GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT

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

DATE OF CLOSING: MARCH 16, 2009

BONDS TRANSCRIPT

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GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT

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

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GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT

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

BOND RESOLUTION

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GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF $1,500,000 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 GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

A. Greater Harrison County Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Harrison County 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 construction of upgrades and improvements to the existing water distribution system in the Lost Creek area and along Route 25 in Harrison County, 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. The Issuer intends to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Infrastructure Fund pursuant to the Act.

D. 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 $1,500,000 (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.

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

F. It is in the best interests of the Issuer that its Series 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.

G. 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: (i) Water Revenue Bonds, Series 1974 (United States Department of Agriculture) dated May 27, 1976, issued in the original aggregate principal amount of $305,000 (the "Series 1974 Bonds"); (ii) Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund) dated July 24, 2004, issued in the original aggregate principal amount of $703,000 (the "Series 2004 A Bonds"); and (iii) Water Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund) dated March 29, 2006, issued in the original aggregate principal amount of $1,250,000 (the "Series 2006 A Bonds"). The Series 1974 Bonds, the Series 2004 A Bonds and the Series 2006 A Bonds are hereinafter collectively called 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.

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

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 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 and the Issuer shall supply an opinion of counsel to such effect.

J. The Project has been reviewed and determined to be technically and financially feasible by the Council as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended. 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 Thrasher Engineering, Inc., Clarksburg, West Virginia, or any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System or portion thereof in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions.

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

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

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

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

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

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

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

"Grants" means any grant 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 Greater Harrison County Public Service District, formerly Grant-Union Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia in Harrison County, West Virginia, which has heretofore merged with the Lost Creek-Mt. Claire Public Service District, Quiet Dell Public Service District and Valley of Good Hope Public Service District 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, collectively, Series 1974 Bonds, the Series 2004 A Bonds and the Series 2006 A Bonds.

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

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

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

(a) Government Obligations;

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

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

(d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage

Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

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

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

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

(h) The West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments 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.

"Repair and Replacement Fund" means the Repair and Replacement Fund established by Prior Resolution and 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 Prior Resolution and continued by Section 5.01 hereof.

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

"Series 1974 Bonds" means the Greater Harrison County Public Service District Water Revenue Bonds, Series 1974 (United States Department of Agriculture), dated May 27, 1976, issued in the original aggregate principal amount of $305,000, assumed by the Issuer in its merger with Lost Creek-Mt. Clare Public Service District.

"Series 2004 A Bonds" means the Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), dated July 27, 2004, issued in the original aggregate principal amount of $703,000.

"Series 2006 A Bonds" means the Water Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), dated March 29, 2006, issued in the original aggregate principal amount of $1,250,000.

"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 Repair 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 $2,100,000, 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 $2,100,000 of which $1,500,000 will be obtained from the proceeds of the Series 2009 A Bonds and $600,000 will be obtained from a grant from the Council.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest, 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 $1,500,000, 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
GREATER HARRISON COUNTY 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, GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Harrison County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20____, to and including _____ 1, 20____ as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated _____, 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 _____, 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 (1) WATER REVENUE BONDS, SERIES 1974 (UNITED STATES DEPARTMENT OF AGRICULTURE) (THE "SERIES 1974 BONDS"); (2) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 27, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $703,000 (THE "SERIES 2004 A BONDS") AND (3) WATER REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 29, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,250,000 (THE "SERIES 2006 A BONDS") THE SERIES 1974 BONDS, THE SERIES 2004 A BONDS AND THE SERIES 2006 A BONDS ARE REFERRED TO AS 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.

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

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 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

(Form of)

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, 20___.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 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 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 Resolutions);

(2) Operation and Maintenance Fund (established by the Prior Resolutions);

(3) Reserve Account (established by Prior Resolution for the Series 1974 Bonds);

(4) Repair and Replacement Fund (established by the Prior Resolutions); and

(5) 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 established by Prior Resolution) 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 2004 A Bond Sinking Fund (established by Prior Resolution);

(2) Series 2004 A Bond Reserve Account (established by Prior Resolution);

(3) Series 2006 A Bond Sinking Fund (established by Prior Resolution);

(4) Series 2006 A Bond Reserve Account (established by Prior Resolution);

(5) Series 2009 A Bonds Sinking Fund; and

(6) 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 remit to the National Finance Office, the amounts required to pay interest on the Series 1974 Bonds, as required by the Prior Resolutions.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the National Finance Office the amounts required to pay principal of the Series 1974 Bonds, as required by the Prior Resolutions; (ii) remit to the Commission the amounts required to pay principal of the Series 2004 A Bonds and the Series 2006 A Bonds, as required by the Prior Resolutions; and (iii) 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.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Depository Bank, the amounts required by the Prior Resolutions for deposit in the Reserve Account for the Series 1974 Bonds; (ii) remit to the Commission, the amount required by the Prior Resolutions for deposit in the respective Series 2004 A Bonds and Series 2006 A Bonds Reserve Accounts; and (iii) 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.

(5) 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 Repair 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 Repair 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 Repair 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 Repair 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 entered January 9, 2009, which became Final Order on January 29, 2009 in Case 08-1184-PWD-30B, 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 Repair 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 Repair and Replacement Fund. The payment of such proceeds into the Repair 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.

So long as the Series 1974 Bonds are Outstanding, no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net

Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements 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 foregoing limitation may be waived or modified by the written consent of the Holders of the Series 1974 Bonds, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing limitation is waived or when the Series 1974 bonds are no longer Outstanding, the following requirement shall be met:

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 Repair 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 Repair and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may

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

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

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

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

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

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

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

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

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 5th day of March, 2009.

William T. Coffinberry

Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT on the 5th day of March, 2009.

Dated: March 16, 2009.

[SEAL]

Secretary

06.06.08
352650.00004

EXHIBIT A

Loan Agreement included in bond transcript as Document 3

GREATER HARRISON COUNTY 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 GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Greater Harrison County Public Service District (the "Issuer") has duly and officially adopted a bond resolution on March 5, 2009 (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF $1,500,000 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 $1,500,000 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 GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Bond Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the 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 $1,500,000. The Series 2009 A Bonds shall be dated the date of delivery thereof, shall finally mature March 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 September 1, 2010, to and including March 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 Harrison County Bank, Lost Creek, 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 Bonds proceeds in the amount of $38,712 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 March 16, 2009, to the Authority pursuant to the Loan Agreement.

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

Section 12. The Issuer hereby determines that it is in the best interest of the Issuer to invest all 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.

[Remainder of Page Intentionally Blank]

Adopted this 5th day of March, 2009.

GREATER HARRISON COUNTY PUBLIC
SERVICE DISTRICT

By: _____
Its: Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Greater Harrison County Public Service District on March 5, 2009.

Dated: March 16, 2009.

[SEAL]

Secretary

02.25.09
352650.00004

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").

GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT
(2006W-902)

(Governmental Agency)

W I T N E S S E T H:

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

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

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

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

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

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

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

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

ARTICLE I

Definitions

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

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

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

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;

(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 AWest 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.

GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman
Date: March 16, 2009

(SEAL)

Attest:

_____
Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: _____
Its: Executive Director
Date: March 16, 2009

(SEAL)

Attest:

_____
Its: Secretary-Treasurer

{C1499878.1}

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

_____
(Name of Bonds)

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

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

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

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

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

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

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

EXHIBIT B

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

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

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

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

EXHIBIT C

MONTHLY FINANCIAL REPORT

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

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

_____
Name of Person Completing Form

_____
Address

_____
Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

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

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

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

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

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

EXHIBIT D

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest	$
Principal	$
Total:	$
Reserve Account:	$

Witness my signature this ___ day of_____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds $1,500,000
Purchase Price of Local Bonds $1,500,000

The Local Bonds shall bear no interest. Commencing September 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:

(1) Greater Harrison County Public Service District Water Revenue Bonds, Series 1974 (United States Department of Agriculture) dated May 27, 1976, issued in the original aggregate principal amount of $305,000;

(2) Greater Harrison County Public Service District Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund) dated July 24, 2004, issued in the original aggregate principal amount of $703,000; and

(3) Greater Harrison County Public Service District Water Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund) dated March 29, 2006, issued in the original aggregate principal amount of $1,250,000.

SCHEDULE Y
DEBT SERVICE SCHEDULE

	Period Ending	Principal	Interest	Debt Service	
	9/1/10	9,678.		9,678.	
	12/1/10	9,678.		9,678.	
	3/1/11	9,678.		9,678.	
	6/1/11	9,678.		9,678.	
	9/1/11	9,678.		9,678.	
	12/1/11	9,678.		9,678.	
	3/1/12	9,678.		9,678.	
	6/1/12	9,678.		9,678.	
	9/1/12	9,678.		9,678.	
	12/1/12	9,678.		9,678.	
	3/1/13	9,678.		9,678.	
	6/1/13	9,678.		9,678.	
	9/1/13	9,678.		9,678.	
	12/1/13	9,678.		9,678.	
	3/1/14	9,678.		9,678.	
	6/1/14	9,678.		9,678.	
	9/1/14	9,678.		9,678.	
	12/1/14	9,678.		9,678.	
	3/1/15	9,678.		9,678.	
	6/1/15	9,678.		9,678.	
	9/1/15	9,678.		9,678.	
	12/1/15	9,678.		9,678.	
	3/1/16	9,678.		9,678.	
	6/1/16	9,678.		9,678.	
	9/1/16	9,678.		9,678.	
	12/1/16	9,678.		9,678.	
	3/1/17	9,678.		9,678.	
	6/1/17	9,678.		9,678.	
	9/1/17	9,678.		9,678.	
	12/1/17	9,678.		9,678.	
	3/1/18	9,678.		9,678.	
	6/1/18	9,678.		9,678.	
	9/1/18	9,678.		9,678.	
	12/1/18	9,678.		9,678.	
	3/1/19	9,678.		9,678.	
	6/1/19	9,678.		9,678.	
	9/1/19	9,678.		9,678.	
	12/1/19	9,678.		9,678.	
	3/1/20	9,678.		9,678.	
	6/1/20	9,678.		9,678.	
	9/1/20	9,678.		9,678.	
	12/1/20	9,678.		9,678.	
	3/1/21	9,678.		9,678.	
	6/1/21	9,678.		9,678.	
	9/1/21	9,678.		9,678.	
	12/1/21	9,678.		9,678.	

Period Ending	Principal	Interest	Debt Service
3/1/22	9,678.		9,678.
6/1/22	9,678.		9,678.
9/1/22	9,678.		9,678.
12/1/22	9,678.		9,678.
3/1/23	9,678.		9,678.
6/1/23	9,678.		9,678.
9/1/23	9,678.		9,678.
12/1/23	9,678.		9,678.
3/1/24	9,678.		9,678.
6/1/24	9,678.		9,678.
9/1/24	9,678.		9,678.
12/1/24	9,678.		9,678.
3/1/25	9,678.		9,678.
6/1/25	9,678.		9,678.
9/1/25	9,678.		9,678.
12/1/25	9,678.		9,678.
3/1/26	9,678.		9,678.
6/1/26	9,678.		9,678.
9/1/26	9,678.		9,678.
12/1/26	9,677.		9,677.
3/1/27	9,677.		9,677.
6/1/27	9,677.		9,677.
9/1/27	9,677.		9,677.
12/1/27	9,677.		9,677.
3/1/28	9,677.		9,677.
6/1/28	9,677.		9,677.
9/1/28	9,677.		9,677.
12/1/28	9,677.		9,677.
3/1/29	9,677.		9,677.
6/1/29	9,677.		9,677.
9/1/29	9,677.		9,677.
12/1/29	9,677.		9,677.
3/1/30	9,677.		9,677.
6/1/30	9,677.		9,677.
9/1/30	9,677.		9,677.
12/1/30	9,677.		9,677.
3/1/31	9,677.		9,677.
6/1/31	9,677.		9,677.
9/1/31	9,677.		9,677.
12/1/31	9,677.		9,677.
3/1/32	9,677.		9,677.
6/1/32	9,677.		9,677.
9/1/32	9,677.		9,677.
12/1/32	9,677.		9,677.
3/1/33	9,677.		9,677.
6/1/33	9,677.		9,677.
9/1/33	9,677.		9,677.
12/1/33	9,677.		9,677.
3/1/34	9,677.		9,677.
6/1/34	9,677.		9,677.

	Period Ending	Principal	Interest	Debt Service	
	9/1/34	9,677.		9,677.	
	12/1/34	9,677.		9,677.	
	3/1/35	9,677.		9,677.	
	6/1/35	9,677.		9,677.	
	9/1/35	9,677.		9,677.	
	12/1/35	9,677.		9,677.	
	3/1/36	9,677.		9,677.	
	6/1/36	9,677.		9,677.	
	9/1/36	9,677.		9,677.	
	12/1/36	9,677.		9,677.	
	3/1/37	9,677.		9,677.	
	6/1/37	9,677.		9,677.	
	9/1/37	9,677.		9,677.	
	12/1/37	9,677.		9,677.	
	3/1/38	9,677.		9,677.	
	6/1/38	9,677.		9,677.	
	9/1/38	9,677.		9,677.	
	12/1/38	9,677.		9,677.	
	3/1/39	9,677.		9,677.	
	6/1/39	9,677.		9,677.	
	9/1/39	9,677.		9,677.	
	12/1/39	9,677.		9,677.	
	3/1/40	9,677.		9,677.	
	6/1/40	9,677.		9,677.	
	9/1/40	9,677.		9,677.	
	12/1/40	9,677.		9,677.	
	3/1/41	9,677.		9,677.	
	6/1/41	9,677.		9,677.	
	9/1/41	9,677.		9,677.	
	12/1/41	9,677.		9,677.	
	3/1/42	9,677.		9,677.	
	6/1/42	9,677.		9,677.	
	9/1/42	9,677.		9,677.	
	12/1/42	9,677.		9,677.	
	3/1/43	9,677.		9,677.	
	6/1/43	9,677.		9,677.	
	9/1/43	9,677.		9,677.	
	12/1/43	9,677.		9,677.	
	3/1/44	9,677.		9,677.	
	6/1/44	9,677.		9,677.	
	9/1/44	9,677.		9,677.	
	12/1/44	9,677.		9,677.	
	3/1/45	9,677.		9,677.	
	6/1/45	9,677.		9,677.	
	9/1/45	9,677.		9,677.	
	12/1/45	9,677.		9,677.	
	3/1/46	9,677.		9,677.	
	6/1/46	9,677.		9,677.	
	9/1/46	9,677.		9,677.	
	12/1/46	9,677.		9,677.	

Period Ending	Principal	Interest	Debt Service
3/1/47	9,677.		9,677.
6/1/47	9,677.		9,677.
9/1/47	9,677.		9,677.
12/1/47	9,677.		9,677.
3/1/48	9,677.		9,677.
6/1/48	9,677.		9,677.
9/1/48	9,677.		9,677.
12/1/48	9,677.		9,677.
3/1/49	9,677.		9,677.
	1,500,000.		1,500,000.

SCHEDULE Z

None.

080614alj072908.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

8/18/2008

Issued: July 29, 2008

CASE NO. 08-0614-PWD-CN

GREATER HARRISON COUNTY PUBLIC
SERVICE DISTRICT, a public utility,
West Milford, Harrison County.

Application for a certificate of convenience and necessity to construct upgrades and improvements to the existing water distribution system in the Lost Creek area and the area along County Route 25 in Harrison County.

RECOMMENDED DECISION

On April 23, 2008, Greater Harrison County Public Service District ("District"), by counsel Thomas R. Michael, filed with the Public Service Commission ("Commission") an application for a certificate of convenience and necessity to construct upgrades and improvements to the existing water distribution system in the Lost Creek area and the area along County Route 25 in Harrison County. The application included the following: The proposed project "will replace or upgrade a large portion of the existing 6" AC water line serving the County Route 25 areas with new 8" C-900 CL-150, will replace a water storage tank, will make upgrades to the Mount Clare Booster Station, and will install four master meters." The estimated cost of the project is $2,100,000, to be financed by a grant in the amount of $600,000 from the West Virginia Infrastructure & Jobs Development Council ("WVIJDC"), and a loan in the amount of $1,500,000 from the WVIJDC, payable over forty years at a 0% interest rate. The District stated that no rate increase would be necessary. Supporting documentation was filed, including a Rule 42 exhibit, the commitment letter from the WVIJDC, and the permit for the project issued on February 15, 2008, by the State of West Virginia Office of Environmental Health Services, Permit No. 17,879.

Also on April 23, 2008, the Commission directed the District to publish a Notice of Filing, which provided that, if no protest was filed within thirty days after the date of publication, the Commission might waive formal hearing and grant the application based upon its review of the evidence submitted with the application.

On May 7, 2008, by Order, the Commission referred this matter to the Division of Administrative Law Judges for decision no later than November 19, 2008, if a timely protest was received, and no later than September 5, 2008, if no such protest was filed.

On May 9, 2008, the District, by counsel, filed an affidavit of publication of the Notice of Filing on May 2, 2008, in The Exponent Telegram, published in Harrison County.

On May 20, 2008, Staff Attorney Carrie DeHaven filed an Initial Joint Staff Memorandum, with an attached memorandum from Karen L. Buckley, of the Water and Wastewater Division, and Joseph Marakovits, of the Engineering Division.

On July 11, 2008, the undersigned issued a Procedural Order noting that, in that no protest had been filed, the decision due date in this matter is September 5, 2008, and ordering Staff to file its final memorandum no later than July 22, 2008.

On July 23, 2008, Staff Attorney C. Terry Owen, for Ms. DeHaven, filed the Final Joint Staff Memorandum, with an attached memorandum from Ms. Buckley and Mr. Marakovits, which described the project as follows:

> The project is designed to reduce a high level of unaccounted for water. It will include the replacement of 19,960 LF of 8-inch, 16 LF of 4-inch, 55 LF of 3-inch, 515 LF of 2-inch water mains; the installation of three leak detection meters and four master meters; an upgrading of the existing Mount Clare booster station to a 400 gpm duplex water booster station with a variable frequency drive system; the installation of a new Lost Creek 300 gpm duplex water booster station with a variable frequency drive system; and the construction of a 762,000 gallons water storage tank, along with all necessary steel casings, valves, connections, restoration, video taping and miscellaneous appurtenances.

Staff included the information provided by the application and further included the following: The water lines to be replaced are old and leaky and low pressure problems occur throughout the Lost Creek area. The Lost Creek storage tank that will be replaced is inadequate. "These improvements are necessary to ensure the safe, continuous, and most cost-effective supply of potable water" to the customers of the District. The project has been approved by the WVIJDC. The present rates, which came into effect in Spring 2008, are adequate to cover the increased costs resulting from the project. The District's Rule 42 exhibit included an estimated $9,500 annual increase in the District's operation and maintenance expenses due to the project; Staff calculated that the project will increase those expenses only by $4,000. With all added costs from the project, the District's present rates will provide an annual surplus of approximately $70,974 and a debt coverage of 207.74%; the project does not necessitate any increase in rates. The estimated costs of the project, including the $1,691,525 total

construction cost, are reasonable and the project financially feasible. Staff found the project to be needed and appropriate and recommended that the application be granted and the project approved. Staff also recommended that the funding be approved.

FINDINGS OF FACT

1. On April 23, 2008, Greater Harrison County Public Service District filed with the Public Service Commission an application for a certificate of convenience and necessity to construct upgrades and improvements to the existing water distribution system in the Lost Creek area and the area along County Route 25 in Harrison County. No rate increase was requested. Supporting documentation was filed. (See application).

2. The Notice of Filing was published on May 2, 2008, in The Exponent Telegram and no protest was filed. (See filing of May 9, 2008; case file generally).

3. The project has been approved by the West Virginia Infrastructure and Jobs Development Council. (See application; Final Joint Staff Memorandum filed July 23, 2008).

4. The project will involve the replacement of 19,960 LF of 8-inch, 16 LF of 4-inch, 55 LF of 3-inch, and 515 LF of 2-inch water mains; the installation of three leak detection meters and four master meters; an upgrading of the existing Mount Clare booster station to a 400 gpm duplex water booster station with a variable frequency drive system; the installation of a new Lost Creek 300 gpm duplex water booster station with a variable frequency drive system; and the construction of a 762,000 gallon water storage tank, along with all necessary steel casings, valves, connections, restoration, video taping and miscellaneous appurtenances. (See application; Final Joint Staff Memorandum).

5. The present old and leaky pipes create a high level of unaccounted-for water and inadequate water pressure throughout the Lost Creek area. The water tank that will be replaced is inadequate. The project should provide safe, continuous, and the most cost-effective supply of potable water to the customers of the District. (See Final Joint Staff Memorandum).

6. The State of West Virginia Office of Environmental Health Services issued a permit for the project, Permit No. 17,879, on February 15, 2008. (See application; Final Joint Staff Memorandum).

7. The cost of the project is estimated at $2,100,000, including an estimated total construction cost of $1,691,525. Staff found those costs to be reasonable. (See application; Final Joint Staff Memorandum).

8. The project will be financed by a grant in the amount of $600,000 from the West Virginia Infrastructure & Jobs Development Council and a loan in the amount of $1,500,000 from the WVIJDC, payable over forty years at a 0% interest rate. (See application; Final Joint Staff Memorandum).

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

CONCLUSIONS OF LAW

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

2. It is appropriate to grant the application and to issue the certificate of convenience and necessity pursuant to W. Va. Code §§ 16-13A-25 and 24-2-11.

3. It is appropriate to approve the funding for the project.

ORDER

IT IS, THEREFORE, ORDERED that the application filed on April 23, 2008, by Greater Harrison County Public Service District, for a certificate of convenience and necessity to construct upgrades and improvements to the existing water distribution system in the Lost Creek area and the area along County Route 25 in Harrison County, is granted and the project is approved.

IT IS FURTHER ORDERED that the proposed project funding, consisting of a $600,000 grant from the West Virginia Infrastructure & Jobs Development Council and a $1,500,000 loan from the WVIJDC, payable over forty years at a 0% interest rate, is approved.

IT IS FURTHER ORDERED that, if there is any change in the cost of the project, estimated at $2,100,000, that would affect rates, or in the scope, design or funding of the project, Greater Harrison County Public Service District file a petition with the Commission for approval of such revisions.

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

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

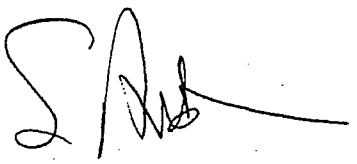
IT IS FURTHER ORDERED that this matter be removed from the Commission's docket of open cases.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this order upon the Commission 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
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PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: January 9, 2009

FINAL

1/29/2009

CASE NO. 08-1184-PWD-30B

GREATER HARRISON COUNTY
PUBLIC SERVICE DISTRICT,
a public utility, Harrison County.
Rule 30B application to pass through increased purchased water costs from the Nutter Fort Municipal Water Department to the District's water customers in the Quiet Dell area, for approval of interim rates and for the unification of the District's water rates.

