEBT COVERAGE (A/B)

115%

**UNITED STATES DEPARTMENT OF AGRICULTURE
 RURAL UTILITIES SERVICE
 Water and Waste Processing Checklist**

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
SF 424.2	Application for Federal Assistance	3	1780.31(b)	Applicant		HAVE	3
	DUNS Number	1		Applicant		HAVE	3
	CAIVRS Number	1		RUS			CPAP Form
	Public Notice of Intent to File App./ Env. Notice	3	1780.19(a) 1794	Applicant		HAVE	3
Bulletin 1780-22	Applicant Eligibility Certification/ Other Credit Certification	1	1780.33(d)	Applicant		HAVE	3
	Bond Ordn. or Resol. On Outstanding Debts	1	1780.33(e)	Applicant/ Attorney		HAVE	5
	Bonds or Notes Outstanding Debt	1	1780.33(e)	Applicant/ Attorney		HAVE	2
	Audit for last year of operation	1	1780.33(e)	Applicant/ Accountant		HAVE	1
	Staff Review Financial Statements	1	S.I. 1780.2	RUS		HAVE	1
	EJCDC No. 1910-1-FA	Agreement between Owner & Engineer	3	1780.39(b)	Applicant/ Engineer		<i>va - FL</i>

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
Bulletin 1780-7 or other approved	Legal Services Agreement with Local Attorney	3	1780.39 (b)(2)	Applicant/ Attorney		HAVE	5
	Site Visit		S.I. 1780-2	RUS		HAVE	3
	Processing Conference	1	1780.39(a)	RUS		HAVE	3
	Environmental Report	2	1794	Applicant		HAVE	3
	Environmental Assessment	2	1794	RUS/ Engineer		HAVE	3
	FONSI/ Evidence of Publication	1	Exhibit 1 RUS 1794 News Ad	RUS/ Applicant		HAVE	3
Bulletins 1780-2 1780-3	Preliminary Engineering Report	2	1780.33(c)	Engineer		HAVE	6
	Staff Engineer PER Review	1	1780.33(c)	RUS		HAVE	3
	Bill Analysis for existing system(s)	2	1780.33(c)	Applicant/ Engineer		HAVE	8
	Projected Bill Analysis for New Users	2	1780.33(c)	Applicant/ Engineer		HAVE	8
	Statement reporting the <u>total</u> number of <u>potential</u> users		1780.33(c)	Applicant/ Engineer		HAVE	8
	Rate Tariff	2	1780.33	Applicant		HAVE	8

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Applicant's IRS Tax Number(TIN)	1	1780.33(g)	Applicant		HAVE	3
	Agency Determination on the Availability of "Other Credit" with Documentation	1	1780.7(d)	RUS		HAVE	3
	Documentation on Service Area	1	1780.11	RUS		HAVE	3
Bulletin 1780-1	Project Selection Criteria	2	1780.17	RUS		HAVE	1
	Letter of Conditions	7	1780.41 (a)(5)	RUS		HAVE	3
AD 1049	Certification Regarding Drug-Free Workplace	1	1780.33(h)	Applicant		HAVE	5
	Minutes Adopting Drug-Free Workplace Program	1	LOC	Applicant			5
Exhibit A / A-1	Certifications Regarding Lobbying	2	1780.33(h)	Applicant		HAVE	2
CPAP Form	Project Summary	3	1780.41(a)	RUS		HAVE	1
CPAP Form	Underwriting Information	3	1780.41(a)	RUS		HAVE	2
RD 1940-1	Request for Obligation of Funds	4	1780.41(a)	RUS/ Applicant		HAVE	2

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
Bulletin 1780-12	Association Water or Sewer System Grant Agreement	2	1780.45(c)	RUS/ Applicant		HAVE	2
RD 1942-46	Letter of Intent to Meet Conditions	2	1780.41 (a)(6)	Applicant		HAVE	3
AD 1047	Certification Regarding Debarment (Primary)	1	1780.33(h)	Applicant		HAVE	5
	Relationships/ Associations with Agency Employees	1	1780.1(f)	RUS		HAVE	3
RD 1910-11	Applicant Certification, Federal Collection Policies	1	1780.33(h)	Applicant		HAVE	3
Bulletin 1780-27	Loan Resolution	1	1780.45 (a)(2)	Applicant		HAVE	5
RD 400-1	Equal Opportunity Agreement	1	1901-E	Applicant		HAVE	6
RD 400-4	Assurance Agreement	1	1901-E	Applicant		HAVE	3
	Legal Services Agreement with Bond Counsel	1	1780.39 (b)(3)	Applicant/ Bond Counsel		HAVE	5
	Agreement for Accounting Services	1	1780.39 (b)(2)	Applicant/ Accountant		HAVE	5
	Water Users Agreement (Copy)	1	1780.39 (c)(3)	Applicant			5

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
Evidence of Users:							
	1. Map of Users with each identified by number	1	LOC	Applicant			Separate File
	2. List of Signed Users Numbered to Map	1	LOC	Applicant			5
	3. List of Declination Statements Numbered to Map	1	LOC	Applicant			5
	4. Evidence of Tap Fees Being Paid	1	LOC	Applicant			5
	5. Having Users Agreements and Declination Statements Available		LOC	Applicant			
	6. Certification Relative to Existing Users	1	LOC	Applicant			5
	Verification of Users	1	1780.44(b)	RUS			3
RD 442-30	Water Purchase Contract	1	1780.62/ 1780.63	Applicant/ Attorney/ RUS			5
	Accountant's Certification	1	LOC	Applicant/ Accountant			3
	RUS Review of Accounting Records	1	S.I. 1780-4 (1)(ii)	RUS			3

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Copy of PSC Rule 42 Exhibit	1	State	Attorney/ Accountant			3
	DOH Permit	1	1780.15(d)	Applicant			6
	Public Land Corp. Permit	1	1780.15(d)	Applicant			6
	Corps of Engineers Permit	1	1780.15(d)	Applicant			6
	Dept. of Health Approval	1	1780.15(d)	Engineer			6
	Contract Documents, Plans & Specifications	2	1780.61(a)	Engineer			Separate File
	Agency Determination on Procurement	1	1780.70(d)	RUS			6
	Preliminary Bond Transcript Documents w/o Defeasance Provisions	2	1780.83	Bond Counsel			5
	Right-of-Way Map	1	1780.44(g)	Engineer			Separate File
	Deeds and/or Options		1780.44.(g)	Applicant/ Attorney			5
RD 1927-9	Preliminary Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5
	Narrative Opinion from Attorney	1	1780.44(g)	Attorney			5

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
RD 442-22	Opinion of Counsel Relative to R/Ways		1780.44 (g)(1)	Attorney			5
	Review of Outstanding Judgment	1	1780.7(g)	RUS/ Attorney			3
	Evidence of "Other Funds"	1	1780.44(f)	Applicant		HAVE	2
SF 3881	Electronic Funds Transfer Payment Enrollment Form	1	31 CFR 208	Applicant/ Financial Institution			2
	Positive Program to Encourage Connections when Completed	1	1780.39 (c)(5)	Applicant			5
	Documentation Relative to Health or Sanitary Hazards	1	1780.1 (c)(1) 1780.13 (b)(1)	RUS/State Health Department			2
	PSC Approval	1	1780.15(b)	Applicant/ Attorney			6
	Bid Tabulation	1	1780.61(b)	Engineer			6
	OGC Closing Instructions	1	1780.44(h)	RUS			5
	S/O Closing Instructions	1	1780.44(h)	RUS			5
RD 1927-10	Final Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5

Send Samples

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
	Bond Transcript Documents w/o Defeasance Provisions	3	1780.83	Bond Counsel			Separate File
RD 400-8	Compliance Review	1	1780.44(c)	RUS			5
	Liability Insurance	1	1780.39(g)	Applicant			7
	Workers' Compensation Certificate	1	1780.39(g)	Applicant			7
440-24	Fidelity Bond	1	1780.39(g)	Applicant			7
1924-16	Record of Pre-Construction Conference	1	1780.76(a)	RUS/ Engineer			6
AD 1048	Certification Regarding Debarment (Contractor)	1 each	1780.33(h)	All Appropriate Vendors			5
	OGC Final Opinion	1	1780.45(g)	RUS			5



County Commission of Wayne County

P.O. Box 248

Wayne, West Virginia 25570

Phone 304-272-6350 • Fax 304-272-6348

Charles E. Sammons, President • James H. Booton, Commissioner • Rick Wellman, Commissioner

October 23, 2006

Bud McCallister
Triad Engineering, Inc.
P O Box 1435
St. Albans, WV 25177

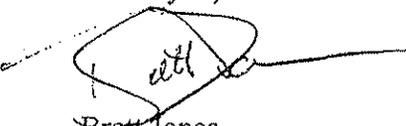
RE: Cove Gap Water Project

Dear Mr. McCallister:

Please use this letter as a commitment of the Wayne County Commission of \$75,000 to the waterline extension from the Branchland – Midkiff PSD to the Cove Gap area of Wayne County, as approved and agreed at the January 18, 2005 Regular Meeting of the Wayne County Commission.