RECOMMENDED DECISION

PROCEDURE

On July 16, 2008, the Greater Harrison County Public Service District (District) filed a Tariff Rule 30B rate application seeking to pass through to its current customers in the Quiet Dell area increased purchased water costs from the Nutter Fort Municipal Water Department and requesting approval of interim rates and unification of the District's water rates.

On August 20, 2008, Staff Attorney Carrie F. DeHaven filed an Initial Joint Staff Memorandum to which was attached an Initial Internal Memorandum of Utilities Analyst Bob Cadle of the Commission's Water and Wastewater Division. Mr. Cadle recommended, inter alia, that the case be held in abeyance until after a final order had been issued in Case No. 08-0897-W-CN, Nutter Fort Municipal Water Department. Utilities Analyst Cadle opined that Staff could not make an appropriate determination as to the amount of increase and applicable charges, until a final order was issued in the Nutter Fort certificate case. Regarding the unification of the District's rates, Mr. Cadle asserted that a 30B proceeding was not the proper proceeding in which to unify rates, recommending instead that the District file a general rate case. Staff Attorney DeHaven supported Mr. Cadle's recommendations.

On September 3, 2008, the District filed a response to the Initial Joint Staff Memorandum. Among other things, the District stated that it would defer to Staff's opinion regarding the appropriateness of unifying rates within the context of a 30B proceeding. However, with regard to Staff's opinion that the pass-through of increased purchased water costs was prematurely filed, the District cited to the Final Joint Staff

Memorandum filed on August 29, 2008, in Case No. 08-0897-W-CN by Staff Attorney Ronald E. Robertson, Jr., wherein Mr. Robertson stated that, "The new water rates became effective on and after July 25, 2008." Therefore, the District argued that it had not prematurely filed the 30B case because the District was already being charged the increased purchased water costs.

By Order of the Commission entered on September 5, 2008, this matter was referred to the Division of Administrative Law Judges (ALJ) with a decision due date of February 11, 2009.

On October 14, 2008, Staff Attorney DeHaven filed a Final Joint Staff Memorandum to which was attached a Final Internal Memorandum of Utilities Analyst Cadle. Mr. Cadle calculated the District's 30B increase to be $0.19 per thousand gallons of water purchased and the District's leak adjustment rate to be $3.86 per thousand gallons of water. Staff's calculations included only a 20% unaccounted-for water level, the maximum amount of unaccounted-for water allowed by the Commission in 30B proceedings, even though the District's unaccounted-for water levels were actually reported as 35.47%. Utilities Analyst Cadle also recommended that the District file a plan with the Commission within 30 days as to how the District would remediate its unaccounted-for water levels. Staff Attorney DeHaven supported the recommendations of Mr. Cadle.

Also on October 14, 2008, counsel for the District was mailed a copy of the Final Joint Staff Memorandum.

By Interim Recommended decision entered on November 26, 2008, the District was authorized, on an interim basis, subject to refund, to charge the Staff-recommended rates that were attached to the decision as Appendix A for all bills rendered on and after the date that the interim decision became a Final Order of the Commission. Also, by Procedural Order issued on November 26, 2008, the District was ordered to publish the Notice of Filing attached to the Procedural Order as Appendix A, as a Class I legal advertisement in a newspaper published and of general circulation in each of the counties where the utility provides service, advising, inter alia, that anyone desiring to protest or intervene should file a written protest or notice of intervention within twenty (20) days from the date of the publication unless otherwise modified by Commission Order.

Affidavits of Publication were filed on December 17, 2008, evidencing that the publication of the Notice of Filing occurred on December 10 and 11, 2008, respectively, in The Weston Democrat, a newspaper published and of general circulation in Lewis County, West Virginia, and in The Exponent Telegram, a newspaper published and of general circulation in Harrison County, West Virginia.

As of today's date, more than 20 days after publication of the Notice of Filing, no protests or requests to intervene in the proceeding have been filed.

DISCUSSION

The Commission's Tariff Rule 30B procedure is designed for use by utilities who purchase all or part of their supply from another utility. When the supplier utility changes the cost of the purchased commodity, necessitating an adjustment in rates, rates may be increased or decreased in very short order.

The Greater Harrison County Public Service District provides water service to approximately 3,093 residential, commercial and resale customers in Harrison and Lewis Counties. The District purchases all of its supply from three (3) sources. The Nutter Fort Municipal Water Department (Nutter Fort) adopted a water rate ordinance on June 10, 2008, which increased the District's purchased water rate received from Nutter Fort from $2.795 per thousand gallons to $3.65 per thousand gallons, effective July 25, 2008.

On July 16, 2008, the District filed a 30B application requesting, among other things, that Commission Staff prepare amended tariff sheets so that the District could recoup the increased purchased water costs passed through to it by Nutter Fort. Commission Staff calculated that the District's 30B increase should be $0.19 per thousand gallons of water purchased and that the District's leak adjustment rate should be increased to $3.86 per thousand gallons of water. Staff also recommended that the proposed increase should go into effect during the billing period immediately following entry of a Commission Order approving said rates on an interim basis.

The Notice of Filing of the proposed increased rates and charges was published on December 10 and 11, 2008, respectively, in The Weston Democrat, a newspaper published and of general circulation in Lewis County, West Virginia, and in The Exponent Telegram, a newspaper published and of general circulation in Harrison County, West Virginia, to which no one has filed a protest or request to intervene. Therefore, it is reasonable to approve, on a permanent basis, the Staff-recommended rates and charges for all services rendered on and after the Interim Recommended Decision became a Final Order of the Commission.

In addition to the pass-through of increased purchased water costs, the District requested that its rates be unified. Commission Staff recommended that, if the District wanted to unify its rates, the District would have to file a general rate case, since the 30B proceeding was not the proper proceeding in which to unify rates. Commission Staff is correct. The focus of the 30B proceeding is limited to the increased qualified costs, e.g., costs incurred due to an increase in transportation costs or changes in commodity costs, and the level of rates necessary to recover such increased costs. Therefore, the District will need to file a general rate case during which the Commission may look at all elements of the District's operations and appropriately determine how rates should be unified.

Finally, as part of its recommendations in this case, Commission Staff recommended that the District be required to file a plan with the Commission which would outline how the District would remediate its unaccounted-for water levels. Presently, the District's unaccounted-for

water levels are reported at 35.47% of its purchased water. Although it would be an excellent idea for the District to formulate and implement a plan to reduce its unaccounted-for water levels, this recommendation, like the request to unify rates, falls outside the scope of the 30B proceeding. Therefore, the ALJ will only suggest that the District get a handle on its unaccounted-for water loss so that its operating expenses may be reduced.

FINDINGS OF FACT

1. The Greater Harrison County Public Service District filed a duly verified Tariff Rule 30B application on July 16, 2008, seeking, among other things, assistance from Commission Staff in the determination of an appropriate pass-through tariff rate increase for its Quiet Dell customers and approval of interim rates because one of the District's water service purveyors, the Nutter Fort Municipal Water Department, had adopted, by ordinance, increased resale rates, effective July 25, 2008. (See July 16, 2008 filing; Case No. 08-0897-W-CN, Nutter Fort Municipal Water Department (final by operation of law October 27, 2008)).

2. Commission Staff calculated a proposed increase of $0.19 per thousand gallons of water usage for the District. Staff also proposed an increased leak adjustment rate of $3.86. Additionally, Staff recommended that the District be ordered to file a plan as to how it would remediate its high unaccounted-for water levels. (See Final Joint Staff Memorandum and attachments filed on August 20, 2008).

3. The 30B procedure is not designed to be used by a utility to either unify rates or for the purpose of unaccounted-for water remediation. (See Tariff Rule 13.1. of the Commission's Rules for the Construction and Filing of Tariffs).

4. On October 14, 2008, the District was mailed a copy of the Final Joint Staff Memorandum, to which the District has filed no response. (See case file generally).

5. The District published the Notice of Filing of its 30B proceeding on December 10 and 11, 2008, respectively, in The Weston Democrat and The Exponent Telegram, as had been ordered by Procedural Order of November 26, 2008. (See November 26, 2008 Procedural Order; Affidavits of Publication filed on December 17, 2008).

6. No one has filed to intervene or has protested in this proceeding, although more than 20 days have elapsed since the Notice of Filing was first published. (See case file generally).

CONCLUSIONS OF LAW

1. The interim rates approved herein reflect only the increased cost of water purchased by the Greater Harrison County Public Service District from the Nutter Fort Municipal Water Department.

2. It is reasonable to allow the Staff-recommended tariff to be effective, on a permanent basis, for all bills rendered on and after the

date that the Interim Recommended Decision became a Final Order of the Commission, i.e., as of December 16, 2008.

ORDER

IT IS, THEREFORE, ORDERED that the previously approved interim rates and charges, attached hereto as Appendix A, be, and hereby are, approved, on a permanent basis, for the Greater Harrison County Public Service District for all bills rendered on and after December 16, 2008.

IT IS FURTHER ORDERED that, as soon as practicable, but no later than thirty days after the date that this Recommended Decision becomes a Final Order of the Commission, the Greater Harrison County Public Service District file a revised tariff with the Commission's Tariff Office setting forth the approved rates and charges.

IT IS FURTHER ORDERED that the case number designation be modified as reflected on the first page of this decision.

The Executive Secretary is hereby ordered to serve a copy of this order upon the Commission 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 of the Commission 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 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.

Meyishi Pearl Blair
Administrative Law Judge

MPB:s
081184ab.wpd

GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT
CASE NO. 08-1184-PWD-30B-PC
APPROVED RATES

SCHEDULE NO. I

APPLICABILITY

Applicable in the entire area served by the District, except for the territory formerly served by Quiet Dell Public Service District in the Craigmoor and Romines Mills extension areas.

AVAILABILITY OF SERVICE

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

RATES

First	3,000	gallons used per month	$7.55 per 1,000 gallons
Next	3,000	gallons used per month	$7.49 per 1,000 gallons
All Over	6,000	gallons used per month	$7.43 per 1,000 gallons

MINIMUM CHARGE

No minimum bill will be rendered for less than the following amounts according to the size of the meter installed, to wit:

5/8-inch meter	$ 20.37 per month
3/4-inch meter	30.56 per month
1-inch meter	50.93 per month
1-1/2-inch meter	101.85 per month
2-inch meter	162.96 per month
3-inch meter	305.55 per month
4-inch meter	509.25 per month
6-inch meter	1,018.50 per month
8-inch meter	1,629.60 per month

The above minimum charges are subject to an additional $0.76 per 1,000 gallons used per month.

DELAYED PAYMENT PENALTY

The above tariff 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 penalty is not interest and is to be collected only once for each bill where it is appropriate.

DISCONTINUANCE OF SERVICE

If any bill is not paid within thirty days of the billing date, water service for the customer shall be discontinued after having first complied with the Public Service Commission's Rules and Regulations for the Government of Water Utilities.

RECONNECTION CHARGE - $25.00

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

TAP FEE

The following charges are 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 $250.00 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.

LEAK ADJUSTMENT

$3.86 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate is to be applied to all such consumption above the customer's historical average usage.

SALES FOR RESALE RATE

Available for all water delivered to water utilities for resale

Gallons metered	$4.36 per 1,000 gallons

STANDBY SERVICE

Service under this tariff is available throughout the entire territory served by the District to a new or prospective resale customer that has an alternative source of supply. Standby service will be available on a firm basis only.

Per connection per month	$6.00
Gallons metered	$4.29 per 1,000 gallons

RETURNED CHECK CHARGE

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

SECURITY DEPOSIT

Not to exceed one-twelfth (1/12) of the average annual estimated charge for residential service or one-sixth (1/6) of the annual estimated charge for commercial service, or fifty dollars, whichever is greater.

SCHEDULE NO. II

APPLICABILITY

Applicable in the territory formerly served by Quiet Dell Public Service District in the Craigmoor and Romines Mills extension areas.

AVAILABILITY OF SERVICE

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

RATES

First	3,000	gallons used per month	$8.75 per 1,000 gallons
Next	3,000	gallons used per month	$8.52 per 1,000 gallons
All Over	6,000	gallons used per month	$7.58 per 1,000 gallons

MINIMUM CHARGE

No minimum bill will be rendered for less than the following amounts according to the size of the meter installed, to wit:

5/8-inch meter	$ 22.83 per month
3/4-inch meter	34.25 per month
1-inch meter	57.08 per month
1-1/2-inch meter	114.15 per month
2-inch meter	182.64 per month
3-inch meter	342.45 per month
4-inch meter	570.75 per month
6-inch meter	1,141.50 per month
8-inch meter	1,826.40 per month

The above minimum charges are subject to an additional $1.14 per 1,000 gallons of water used per month.

DELAYED PAYMENT PENALTY

The above tariff 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 penalty is not interest and is to be collected only once for each bill where it is appropriate.

DISCONTINUANCE OF SERVICE

If any bill is not paid within thirty days of the billing date, water service for the customer shall be discontinued after having first complied with the Public Service Commission's Rules and Regulations for the Government of Water Utilities.

RECONNECTION CHARGE - $25.00

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

TAP FEE

The following charges are 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 $250.00 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.

LEAK ADJUSTMENT

$3.86 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate is to be applied to all such consumption above the customer's historical average usage.

SALES FOR RESALE RATE

Available for all water delivered to water utilities for resale

Gallons metered	$4.39 per 1,000 gallons

STANDBY SERVICE

Service under this tariff is available throughout the entire territory served by the District to a new or prospective resale customer that has an alternative source of supply. Standby service will be available on a firm basis only.

Per connection per month	$6.00
Gallons metered	$4.32 per 1,000 gallons

RETURNED CHECK CHARGE

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

SECURITY DEPOSIT

Not to exceed one-twelfth (1/12) of the average annual estimated charge for residential service or one-sixth (1/6) of the annual estimated charge for commercial service, or fifty dollars, whichever is greater.

SCHEDULE NO. III

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY OF SERVICE

Available for private fire protection service.

RATES

Size of Service	Charge per Month
2-inch	$ 3.50
4-inch	$ 6.72
6-inch	$20.24
8-inch	$40.53

DELAYED PAYMENT PENALTY

The above tariff 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 penalty is not interest and is to be collected only once for each bill where it is appropriate.

RETURNED CHECK CHARGE

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

SECURITY DEPOSIT

Not to exceed one-twelfth (1/12) of the average annual estimated charge for residential service or one-sixth (1/6) of the annual estimated charge for commercial service, or fifty dollars, whichever is greater.

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA CHARLESTON

Entered by the Public Service Commission of West Virginia, in the City of Charleston on the 23rd day of April, 2008.

CASE NO. 08-06 14-PWD-CN

Greater Harrison County Public Service District, Harrison County, West Virginia

Application for a certificate of convenience and necessity to construct upgrades and improvements to the existing water distribution system in the Lost Creek area and the area along County Route 25 in Harrison County, State of West Virginia.

NOTICE OF FILING

WHEREAS, on April 23, 2008, the Greater Harrison County Public Service District filed an application, duly verified, for a Certificate to construct upgrades and improvements to the existing water distribution system in the Lost Creek area and the area along County Route 25 in Harrison County, State of West Virginia. 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 Greater Harrison County Public Service District estimates that the costs of the project are not to exceed $2,100,000.00. The project will be financed by the following means: an Infrastructure Fund loan from West Virginia Infrastructure and Jobs Development Council in the amount of $1,500,000.00 (0%, 40 years) and an Infrastructure Fund grant from West Virginia Infrastructure and Jobs Development Council in the amount of $600,000.00.

There is no project-related rate increase.

The requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing.

Pursuant to §24-2-11, West Virginia Code, IT IS ORDERED that the Greater Harrison County Public Service District give notice of the filing of said application, by publishing a copy of this order once in a newspaper duly qualified by the Secretary of State, published and of general circulation in Harrison County, making due return to this Commission of proper certification of publication immediately after publication. Anyone desiring to protest or intervene should file a written protest or notice of intervention within 30 days following the date of this publication unless otherwise modified by Commission order. Failure to timely protest or intervene can affect your right to protest aspects of this certificate case, including any associated rate increases, or to participate in future proceedings. All protests or requests to intervene should briefly state the reason for the protest or intervention. Requests to intervene must comply with the Commission's rules on intervention set forth in the Commission's Rules of Practice and Procedure. All protests and interventions should be addressed to Sandra Squire, Executive Secretary, P. O. Box 812, Charleston, West Virginia 25323.

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

A True Copy, Teste:

Sandra Squire
Executive Secretary

PUBLISHER'S CERTIFICATE

I, Sara V. Shingleton, Classified Manager of THE EXPONENT TELEGRAM, a newspaper of general circulation published in the City of Clarksburg, County and state aforesaid, do hereby certify that the annexed:

NOTICE OF FILING

was published in THE EXPONENT-TELEGRAM 1 time(s) commencing on
the 2nd day of May 2008 and ending on
the 2nd day of May 2008 at the request of
THOMAS R. MICHAEL.

Given under my hand this 2nd day of May 2008

The publisher's fee for said publication is: $62.92
for 484 words at $0.1300 per word per day.

Sara V. Shingleton
Classified Manager of The Exponent-Telegram

SEAL

Subscribed to and sworn to before me this 2nd day of May 2008.

Shelley F. Riffle
Notary Public in and for Harrison County, WV

My commission expires on:
The 21 day of July 20 09

OFFICIAL SEAL
NOTARY PUBLIC
STATE of WEST VIRGINIA
SHELLEY F. RIFFLE
Clarksburg Publishing Co.
PO Box 2000, 324 Hewes Ave.
Clarksburg, WV 26302-2000
My Commission Expires July 21, 2009

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 2, 2006

Mr. William Hoover, Operational Manager
Greater Harrison County Public Service District
P.O. Box 190
West Milford, West Virginia 26451

Re: Binding Commitment Letter
Greater Harrison County Public Service District
Water Project 2006W-902

Dear Mr. Hoover:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") provides this binding offer of an Infrastructure Fund loan of approximately $1,500,000 (the "Loan") and an Infrastructure Fund grant of approximately$600,000 (the "Grant") 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 and Grant will be subject to the terms set forth on Schedule A attached hereto and incorporated herein by reference. The final Loan and Grant amounts will be established after the District has received acceptable bids for the Project. The Infrastructure Council will set aside a portion of the Infrastructure Fund to make the Loan and Grant upon the District's compliance with the program requirements. The Loan and Grant agreements 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 Bureau for Public Health by December 1, 2007
b. File Certificate Case with the Public Service Commission no later than January 1, 2007
c. Advertise for bids no later than June 1, 2007
(The District must receive authority from the Infrastructure Council before bidding the project.)

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

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

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

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

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

Sincerely,

Mark Prince

MP/jb
Attachments
cc: Pat Taylor, BPH
Clay Riley, P.E., Thrasher Engineering, Inc.
John Stump, Steptoe & Johnson

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

Greater Harrison County Public Service District

By:_____

Its: _____

Date:_____

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

Greater Harrison County Public Service District
Water Project
Project 2006W-902
October 2, 2006

SCHEDULE A

A. Approximate Amount: $1,500,000 Loan
$ 600,000 Grant

B. Loan: $1,500,000

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%

C. Grant: $ 600,000

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

2. Special Conditions: None

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

D. Total Project Cost: $2,100,000

GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT

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

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On this 16th day of March, 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 Greater Harrison County Public Service District (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), of the Issuer, in the principal amount of $1,500,000, numbered AR-1 (the "Series 2009 A Bonds"), issued as a single, fully registered Bond, and dated March 16, 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 $246,332, 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: Diane L. Rory
Its: Authorized Representative

GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT

By: William L. Offenhoffer
Its: Chairman

02.25.09
352650.00004

CH4919295.1

GREATER HARRISON COUNTY 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 16th day of March, 2009, there are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of Greater Harrison County Public Service District Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), in the principal amount of $1,500,000 (the "Series 2009 A Bonds"), dated March 16, 2009 (collectively, the "Bonds"), executed by the Chairman and Secretary of Greater Harrison County 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 March 5, 2009, and a Supplemental Resolution duly adopted by the Issuer on March 5, 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 March 16, 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 $246,332, 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.

Dated as of the day and year first written above.

GREATER HARRISON COUNTY PUBLIC
SERVICE DISTRICT

By: William T. Coffindaffer
Its: Chairman

02.25.09
352650.00004

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2009 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $1,500,000

KNOW ALL MEN BY THESE PRESENTS: That on this the 16th day of March, 2009, GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Harrison County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of ONE MILLION FIVE HUNDRED DOLLARS ($1,500,000), 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 September 1, 2010, to and including March 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 March 16, 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 March 5, 2009, and a Supplemental Resolution duly adopted by the Issuer on March 5, 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 (1) WATER REVENUE BONDS, SERIES 1974 (UNITED STATES DEPARTMENT OF AGRICULTURE) (THE "SERIES 1974 BONDS"); (2) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 27, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $703,000 (THE "SERIES 2004 A BONDS") AND (3) WATER REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 29, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,250,000 (THE "SERIES 2006 A BONDS") THE SERIES 1974 BONDS, THE SERIES 2004 A BONDS AND THE SERIES 2006 A BONDS ARE REFERRED TO AS 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.

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

[SEAL]

SPECIMEN

Chairman

ATTEST:

SPECIMEN

Secretary

CH5102413.1

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: March 16, 2009.

THE HUNTINGTON NATIONAL BANK,
as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $246,332	March 16, 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

Greater Harrison County PSD

0% Interest Rate

Dated Date	3/16/2009
Delivery Date	3/16/2009

Period Ending	Principal	Interest	Debt Service
9/1/2010	9,678.		9,678.
12/1/2010	9,678.		9,678.
3/1/2011	9,678.		9,678.
6/1/2011	9,678.		9,678.
9/1/2011	9,678.		9,678.
12/1/2011	9,678.		9,678.
3/1/2012	9,678.		9,678.
6/1/2012	9,678.		9,678.
9/1/2012	9,678.		9,678.
12/1/2012	9,678.		9,678.
3/1/2013	9,678.		9,678.
6/1/2013	9,678.		9,678.
9/1/2013	9,678.		9,678.
12/1/2013	9,678.		9,678.
3/1/2014	9,678.		9,678.
6/1/2014	9,678.		9,678.
9/1/2014	9,678.		9,678.
12/1/2014	9,678.		9,678.
3/1/2015	9,678.		9,678.
6/1/2015	9,678.		9,678.
9/1/2015	9,678.		9,678.
12/1/2015	9,678.		9,678.
3/1/2016	9,678.		9,678.
6/1/2016	9,678.		9,678.
9/1/2016	9,678.		9,678.
12/1/2016	9,678.		9,678.
3/1/2017	9,678.		9,678.
6/1/2017	9,678.		9,678.
9/1/2017	9,678.		9,678.
12/1/2017	9,678.		9,678.
3/1/2018	9,678.		9,678.
6/1/2018	9,678.		9,678.
9/1/2018	9,678.		9,678.
12/1/2018	9,678.		9,678.
3/1/2019	9,678.		9,678.
6/1/2019	9,678.		9,678.
9/1/2019	9,678.		9,678.
12/1/2019	9,678.		9,678.
3/1/2020	9,678.		9,678.
6/1/2020	9,678.		9,678.
9/1/2020	9,678.		9,678.
12/1/2020	9,678.		9,678.
3/1/2021	9,678.		9,678.
6/1/2021	9,678.		9,678.
9/1/2021	9,678.		9,678.
12/1/2021	9,678.		9,678.

BOND DEBT SERVICE
Greater Harrison County PSD
0% Interest Rate

Period Ending	Principal	Interest	Debt Service
3/1/2022	9,678.		9,678.
6/1/2022	9,678.		9,678.
9/1/2022	9,678.		9,678.
12/1/2022	9,678.		9,678.
3/1/2023	9,678.		9,678.
6/1/2023	9,678.		9,678.
9/1/2023	9,678.		9,678.
12/1/2023	9,678.		9,678.
3/1/2024	9,678.		9,678.
6/1/2024	9,678.		9,678.
9/1/2024	9,678.		9,678.
12/1/2024	9,678.		9,678.
3/1/2025	9,678.		9,678.
6/1/2025	9,678.		9,678.
9/1/2025	9,678.		9,678.
12/1/2025	9,678.		9,678.
3/1/2026	9,678.		9,678.
6/1/2026	9,678.		9,678.
9/1/2026	9,678.		9,678.
12/1/2026	9,677.		9,677.
3/1/2027	9,677.		9,677.
6/1/2027	9,677.		9,677.
9/1/2027	9,677.		9,677.
12/1/2027	9,677.		9,677.
3/1/2028	9,677.		9,677.
6/1/2028	9,677.		9,677.
9/1/2028	9,677.		9,677.
12/1/2028	9,677.		9,677.
3/1/2029	9,677.		9,677.
6/1/2029	9,677.		9,677.
9/1/2029	9,677.		9,677.
12/1/2029	9,677.		9,677.
3/1/2030	9,677.		9,677.
6/1/2030	9,677.		9,677.
9/1/2030	9,677.		9,677.
12/1/2030	9,677.		9,677.
3/1/2031	9,677.		9,677.
6/1/2031	9,677.		9,677.
9/1/2031	9,677.		9,677.
12/1/2031	9,677.		9,677.
3/1/2032	9,677.		9,677.
6/1/2032	9,677.		9,677.
9/1/2032	9,677.		9,677.
12/1/2032	9,677.		9,677.
3/1/2033	9,677.		9,677.
6/1/2033	9,677.		9,677.
9/1/2033	9,677.		9,677.
12/1/2033	9,677.		9,677.
3/1/2034	9,677.		9,677.
6/1/2034	9,677.		9,677.

BOND DEBT SERVICE
Greater Harrison County PSD
0% Interest Rate

Period Ending	Principal	Interest	Debt Service
9/1/2034	9,677.		9,677.
12/1/2034	9,677.		9,677.
3/1/2035	9,677.		9,677.
6/1/2035	9,677.		9,677.
9/1/2035	9,677.		9,677.
12/1/2035	9,677.		9,677.
3/1/2036	9,677.		9,677.
6/1/2036	9,677.		9,677.
9/1/2036	9,677.		9,677.
12/1/2036	9,677.		9,677.
3/1/2037	9,677.		9,677.
6/1/2037	9,677.		9,677.
9/1/2037	9,677.		9,677.
12/1/2037	9,677.		9,677.
3/1/2038	9,677.		9,677.
6/1/2038	9,677.		9,677.
9/1/2038	9,677.		9,677.
12/1/2038	9,677.		9,677.
3/1/2039	9,677.		9,677.
6/1/2039	9,677.		9,677.
9/1/2039	9,677.		9,677.
12/1/2039	9,677.		9,677.
3/1/2040	9,677.		9,677.
6/1/2040	9,677.		9,677.
9/1/2040	9,677.		9,677.
12/1/2040	9,677.		9,677.
3/1/2041	9,677.		9,677.
6/1/2041	9,677.		9,677.
9/1/2041	9,677.		9,677.
12/1/2041	9,677.		9,677.
3/1/2042	9,677.		9,677.
6/1/2042	9,677.		9,677.
9/1/2042	9,677.		9,677.
12/1/2042	9,677.		9,677.
3/1/2043	9,677.		9,677.
6/1/2043	9,677.		9,677.
9/1/2043	9,677.		9,677.
12/1/2043	9,677.		9,677.
3/1/2044	9,677.		9,677.
6/1/2044	9,677.		9,677.
9/1/2044	9,677.		9,677.
12/1/2044	9,677.		9,677.
3/1/2045	9,677.		9,677.
6/1/2045	9,677.		9,677.
9/1/2045	9,677.		9,677.
12/1/2045	9,677.		9,677.
3/1/2046	9,677.		9,677.
6/1/2046	9,677.		9,677.
9/1/2046	9,677.		9,677.
12/1/2046	9,677.		9,677.

BOND DEBT SERVICE

Greater Harrison County PSD

0% Interest Rate

Period Ending	Principal	Interest	Debt Service
3/1/2047	9,677.		9,677.
6/1/2047	9,677.		9,677.
9/1/2047	9,677.		9,677.
12/1/2047	9,677.		9,677.
3/1/2048	9,677.		9,677.
6/1/2048	9,677.		9,677.
9/1/2048	9,677.		9,677.
12/1/2048	9,677.		9,677.
3/1/2049	9,677.		9,677.
	1,500,000.		1,500,000.

(Form of)

ASSIGNMENT

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

Dated: _____, 20___.

_____

In the presence of:

_____

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information

March 16, 2009

Greater Harrison County Public Service District
Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

Greater Harrison County Public Service District
West Milford, 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 Greater Harrison County Public Service District (the "Issuer"), a public service district, public corporation and political subdivision created and existing under the laws of the State of West Virginia, of its $1,500,000 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 March 16, 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 September 1, 2010, to and including March 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.

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Huntington, WV • Columbus, OH

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We have also examined the applicable provisions of the Act, the Bond Resolution duly adopted by the Issuer on March 5, 2009, as supplemented by a Supplemental Resolution duly adopted by the Issuer on March 5, 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 (i) Water Revenue Bonds, Series 1974 (United States Department of Agriculture) dated May 27, 1976, issued in the original aggregate principal amount of $305,000 (the "Series 1974 Bonds"); (ii) Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund) dated July 24, 2004, issued in the original aggregate principal amount of $703,000 (the "Series 2004 A Bonds"); and (iii) Water Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund) dated March 29, 2006, issued in the original aggregate principal amount of $1,250,000 (the "Series 2006 A Bonds") (collectively called the "Prior Bonds"), all in accordance with the terms of the Bonds and the Bond Legislation.

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

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

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

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

Very truly yours,

STEPTOE & JOHNSON PLLC

03.04.09
352650.00004

LAW OFFICE

Thomas R. Michael

ATTORNEY AT LAW
P.O. BOX 250
LOST CREEK, WEST VIRGINIA, 26385-0250

PHONE 304-745-5904 FAX 304-745-5907 EMAIL tom_michael@yahoo.com

March 16, 2009

Greater Harrison County Public Service District
Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

Greater Harrison County Public Service District
West Milford, 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 Greater Harrison County Public Service District, a public service district, in Harrison County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a loan agreement for the Series 2009 A Bonds dated March 16, 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 March 5, 2009, as supplemented by the Supplemental Resolution duly adopted by the Issuer on March 5, 2009 (collectively, the "Bond Legislation"), orders of The County Commission of Harrison 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 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 Harrison 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 the Recommended Decision of the Public Service Commission of West Virginia dated January 9, 2009 which became Final Order on January 29, 2009, in Case No. 08-1184-PWD-30B among other things, approving the rates for the System. The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on July 29, 2008, which became Final Order on August 18, 2008, in Case No. 08-0614-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 Order has expired prior to the date hereof without any appeal. Such Order remains in full force and effect.

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

8. To the best of my knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Loan 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.

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 Agreement; 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,

THOMAS R. MICHAEL, ESQUIRE

LAW OFFICE

Thomas R. Michael
ATTORNEY AT LAW
P.O. BOX 250
LOST CREEK, WEST VIRGINIA, 26385-0250

PHONE 304-745-5904 FAX 304-745-5907 EMAIL tom_michael@yahoo.com

March 16, 2009

Angela Chestnut, P.E., Executive Secretary
West Virginia Infrastructure & Jobs Development Council
300 Summers Street, Suite 980
Charleston, WV 25301

Re: Greater Harrison County Public Service District
Route 25 Water System Upgrade Project
IJDC No. 2006W-902
FINAL TITLE OPINION

Dear Ms. Chestnut:

This firm represents the Greater Harrison County Public Service District with regard to a proposed project to construct water system upgrades and improvements in the area along Route 25 in Harrison County, and provides this final title opinion on behalf of the Greater Harrison County Public Service District to satisfy the requirements of the West Virginia Infrastructure and Jobs Development Council with regard to the Infrastructure Fund financing proposed for the Project. Please be advised of the following:

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

2. That the Greater Harrison County Public Service 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 Thrasher Engineering, the consulting engineers for the Project.

4. That I have examined the records on file in the Office of the Clerk of the County Commission of Harrison County, West Virginia, the county in which the Project is

to be located, and, in my opinion, the Greater Harrison County Public Service District has acquired legal title or such other estate or interest in all of the necessary site components for the Project, including all easements and/or rights-of-way, 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, including orders granting a right of entry for a water line easement in two eminent domain proceedings in the Circuit Court of Harrison County, West Virginia.

5. All deeds, easements and rights of way which have been acquired to date by the Greater Harrison County Public Service District have been duly recorded in the aforesaid Clerk's Office in order to protect the legal title to and interest of the Greater Harrison County Public Service District.

If you have any questions regarding any of the information contained in this final title opinion, please contact this office.

Yours truly,

Thomas R. Michael

Thomas R. Michael

cc: William Coffindaffer, Chairman, Greater Harrison County Public Service District
John Stump, Esq., Steptoe & Johnson
Clay Riley, Thrasher Engineering

GREATER HARRISON COUNTY 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. COMPLIANCE WITH WEST VIRGINIA JOBS ACT
20. EXECUTION OF COUNTERPARTS

We, the undersigned CHAIRMAN and the undersigned SECRETARY of the Public Service Board of Greater Harrison County Public Service District in Harrison County, West Virginia (the "Issuer"), and the undersigned COUNSEL TO THE ISSUER, hereby certify on this the 16th day of March, 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 March 5, 2009, and the Supplemental Resolution duly adopted March 5, 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 (i) Water Revenue Bonds, Series 1974 (United States Department of Agriculture) dated May 27, 1976, issued in the original aggregate principal amount of $305,000 (the "Series 1974 Bonds"); (ii) Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund) dated July 24, 2004, issued in the original aggregate principal amount of $703,000 (the "Series 2004 A Bonds"); and (iii) Water Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund) dated March 29, 2006, issued in the original aggregate principal amount of $1,250,000 (the "Series 2006 A Bonds").

The Series 1974 Bonds, the Series 2004 A Bonds and the Series 2006 A Bonds are hereinafter collectively called 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

Affidavit of Publication of Filing

Minutes on Organizational Meeting

Minutes on Adoption of Bond Resolution, Supplemental Resolution and Resolution Approving Invoices

Environmental Health Services Permit

Evidence of Insurance

1974 Bond and Supplemental Resolutions

2004 Bond and Supplemental Resolutions

2006 Bond and Supplemental Resolutions

Water Purchase Agreement with Clarksburg Water Board

RUS Consent to Parity

WDA Consent to Parity

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "Greater Harrison County Public Service District." The Issuer is a public service district duly created by The County Commission of Harrison 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 5 duly appointed, qualified and acting members whose names and dates of commencement and termination of current terms of office are as follows:

Name	Date of Commencement of Office	Date of Termination of Office
William L. Coffindaffer	December 11, 2003	December 9, 2009
Gerald Everett	January 23, 2009	December 9, 2009
Gregory D. Robertson	August 12, 2002	August 12, 2009
James L. Scudere	January 16, 2001	January 16, 2009
William J. Derrickson	July 17, 2008	July 17, 2014

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	-	William L. Coffindaffer
Secretary	-	Gregory D. Robertson
Treasurer	-	Gerald Everett

The duly appointed and acting counsel to the Issuer is Thomas R. Michael, Esquire, in Lost Creek, 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 January 9, 2009 which became Final Order on January 29, 2009, in Case No. 08-1184-PWD-30B, 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 Recommended Decision of the Public Service Commission of West Virginia entered on July 29, 2008, which became Final Order on August 18, 2008, in Case No. 08-0614-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 the Order has expired prior to the date hereof without any appeal. Such Order remains 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 $246,332 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 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. COMPLIANCE WITH WEST VIRGINIA JOBS ACT: The Issuer hereby certifies 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. The Issuer shall provide the Council and the Authority with a certificate stating that (i) the Issuer will comply with all the requirements of the West Virginia Jobs Act; (ii) the Issuer has included the provisions of the West Virginia Jobs Act in each contract and subcontract for the Project; (iii) the Issuer has received or will receive, prior to entering into contracts or subcontracts, from each contractor or subcontractor a certificate demonstrating compliance with Section 4 of the West Virginia Jobs Act or waiver certificates from the West Virginia Division of Labor ("DOL"); and (iv) the Issuer 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 Issuer is monitoring compliance by its contractors and subcontractors and that the required information has been submitted.

20. 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 documents.

[Remainder of Page Intentionally Blank]

WITNESS our signatures and the official seal of GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT on this day and year first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
William L. Coffindaffer	Chairman
Peggy D. Ralston	Secretary
_____	Counsel to Issuer

02.25.09
352650.00004

WITNESS our signatures and the official seal of GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT on this day and year first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Chairman
_____	Secretary
Thomas R. Michael	Counsel to Issuer

02.25.09
352650.00004

GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT

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

CERTIFICATE OF ENGINEER

I, Clay Riley, Registered Professional Engineer, West Virginia License No. 015634, of Thrasher Engineering, Inc., Clarksburg, West Virginia, hereby certify this 16th day of March, 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 Greater Harrison County Public Service District (the "Issuer") to be constructed in Harrison County, 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 March 5, 2009, as supplemented by Supplemental Resolution duly adopted by the Issuer on March 5, 2009 (collectively, the "Bond Legislation") 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 March 16, 2009 (the "Loan Agreement").

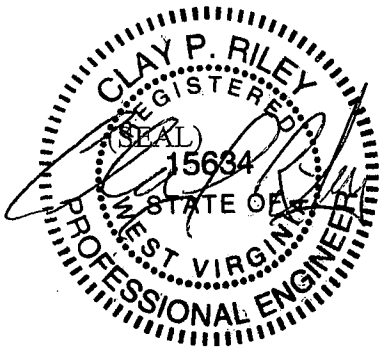
2. The Series 2009 A Bonds are being issued for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project; (ii) funding the Series 2009 A Bonds Reserve Account; and (iii) paying certain costs of issuance of the Bonds and related costs.

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, 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 (40) years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and the Issuer's counsel, Thomas R. Michael, Esquire, has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the 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, Tetrick & Bartlett, PLLC, 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.

[Remainder of Page Intentionally Blank]

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



THRASHER ENGINEERING, INC.

Clay Riley, P.E.
West Virginia License No. 015634

02.25.09
352650.00004

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL
SCHEDULE B
GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT
COUNTY ROUTE 25 WATER PROJECT

COST OF PROJECT, SOURCES OF FUNDS AND COST OF FINANCING

A. COST OF PROJECT	Total	IJDC
1. Construction		
Contract 1 (Dingess)	1,030,701.00	1,030,701.00
Add Alt #1	20,000.00	20,000.00
Contract 2 (Mid Atlantic)	481,905.00	481,905.00
2. Technical Services (Thrasher)		
a. Planning	15,000.00	15,000.00
b. Design	125,000.00	125,000.00
c. Inspection	125,000.00	125,000.00
d. Special Services	20,000.00	20,000.00
3. Legal & Fiscal		
a.Legal (Tom Michael)	15,000.00	15,000.00
b.Accounting	10,000.00	10,000.00
4 Administration	25,000.00	25,000.00
5. Sites and Other Lands	15,000.00	15,000.00
6. Miscellaneous	31,500.00	31,500.00
7. Construction Contingency	121,682.00	121,682.00
8. Total of Lines 1 through 7	2,035,788.00	2,035,788.00
B. COST OF FINANCING		
9. Capitalized Interest	0.00	
10 Funded Reserve	38,712.00	38,712.00
a. Bond Counsel (S&J)	25,000.00	25,000.00
b. Bank Registrar Fee	500.00	500.00
11. Total Cost of Financing	64,212.00	64,212.00
12. TOTAL PROJECT COST (line 8 plus line 11)	2,100,000.00	2,100,000.00
C. SOURCES OF FUNDS		
13. Federal Grants:	0.00	0.00
14. State Grants (IJDC)	600,000.00	600,000.00
15. Other Grants	0.00	
16. TOTAL GRANTS	600,000.00	600,000.00
17 Size of Bond Issue (line 12 minus line 16)	1,500,000.00	1,500,000.00

Greater Harrison County Public Service District — March 16, 2009 Date

Thrasher Engineering — March 16, 2009 Date

Tetrick & Bartlett, PLLC
Certified Public Accountants
Consultants

122 N. Oak St. • PO Box 1916 • Clarksburg, WV 26302-1916 • (304) 624-5564 • Fax: (304) 624-5582 • www.tetrickbartlett.com

March 16, 2009

Greater Harrison County Public Service District
Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

Greater Harrison County Public Service District
West Milford, 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 water rates and charges set forth in the Recommended Decision dated January 9, 2009, of the Public Service Commission of West Virginia in Case No.08-1184-PWD-30B, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Greater Harrison County 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 (i) provide for all reasonable expenses of operation, repair and maintenance of the System; (ii) to leave a balance each Fiscal year equal to at least 110% of the average annual debt service on the Water Revenue Bonds, Series 1974 (the "Series 1974 Bonds") and all payments required into all accounts created for the Series 1974 Bonds; and (iii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Series 2009 A Bonds, the Series 2004 A Bonds, the Series 2006 A Bonds and all other obligations secured by or payable from such revenues including the Series 1974 Bonds. The Series 1974 Bonds, the Series 2004 A Bonds and the Series 2006 A Bonds are collectively referred to as the "Prior Bonds."

It is further our opinion that (i) the Net Revenues for the Fiscal Year following the year in which the Series 2009 A Bonds are issued will be at least 120% of the average annual debt service on the Prior Bonds, the Series 2009 A Bonds and that (ii) 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,

Tetrick & Bartlett, PLLC

TETRICK & BARTLETT PLLC

02.25.09
352650.00004

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GREATER HARRISON COUNTY 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 Greater Harrison County Public Service District in Harrison County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of $1,500,000 Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), of the Issuer, dated March 16, 2009 (collectively, the "Bonds"), hereby certify this 16th day of March, 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 March 5, 2009 as supplemented by the Supplemental Resolution duly adopted by the Issuer on March 5, 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 March 16, 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"), the West Virginia Department of Environmental Protection (the "DEP") 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 March 16, 2009, to the Authority, pursuant to a loan agreement dated March 16, 2009, by and between the Issuer and the Authority, on behalf of the Council, for an aggregate purchase price of $1,500,000 (100% of par), at which

time, the Issuer received $246,332 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 May 1, 2010. The acquisition and construction of the Project is expected to be completed by December 1, 2009.

8. The total cost of the Project is estimated at $2,100,000. Sources and uses of funds for the Project are as follows:

SOURCES	
Proceeds of the Series 2009 A Bonds	$1,500,000
West Virginia Infrastructure Fund Grant	$600,000
Total Sources	$2,100,000
USES	
Costs of Acquisition and Construction of the Project	$2,074,500
Costs of Issuance	$25,500
Total Uses	$2,100,000

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

(1) Revenue Fund;

(2) Series 2009 A Bonds Construction Trust Fund;

(3) Series 2009 A Bonds Sinking Fund; and

(4) 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, if any, 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 Bond proceeds in the amount of $38,712 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 eight (8) 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 fourteen (14) 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 of funds or will have substantially the same claim to be paid out of substantially the same sources of funds as the Bonds.

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

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

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

[Remainder of Page Intentionally Blank]

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

GREATER HARRISON COUNTY PUBLIC
SERVICE DISTRICT

By: _____
Its: Chairman

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from which they seek appointment and that they are both persons of good moral character. It is therefore ordered that the said Melvin Clemans and Carrol Lee Crites be and they are hereby granted certificates upon which to obtain the appointment of ;the office of Notary Public.

Harry L. Bartlett Granted Minister's License

Upon application of Harry L. Bartlett, who proved to the satisfaction of the Commission that he is an ordained minister of the Light house Gospel Center, Inc., Tulsa, Oklahoma, ihois ordered that the said Harry L. Bartlett, who was ordained on the 10th day of October, 1975, be and he is hereby granted a license to solemnize the rites of marriage in all of the counties of the State of West Virginia, as provided by chapter 48,article 1, Section 12-A, of the West Virginia Code, as amended, no bond was required said Harry L. Bartlett presenting to the Commission proof of his ordination by said church.

It is ordered that the Commission be adjourned ;until Tuesday, Decembe 16th, 1975 at 10:00 o'clock

_____, President

Tuesday, December 16th, 1975

The Commission met pursuant to its adjournment on

Monday, December 15th, 1975

Present: Daniel L. McCarthy, President

James E. Boyce, Commissioner

Grant-Union Public Service District Created

STATE OF WEST VIRGINIA,

At a regular Term of the County Commission of Harrison County, West Virginia, held at the Courthouse of said County, Commissioners Daniel L. McCarthy and James E. Boyce, a majority of the members being present thereat, on the 16th day of December 1975, the following order was made and entered, to-wit:

GRANT-UNION PUBLIC SERVICE DISTRICT:

At a regular Term of the County Commission of Harrison County, held at the Courthouse of said County, Commissioners Daniel L. McCarthy and James E. Boyce, a majority of the members being present thereat, on the 16th day of December, 1975, being the date fixed by prior action of the County Commission for conducting the public hearing on the creation of the proposed Grant-Union Public Service District, as contemplated and provided for in a resolution and order adopted by the County Commission on the 10th day of November, 1975, the President announced that due publication of notice of such public hearing, in accordance with said order, had been made in the Clarksburg Exponent on Wednesday, the 3rd day of December, 1975, as appears from a Certificate of Publication tendered to the County Commission and now filed herein, such notice stating that all persons residing in or owning or having any interest in property in the area to be embraced within the boundaries of such public service district desiring to be heard for or against the creation of said District would be heard. The President further announced that the Affidavit of Rezin B. Hudkins was filed herein, setting out facts concerning the posting of notices in accordance with said order, in five (5) conspicuous places within the limits of the proposed public service district, said notices containing the same information contained in the published notice and such posted notices were posted not less than

ten (10) days prior to the date of this hearing. All such interested persons desiring to be heard were given full opportunity at the hearing held on this date, and a number of such persons testified in favor of such creation and none in opposition thereto.