These funds were committed from the Synthetic Fuel Fund and are available for the commencement of the project. If you have any further questions or comments please do not hesitate to contact me at the above address or by email at bjones6592@yahoo.com.

Thank you,


Brett Jones,
County Administrator

Enclosure

At a Regular Session of the Wayne County Commission held on Thursday, January 18, 2005.

Present: Charles Sammons President
Rick Wellman Commissioner
Jim Booton Commissioner

=====

Meeting called to order by President Sammons at 10:00 a.m.

=====

Attorney Neal Bouchillon appeared before the Commission to inform them of current developments in the Deerfield Estate that was scheduled for hearing before the Wayne County Commission today, 01/18/05 at 11:00 a.m. He advised the Commission that the hearing should be taken off the docket due to both parties involved mediating at this time. It was consensus of the Commission to remove the hearing for today.

=====

1st Appointment: Terry Myers with Triad Engineering appeared in regards to the Rt. 37 waterline project. He explained that a monetary commitment from the Commission for this project. ~~This project is a \$5.73 million project with 70 families in Wayne County amounting to \$1.1 million for these homes to be included.~~ President Sammons proposes using monies from the Synthetic Fuel Funds in the amount of \$75,000.00 to be earmarked for this project in the March Budget and transferable in the spring of 2006. The Commission in agreement.

=====

2nd Appointment: Ralph Dawson, Chairman, Crum Public Service District, appeared before the Commission to inform and update them on the recent hires for the new waterline extension.

In another item, Mr. Dawson explained the need for 525 Sensous Touch meters, which will complete all the meters to touch read system. The cost of 525 meters \$42,450.00. This item is to be placed on the 01/24/05 agenda.

=====

President Sammons read a letter from Lavalette Public Service District in regards to the waterline extension in the Fort Gay, Big Hurricane, etc. Stating costs of this project \$5,073,000.00 and fits into the 2010 plan. They state the project is funded and ready to go, but needs 39 more subscribers by mid February. President Sammons asks the media for assistance in getting this information out to the public, so that persons can sign up for the water.

=====

Visitor: Gerald DeBoer reports on the King Coal Highway meeting he attended in Bluefield. In another item, Mr. DeBoer asks for assistance in the form of a letter of support for a problem he and other residents in the Radnor area are experiencing with a bridge (State). The Commission is in agreement to send a letter to the Department of Highways.

=====

Motion by Commissioner Booton to approve the exonerations. Motion seconded by Commissioner Wellman.

Motion by Commissioner Booton to approve the minutes of 01/06/05 and 01/10/05 as presented. Motion seconded by Commissioner Wellman. Unanimous vote.

A REGULAR SESSION OF THE LINCOLN COUNTY COMMISSION OF LINCOLN COUNTY, WEST VIRGINIA, HELD AT THE COURTHOUSE THEREOF, ON THE 2ND DAY OF OCTOBER, 2008 THE FOLLOWING ORDER WAS MADE AND ENTERED:

SUBJECT: ROUTE 37 WATER PROJECT

THE FOLLOWING MOTION WAS OFFERED BY CHARLES VANCE, COMMISSIONER:

TO APPROVE TO CONTRIBUTE \$100,000 TO THE ROUTE 37 WATER PROJECT FROM THE COUNTY SEVERANCE FUND

THE ADOPTION OF THE FOREGOING MOTION HAVING BEEN MOVED BY CHARLES VANCE, COMMISSIONER AND DULY SECONDED

BY BUSTER STOWERS, COMMISSIONER, THE VOTE THEREON WAS AS FOLLOWS:

CHARLES S. MCCANN	COMMISSIONER	AYE
BUSTER STOWERS	COMMISSIONER	AYE
CHARLES VANCE	COMMISSIONER	AYE

WHEREUPON, CHARLES MCCANN, PRESIDENT DECLARED SAID MOTION DULY ADOPTED, AND IT IS THEREFORE ADJUDGED AND ORDERED THAT SAID MOTION BE, AND THE SAME IS HEREBY ADOPTED.


CHARLES S. MCCANN, PRESIDENT
LINCOLN COUNTY COMMISSION


BUSTER STOWERS, COMMISSIONER
LINCOLN COUNTY COMMISSION


CHARLES VANCE, COMMISSIONER
LINCOLN COUNTY COMMISSION

SECRETARY'S OFFICE
COMMISSION
W VA PUBLIC SERVICE

2008 DEC 18 PM 1 42

RECEIVED