The County Commission then further discussed the creation of said Public Service District, whereupon, on unanimous vote of the Commissioners, the following order and resolution was adopted, effective immediately:

ORDER AND RESOLUTION creating the Grant-Union Public Service District in Harrison County, West Virginia.

WHEREAS, the County Commission of Harrison County, West Virginia, did heretofore, by a resolution and order adopted November 10, 1975, fix a date for a public hearing on the creation of the Grant-Union Public Service District for the purpose of supplying sewerage services and facilities within the territory to the extent permitted by law, and in and by said resolution and order did provide that all persons residing in or owning or having any interest in property in the area to be embraced within the boundaries of such public service district might appear before the County Commission at this meeting and have the opportunity to be heard for and against the creation of said District; and

WHEREAS, the territory hereinafter described does not include within its limits the territory of any other public service district organized under Article 13A of Chapter 16 of the Code of West Virginia, as amended ("the Act"), which furnishes the residents within such territory or any part thereof sewerage services as defined in the Act; nor is there included within the above described territory any city, incorporated town or other municipal corporation having a population in excess of three thousand

(3,000) persons; however, there is included within the above described territory two (2) incorporated towns, namely, The Town of Lost Creek and the Town of West Milford; and

WHEREAS, notice of this hearing was duly given in the manner provided and required by said resolution and order and by Article 13A of Chapter 16 of the West Virginia Code, and all interested persons having been afforded an opportunity to be heard for and against the creation of said District, and upon the need for sewerage services described generally at the hearing, and no written protest having been filed by the requisite number of qualified voters residing within the area to be embraced within the boundaries of such public service district or otherwise, and said County Commission having given due consideration to all matters for which such hearing; and

WHEREAS, said County Commission is of opinion and hereby determines that the creation of the proposed Public Service District is feasible, and that the sewerage services proposed for said District will be conducive to the preservation of public health, comfort and convenience of persons residing within said District, and that a resolution and order creating said District should be adopted:

NOW, THEREFORE, Be It, And It Is Hereby, Ordered and Resolved by the County Commission of Harrison County, West Virginia, as follows:

I.

A Public Service District within the County of Harrison in the State of West Virginia, is hereby created, and said District shall have the following boundaries:

The Grant-Union Public Service District, hereby described as partly located in Grant, Union, Elk and Clark Magisterial Districts in Harrison County, West Virginia, and is further described as being the watershed area of West Fork River and being between the eastern divide and western divide and the area being also upstream of Clarksburg and in south central and southwest part of Harrison County and more generally described as follows:

BEGINNING at Mt. Clare Road (W. Va. Route No. 25) and River Bend Park Road (W. Va. Route No. 19/53) intersection and thence southward along the ridges and divides and the divide between West Fork River and Arnold Run watershed, 7350 feet, more or less; thence along the watershed divide between West Fork River and Elk Creek watersheds and generally following the divide (partly and mostly the eastern boundary line of Union Magisterial District) a distance of 15,000 feet, more or less; thence east to a point, a distance of 6072 feet, more or less; thence with Elk Creek for a distance of 5280 feet, more or less; thence south for a distance of 900 feet, more or less; thence South 36° 45' West for a distance of 8075 feet, more or less; thence South 6° 40' West for a distance of 950 feet, more or less to a point on the western boundary of Grant Magisterial District; thence southward along said boundary for a distance of approximately 48,000 feet, more or less, to the southern boundary line of Harrison County at the Harrison, Lewis, Upshur County common boundary corner; thence, approximately 14,230 feet westward with the Harrison-Lewis County line to the watershed divide between McKenny Creek and Lost Creek watersheds and continues 16,000 feet, more or less, along this divide to the gap on W. Va. Route No. 25 south of the Town of Lost Creek; thence 4500 feet, more or less, along the watershed divide between McKenny Run and Dick Run; thence 9000 feet, more or less, along the watershed divide between McKenny Run and Vens Run (tributaries of Hackers Creek) to the south county line; thence with south Harrison County line, crossing Hackers Creek and West Fork River to the southwest corner of Harrison County, a distance of 68,000 feet, more or less; thence following the meanderings of the west county line which is also a watershed divide, to the headwaters of Isaac Creek (east of Big Isaac) of West Fork River watershed approximately 32,500 feet, more or less; thence 46,500 feet, more or less, to and along the divide between the Tenmile Creek watershed and the headwaters of Buffalo Creek, Sycamore Creek and their tributaries to the common corner of Coal, Tenmile and Union Magisterial Districts; thence along the watershed divide between Simpson Creek and the headwaters of Coburns Run, Davisson Run and Washburncamp Run to the eastern watershed

divide of Davisson Run, a distance of 26,000 feet, more or less; thence 6100 feet, more or less, down along the divide to W. Va. U. S. Route No. 19 and following northside of State Route No. 19, 1500 feet, more or less, to City of Clarksburg near river bend; thence upstream of the West Fork River approximately 3200 feet to the Baltimore and Ohio river bridge; thence with the city boundary to the River Bend Park Road W. Va. Route No. 19/53 and along State Route No. 19/53 to W. Va. Route No. 25, 650 feet, more or less, and the place of beginning, containing 100 square miles, more or less, as shown and designated on a map or plat entitled Grant-Union Public Service District, Harrison County, West Virginia, Cerrone & Vaughn, Inc. Engineers.

II.

Said Public Service District shall have the name and corporate title of GRANT-UNION PUBLIC SERVICE DISTRICT, and shall constitute a public corporation and political subdivision of the State of West Virginia with the right to construct, maintain, operate, improve and extend sewerage services and facilities within the territory, for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, to the extent permitted by law, having all the rights and powers conferred on public service districts by the laws of the State of West Virginia, and particularly by Article 13A of Chapter 16 of the West Virginia Code.

III.

There being no city, incorporated town or other municipal corporation having a population in excess of three thousand (3,000) persons included within said District, the County Commission hereby appoints the following three (3) persons residing within said District as members of the Public Service Board of said District for the terms shown after their names:

Rezin B. Hudkins - six (6) years,
Alfred H. Norman, - four (4) years,
Hugus Evans - two (2) years,

such terms to run from the 1st day of December, 1975, all in accordance with the provisions of West Virginia Code, Chapter 16, Article 13A, Section 3. Said members shall qualify by meeting in the Office of the Clerk of the County Commission as soon as practicable and taking an oath of office, and shall thereafter meet as said Board and organize, pursuant to the provisions of said Statute.

ENTER this 16th day of December, 1975.

COUNTY COMMISSION OF HARRISON COUNTY,
WEST VIRGINIA

By James E. Boyce
James E. Boyce, County Commissioner

By Daniel L. McCarthy
Daniel L. McCarthy, County Commissioner

STATE OF WEST VIRGINIA,

County of Harrison:

I, FRANK J. MAXWELL, JR., Clerk of the Harrison County Commission do hereby certify that the foregoing writing is a true and accurate copy as appears of record in my office in General Order Book No. 47 at Page 625 of said records.

Given under my hand and Seal of said Office this 5 day of July 19 84

Clerk, Harrison County Commission

4-15-97
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BEFORE THE COUNTY COMMISSION OF HARRISON COUNTY

A RESOLUTION AND ORDER PROPOSING CHANGING THE NAME OF GRANT UNION PUBLIC SERVICE DISTRICT TO GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT AND THE MERGER OF LOST CREEK-MT. CLARE PUBLIC SERVICE DISTRICT AND VALLEY OF GOOD HOPE PUBLIC SERVICE DISTRICT INTO GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT (FORMERLY GRANT UNION PUBLIC SERVICE DISTRICT) AND THE ENLARGEMENT OF THE SEWER SERVICE AUTHORITY OF GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT AND FIXING A DATE OF HEARING ON THE PROPOSED NAME CHANGE, MERGER AND ENLARGEMENT AND PROVIDING FOR NOTICE OF SUCH HEARING

WHEREAS, the County Commission of Harrison County deems it necessary and desirable to consolidate, where practicable, the public service districts in Harrison County to provide both better and more cost-effective service to the residents of the County;

WHEREAS, pursuant to the provisions of Article 13A, Chapter 16 of the West Virginia Code, the Harrison County Commission is empowered to, upon its own motion by order duly adopted, propose consolidation and enlargement of public service districts located within the County in order to preserve the public health, comfort and convenience of the areas within the public service districts;

WHEREAS, the Public Service Commission of West Virginia has recommended the expansion of Grant Union Public Service District to provide sewer service to those portions of Harrison County not presently provided with sewer service and the County Commission of Harrison County deems it desirable to change the name of Grant Union Public Service District to Greater Harrison County Public Service District (hereinafter, Greater Harrison County Public Service District shall refer to the former Grant Union Public Service District);

WHEREAS, the Public Service Commission of West Virginia has recommended the merger of Lost Creek-Mt. Clare Public Service District and Valley of Good Hope Public Service District into Greater Harrison County Public Service District and the enlargement of the sewer service authority of Greater Harrison County Public Service District to include all areas within Harrison County not provided sewer service by another public service district or incorporated municipality; and,

WHEREAS, the Harrison County Commission, after considerable deliberation, has decided that the proposed merger of Lost Creek-Mt. Clare Public Service District and Valley of Good Hope Public Service District into Greater Harrison County Public Service District, and the enlargement of the sewer authority of Greater Harrison County Public Service District to include all areas within Harrison County not provided sewer service by another public service district or

incorporated municipality, subject to the approval of the Public Service Commission of West Virginia and the agreement of the bondholders of the Districts, is necessary for the preservation of the public health, comfort and convenience for the areas presently served and proposed to be served by the said Districts.

NOW, THEREFORE, BE IT, AND IT IS, HEREBY, RESOLVED AND ORDERED by the County Commission of Harrison County as follows:

1. That the County Commission of Harrison County, West Virginia, upon its own motion, subject to the approval of the Public Service Commission of West Virginia, hereby proposes that the name of Grant Union Public Service District be changed to Greater Harrison County Public Service District.

2. That the County Commission of Harrison County, West Virginia, upon its own motion, subject to the approval of the Public Service Commission of West Virginia and the agreement of the bondholders of the Districts, proposes the merger of Lost Creek-Mt. Clare Public Service District and Valley of Good Hope Public Service District into Greater Harrison County Public Service District. The presently existing public service districts are particularly defined as the following areas:

GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT
(FORMERLY GRANT UNION PUBLIC SERVICE DISTRICT)

BEGINNING at Mt. Clare Road (WV Route No. 25) and River Bend Park Road (WV Route No. 19/53)intersection;

THENCE southward along the ridges and divides and the divide between West Fork River and Arnold Run watershed, 7350 feet, more or less;

THENCE along watershed divide between West Fork River and Elk Creek watersheds and generally following the divide (partly and mostly the eastern boundary line of Union Magisterial District) a distance of 15,000 feet, more or less;

THENCE East to a point, a distance of 6072 feet, more or less;

THENCE with Elk Creek for a distance of 5280 feet, more or less;

THENCE South for a distance of 900 feet, more or less;

THENCE South 36° 45' West for a distance of 8075 feet, more or less;

THENCE South 6° 40' West for a distance of 950 feet, more or less, to a point on the western boundary of Grant Magisterial District;

THENCE southward along said boundary for a distance of approximately 48,000 feet, more or less, to the southern boundary line of Harrison County at the Harrison-Lewis-Upshur County common boundary corner;

THENCE approximately 14,230 feet westward with the Harrison-Lewis County line to the watershed divide between McKenney Creek and Lost Creek watersheds and continues 16,000 feet, more or less, along this divide to the gap on WV Route No. 25 south of the Town of Lost Creek;

THENCE 4500 feet, more or less, along the watershed divide between McKenny Run and Dick Run;

THENCE 9000 feet, more or less, along the watershed divide between McKenny Run and Vens Run (tributaries of Hackers Creek) to the south county line;

THENCE with the south Harrison County line, crossing Hackers Creek and West Fork River to the southwest corner of Harrison County, a distance of 68,000 feet, more or less;

THENCE following the meandering of the west county line which is also a watershed divide, to the headwaters of Isaac Creek (east of Big Isaac) of West Fork River watershed approximately 32,500 feet, more or less;

THENCE 46,500 feet, more or less, to and along the divide between the Tenmile Creek watershed and the headwaters of Buffalo Creek, Sycamore Creek and their tributaries to the common corner or Coal, Tenmile, and Union Magisterial Districts;

THENCE along the watershed divide between Simpson Creek and the headwaters of Coburns Run, Davison Run and Washburncamp Run to the eastern watershed divide of Davison Run, a distance of 26,000 feet, more or less;

THENCE 6100 feet, more or less, down along the divide to WV US Route No 19 and following north side of State Route No. 19, 1500 feet, more or less, to City of Clarksburg near river bend;

THENCE upstream of the West Fork River approximately 3200 feet to the Baltimore and Ohio railroad bridge;

THENCE with the city boundary to the River Bend Park Road WV Route No. 19/53 and along State Route No. 19/53 to WV Route No. 25, 650 feet, more or less, and the place of beginning, containing 100 square miles, more or less.

LOST CREEK-MT. CLARE PUBLIC SERVICE DISTRICT

BEGINNING at a point on the east bank of the West Fork River, which point has the coordinate North 39° 14' 38" and West 80° 21' 29";

THENCE leaving the river due East 0.54 miles to a point on the Clark-Grant Magisterial District line;

THENCE with that line in a southeasterly direction 2.46 miles to a point;

THENCE due East 1.15 miles to a point on the west bank of Elk Creek;

THENCE up Elk Creek 1.0 miles to a point;

THENCE due South 0.17 miles to a point;

THENCE South 36° 45' West 1.53 miles to a point;

THENCE South 6° 40' West 0.18 miles to a point on the Elk-Grant Magisterial District line;

THENCE with that line 7.66 miles to the Harrison-Lewis-Upshur County common corner;

THENCE with the Harrison-Lewis County line in a northwesterly direction 3.65 miles to a point on a ridge;

THENCE with that ridge line in a westerly direction 2.04 mile to a point;

THENCE North 20° 30' West 0.63 miles to a point on a ridge one;

THENCE with the ridge line, which divides the watershed between Hackers Creek and Duck Creek in a northwesterly direction 5.45 miles to a point on the boundary of the Valley of Good Hope Public Service District;

THENCE with four lines of the Valley of Good Hope Public Service District boundary,

North 19° 45 East 0.47 miles to a point;

North 61° 20' East 0.64 miles to a point;

North 49° 20' East 0.34 miles to a point;

Due North 0.34 miles to a point on the Grant-Union Magisterial District line;

THENCE with that line in a northeasterly direction 8.06 miles to a point on the south bank of the West Fork River;

THENCE with the south bank down river 1.63 miles to the beginning.

Included with the district is a strip of land between the west bank of the West Fork River and a point 100 feet southwest of the Lost Creek-Mt. Clare main water transmission line and extending from the Lost Creek-Mt. Clare master meter in a southeasterly

direction and parallel with the main transmission line 1.39 miles to a point where the main line crosses the river.

VALLEY OF GOOD HOPE PUBLIC SERVICE DISTRICT

BEGINNING at a point in the center of the West Fork River, which point is the common corner between the Grant, Union and Clark Magisterial Districts;

THENCE in a northwesterly direction with the Clark-Union Magisterial District boundary line and with the southwestern boundary of the Country Club Addition Public Service District 1.28 miles to a point in the center of US Route 19;

THENCE with US Route 19 North 0.98 miles to a point;

THENCE leaving the highway North 28° West 0.38 miles to a point on the southern boundary of the Sun Valley Public Service District;

THENCE with the Sun Valley Public Service District boundary South 65° West 1.19 miles to a point on the Clark-Union Magisterial District line;

THENCE leaving the Clark-Union Magisterial District line and the Sun Valley Public Service District South 40° 50' West 1.87 miles to a point;

THENCE South 48° West 2.23 miles to a point;

THENCE South 2° 20' East 1.97 miles to a point;

THENCE South 20° 30' West 1.37 miles to a point;

THENCE South 41° 40' East 1.61 miles to a point in the center of the West Fork River;

THENCE down river 0.83 miles to a point;

THENCE leaving the river South 67° East 0.23 miles to a point in the center of Hackers Creek;

THENCE with Hackers Creek 0.45 miles to a point which point is the center of US Route 19;

THENCE leaving Hackers Creek North 59° East 1.07 miles to a point on the ridge which point is on the western boundary of the Lost Creek-Mount Clare Public Service District;

THENCE with the Lost Creek-Mount Clare Public Service District boundary and with the ridge line in a northwestern direction 2.01 miles to a point;

THENCE North 19° 45' East 0.47 miles to a point in the center line of the West Fork River;

THENCE North 61° 20' East 0.64 miles to a point in the center line of the West Fork River;

THENCE North 49° 20' East 0.34 miles to a point;

THENCE Due North 0.34 miles to a point in the center of the West Fork River which is on the Grant-Union Magisterial District line;

THENCE with the Grant-Union Magisterial District line 8.06 miles to the beginning containing 23.91 square miles.

Following the merger, the water service area of the newly created Greater Harrison County Public Service District shall be particularly defined as follows:

PROPOSED MERGER OF GREATER HARRISON COUNTY, LOST CREEK-MT. CLARE AND VALLEY OF GOOD HOPE PUBLIC SERVICE DISTRICTS

BEGINNING at a point between Highway 19/15 (Country Club Road) and the West Fork River at latitude 39° 15' and longitude 80° 22' 30";

THENCE due East with said latitude 39° 15' parallel line 9,300 feet to a point between two ridge tops;

THENCE South 14° East 9,200 feet to a point on a ridge top;

THENCE due East 7,800 feet to a point in the center of Elk Creek, also being a point in the Quiet Dell Public Service District boundary line (as amended 6/93);

THENCE in a southerly direction running upstream with Elk Creek and said common boundary line of Quiet Dell Public Service District 3,200 feet to the intersection of Zachs Run and Elk Creek;

THENCE continuing in a southerly direction upstream with Elk Creek and said common boundary line 8,000 feet to a point;

THENCE with said common boundary line South 3° 02' West 3,100 feet to a point on top of a ridge;

THENCE with said common boundary line South 25° 48' West 3,200 feet to a point on top of a ridge;

THENCE with said common boundary line South 37° 12' West 5,800 feet to a point on top of a ridge;

THENCE with said common boundary line South 26° 03' East 4,200 feet to a point on top of a ridge;

THENCE with said common boundary line South 67° 50' East 2,900 feet to a point on top of a ridge;

THENCE with said common boundary line South 86° 41' East 7,300 feet to a point on top of a ridge;

THENCE with said common boundary line South 74° 45' East 5,100 feet to a point in the center line of Highway Route 20;

THENCE leaving said common boundary line of Quiet Dell Public Service District South 21° East 3.3 miles to the intersecting corner of the Barbour-Harrison-Upshur County lines;

THENCE running westerly with the Harrison-Upshur County line 4.5 miles to the intersecting corner of the Harrison-Lewis County lines;

THENCE running westerly with the Harrison-Lewis County line 4.3 miles to a point on McKenney Run;

THENCE due West 6,700 feet to a point at the intersection of McKenney Run and Highway Route 25, also being the point of a master meter connection with Jane Lew Public Service District;

THENCE due North 1,900 feet to a point in the Harrison-Lewis County lines;

THENCE running westerly with said county lines 3 miles to a point intersecting the West Fork River;

THENCE continuing westerly with the meanders of the Harrison-Lewis County line 9.5 miles to the intersecting corner of the Doddridge-Harrison-Lewis County lines;

THENCE running northerly with the meanders of the Doddridge-Harrison County line, 14 miles to a point on the latitude 39° 15' parallel line near Highway Route 29;

THENCE due East with said parallel line 2.8 miles to a point on a ridge at Longitude 80° 31';

THENCE North 37° East 2.6 miles to a point in Highway Route 31, said point being the common boundary corner with Sun Valley Public Service District;

THENCE, with said common boundary line of Sun Valley Public Service District South 59° 30' East 1.7 miles to a point at the intersection of Highway Route 33/2 and Route 33 (Sycamore Road);

THENCE easterly with said common boundary line of Sun Valley Public Service District and the Union-Clark Magisterial district line 10,450 feet, more or less, to a point on a ridge;

THENCE leaving said Union-Clark Magisterial district line North 61° 50' East 6,200 feet to a point in said common boundary line of Sun Valley Public Service District;

THENCE leaving said common boundary line of Sun Valley Public Service District South 16° East 6,200 feet to the point of beginning, containing approximately 131 square miles, as shown upon a map prepared by the West Virginia Public Service Commission, Public Service District Division, dated January 1996, entitled "Proposed Consolidation of Grant Union, Valley of Good Hope, and Lost Creek-Mt. Clare Public Service Districts".

3. That the County Commission of Harrison County, West Virginia, upon its own motion, subject to the approval of the Public Service Commission of West Virginia, proposes the expansion of the sewer authority of the newly created Greater Harrison County Public Service District to include all areas within Harrison County not served by another public service district or incorporated municipality, particularly defined as the following areas:

PROPOSED ENLARGEMENT OF GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT

The Greater Harrison County Public Service District sewer service area as enlarged shall be described as all the area encompassing the County of Harrison except the following service areas:

East View Public Service District
Enlarged Hepzibah Public Service District
Lake Floyd Public Service District
Lumberport Public Service District
Mt. Clare Public Service District
Summit Park Public Service District
Sun Valley Public Service District
Jane Lew Public Service District
Town of Anmoore
City of Bridgeport
City of Clarksburg
Town of Nutter Fort
City of Salem
City of Shinnston
Town of Stonewood
Town of West Milford

Specifically described hereinafter:

EAST VIEW PUBLIC SERVICE DISTRICT

BEGINNING at a point (#1) where the most westerly Corporation limit of Anmoore crosses WV Secondary Highway 23;

THENCE with the Corporation line of Anmoore in a southerly direction approximately 400 ft. to point (#2) where said Corporation limit crosses the Baltimore & Ohio Railroad tracks;

THENCE leaving the Corporation line of Anmoore along a ridge in a southwesterly direction 1500 feet to a point (#3) on the ridge;

THENCE along said ridge approximately 6000 feet to a point (#4) on the most easterly Corporation limit of the City of Clarksburg;

THENCE along said Corporation limit in a northerly direction approximately 3000 feet to a point (#5);

THENCE leaving the Corporation line of Clarksburg along a ridge in a easterly direction approximately 6000 feet to a point (#6) of intersection between a pipeline and a power line;

THENCE along the same ridge in a southerly direction approximately 5300 feet to a point (#7) on the northern Corporation line of the Town of Anmoore;

THENCE following said Corporation line in a westerly direction 500 feet to the northwest corner of the corporation line to point (#8) of the Town of Anmoore;

THENCE following said Corporation line in a southerly direction 300 feet to place of beginning.

ENLARGED HEPZIBAH PUBLIC SERVICE DISTRICT

BEGINNING at the Corporate limits of the City of Clarksburg at a point on said US Route No. 19;

THENCE in a northerly direction along said US Route No. 19 to the intersection of the Crooked Run Road designated as being State Route No. 19/10;

THENCE in a northwesterly direction along said Crooked Run Road, State Route 19/10, to the Harrison County Coal-Eagle Magisterial District Line;

THENCE in a northerly direction along said Coal-Eagle Magisterial District line to its point of intersection with the Baltimore and Ohio Railroad Company Tracks;

THENCE in a northerly direction along said railroad tracks to a point which is due West from the southern limits of the Town of Gypsy (to include all of the Town of Hughs):

THENCE due East to the West Fork River;

THENCE in a southerly direction along said West Fork River to the intersection of said River and the common intersection of Eagle, Clay, and Simpson Magisterial District lines;

THENCE in an easterly direction along Simpson District northerly boundary to the centerline intersection of said boundary and State Route 24/11;

THENCE south 10° East 14,780 ± to northern right-of-way line of Federal Route I-79;

THENCE along said right-of-way line in a westerly direction 3,300 feet ± to centerline of Simpson Creek;

THENCE along centerline of Simpson Creek and 1,000 feet distant south thereof meandering in a general north westerly direction to the intersection of a telephone cable right-of-way;

THENCE in a southerly direction along said telephone line to an angle point in said telephone line, said angle point being due East from the Northern limits of the Town of Hepzibah;

THENCE due West to a point in the West Fork River;

THENCE in a southerly direction along the meandering of said West Fork River to the Corporate line of the City of Clarksburg, West Virginia;

THENCE in a westerly direction along said Corporation line to the point of beginning.

LAKE FLOYD PUBLIC SERVICE DISTRICT

BEGINNING at the intersection of State Route 50/8, commonly known as Hall's Run Road and the westerly side of controlled access right-of-way of United States Route 50 and running;

THENCE South 64° 30' East 370 feet to a stake;
THENCE South 33° 40' West 630 feet to a stake;
THENCE South 61° 30' West 521 feet to a stake;
THENCE South 58° 00' West 2,543 feet to a stake;
THENCE South 30° 15' West 879 feet to a stake;
THENCE South 38° 11' West 1,289 feet to a stake;
THENCE North 39° 30' West 635 feet to a stake;
THENCE North 31° 40' East 730 feet to a stake;

THENCE North 45° 23' East 148 feet to a stake;
THENCE North 25° 23' East 225 feet to a stake;
THENCE North 10° 14' East 478 feet to a stake;
THENCE North 13° 30' East 422 feet to a stake;
THENCE North 53° 41' East 831 feet to a stake;
THENCE North 42° 52' East 441 feet to a stake;
THENCE North 68° 35' East 785 feet to a stake;
THENCE North 48° 51' East 485 feet to a stake;
THENCE North 23° 57' East 235 feet to a stake;
THENCE North 73° 40' East 479 feet to a stake;
THENCE North 85° 46' East 128 feet to a stake;
THENCE North 74° 30' East 720 feet to a stake;
THENCE South 15° 30' East 250 feet to the place of beginning.

LUMBERPORT AREA PUBLIC SERVICE DISTRICT

BEGINNING at a point in the center of Tenmile Creek (said point being a corner to the Short Line Public Service District which corner bears North 62° 30' West 260 feet ± to the Chessie System Railroad tracks);

THENCE with a boundary line of the Short Line Public Service District North 62° 30' West 1,950 feet ± to a point;

THENCE leaving the Short Line Public Service District boundary North 1° 20' West 3,050 feet ± to the top of a ridge (elevation 1346');

THENCE North 37° 50' East 6,000 feet to a point which is 380 feet ± due west of Jack Run Road;

THENCE South 45° 30' East 2,150 feet ± to the top of a ridge;

THENCE South 55° 30' East 1,700 feet ± to a point in the center of the Lumberport-Haywood Bridge and being the center of Tenmile Creek;

THENCE with the meanders of Tenmile Creek downstream in a northeast direction 6,900 feet ± to a point in the boundary line of the Haywood Public Service District (said boundary line being the same line that divides Eagle and Clay Magisterial Districts);

THENCE with the Eagle and Clay Magisterial District line and the Haywood Public Service District boundary line in a southwesterly direction 5,400 feet ± to a point in the center of Tenmile Creek;

THENCE downstream with the meanders of Tenmile Creek in a westerly direction 2,240 feet ± to a point in the Lumberport corporation line;

THENCE with the Lumberport corporation line in a southwesterly direction 3,200 feet ± to a point in the center of Tenmile Creek;

THENCE upstream with the meanders of Tenmile Creek 5,450 feet ± to the point of beginning, containing 1,167 acres.

MT. CLARE ROAD PUBLIC SERVICE DISTRICT

BEGINNING at a point on the intersection of Arnold's Run and the northerly right-of-way line of West Virginia Secondary Route 25, said point being located on the corporation line of the City of Clarksburg;

THENCE with said northerly right-of-way line of West Virginia Secondary Route 25 at the centerline of the B & O Railroad track south to a point southwest of the intersection of said West Virginia Secondary Route 25 and West Virginia Secondary Route 25/17;

THENCE in a straight line, northeast to a point located 250.00 feet west of the centerline of Bassel Street;

THENCE with five new lines, 250.00 feet west of and parallel to said Bassel Street in a southerly direction, a distance of 660.00 feet to a point;

THENCE with a line perpendicular to said Bassel Street, northeast to a point located on the easterly right-of-way line of said Bassel Street;

THENCE with said easterly right-of-way line Bassel Street, northwest to a point located on the southerly right-of-way line of Poplar Street;

THENCE leaving said right-of-way of Bassel Street and with said southerly right-of-way line of Poplar Street, northeast 630.00 feet to a point;

THENCE with a line perpendicular to said Poplar Street, northwest to a point located on the original boundary line of said Mount Clare Road Public Service District;

THENCE with a line 600.00 feet east of said West Virginia Secondary Route 25, northeast to a point located 250.00 feet south of West Virginia Secondary Route 25/27;

THENCE with 4 new lines, 250.00 feet south of and parallel to said West Virginia Secondary Route 25/27, southeast crossing Doll Run 957.00 feet to a point;

THENCE North 52° 04' 14" East, a distance of 975.00 feet to a point;

THENCE North 30° 25' 00" West, a distance of 782.00 feet to a point located 340.00 feet east of Cherry Street;

THENCE with a line 340.00 feet east and parallel to said Cherry Street, northwest to a point located on the original boundary line of said Mount Clare Road Public Service District on the east property line of Custer Addition;

THENCE north with said Custer Addition and 600.00 feet east and south of said West Virginia Secondary Route 25 to a point located in the center of said Arnold's Run;

THENCE with said Arnold's Run northwest to the POINT OF BEGINNING, as shown on a map attached hereto and made a part of this description prepared by Thrasher Engineering, Inc. entitled "Map Showing Revised Boundaries of the Mount Clare Road Public Service District" dated January, 1997.

SUMMIT PARK PUBLIC SERVICE DISTRICT

BEGINNING at a point in the Clarksburg Corporation Line, a point in the center of Murphy's Run on the north side of US Route 50;

THENCE with four lines of the said Corporation Line

North 1° West 450 feet,

North 81° West 1400 feet, to a point on the east right-of-way line of Pinnickinnick Street;

THENCE with two lines of said Pinnickinnick Street right-of-way line and Clarksburg Line

North 18° East 900 feet,

North 24° West 900 feet;

THENCE leaving said Pinnickinnick Street right-of-way line and Clarksburg Corporation Line North 48° West 1000 feet to a point on the top of the ridge;

THENCE with 12 lines along the top of the ridge;

North 5° West 2400 feet;
South 86° East 2400 feet;
South 58° East 1200 feet;
North 51° East 1000 feet;
North 14° West 700 feet;
North 23° East 600 feet;
North 31° East 900 feet;
South 51° East 1000 feet;
North 81° East 1000 feet;
North 53° East 1300 feet;
South 57° East 1200 feet;
South 43° East 2000 feet;

THENCE South 59° West 3900 feet to a centerline of the Baltimore and Ohio Railroad;

THENCE with the centerline of the railroad South 22° West 1050 feet;

THENCE leaving said railroad centerline South 52° East 2150 feet to the top of the ridge;

THENCE with the top of the ridge South 66° East 1250 feet to a point;

THENCE South 1150 feet to a point;

THENCE with a line approximately parallel with US Route 50, South 89° West 6000 feet to the beginning, containing 1010.56 acres.

SUN VALLEY PUBLIC SERVICE DISTRICT

BEGINNING at a point, it being the Northwesterly corner to the corporation line of the City of Clarksburg, Harrison County, West Virginia, having a latitude North 39° 17' 51" and longitude West 80° 22' 07";

THENCE with the corporate line of the City of Clarksburg South 23° 20' East 0.33 miles (1,742 feet), more or less, to the center of Old US Route No. 50 now Secondary State Route No. 11;

THENCE continuing with said corporate limits South 6° 20' West 3,400 feet, more or less, to a point in the District line between Clark and Coal Magisterial Districts;

THENCE with said District line in a westerly direction 1,100 feet to a point;

THENCE leaving said District line South 46° 10' West 4,200 feet to a point;

THENCE South 32° 05' East 2,300 feet to a point;

THENCE South 61° 50' West 10,450 feet, more or less, to the line between the Union and Clark Magisterial Districts;

THENCE with the Magisterial District line 3.7 miles (19,536 feet), more or less, to the intersection of West Virginia State Secondary Routes 33/2 and 33;

THENCE North 59° 30' West 1.7 miles (8,976 feet) to a point in the center of West Virginia State Route 31;

THENCE with State Route 31 crossing US Route 50 North 37° 10' East 1.0 mile (5,280 feet) to a point in West Virginia Secondary Route 5/14;

THENCE East 0.90 mile (4,752 feet) to the Magisterial District line between Ten Mile and Clark Magisterial Districts;

THENCE with said District line 1.7 miles (8,976 feet), more or less, to a point having a latitude of North 39° 18' 15" and longitude West 80° 26' 16";

THENCE East 2.6 miles (13,728 feet);

THENCE South 63° 00' East 1.4 mile (7,392 feet) to a place of beginning, containing an area of 15.06 square miles.

JANE LEW PUBLIC SERVICE DISTRICT

BEGINNING at a point on the county line between Harrison County and Lewis County, said point being on the watershed divide between McKenney Creek and Lost Creek watersheds at latitude 39° 6' 52" and longitude 80° 20' 55";

THENCE 16,000 feet, more or less, in a northeasterly direction along said watershed divide to the gap on WV Route 25 south of the Town of Lost Creek;

THENCE 4,500 feet, more or less, along the watershed divide between McKenny Run and Dick Run;

THENCE 9,000 feet, more or less, along the watershed divide between McKenny Run and Vens Run (tributaries of Hackers Creek) to the Lewis County and Harrison County line;

THENCE following said county line in an easterly direction 19,500 feet, more or less, to the point of beginning.

MUNICIPAL CORPORATIONS

The sewer service area of the municipal corporations of Anmoore, Bridgeport, Clarksburg, Nutter Fork, Salem, Shinnston, Stonewood, and West Milford shall be described as the area encompassing the corporate boundaries of said municipalities and areas outside of the corporate boundaries currently served by existing municipal sewer lines.

4. That on April 15, 1997, at the hour of 10:00 o'clock a.m./p.m., the Harrison County Commission shall meet in the Harrison County Courthouse at Clarksburg, West Virginia, for the purpose of conducting a public hearing on the proposed change of the name of Grant Union Public Service District to Greater Harrison County Public Service District, the merger of Lost Creek-Mt. Clare Public Service District and Valley of Good Hope Public Service District into Greater Harrison County Public Service District, subject to the approval of the Public Service Commission of West Virginia and the agreement of the bondholders of the Districts, and the enlargement of the sewer authority of Greater Harrison County Public Service District to include all areas within Harrison County not served by another public service district or incorporated municipality, at which time and place all persons residing in or owning or having any interest in property in the territory of the Grant Union Public Service District, Lost Creek-Mt. Clare Public Service District and Valley of Good Hope Public Service district or in the territory of the proposed expansion of the sewer service authority of Greater Harrison County Public Service District may appear before this County Commission and shall be provided an opportunity to be heard for or against the proposal.

5. That the Clerk of the Harrison County Commission shall cause notice of the hearing and a description of all of the territory of Grant Union Public Service District, Lost Creek-Mt. Clare Public Service District, Valley of Good Hope Public Service District and the proposed expansion of the sewer service authority of Greater Harrison County Public Service District to be published as a Class I legal advertisement at least ten (10) days prior to the hearing.

6. That the Clerk of the Harrison County Commission shall cause a notice of the hearing and description of the territory of Grant Union Public Service District, Lost Creek-Mt. Clare Public Service District and Valley of Good Hope Public Service District and the proposed expansion of the sewer service authority of Greater Harrison County Public Service District to be posted in at least five (5) conspicuous places within the territory of Grant Union Public Service District, Lost Creek-Mt. Clare Public Service District, Valley of Good-Hope Public Service District and the proposed expanded sewer service area of Greater Harrison County Public Service District.

Public Service District into Greater Harrison County Public Service District; and the enlargement of the sewer authority of Greater Harrison County Public Service District to include all areas within Harrison County not provided sewer service by another public service district or incorporated municipality, but no written protest has been filed by the requisite number of qualified voters registered and residing within the existing boundaries of the Districts, and said County Commission has given due consideration to all matters for which such hearing was offered;

WHEREAS, it is now deemed desirous by said County Commission to adopt a Resolution and Order, subject to the approval of the Public Service Commission of West Virginia and the bondholders of the Districts (as necessary), changing the name of Grant Union Public Service District to Greater Harrison County Public Service District, and enlarging the sewer authority of Greater Harrison County Public Service District to include all areas within Harrison County not provided sewer service by another public service district or incorporated municipality, for the preservation of the public health, comfort, and convenience for the areas presently served by the District; and

WHEREAS, it is now deemed desirous by said County Commission that the proposed merger of Lost Creek-Mt. Clare Public Service District and Valley of Good Hope Public Service District into Greater Harrison County Public Service District be taken under advisement by this Commission for further consideration and review.

NOW, THEREFORE, BE IT, AND IT IS, HEREBY, RESOLVED AND ORDERED by the County Commission of Harrison County as follows:

1. That the County Commission of Harrison County, West Virginia, upon its own motion, subject to the approval of the Public Service Commission of West Virginia, and the bondholders of the District (as necessary) hereby changes the name of Grant Union Public Service District to Greater Harrison County Public Service District.

2. That the County Commission of Harrison County, West Virginia, upon its own motion, subject to the approval of the Public Service Commission of West Virginia and the bondholders of the District (as necessary), expands the sewer authority of the Greater Harrison County Public Service District to include all areas within Harrison County not served by another public service district or incorporated municipality, particularly defined as the following areas:

7. That the Clerk of the County Commission shall cause a copy of this Resolution and Order to be filed with the Executive Secretary of the Public Service Commission of West Virginia not less than ten (10) days prior to the hearing set forth herein.

By the Order of the Harrison County Commission this day 20th of March, 1997.

HARRISON COUNTY COMMISSION

Thomas A. Tuckey
PRESIDENT

COMMISSIONER

COMMISSIONER

ATTEST:

CLERK

RESOLUTION.01

STATE OF WEST VIRGINIA,

COUNTY OF HARRISON, TO-WIT:

I, SYLVIA BASILE, Clerk of the County Commission of Harrison County, West Virginia, do hereby certify that the foregoing is a true copy of the order entered in the above styled action on the 20th day of March, 1997.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Seal of this Commission, this the 20th day of March, 19 97.

Sylvia Basile

Clerk of the County Commission of
Harrison County, West Virginia

BEFORE THE COUNTY COMMISSION OF HARRISON COUNTY

A RESOLUTION AND ORDER CHANGING THE NAME OF GRANT UNION PUBLIC SERVICE DISTRICT TO GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT AND ENLARGING THE SEWER SERVICE AUTHORITY OF GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT

WHEREAS, the County Commission of Harrison County, West Virginia, did heretofore, by Resolution and Order adopted on March 20, 1997, propose the name change of Grant Union Public Service District to Greater Harrison County Public Service District; the merger of Lost Creek-Mt. Clare Public Service District and Valley of Good Hope Public Service District into Greater Harrison County Public Service District and the enlargement of the sewer service authority of Greater Harrison County Public Service District to include all areas within Harrison County not provided sewer service by another public service district or incorporated municipality; and,

WHEREAS, by said March 20, 1997, Resolution and Order, the Harrison County Commission did set a hearing on the proposed change of the name of the Grant Union Public Service District to Greater Harrison County Public Service District; the merger of Lost Creek-Mt. Clare Public Service District and Valley of Good Hope Public Service District into Greater Harrison County Public Service District; and the enlargement of the sewer authority of Greater Harrison County Public Service District to include all areas within Harrison County not provided sewer service by another public service district or incorporated municipality, required notice of said hearing be given by Class I legal publication in Harrison County and by posting of notice in at least five (5) conspicuous places within the territory of each of the respective districts, and required the Clerk of the Harrison County Commission to cause a copy of the Resolution and Order to be filed with the Executive Secretary of the Public Service Commission;

WHEREAS, following the adoption of the aforementioned Resolution and Order on March 20, 1997, the County Commission of Harrison County discovered that the aforementioned resolution erroneously excluded the Town of West Milford from the enlarged sewer service authority area of the Greater Harrison County Public Service District. The Town of West Milford is presently included in the sewer service area of Grant Union Public Service District. Accordingly, upon the creation of Greater Harrison County Public Service District, the Town of West Milford will necessarily be included in the sewer service authority area of Greater Harrison County Public Service District. This Resolution and Order properly reflects that the Town of West Milford is included within the sewer service authority area of Greater Harrison County Public Service District.

WHEREAS, notice of the April 15, 1997, hearing has been given in the manner provided and required by said Resolution and Order and by West Virginia Code § 16-13A-2, and all interested parties have been afforded an opportunity of being heard for and against the change of the name of Grant Union Public Service District to Greater Harrison County Public Service District; the merger of Lost Creek-Mt. Clare Public Service District and Valley of Good Hope

ENLARGEMENT OF GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT

The Greater Harrison County Public Service District sewer service area as enlarged shall be described as all the area encompassing the County of Harrison except the following service areas:

East View Public Service District
Enlarged Hepzibah Public Service District
Lake Floyd Public Service District
Lumberport Public Service District
Mt. Clare Public Service District
Summit Park Public Service District
Sun Valley Public Service District
Jane Lew Public Service District
Town of Anmoore
City of Bridgeport
City of Clarksburg
Town of Nutter Fort
City of Salem
City of Shinnston
Town of Stonewood

Specifically described hereinafter:

EAST VIEW PUBLIC SERVICE DISTRICT

BEGINNING at a point (#1) where the most westerly Corporation limit of Anmoore crosses WV Secondary Highway 23;

THENCE with the Corporation line of Anmoore in a southerly direction approximately 400 ft. to point (#2) where said Corporation limit crosses the Baltimore & Ohio Railroad tracks;

THENCE leaving the Corporation line of Anmoore along a ridge in a southwesterly direction 1500 feet to a point (#3) on the ridge;

THENCE along said ridge approximately 6000 feet to a point (#4) on the most easterly Corporation limit of the City of Clarksburg;

THENCE along said Corporation limit in a northerly direction approximately 3000 feet to a point (#5);

THENCE leaving the Corporation line of Clarksburg along a ridge in a easterly direction approximately 6000 feet to a point (#6) of intersection between a pipeline and a power line;

THENCE along the same ridge in a southerly direction approximately 5300 feet to a point (#7) on the northern Corporation line of the Town of Anmoore;

THENCE following said Corporation line in a westerly direction 500 feet to the northwest corner of the corporation line to point (#8) of the Town of Anmoore;

THENCE following said Corporation line in a southerly direction 300 feet to place of beginning.

ENLARGED HEPZIBAH PUBLIC SERVICE DISTRICT

BEGINNING at the Corporate limits of the City of Clarksburg at a point on said US Route No. 19;

THENCE in a northerly direction along said US Route No. 19 to the intersection of the Crooked Run Road designated as being State Route No. 19/10;

THENCE in a northwesterly direction along said Crooked Run Road, State Route 19/10, to the Harrison County Coal-Eagle Magisterial District Line;

THENCE in a northerly direction along said Coal-Eagle Magisterial District line to its point of intersection with the Baltimore and Ohio Railroad Company Tracks;

THENCE in a northerly direction along said railroad tracks to a point which is due West from the southern limits of the Town of Gypsy (to include all of the Town of Hughs):

THENCE due East to the West Fork River;

THENCE in a southerly direction along said West Fork River to the intersection of said River and the common intersection of Eagle, Clay, and Simpson Magisterial District lines;

THENCE in an easterly direction along Simpson District northerly boundary to the centerline intersection of said boundary and State Route 24/11;

THENCE south 10° East 14,780 ± to northern right-of-way line of Federal Route I-79;

THENCE along said right-of-way line in a westerly direction 3,300 feet ± to centerline of Simpson Creek;

THENCE along centerline of Simpson Creek and 1,000 feet distant south thereof meandering in a general north westerly direction to the intersection of a telephone cable right-of-way;

THENCE in a southerly direction along said telephone line to an angle point in said telephone line, said angle point being due East from the Northern limits of the Town of Hepzibah;

THENCE due West to a point in the West Fork River;

THENCE in a southerly direction along the meandering of said West Fork River to the Corporate line of the City of Clarksburg, West Virginia;

THENCE in a westerly direction along said Corporation line to the point of beginning.

LAKE FLOYD PUBLIC SERVICE DISTRICT

BEGINNING at the intersection of State Route 50/8, commonly known as Hall's Run Road and the westerly side of controlled access right-of-way of United States Route 50 and running;

THENCE South 64° 30' East 370 feet to a stake;
THENCE South 33° 40' West 630 feet to a stake;
THENCE South 61° 30' West 521 feet to a stake;
THENCE South 58° 00' West 2,543 feet to a stake;
THENCE South 30° 15' West 879 feet to a stake;
THENCE South 38° 11' West 1,289 feet to a stake;
THENCE North 39° 30' West 635 feet to a stake;
THENCE North 31° 40' East 730 feet to a stake;
THENCE North 45° 23' East 148 feet to a stake;
THENCE North 25° 23' East 225 feet to a stake;
THENCE North 10° 14' East 478 feet to a stake;
THENCE North 13° 30' East 422 feet to a stake;
THENCE North 53° 41' East 831 feet to a stake;
THENCE North 42° 52' East 441 feet to a stake;
THENCE North 68° 35' East 785 feet to a stake;
THENCE North 48° 51' East 485 feet to a stake;
THENCE North 23° 57' East 235 feet to a stake;
THENCE North 73° 40' East 479 feet to a stake;
THENCE North 85° 46' East 128 feet to a stake;
THENCE North 74° 30' East 720 feet to a stake;

THENCE South 15° 30' East 250 feet to the place of beginning.

LUMBERPORT AREA PUBLIC SERVICE DISTRICT

BEGINNING at a point in the center of Tenmile Creek (said point being a corner to the Short Line Public Service District

which corner bears North 62° 30' West 260 feet ± to the Chessie System Railroad tracks);

THENCE with a boundary line of the Short Line Public Service District North 62° 30' West 1,950 feet ± to a point;

THENCE leaving the Short Line Public Service District boundary North 1° 20' West 3,050 feet ± to the top of a ridge (elevation 1346');

THENCE North 37° 50' East 6,000 feet to a point which is 380 feet ± due west of Jack Run Road;

THENCE South 45° 30' East 2,150 feet ± to the top of a ridge;

THENCE South 55° 30' East 1,700 feet ± to a point in the center of the Lumberport-Haywood Bridge and being the center of Tenmile Creek;

THENCE with the meanders of Tenmile Creek downstream in a northeast direction 6,900 feet ± to a point in the boundary line of the Haywood Public Service District (said boundary line being the same line that divides Eagle and Clay Magisterial Districts);

THENCE with the Eagle and Clay Magisterial District line and the Haywood Public Service District boundary line in a southwesterly direction 5,400 feet ± to a point in the center of Tenmile Creek;

THENCE downstream with the meanders of Tenmile Creek in a westerly direction 2,240 feet ± to a point in the Lumberport corporation line;

THENCE with the Lumberport corporation line in a southwesterly direction 3,200 feet ± to a point in the center of Tenmile Creek;

THENCE upstream with the meanders of Tenmile Creek 5,450 feet ± to the point of beginning, containing 1,167 acres.

MT. CLARE ROAD PUBLIC SERVICE DISTRICT

BEGINNING at a point on the intersection of Arnold's Run and the northerly right-of-way line of West Virginia Secondary Route 25, said point being located on the corporation line of the City of Clarksburg;

THENCE with said northerly right-of-way line of West Virginia Secondary Route 25 at the centerline of the B & O--- Railroad track south to a point southwest of the intersection of said West Virginia Secondary Route 25 and West Virginia Secondary Route 25/17;

THENCE in a straight line, northeast to a point located 250.00 feet west of the centerline of Bassel Street;

THENCE with five new lines, 250.00 feet west of and parallel to said Bassel Street in a southerly direction, a distance of 660.00 feet to a point;

THENCE with a line perpendicular to said Bassel Street, northeast to a point located on the easterly right-of-way line of said Bassel Street;

THENCE with said easterly right-of-way line Bassel Street, northwest to a point located on the southerly right-of-way line of Poplar Street;

THENCE leaving said right-of-way of Bassel Street and with said southerly right-of-way line of Poplar Street, northeast 630.00 feet to a point;

THENCE with a line perpendicular to said Poplar Street, northwest to a point located on the original boundary line of said Mount Clare Road Public Service District;

THENCE with a line 600.00 feet east of said West Virginia Secondary Route 25, northeast to a point located 250.00 feet south of West Virginia Secondary Route 25/27;

THENCE with 4 new lines, 250.00 feet south of and parallel to said West Virginia Secondary Route 25/27, southeast crossing Doll Run 957.00 feet to a point;

THENCE North 52° 04' 14" East, a distance of 975.00 feet to a point;

THENCE North 30° 25' 00" West, a distance of 782.00 feet to a point located 340.00 feet east of Cherry Street;

THENCE with a line 340.00 feet east and parallel to said Cherry Street, northwest to a point located on the original boundary line of said Mount Clare Road Public Service District on the east property line of Custer Addition;

THENCE north with said Custer Addition and 600.00 feet east and south of said West Virginia Secondary Route 25 to a point located in the center of said Arnold's Run;

THENCE with said Arnold's Run northwest to the POINT OF BEGINNING, as shown on a map attached hereto and made a part of this description prepared by Thrasher Engineering, Inc. entitled "Map Showing Revised Boundaries of the Mount Clare Road Public Service District" dated January, 1997.

SUMMIT PARK PUBLIC SERVICE DISTRICT

BEGINNING at a point in the Clarksburg Corporation Line, a point in the center of Murphy's Run on the north side of US Route 50;

THENCE with four lines of the said Corporation Line

North 1° West 450 feet,

North 81° West 1400 feet, to a point on the east right-of-way line of Pinnickinnick Street;

THENCE with two lines of said Pinnickinnick Street right-of-way line and Clarksburg Line

North 18° East 900 feet,

North 24° West 900 feet;

THENCE leaving said Pinnickinnick Street right-of-way line and Clarksburg Corporation Line North 48° West 1000 feet to a point on the top of the ridge;

THENCE with 12 lines along the top of the ridge;

North 5° West 2400 feet;
South 86° East 2400 feet;
South 58° East 1200 feet;
North 51° East 1000 feet;
North 14° West 700 feet;
North 23° East 600 feet;
North 31° East 900 feet;
South 51° East 1000 feet;
North 81° East 1000 feet;
North 53° East 1300 feet;
South 57° East 1200 feet;
South 43° East 2000 feet;

THENCE South 59° West 3900 feet to a centerline of the Baltimore and Ohio Railroad;

THENCE with the centerline of the railroad South 22° West 1050 feet;

THENCE leaving said railroad centerline South 52° East 2150 feet to the top of the ridge;

THENCE with the top of the ridge South 66° East 1250 feet to a point;

THENCE South 1150 feet to a point;

THENCE with a line approximately parallel with US Route 50, South 89° West 6000 feet to the beginning, containing 1010.56 acres.

SUN VALLEY PUBLIC SERVICE DISTRICT

BEGINNING at a point, it being the Northwesterly corner to the corporation line of the City of Clarksburg, Harrison County, West Virginia, having a latitude North 39° 17' 51" and longitude West 80° 22' 07";

THENCE with the corporate line of the City of Clarksburg South 23° 20' East 0.33 miles (1,742 feet), more or less, to the center of Old US Route No. 50 now Secondary State Route No. 11;

THENCE continuing with said corporate limits South 6° 20' West 3,400 feet, more or less, to a point in the District line between Clark and Coal Magisterial Districts;

THENCE with said District line in a westerly direction 1,100 feet to a point;

THENCE leaving said District line South 46° 10' West 4,200 feet to a point;

THENCE South 32° 05' East 2,300 feet to a point;

THENCE South 61° 50' West 10,450 feet, more or less, to the line between the Union and Clark Magisterial Districts;

THENCE with the Magisterial District line 3.7 miles (19,536 feet), more or less, to the intersection of West Virginia State Secondary Routes 33/2 and 33;

THENCE North 59° 30' West 1.7 miles (8,976 feet) to a point in the center of West Virginia State Route 31;

THENCE with State Route 31 crossing US Route 50 North 37° 10' East 1.0 mile (5,280 feet) to a point in West Virginia Secondary Route 5/14;

THENCE East 0.90 mile (4,752 feet) to the Magisterial District line between Ten Mile and Clark Magisterial Districts;

THENCE with said District line 1.7 miles (8,976 feet), more or less, to a point having a latitude of North 39° 18' 15" and longitude West 80° 26' 16";

THENCE East 2.6 miles (13,728 feet);

THENCE South 63° 00' East 1.4 mile (7,392 feet) to a place of beginning, containing an area of 15.06 square miles.

JANE LEW PUBLIC SERVICE DISTRICT

BEGINNING at a point on the county line between Harrison County and Lewis County, said point being on the watershed divide between McKenney Creek and Lost Creek watersheds at latitude 39° 6' 52" and longitude 80° 20' 55";

THENCE 16,000 feet, more or less, in a northeasterly direction along said watershed divide to the gap on WV Route 25 south of the Town of Lost Creek;

THENCE 4,500 feet, more or less, along the watershed divide between McKenny Run and Dick Run;

THENCE 9,000 feet, more or less, along the watershed divide between McKenny Run and Vens Run (tributaries of Hackers Creek) to the Lewis County and Harrison County line;

THENCE following said county line in an easterly direction 19,500 feet, more or less, to the point of beginning.

MUNICIPAL CORPORATIONS

The sewer service area of the municipal corporations of Anmoore, Bridgeport, Clarksburg, Nutter Fork, Salem, Shinnston, and Stonewood shall be described as the area encompassing the corporate boundaries of said municipalities and areas outside of the corporate boundaries currently served by existing municipal sewer lines.

3. The Resolution and Order of this Commission adopted on March 20, 1997, proposing the actions undertaken by this Resolution and Order is hereby amended to reflect the inclusion of the Town of West Milford in the sewer service authority area of Greater Harrison County Public Service District.

4. The proposal to merge Lost Creek-Mt. Clare Public Service District and Valley of Good Hope Public Service District into Greater Harrison County Public Service District is hereby taken under advisement by this Commission for further consideration and review.

5. That the Clerk of the County Commission of Harrison County shall cause a copy of this Resolution and Order to be filed with the Executive Secretary of the Public Service Commission of West Virginia not less than ten (10) days following the adoption hereof.

Entered into the permanent record of Harrison County, West Virginia, this 15th day of April, 1997.

COUNTY COMMISSION OF
HARRISON COUNTY, WEST VIRGINIA

Thomas A. Feeley
PRESIDENT

COMMISSIONER

COMMISSIONER

ATTEST:

CLERK

04/21/97
XESOLUTION.04
384460/95.04

Entered into the permanent record of Harrison County, West Virginia, this 15th day of April, 1997.

COUNTY COMMISSION OF
HARRISON COUNTY, WEST VIRGINIA

Thomas A. Feeley
PRESIDENT

COMMISSIONER

COMMISSIONER

ATTEST:

CLERK

04/21/97
RESOLUTION.06

comfort and convenience of the areas currently within the territory of t two districts. Harrison County established a hearing date of Apri 1997. Harrison County published notice of the Harrison County hearing submitted the publication affidavit to the Commission on May 7, 1997.

The fourth resolution proposed changing the name of the Grant Uni Public Service District to the Greater Harrison County Public Servi District. The resolution would also merge the Lost Creek-Mt. Clare Publ Service District and the Valley of Good Hope Public Service District in the new Greater Harrison County Public Service District. The resoluti also expands the service territory of the new Greater Harrison County Pub Service District to include all areas within Harrison County not provid sewer service by another public service district or incorporat municipality. Harrison County established a hearing date of April 15, 19 Harrison County published notice of the Harrison County hearing. submitted the publication affidavit to the Commission on May 7, 1997.

The fifth resolution proposed the dissolution of the sewer authority the Bingamon Public Service District, the Lost Creek-Mt. Clare Pub Service District, the Quiet Dell Public Service District, the Short L Public Service District and the Valley of Good Hope Public Service Distri Harrison County indicated that none of these districts currently have se facilities. Harrison County believes that the dissolution of se authority is necessary to preserve the health, comfort and convenience the residents who live in the service territories of the distric Harrison County established a hearing date of April 15, 1997. Harri County published notice of the Harrison County hearing. It submitted publication affidavit to the Commission on May 7, 1997.

The sixth resolution proposed the reduction in the boundaries of Short Line Public Service District. Harrison County believes that suc reduction is necessary to preserve the health, comfort and convenience the residents of the District. Harrison County set a hearing date of Ap 10, 1997. Harrison County published notice of the hearing. It submit the publication affidavit to the Commission on May 7, 1997.

On April 17, 1997, Harrison County filed resolutions which indica that hearings were held as scheduled concerning all of the resoluti described above except the fourth resolution. Harrison County indica that, after proper publication and hearing, it determined that resolutions should be adopted.

On April 17, 1997, the Marion County Commission (Marion County) fi resolutions related to the efforts of Harrison County to consolidate pub service districts.

The first resolution filed by Marion County proposed the merger of O.J.W. Public Service District into the Bingamon Public Service Distri Marion County indicated that the merger was necessary for the preservat of public health, comfort and convenience for the residents of districts. Marion County set a hearing date of April 14, 1997. Ma County published notice of the hearing. It submitted a publica affidavit to the Commission on May 7, 1997.

The second resolution filed by Marion County proposed the dissoluti of the authority of the O.J.W. Public Service District to acquire or opera sewer facilities. The O.J.W. Public Service District does not currently o or operate any sewer facilities. Marion County believes that t dissolution of the district is necessary for the preservation of publ health, comfort and convenience of the residents in the O.J.W. Publ Service District territory. Marion County set a hearing date of April 1 1997. Marion County published notice of the Marion County hearing. filed the publication affidavit with the Commission on May 7, 1997.

Also on April 25, 1997, Harrison County filed a resolution and ord indicating that Harrison County had held the hearing set for April 1 1997, on the fourth resolution discussed above. Harrison County adopted t fourth resolution with two significant modifications. First, the resoluti was modified to include the Town of West Milford within the Greater Harris County Public Service District. The second modification was that Harris County decided not to merge the Lost Creek-Mt. Clare Public Service Distri and Valley of Good Hope Public Service District into the renamed a enlarged Greater Harrison Public Service District.

On May 20, 1997, Staff issued its Final Joint Staff Memorandum. Sta outlined the proceeding and indicated that it would file a fin recommendation at a later date.

By Procedural Order of June 2, 1997, the matter was set for hearing Clarksburg on July 21, 1997, and in Fairmont on July 22, 1997. T Procedural Order also required both Harrison County and Marion County publish notice of the hearing.

On July 14, 1997, Marion County filed a copy of its order affirming t actions of Harrison County related to the Coons Run Public Service Distric the O.J.W. Public Service District, and the Bingamon Public Servi District.

The hearing set for Harrison County on July 21, 1997, was held scheduled.[1] John C. Stump, Esquire, appeared for Harrison County. James Kelsh, Esquire, appeared for Staff.

Several members of the public offered testimony at the hearing. Walt Conners from Nutter Fort testified that he was not opposed to a county-wi sewer district, because he believes that the sewer district would clean streams in the county. (Tr. 6-7). He objects to the fact that publ service district board members are appointed by county commissions, stati that the system results in poorly operated public service districts. (T 7). However, Mr. Conners understood that the way that board members a appointed is a matter of state law which could not be changed in th proceeding. (Tr. 8).

Greg Robertson lives in the Lake Ridge area of Bridgeport. (Tr. 9 Mr. Robertson offered his support to the formation of the Greater Harris

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[1]All references to the transcript in this recommended decision refer to the transcript of the hearing held in Harrison County on July 21, 1997.

County Public Service District. (Tr. 10). Mr. Robertson had purchased la in Harrison County, but ran into trouble with developing it becau inadequate sewer service. (Tr. 10). Several subdivisions near Robertson's property have environmental problems related to inadequate nonexistent sewer service, including Lakeland Terrace, Lakeland Park a Augusta Park. (Tr. 10). Mr. Robertson approached numerous county, city, a state officials about helping to provide sewer service to the area, but was always directed to go to some other official. (Tr. 11). Mr. Roberts believes that a county-wide sewer district is a good thing, not just f Harrison County, but for the entire state, and he requested that the matt be expedited. (Tr. 11). Mr. Robertson believes that it will be difficult attract employers or good employees to the area without adequa infrastructure. (Tr. 12).

Gary Fluharty is the Chairman of the Sun Valley Public Servi District. (Tr. 14). Mr. Fluharty wanted to be reassured that the Sun Val Public Service District was not being consolidated in these petitions. (14). Harrison County reassured Mr. Fluharty that Sun Valley was included in the consolidation and was indeed specifically excluded from t territory of the Greater Harrison County Public Service District. (Tr. 1 With that understanding, Mr. Fluharty voiced his support for the creation the district given that much of the county is without sewer service. (16).

Paul Hamrick indicated that Harrison County is experiencing lots growth, but the lack of sewer service was limiting that development. (17). Many of Harrison County's communities are dying because new homes never built because of a lack of public sewer service. (Tr. 17). Hamrick indicated that it is difficult to sell properties in communit which do not have public sewer. (Tr. 17). He also indicated t communities all over the county dump raw sewage directly into the West F River. (Tr. 17). Mr. Hamrick supported the development of a Grea Harrison County Public Service District. (Tr. 18).

Terri Ann Schulte, the executive director of the Harrison Cou Planning Commission, assisted in posting notice of the various resoluti around the county and in each public service district impacted by various resolutions. (Tr. 20). Harrison County Exhibit No. 4 consists o list of the various locations where posting occurred. Ms. Schulte indica that many areas in the county need sewer service. The top priority providing service is for the Arlington, Glen Falls, Gore area. (Tr. 2 Ms. Schulte believes that the creation of the Greater Harrison County Pub Service District will improve the county's access to public dollars. (23). A larger district will mean a greater customer base, better econom of scale and a higher level of professionalism and sophistication. (Tr. 2

James Boggess, a Utilities Analyst, testified for Staff. Mr. Bogg corrected the Further Final Internal Memorandum by stating that the O. and Bingamon Public Service Districts would be merged completely by resolutions of Harrison and Marion Counties. (Tr. 27). Mr. Bogg testified that Harrison and Marion Counties had complied with Commission's requirements concerning the consolidation and notice of hearings. (Tr. 27-28). In the Further Final Internal Memorandum, recommended that the petitions of Harrison and Marion County be appr (See Staff Exhibit No. 1).

Harrison County offered the resolution from Marion County whi affirmed the actions of Harrison County related to the Bingamon Publ Service District; the resolution of Harrison County which affirmed th actions of Marion County dissolving the authority of the O.J.W. Publ Service District to operate sewer facilities; and affidavits of publicati for the hearing from the *Clarksburg Telegram*, the *Clarksburg Exponent*, a the *Times West Virginian*.

The hearing set for Marion County on July 22, 1997, was held scheduled. The same parties entered appearances. No member of the publ appeared at the hearing to offer comment.

DISCUSSION

Harrison County has taken steps to develop a county-wide sewer publ service district which includes all areas of the county which do not ha public sewer. Harrison County has also merged some districts. Mari County has affirmed all actions which involve public service districts whi extend into Marion County. No individual has expressed opposition to t modifications.

The evidence demonstrates that, by developing a county-wide sew district, the county has improved its chance to provide much needed sew service to all areas of Harrison County. (See Tr. 6-28). By creating larg more viable districts, Harrison County enhances its ability to improve t infrastructure and the quality of life for its residents.

Harrison and Marion Counties have published appropriate notice of the actions and have complied with all relevant requirements of the W.Va. Co and Commission Rules and Regulations. The orders which are the subject this proceeding should be approved by the Commission.

FINDINGS OF FACT

1. On March 31, 1997, the Harrison County Commission (Harris County) filed a petition for Commission consent and approval of vario orders which consolidated or modified public service district boundaries Harrison County. (See petition and orders filed March 31, 1997).

2. The first Harrison County order merged the O.J.W. Public Servi District into the Bingamon Public Service District. (See petition a order).

3. The second Harrison County order dissolved the authority of t Coons Run Public Service District to construct and operate sewer facilitie (See petition and order).

4. The third Harrison County order dissolved the Country Cl Addition Public Service District and the Lodgeville-Courtright Publ Service District. (See petition and order).

5. The Clarksburg Water Board has assumed responsibility for and currently operating the facilities of the Country Club Addition Publ Service District. (See petition).

6. The fourth Harrison County order changed the name of the Gr Union Public Service District to the Greater Harrison County Public S District and expands the service territory of the new Greater Ha County Public Service District to include all areas within Harrison Cou not provided sewer service by another public service district incorporated municipality with the exception of the Town of West Mil which is included in the district. (See petition and order).

7. The fifth Harrison County order dissolved the sewer authority the Bingamon Public Service District, the Lost Creek-Mt. Clare Pub Service District, the Quiet Dell Public Service District, the Short I Public Service District and the Valley of Good Hope Public Service Distri (See petition and order).

8. Harrison County indicated that none of the districts in the fi order currently have sewer facilities. (See petition and order).

9. The sixth Harrison County order reduced the boundaries of Short Line Public Service District. (See petition and order).

10. The O.J.W. Public Service District, the Coons Run Public Ser District and the Bingamon Public Service District are located in both Ma and Harrison Counties. (See petition and order).

11. Marion County issued orders which reaffirmed the Harrison Co actions on each of the districts which were partially located in Ma County. (See Marion County orders).

12. By developing a county-wide sewer district, Harrison County improved its chance to provide much needed sewer service to all area Harrison County. (See Tr. 6-28)

13. Commission Staff recommended approval of the orders of Harrison and Marion Commissions. (See Staff Ex. 1).

14. No member of the public testifying at the Commission hea expressed opposition to the proposed action of Harrison and Marion Count (See transcripts).

CONCLUSIONS OF LAW

1. Harrison and Marion Counties have complied with W.Va. Code 13A-2 and Rule 6.4 of the Commission's Rules and Regulations for Government of Public Service Districts.

2. The Harrison and Marion County orders which are the subjec this proceeding are in the public interest and should be approved.

ORDER

IT IS, THEREFORE, ORDERED that the following orders adopted Harrison County Commission and the Marion County Commission, be, and are approved:

1. The Harrison and Marion County orders of April 10, 1997, and July 9, 1997, respectively, merging the O.J.W. Public Service District into the Bingamon Public Service District.

2. The Harrison and Marion County orders of April 10, 1997, and July 9, 1997, respectively, dissolving the authority of the Coons Run Public Service District to construct and operate sewer facilities.

3. The Harrison County order of April 10, 1997, dissolving the Country Club Addition Public Service District and the Lodgeville-Courtright Public Service District.

4. The Harrison County order of April 15, 1997, changing the name of the Grant Union Public Service District to the Greater Harrison County Public Service District and expanding the service territory of the new Greater Harrison County Public Service District to include all areas within Harrison County not provided sewer service by another public service district or incorporated municipality.

5. The Harrison and Marion County orders of April 15, 1997, and July 18, 1997, respectively, dissolving the sewer authority of the Bingamon Public Service District.

6. The Harrison County order of April 15, 1997, dissolving the sewer authority of the Lost Creek-Mt. Clare Public Service District, the Quiet Dell Public Service District, the Short Line Public Service District and the Valley of Good Hope Public Service District.

7. The Harrison County order of April 10, 1997, reducing the boundaries of the Short Line Public Service District.

The Executive Secretary hereby is ordered to serve a copy of this or upon the Commission Staff by hand delivery, and upon all parties of rec by United States Certified Mail, return receipt requested.

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

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

Any party may request waiver of the right to file exceptions to Administrative Law Judge's order by filing an appropriate petition in writ with the Executive Secretary. No such waiver will be effective un approved by order of the Commission, nor shall any such waiver operate make any Administrative Law Judge's Order or Decision the order of

Commission sooner than five (5) days after approval of such waiver by Commission.

K. A. George

Keith A. George
Administrative Law Judge

KAG:s

DAYTON LEGAL BLANK INC.

County Commission

Resolution and Order - Merger of Mt. Clare Road PSD into Greater Harrison County PSD - Setting Date for Hearing

BEFORE THE COUNTY COMMISSION OF HARRISON COUNTY

A RESOLUTION AND ORDER PROPOSING THE MERGER OF THE MOUNT CLARE ROAD PUBLIC SERVICE DISTRICT INTO THE GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT; FIXING A DATE OF HEARING ON THE PROPOSED MERGER; PROVIDING FOR NOTICE OF SUCH HEARING

WHEREAS, the County Commission of Harrison County deems it necessary and desirable to merge, where practicable, the public service districts in Harrison County to provide both better and more cost-effective service to the residents of Harrison County, and

WHEREAS, the Board of the Mt. Clare Road Public Service District has petitioned the Harrison County Commission to merge the Mt. Clare Road Public Service District into the Greater Harrison County Public Service District, and

WHEREAS, the Public Service Commission of West Virginia has recommended the merger of the Mt. Clare Road Public Service District into the Greater Harrison County Public Service District, and

WHEREAS, pursuant to the provisions of Article 13A, Chapter 16 of the West Virginia Code, the Harrison County Commission is empowered to, upon its own motion by order duly adopted, propose the merger of public service districts located within the County in order to preserve the public health, comfort and convenience of the areas within the public service districts, and

WHEREAS, the Harrison County Commission, after considerable deliberation, has decided that the proposed merger of Mt. Clare Road Public Service District into the Greater Harrison County Public Service District, subject to the approval of the Public Service Commission of West Virginia an the agreement of the bondholders of the Mt. Clare Road Public Service District, is necessary for the preservation of the public health, comfort and convenience for the areas presently served by the said Districts.

NOW, THEREFORE, BE IT, AND IT IS, HEREBY RESOLVED AND ORDERED by the County Commission of Harrison County as follows:

1. That the County Commission of Harrison County, West Virginia, upon its own motion, subject to the approval of the Public Service Commission of West Virginia and the agreement of the bondholders of the Mt. Clare Road Public Service District, proposes the merger of the Mt. Clare Road Public Service District into Greater Harrison County Public Service District. The presently existing public service districts are particularly defined as the following areas:

DAYTON LEGAL BLANK, INC.

MT. CLARE ROAD PUBLIC SERVICE DISTRICT

BEGINNING at a point on the intersection of Arnold's Run and the northerly right-of-way line of West Virginia Secondary Route 25, said point being located on the corporation line of the City of Clarksburg;

THENCE with said northerly right-of-way line of West Virginia Secondary Route 25 at the centerline of the B & O Railroad track south to a point southwest of the intersection of said West Virginia Secondary Route 25 and West Virginia Secondary Route 25/17;

THENCE in a straight line, northeast to a point located 250.00 feet west of the centerline of Bassel Street;

THENCE with five new lines, 250.00 feet west of and parallel to said Bassel Street in a southerly direction, a distance of 660.00 feet to a point;

THENCE with a line perpendicular to said Bassel Street, northeast to a point located on the easterly right-of-way line of said Bassel Street;

THENCE with said easterly right-of-way line Bassel Street, northwest to a point located on the southerly right-of-way line of Poplar street;

THENCE leaving said right-of-way of Bassel Street and with said southerly right-of-way line of Poplar Street, northeast 630.00 feet to a point;

THENCE with a line perpendicular to said Poplar Street, northwest to a point located on the original boundary line of said Mount Clare Road Public Service District;

THENCE with a line 600.00 feet east of said West Virginia Secondary Route 25, northeast to a point located 250.00 feet south of West Virginia Secondary Route 25/27;

THENCE with 4 new lines, 250.00 feet south of and parallel to said West Virginia Secondary Route 25/27, southeast crossing Doll Run 957.00 feet to a point;

THENCE, North 52° 04' 14" East a distance of 975.00 feet to a point;

THENCE, North 30° 25' 00" West a distance of 782.00 feet to a point located 340.00 feet east of Cherry Street;

THENCE with a line 340.00 feet east and parallel to said Cherry Street, northwest to a point located on the original boundary line of said Mount Clare Road Public Service District on the east property line of Custer Addition;

THENCE north with said Custer Addition and 600.00 feet east and south of said West Virginia Secondary Route 25 to a point located in the center of said Arnold's Run;

THENCE with said Arnold's Run northwest to the POINT OF BEGINNING, as shown on a map attached hereto and made a part of this description prepared by Thrasher Engineering, Inc., entitled "Map Showing Revised Boundaries of the Mount Clare Road Public Service District" dated January 1997.

DAYTON LEGAL BLANK, INC

GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT

The Greater Harrison County Public Service District sewer service area as enlarged shall be described as all the area encompassing the County of Harrison except the following service areas:

East View Public Service District
Enlarged Hepzibah Public Service District
Lake Floyd Public Service District
Lumberport Public Service District
Mt. Clare Public Service District
Summit Park Public Service District
Sun Valley Public Service District
Jane Lew Public Service District
Town of Anmoore
City of Bridgeport
City of Clarksburg
Town of Nutter Fort
City of Salem
City of Shinnston
Town of Stonewood
Town of West Milford

specifically described hereinafter:

EAST VIEW PUBLIC SERVICE DISTRICT

BEGINNING at a point (#1) where the most westerly corporation limit of Anmoore crosses WV Secondary Highway 23;

THENCE with the corporation line of Anmoore in a southerly direction approximately 400 ft. to point (#2) where said Corporation limit crosses the Baltimore & Ohio Railroad tracts;

THENCE leaving the corporation line of Anmoore along a ridge in a southwesterly direction 1500 feet to a point (#3) on the ridge;

THENCE along said ridge approximately 6000 feet to a point (#4) on the most easterly corporation limit of the City of Clarksburg;

THENCE along said corporation limit in a northerly direction approximately 3000 feet to a point (#5);

THENCE leaving the corporation line of Clarksburg along a ridge in a easterly direction approximately 6000 feet to a point (#6) of intersection between a pipeline and a power line;

THENCE along the same ridge in a southerly direction approximately 5300 feet to a point (#7) on the northern corporation line of the Town of Anmoore;

DAYTON LEGAL BLANK, INC.

THENCE following said corporation line in a westerly direction 500 feet to the northwest corner of the corporation line to point (#8) of the Town of Anmoore;

THENCE following said corporation line in a southerly direction 300 feet to the place of beginning.

ENLARGED HEPZIBAH PUBLIC SERVICE DISTRICT

BEGINNING at the corporate limits of the City of Clarksburg at a point on said US Route 19;

THENCE in a northerly direction along said US Route 19 to the intersection of the Crooked Run Road designated as being State Route No. 19/10;

THENCE in a northwesterly direction along said Crooked Run Road, State Route 19/10, to the Harrison County Coal-Eagle Magisterial District Line;

THENCE in a northerly direction along said Coal-Eagle Magisterial District line to its point of intersection with the Baltimore and Ohio Railroad Company Tracks;

THENCE in a northerly direction along said railroad tracks to a point which is due west from the southern limits of the unincorporated areas of Gypsy and Hughes (see Note below);

THENCE due east to the West Fork River;

THENCE in a southerly direction along said West Fork River to the intersection of said River and the common intersection of Eagle, Clay and Simpson Magisterial District lines;

THENCE in an easterly direction along Simpson District northerly boundary to the centerline intersection of said boundary and State Route 24/11;

THENCE south 10° East 14,780 ± to northern right-of-way line of Federal Route I-79;

THENCE along said right-of-way line in a westerly direction 3,300 ± to centerline of Simpson Creek;

THENCE along centerline of Simpson Creek and 1,000 feet distant south thereof meandering in a general northwesterly direction to the intersection of a telephone cable right-of-way;

THENCE in a southerly direction along said telephone line to an angle point in said telephone line, said angle point being due east from the northern limits of the unincorporated area of Hepzibah (see Note below);

THENCE due west to a point in the West Fork River;

THENCE in a southerly direction along the meandering of said West Fork River to the corporate line of the City of Clarksburg, West Virginia;

DAYTON LEGAL BLANK, INC.

THENCE in a westerly direction along said corporation line to the POINT OF BEGINNING.

NOTE: The above described public service district being the same as previously described with the exception of omitting "Town of", and adding "incorporated area(s) of".

LAKE FLOYD PUBLIC SERVICE DISTRICT

BEGINNING at the intersection of State Route 50/8, commonly known as Hall's Run Road, and the westerly side of controlled access right-of-way of US Route 50 and running

THENCE South 64° 30' East 370 feet to a stake;
THENCE South 33° 40' West 630 feet to a stake;
THENCE South 61° 30' West 521 feet to a stake;
THENCE South 58° 00' West 2,543 feet to a stake;
THENCE South 30° 15' West 879 feet to a stake;
THENCE South 38° 11' West 1,289 feet to a stake;
THENCE North 39° 30' West 635 feet to a stake;
THENCE North 31° 40' East 730 feet to a stake;
THENCE North 45° 23' East 148 feet to a stake;
THENCE North 25° 23' East 225 feet to a stake;
THENCE North 10° 14' East 478 feet to a stake;
THENCE North 13° 30' East 422 feet to a stake;
THENCE North 53° 41' East 831 feet to a stake;
THENCE North 42° 52' East 441 feet to a stake;
THENCE North 68° 35' East 785 feet to a stake;
THENCE North 48° 51' East 485 feet to a stake;
THENCE North 23° 57' East 235 feet to a stake;
THENCE North 73° 40' East 479 feet to a stake;
THENCE North 85° 46' East 128 feet to a stake;
THENCE North 74° 30' East 720 feet to a stake;
THENCE South 15° 30' East 250 feet to the place of beginning.

LUMBERPORT AREA PUBLIC SERVICE DISTRICT

BEGINNING at a point in the center of Tenmile Creek (said point being a corner to the Short Line Public Service District which corner bears North 62° 30' West 260 feet ± to the Chessie System Railroad tracks);

THENCE with a boundary line of the Short Line Public Service District North 62° 30' West 1,950 feet ± to a point;

THENCE leaving the Short Line Public Service District boundary North 1° 20' West 3,050 feet ± to the top of a ridge (elevation 1346 feet);

DAYTON LEGAL BLANK, INC.

THENCE North 37° 50' East 6000 feet to a point which is 380 feet ± due west of Jack Run Road;

THENCE South 45° 30' East 2,150 feet ± to the top of a ridge;

THENCE South 55° 30' East 1,700 feet ± to a point in the center of the Lumberport-Haywood Bridge and being the center of Tenmile Creek;

THENCE with the meanders of Tenmile Creek downstream in a northeast direction 6,900 feet ± to a point in the boundary line of the Haywood Public Service District (said boundary line being the same line that divides Eagle and Clay Magisterial Districts);

THENCE with the Eagle and Clay Magisterial District line and the Haywood Public Service District boundary line in a southwesterly direction 5,400 feet ± to a point in the center of Tenmile Creek;

THENCE downstream with the meanders of Tenmile Creek in a westerly direction 2,240 feet ± to a point in the Lumberport corporation line;

THENCE with the Lumberport corporation line in a southwesterly direction 3,200 feet ± to a point in the center of Tenmile Creek;

THENCE upstream with the meanders of Tenmile Creek 5,450 feet ± to the point of beginning, containing 1,167 acres.

MT. CLARE ROAD PUBLIC SERVICE DISTRICT

BEGINNING at a point on the intersection of Arnold's Run and the northerly right-of-way line of West Virginia Secondary Route 25, said point being located on the corporation line of the City of Clarksburg;

THENCE with said northerly right-of-way line of West Virginia Secondary Route 25 at the centerline of the B & O Railroad track south to a point southwest of the intersection of said West Virginia Secondary Route 25 and West Virginia Secondary Route 25/17;

THENCE in a straight line, northeast to a point located 250.00 feet west of the centerline of Bassel Street;

THENCE with five new lines, 250.00 feet west of and parallel to said Bassel Street in a southerly direction, a distance of 660.00 feet to a point;

THENCE with a line perpendicular to said Bassel Street, northeast to a point located on the easterly right-of-way line of said Bassel Street;

THENCE with said easterly right-of-way line Bassel Street, northwest to a point located on the southerly right-of-way line of Poplar Street;

DAYTON LEGAL BLANK, INC.

THENCE leaving said right-of-way of Bassel Street and with said southerly right-of-way line of Poplar Street, northeast 630.00 feet to a point;

THENCE with a line perpendicular to said Poplar Street, northwest to a point located on the original boundary line of said Mount Clare Road Public Service District;

THENCE with a line 600.00 feet east of said West Virginia Secondary Route 25, northeast to a point located 250.00 feet south of West Virginia Secondary Route 25/27;

THENCE with 4 new lines, 250.00 feet south of and parallel to said West Virginia Secondary Route 25/27, southeast crossing Doll Run 957.00 feet to a point;

THENCE North 52° 04' 14" East, a distance of 975.00 feet to a point;

THENCE North 30° 25' 00" West, a distance of 782.00 feet to a point located 340.00 feet east of Cherry Street;

THENCE with a line 340.00 feet east and parallel to said Cherry Street, northwest to a point located on the original boundary line of said Mount Clare Road Public Service District on the east property line of Custer Addition;

THENCE north with said Custer Addition and 600.00 feet east and south of said West Virginia Secondary Route 25 to a point located in the center of said Arnold's Run;

THENCE with said Arnold's Run northwest to the POINT OF BEGINNING, as shown on a map attached hereto and made a part of this description prepared by Thrasher Engineering, Inc., entitled "Map Showing Revised Boundaries of the Mount Clare Road Public Service District" dated January 1997.

SUMMIT PARK PUBLIC SERVICE DISTRICT

BEGINNING at a point in the Clarksburg Corporation Line, a point in the center of Murphy's Run on the north side of US Route 50;

THENCE with four lines of the said Corporation Line

North 1° West 450 feet,

North 81° West 1400 feet, to a point on the east right-of-way line of Pinnickinnick Street;

THENCE with two lines of said Pinnickinnick Street right-of-way line and Clarksburg Line

North 18° East 900 feet,

North 24° West 900 feet,

DAYTON LEGAL PLANS, INC.

THENCE leaving said Pinnickinnick Street right-of-way line and Clarksburg Corporation Line North 48° West 1000 feet to a point on the top of the ridge;

THENCE with 12 lines along the top of the ridge;

North 5° West 2400 feet,
South 86° East 2400 feet,
South 58° East 1200 feet,
North 51° East 1000 feet,
North 14° West 700 feet,
North 23° East 600 feet,
North 31° East 900 feet,
South 51° East 1000 feet,
North 81° East 1000 feet,
North 53° East 1300 feet,
South 57° East 1200 feet,
South 43° East 2000 feet,

THENCE South 59° West 3900 feet to a centerline of the Baltimore and Ohio Railroad;

THENCE with the centerline of the railroad South 22° West 1050 feet;

THENCE leaving said railroad centerline South 52° East 2150 feet to the top of the ridge;

THENCE with the top of the ridge South 66° East 1250 feet to a point;

THENCE South 1150 feet to a point;

THENCE with a line approximately parallel with US Route 50, South 89° West 6000 feet to the beginning, containing 1010.56 acres.

SUN VALLEY PUBLIC SERVICE DISTRICT

BEGINNING at a point, it being the northwesterly corner to the corporation line of the City of Clarksburg, Harrison County, West Virginia having a latitude of North 39° 17' 51" and longitude West 80° 22' 07";

THENCE with the corporate line of the City of Clarksburg South 23° 20' East 0.33 miles (1,742 feet), more or less, to the center of Old US Route 50, now Secondary State Route No. 11;

THENCE continuing with said corporate limits South 6° 20' West 3,400 feet, more or less, to a point in the District line between Clark and Coal Magisterial District;

THENCE with said District line in a westerly direction 1,100 feet to a point;

DAYTON LEGAL BLANK, INC.

THENCE leaving said District line South 46° 10' West 4,200 feet to a point;

THENCE South 32° 05' East 2,300 feet to a point;

THENCE South 61° 50' West 10,450 feet, more or less, to the line between the Union and Clark Magisterial Districts;

THENCE with the Magisterial District line 3.7 miles (19,536) feet, more or less, to the intersection of West Virginia State Secondary Routes 33/2 and 33;

THENCE North 59° 30' West 1.7 miles (8,976 feet) to a point in the center of West Virginia State Route 31;

THENCE with State Route 31 crossing US Route 50 North 37° 10' East 1.0 mile (5,280 feet) to a point in West Virginia Secondary Route 5/14;

THENCE East 0.90 mile (4,752 feet) to the Magisterial District line between Tenmile and Clark Magisterial Districts;

THENCE with said District line 1.7 miles (8,976 feet) more or less to a point having a latitude of North 39° 18' 15" and longitude West 80° 26' 16";

THENCE East 2.6 miles (13,728 feet);

THENCE South 63° 00' East 1.4 mile (7,392 feet) to a place of beginning, containing an area of 15.06 square miles.

JANE LEW PUBLIC SERVICE DISTRICT

BEGINNING at a point on the County line between Harrison County and Lewis County, said point being on the watershed divide between McKenney Creek and Lost Creek watersheds at latitude 39° 6' 52" and longitude 80° 20' 55";

THENCE 16,000 feet, more or less, in a northeasterly direction along said watershed divide to the gap on WV Route 25 south of the Town of Lost Creek;

THENCE 4,500 feet, more or less, along the watershed divide between McKenney Run and Dick Run;

THENCE 9,000 feet, more or less, along the watershed divide between McKenney Run and Vens Run (tributaries of Hackers Creek) to the Lewis County and Harrison County line;

THENCE following said county line in an easterly direction 19,500 feet, more or less, to the point of beginning.

MUNICIPAL CORPORATIONS

The sewer service area of the municipal corporations of Anmoore, Bridgeport, Clarksburg, Nutter Fort, Salem, Shinnston and

Stonewood shall be described as the area encompassing the corporate boundaries of said municipalities and areas outside of the corporate boundaries currently served by existing municipal sewer lines.

2. That on September 22, 1998, at the hour of 10:00 a.m. o'clock a.m., the Harrison County Commission shall meet in the Harrison County Courthouse at Clarksburg, West Virginia, for the purpose of conducting a public hearing on the proposed merger of the Mt. Clare Road Public Service District into Greater Harrison County Public Service District, subject to the approval of the Public Service Commission of West Virginia and the agreement of the bondholders of the Mt. Clare Road Public Service District, at which time and place all persons residing in or owning or having an interest in property in the territory of the Mt. Clare Road Public Service District or in the territory of the Greater Harrison County Public Service District may appear before this County Commission and shall be provided an opportunity to be heard for or against the proposal.

3. That the Clerk of the Harrison County Commission shall cause notice of the hearing and a description of the territory of the Mt. Clare Road Public Service District to be published as a Class I legal advertisement at least ten (10) days prior to the meeting.

4. That the Clerk of the Harrison County Commission shall cause a notice of the hearing and description of the Mt. Clare Road Public Service District to be posted in at least five (5) conspicuous places within the territory of the Mt. Clare Road Public Service District and the Greater Harrison County Public Service District.

5. That the Clerk of the Harrison County commission shall cause a copy of this Resolution and Order to be filed with the Executive Secretary of the Public Service Commission of West Virginia not less than ten (10) days after the hearing set forth therein.

By the Order of the Harrison County Commission this day, August 20, 1998.

HARRISON COUNTY COMMISSION

Thomas A. Kelley
President

Commissioner

Commissioner

ATTEST:

Clerk of the County Commission

DAYTON LEGAL BLANK, INC.

County Commission

Resolution and Order Merging the Mt. Clare Road PSD into Greater Harrison County PSD

BEFORE THE COUNTY COMMISSION OF HARRISON COUNTY, WEST VIRGINIA

A RESOLUTION AND ORDER MERGING THE MT. CLARE ROAD PUBLIC SERVICE DISTRICT INTO THE GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT

WHEREAS, the County Commission of Harrison County, West Virginia, did heretofore, by Resolution and Order adopted on August 20, 1998, propose the merger of the Mt. Clare Road Public Service District into the Greater Harrison County Public Service District; and

WHEREAS, by said August 20, 1998, Resolution and Order, the Harrison County Commission did set a hearing on the proposed merger of the Mt. Clare Public Service District into the Greater Harrison County Public Service District, required notice of said hearing to be given by Class I legal publication in Harrison County, West Virginia, and by posting of notice in at least five (5) conspicuous places within the territory of the Mt. Clare Road Public Service District, and required the Clerk of the Harrison County Commission to cause a copy of the Resolution and Order to be filed with the Executive Secretary of the Public Service Commission of West Virginia; and

WHEREAS, notice of the September 22, 1998, hearing has been given in the manner provided and required by said Resolution and Order and by West Virginia Code Chapter 16, Article 13-A, Section 2, and all interested parties have been afforded an opportunity of being heard for and against the proposed merger of the Mt. Clare Public Service District into the Greater Harrison County Public Service District, and said County Commission has given due consideration to all matters for which such hearing was offered; and

WHEREAS, it is now deemed desirous by said County Commission to adopt a Resolution and Order, subject to the approval of the Public Service Commission of West Virginia and the bondholders of the Mt. Clare Road Public Service District for the preservation of the public health, comfort and convenience of the areas presently served by said Districts.

NOW, THEREFORE, BE IT AND IT IS, HEREBY RESOLVED AND ORDERED by the County Commission of Harrison County as follows:

1. That the County Commission of Harrison County, West Virginia, upon its own motion, subject to the approval of the Public Service Commission of West Virginia and the agreement of the bondholders of the Mt. Clare Road Public Service District, merges the Mt. Clare Road Public Service District into the Greater Harrison County Public Service. The presently existing public service districts are particularly defined as the following areas:

MT. CLARE ROAD PUBLIC SERVICE DISTRICT

BEGINNING at a point on the intersection of Arnold's Run and the northerly right-of-way line of West Virginia Secondary Route 25, said point being located on the corporation line of the City of Clarksburg,

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THENCE with said northerly right-of-way line of West Virginia Secondary Route 25 at the centerline of the B & O Railroad track south to a point southwest of the intersection of said West Virginia Secondary Route 25 and West Virginia Secondary Route 25/17;

THENCE in a straight line, northeast to a point located 250.00 feet west of the centerline of Bassel Street;

THENCE with five new lines, 250.00 feet west of and parallel to said Bassel Street in a southerly direction, a distance of 660.00 feet to a point;

THENCE with a line perpendicular to said Bassel Street, northeast to a point located on the easterly right-of-way line of said Bassel Street;

THENCE with said easterly right-of-way line Bassel Street, northwest to a point located on the southerly right-of-way line of Poplar street;

THENCE leaving said right-of-way of Bassel Street and with said southerly right-of-way line of Poplar Street, northeast 630.00 feet to a point;

THENCE with a line perpendicular to said Poplar Street, northwest to a point located on the original boundary line of said Mount Clare Road Public Service District;

THENCE with a line 600.00 feet east of said West Virginia Secondary Route 25, northeast to a point located 250.00 feet south of West Virginia Secondary Route 25/27;

THENCE with 4 new lines, 250.00 feet south of and parallel to said West Virginia Secondary Route 25/27, southeast crossing Doll Run 957.00 feet to a point;

THENCE, North 52° 04' 14" East a distance of 975.00 feet to a point;

THENCE, North 30° 25' 00" West a distance of 782.00 feet to a point located 340.00 feet east of Cherry Street;

THENCE with a line 340.00 feet east and parallel to said Cherry Street, northwest to a point located on the original boundary line of said Mount Clare Road Public Service District on the east property line of Custer Addition;

THENCE north with said Custer Addition and 600.00 feet east and south of said West Virginia Secondary Route 25 to a point located in the center of said Arnold's Run;

THENCE with said Arnold's Run northwest to the POINT OF BEGINNING, as shown on a map attached hereto and made a part of this description prepared by Thrasher Engineering, Inc., entitled "Map Showing Revised Boundaries of the Mount Clare Road Public Service District" dated January 1997.

GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT

The Greater Harrison County Public Service District sewer service area as enlarged shall be described as all the area encompassing the County of Harrison except the following service areas:

East View Public Service District
Enlarged Hepzibah Public Service District

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Lake Floyd Public Service District
Lumberport Public Service District
Mt. Clare Public Service District
Summit Park Public Service District
Sun Valley Public Service District
Jane Lew Public Service District
Town of Anmoore
City of Bridgeport
City of Clarksburg
Town of Nutter Fort
City of Salem
City of Shinnston
Town of Stonewood
Town of West Milford

specifically described hereinafter:

EAST VIEW PUBLIC SERVICE DISTRICT

BEGINNING at a point (#1) where the most westerly corporation limit of Anmoore crosses WV Secondary Highway 23;

THENCE with the corporation line of Anmoore in a southerly direction approximately 400 ft. to point (#2) where said Corporation limit crosses the Baltimore & Ohio Railroad tracts;

THENCE leaving the corporation line of Anmoore along a ridge in a southwesterly direction 1500 feet to a point (#3) on the ridge;

THENCE along said ridge approximately 6000 feet to a point (#4) on the most easterly corporation limit of the City of Clarksburg;

THENCE along said corporation limit in a northerly direction approximately 3000 feet to a point (#5);

THENCE leaving the corporation line of Clarksburg along a ridge in a easterly direction approximately 6000 feet to a point (#6) of intersection between a pipeline and a power line;

THENCE along the same ridge in a southerly direction approximately 5300 feet to a point (#7) on the northern corporation line of the Town of Anmoore;

THENCE following said corporation line in a westerly direction 500 feet to the northwest corner of the corporation line to point (#8) of the Town of Anmoore;

THENCE following said corporation line in a southerly direction 300 feet to the place of beginning.

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ENLARGED HEPZIBAH PUBLIC SERVICE DISTRICT

BEGINNING at the corporate limits of the City of Clarksburg at a point on said US Route 19;

THENCE in a northerly direction along said US Route 19 to the intersection of the Crooked Run Road designated as being State Route No. 19/10;

THENCE in a northwesterly direction along said Crooked Run Road, State Route 19/10, to the Harrison County Coal-Eagle Magisterial District Line;

THENCE in a northerly direction along said Coal-Eagle Magisterial District line to its point of intersection with the Baltimore and Ohio Railroad Company Tracks;

THENCE in a northerly-direction along said railroad tracks to a point which is due west from the southern limits of the unincorporated areas of Gypsy and Hughes (see Note below);

THENCE due east to the West Fork River;

THENCE in a southerly direction along said West Fork River to the intersection of said River and the common intersection of Eagle, Clay and Simpson Magisterial District lines;

THENCE in an easterly direction along Simpson District northerly boundary to the centerline intersection of said boundary and State Route 24/11;

THENCE south 10° East 14,780 ± to northern right-of-way line of Federal Route I-79;

THENCE along said right-of-way line in a westerly direction 3,300 ± to centerline of Simpson Creek;

THENCE along centerline of Simpson Creek and 1,000 feet distant south thereof meandering in a general northwesterly direction to the intersection of a telephone cable right-of-way;

THENCE in a southerly direction along said telephone line to an angle point in said telephone line, said angle point being due east from the northern limits of the unincorporated area of Hepzibah (see Note below);

THENCE due west to a point in the West Fork River;

THENCE in a southerly direction along the meandering of said West Fork River to the corporate line of the City of Clarksburg, West Virginia;

THENCE in a westerly direction along said corporation line to the POINT OF BEGINNING.

NOTE: The above described public service district being the same as previously described with the exception of omitting "Town of",and adding "incorporated area(s) of".

LAKE FLOYD PUBLIC SERVICE DISTRICT

BEGINNING at the intersection of State Route 50/8, commonly known as Hall's Run Road, and the westerly side of controlled access right-of-way of US

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Route 50 and running

THENCE South 64° 30' East 370 feet to a stake;
THENCE South 33° 40' West 630 feet to a stake;
THENCE South 61° 30' West 521 feet to a stake;
THENCE South 58° 00' West 2,543 feet to a stake;
THENCE South 30° 15' West 879 feet to a stake;
THENCE South 38° 11' West 1,289 feet to a stake;
THENCE North 39° 30' West 635 feet to a stake;
THENCE North 31° 40' East 730 feet to a stake;
THENCE North 45° 23' East 148 feet to a stake;
THENCE North 25° 23' East 225 feet to a stake;
THENCE North 10° 14' East 478 feet to a stake;
THENCE North 13° 30' East 422 feet to a stake;
THENCE North 53° 41' East 831 feet to a stake;
THENCE North 42° 52' East 441 feet to a stake;
THENCE North 68° 35' East 785 feet to a stake;
THENCE North 48° 51' East 485 feet to a stake;
THENCE North 23° 57' East 235 feet to a stake;
THENCE North 73° 40' East 479 feet to a stake;
THENCE North 85° 46' East 128 feet to a stake;
THENCE North 74° 30' East 720 feet to a stake;
THENCE South 15° 30' East 250 feet to the place of beginning.

LUMBERPORT AREA PUBLIC SERVICE DISTRICT

BEGINNING at a point in the center of Tenmile Creek (said point being a corner to the Short Line Public Service District which corner bears North 62° 30' West 260 feet ± to the Chessie System Railroad tracks);

THENCE with a boundary line of the Short Line Public Service District North 62° 30' West 1,950 feet ± to a point;

THENCE leaving the Short Line Public Service District boundary North 1° 20' West 3,050 feet ± to the top of a ridge (elevation 1346 feet);

THENCE North 37° 50' East 6000 feet to a point which is 380 feet ± due west of Jack Run Road;

THENCE South 45° 30' East 2,150 feet ± to the top of a ridge;

THENCE South 55° 30' East 1,700 feet ± to a point in the center of the Lumberport-Haywood Bridge and being the center of Tenmile Creek;

THENCE with the meanders of Tenmile Creek downstream in a northeast direction 6,900 feet ± to a point in the boundary line of the Haywood Public Service District (said boundary line being the same line that divides Eagle and Clay Magisterial Districts);

THENCE with the Eagle and Clay Magisterial District line and the Haywood Public Service District boundary line in a southwesterly direction 5,400 feet ± to a

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point in the center of Tenmile Creek;

THENCE downstream with the meanders of Tenmile Creek in a westerly direction 2,240 feet ± to a point in the Lumberport corporation line;

THENCE with the Lumberport corporation line in a southwesterly direction 3,200 feet ± to a point in the center of Tenmile Creek;

THENCE upstream with the meanders of Tenmile Creek 5,450 feet ± to the point of beginning, containing 1,167 acres.

MT. CLARE ROAD PUBLIC SERVICE DISTRICT

BEGINNING at a point on the intersection of Arnold's Run and the northerly right-of-way line of West Virginia Secondary Route 25, said point being located on the corporation line of the City of Clarksburg;

THENCE with said northerly right-of-way line of West Virginia Secondary Route 25 at the centerline of the B & O Railroad track south to a point southwest of the intersection of said West Virginia Secondary Route 25 and West Virginia Secondary Route 25/17;

THENCE in a straight line, northeast to a point located 250.00 feet west of the centerline of Bassel Street;

THENCE with five new lines, 250.00 feet west of and parallel to said Bassel Street in a southerly direction, a distance of 660.00 feet to a point;

THENCE with a line perpendicular to said Bassel Street, northeast to a point located on the easterly right-of-way line of said Bassel Street;

THENCE with said easterly right-of-way line Bassel Street, northwest to a point located on the southerly right-of-way line of Poplar Street;

THENCE leaving said right-of-way of Bassel Street and with said southerly right-of-way line of Poplar Street, northeast 630.00 feet to a point;

THENCE with a line perpendicular to said Poplar Street, northwest to a point located on the original boundary line of said Mount Clare Road Public Service District;

THENCE with a line 600.00 feet east of said West Virginia Secondary Route 25, northeast to a point located 250.00 feet south of West Virginia Secondary Route 25/27;

THENCE with 4 new lines, 250.00 feet south of and parallel to said West Virginia Secondary Route 25/27, southeast crossing Doll Run 957.00 feet to a point;

THENCE North 52° 04' 14" East, a distance of 975.00 feet to a point;

THENCE North 30° 25' 00" West, a distance of 782.00 feet to a point located 340.00 feet east of Cherry Street;

THENCE with a line 340.00 feet east and parallel to said Cherry Street, northwest to a point located on the original boundary line of said Mount Clare Road Public Service District on the east property line of Custer Addition;

THENCE north with said Custer Addition and 600.00 feet east and south of said West Virginia Secondary Route 25 to a point located in the center of said

DAYTON LEGAL BLANK, INC

Arnold's Run;

THENCE with said Arnold's Run northwest to the POINT OF BEGINNING, as shown on a map attached hereto and made a part of this description prepared by Thrasher Engineering, Inc., entitled "Map Showing Revised Boundaries of the Mount Clare Road Public Service District" dated January 1997.

SUMMIT PARK PUBLIC SERVICE DISTRICT

BEGINNING at a point in the Clarksburg Corporation Line, a point in the center of Murphy's Run on the north side of US Route 50;

THENCE with four lines of the said Corporation Line

North 1° West 450 feet,

North 81° West 1400 feet, to a point on the east right-of-way line of Pinnickinnick Street;

THENCE with two lines of said Pinnickinnick Street right-of-way line and Clarksburg Line

North 18° East 900 feet,

North 24° West 900 feet,

THENCE leaving said Pinnickinnick Street right-of-way line and Clarksburg Corporation Line North 48° West 1000 feet to a point on the top of the ridge;

THENCE with 12 lines along the top of the ridge;

North 5° West 2400 feet,

South 86° East 2400 feet,

South 58° East 1200 feet,

North 51° East 1000 feet,

North 14° West 700 feet,

North 23° East 600 feet,

North 31° East 900 feet,

South 51° East 1000 feet,

North 81° East 1000 feet,

North 53° East 1300 feet,

South 57° East 1200 feet,

South 43° East 2000 feet,

THENCE South 59° West 3900 feet to a centerline of the Baltimore and Ohio Railroad;

THENCE with the centerline of the railroad South 22° West 1050 feet;

THENCE leaving said railroad centerline South 52° East 2150 feet to the top of the ridge;

THENCE with the top of the ridge South 66° East 1250 feet to a point;

THENCE South 1150 feet to a point;

THENCE with a line approximately parallel with US Route 50, South 89° West 6000 feet to the beginning, containing 1010.56 acres.

SUN VALLEY PUBLIC SERVICE DISTRICT

BEGINNING at a point, it being the northwesterly corner to the corporation line of the City of Clarksburg, Harrison County, West Virginia having a latitude of North 39° 17' 51" and longitude West 80° 22' 07";

THENCE with the corporate line of the City of Clarksburg South 23° 20' East 0.33 miles (1,742 feet), more or less, to the center of Old US Route 50, now Secondary State Route No. 11;

THENCE continuing with said corporate limits South 6° 20' West 3,400 feet, more or less, to a point in the District line between Clark and Coal Magisterial District;

THENCE with said District line in a westerly direction 1,100 feet to a point;

THENCE leaving said District line South 46° 10' West 4,200 feet to a point;

THENCE South 32° 05' East 2,300 feet to a point;

THENCE South 61° 50' West 10,450 feet, more or less, to the line between the Union and Clark Magisterial Districts;

THENCE with the Magisterial District line 3.7 miles (19,536) feet, more or less, to the intersection of West Virginia State Secondary Routes 33/2 and 33;

THENCE North 59° 30' West 1.7 miles (8,976 feet) to a point in the center of West Virginia State Route 31;

THENCE with State Route 31 crossing US Route 50 North 37° 10' East 1.0 mile (5,280 feet) to a point in West Virginia Secondary Route 5/14;

THENCE East 0.90 mile (4,752 feet) to the Magisterial District line between Tenmile and Clark Magisterial Districts;

THENCE with said District line 1.7 miles (8,976 feet) more or less to a point having a latitude of North 39° 18' 15" and longitude West 80° 26' 16";

THENCE East 2.6 miles (13,728 feet);

THENCE South 63° 00' East 1.4 mile (7,392 feet) to a place of beginning, containing an area of 15.06 square miles.

JANE LEW PUBLIC SERVICE DISTRICT

BEGINNING at a point on the County line between Harrison County and Lewis County, said point being on the watershed divide between McKenney Creek and Lost Creek watersheds at latitude 39° 6' 52" and longitude 80° 20' 55";

THENCE 16,000 feet, more or less, in a northeasterly direction along said watershed divide to the gap on WV Route 25 south of the Town of Lost Creek;

THENCE 4,500 feet, more or less, along the watershed divide between McKenney Run and Dick Run;

THENCE 9,000 feet, more or less, along the watershed divide between McKenney Run and Vens Run (tributaries of Hackers Creek) to the Lewis County and Harrison County line;

THENCE following said county line in an easterly direction 19,500 feet,

DAYTON LEGAL BLANK, INC

more or less, to the point of beginning.

MUNICIPAL CORPORATIONS

The sewer service area of the municipal corporations of Anmoore, Bridgeport, Clarksburg, Nutter Fort, Salem, Shinnston and Stonewood shall be described as the area encompassing the corporate boundaries of said municipalities and areas outside of the corporate boundaries currently served by existing municipal sewer lines.

2. That the Clerk of the Harrison County Commission shall cause a copy of this Resolution and Order to be filed with the Executive Secretary of the Public Service Commission not less than ten (10) days following the adoption thereof.

Entered into the permanent record of Harrison County, West Virginia, this the 22nd day of September, 1998.

HARRISON COUNTY COMMISSION

Thomas A. Tichy
President

Commissioner

Commissioner

ATTEST:

County Clerk

9

It is ordered that the Commission be adjourned until Tuesday, September 29, 1998 at 10:00 o'clock .a.m.

President

ORIGINAL

ENTERED
OB 99-C Page _____

981230alj020599.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL
2-25-99

Entered: February 5, 1999

CASE NO. 98-1230-PSD-PC

HARRISON COUNTY COMMISSION
Petition for consent and approval to merge the Mt. Clare Road Public Service District into the Greater Harrison County Public Service District.

RECOMMENDED DECISION

On October 2, 1998, the Harrison County Commission (Harrison County) filed a petition with the Public Service Commission for approval of the merger of the Mt. Clare Road Public Service District into the Greater Harrison County Public Service District.

By Order dated October 26, 1998, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before April 29, 1999.

On November 20, 1998, Staff Attorney James V. Kelsh, Esquire, filed the Final Joint Staff Memorandum to which was attached the Final Internal Memorandum prepared by Mr. Randy Lengyel, Utilities Analyst II, Water and Wastewater Division. Staff recommended that the Commission approve the petition of the Harrison County Commission, subject to the following:

1. The Greater Harrison County Public Service District be required to place the cash assets of the Mt. Clare Road Public Service District into a separate interest-bearing account for repairs, replacements and extensions to the Mt. Clare Road Public Service District;

2. After the Mt. Clare Road Public Service District's debts are paid in full, any cash surplus should be deposited into the Mt. Clare Road Public Service District cash account;

3. Following the merger, the Greater Harrison County Public Service District should continue to charge the current rates of the Mt. Clare Road Public Service District to the former Mt. Clare Road Public Service District customers until otherwise ordered by the Commission, in accordance with Rule 31 of the Commission's Rules and Regulations for the Government of the Construction and Filing of Tariffs of Public Utilities and Common Carriers by Motor Vehicle.

5. At the hearing held in this matter on January 26, 1999, no one appeared in protest to the Harrison County Commission petition. (See Tr., p. 6).

CONCLUSION OF LAW

Since the Harrison County Commission gave notice of the hearing to be held on its petition on January 26, 1999, in accordance with the Commission's requirements and no one appeared at said hearing to give protest to the petition, the petition of the Harrison County Commission filed on October 2, 1998, seeking approval of the merger of Mt. Clare Road Public Service District into the Greater Harrison County Public Service District can be approved, subject to the Staff-recommended conditions as set forth in Appendix A to this order.

ORDER

IT IS, THEREFORE, ORDERED that the order of the Harrison County Commission, dated September 22, 1998, and filed on October 2, 1998, merging the Mt. Clare Road Public Service District into the Greater Harrison County Public Service District, be, and the same hereby is, approved, subject to the conditions as set forth in Appendix A to this order.

The Executive Secretary is hereby ordered to serve a copy of this order upon the Commission 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 of the Commission 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 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.

Robert W. Glass
Administrative Law Judge

RWG:mal
981230AA.WPD

APPENDIX A

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

CASE NO. 98-1230-PSD-PC

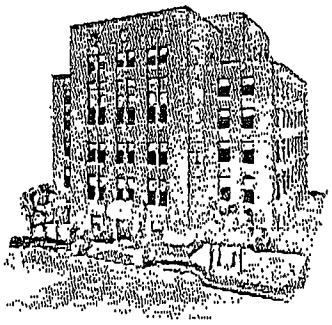
HARRISON COUNTY COMMISSION.
Petition for consent and approval to merge the Mt. Clare Road Public Service District into the Greater Harrison County Public Service District.

CONDITIONS OF MERGER

1. The Greater Harrison County Public Service District shall place the cash assets of the Mt. Clare Road Public Service District into a separate interest-bearing account for repairs, replacements and extensions to the Mt. Clare Road Public Service District;

2. After the Mt. Clare Road Public Service District's debts are paid in full, any cash surplus shall be deposited into the Mt. Clare Road Public Service District cash account;

3. Following the merger, the Greater Harrison County Public Service District shall continue to charge the current rates of the Mt. Clare Road Public Service District to the former Mt. Clare Road Public Service District customers until otherwise ordered by the Commission, in accordance with Rule 31 of the Commission's Rules and Regulations for the Government of the Construction and Filing of Tariffs of Public Utilities and Common Carriers by Motor Vehicle.



HARRISON COUNTY COURT HOUSE

Harrison County Commission

301 WEST MAIN STREET
CLARKSBURG, WEST VIRGINIA 26301
304-624-8500
FAX (304) 624-8673

COMMISSIONERS
FRANK "CHUNKI" ANGOTTI
BERNIE FAZZINI
RONALD R. WATSON

January 23, 2009

Mr. William C. Hoover, General Manager
Greater Harrison County Public Service District
Post Office Box 190
West Milford West Virginia 26451

Dear Bill:

This letter is to advise you and your board that the Harrison County Commission unanimously approved the appointment of Gerald C. Everett to fill the un-expired term of Evan Hugus on the GHCPSD, at their regular meeting on Thursday, January 22, 2009.

Mr. Everett was administered the Oath of Office by Commissioner Watson on January 23, 2009. His term of office will be from January 23, 2009 to December 9, 2009.

Please send all correspondence to Mr. Everett at the following address:

Post Office Box 463
Lost Creek WV 26385

If further information is needed, please feel free to contact us.

Sincerely,

Regina

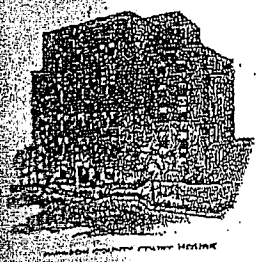
Regina Seamon, Administrative Assistant
Harrison County Commission

/ras
Enclosure

Session Held

County Commission

Minutes of September 25, 2008
Meeting -- Approved



Harrison County Commission
301 WEST MAIN STREET
CLARKSBURG, WEST VIRGINIA 26301
304-624-8500
FAX (304) 624-8079

COMMISSIONERS
FRANK "CHUNKI" ANGOTTI
BERNIE FAZZINI
RONALD R. WATSON

At the regular meeting of the County Commission of Harrison County held on Thursday, September 25, 2008, Commissioners Ron Watson and Bernie Fazzini were present. Commissioner Frank Angotti was not present. Also present was Susan Thomas, County Clerk and Regina Scamon, Administrative Secretary. Commission President Watson opened the meeting and Sara Kapis led those present in the Pledge of Allegiance to the Flag. Anyone wishing to speak during Public Comment may do so at end of Agenda Items.

1. Action on Consent Agenda: Fazzini moved to approve Consent Agenda and Commission concurred.
2. Payroll Change Notices: Fazzini moved to approve Payroll Change Notices as presented and Commission concurred.
3. Exonerations/Corrective Tickets/Joint Property Applications:
4. Consolidations of Land/Segregations of Land: NONE
5. Letter from City of Clarksburg RE: Notice of Public Hearing – Proposed creation of tax increment financing district and project plan/September 30, 2008/5:30 p.m./Clarksburg Municipal Building: Fazzini moved to make a part of today's record and Commission concurred.
6. Invitation from Greater Clarksburg Convention & Visitors Bureau RE: 2008 WV Teacher Achievement Award Luncheon/October 2, 2008/12:00 p.m./Glen Elk Gardens Banquet Hall: Fazzini moved to make a part of today's record and Commission concurred.
7. Letter from Greater Harrison PSD RE: Reappointment of board member: Greater Harrison PSD recommends reappointment of Greg Robertson. Fazzini moved to reappoint Robertson and Commission concurred.
8. Order for signature RE: Pigott Estate: Fazzini moved to authorize signature on Order and Commission concurred.

9:15 A.M. AGENDA ITEM: Health Access – Rob Gifford, Jim Harris and Board Members RE: Status update and funding request: Speaking before the Commission on behalf of Health Access – Jim Harris, Director, and Rob Gifford, Board President. Jim Harris opened by thanking the Commission for past support and explained how Health Access performs a viable service to the Community. After some discussion of finances and the Health Access Program itself, Commissioner Fazzini moved to approve $20,000.00 (paid quarterly) and Commission concurred.

CASTO & HARRIS, INC., SPENCER, W. VA. RE-ORDER NO. 20016-06

At this time, Terry Schulte, Planning gave update on various projects:
1. Cost estimate on Family Law Court: $297,000.00 (more or less). Pre-bid will be Tuesday, September 30, 2008 at 1:00 p.m. Bid opening is scheduled Tuesday, Oct. 14, 2008.
2. Letter from MSES regarding structural work done in the basement.
3. Letter from Lake Floyd Club regarding water issue. Discussion on Salem water problems ensued. Mr. Williams asked if meeting in Charleston was open to the public and the consensus of opinion was that it was an open meeting.
4. Maple Lake letter of complaint regarding issues under Clean Water Act: The Army Corps of Engineers sent letter to Mr. Lindsay instructing him to remove fill. Planning is sending Notices of Violations from their office.
5. Lost Creek Depot: State signed and Notice to Proceed to Construction is in the process. After Notice, this will go to bid.

9:30 A.M. AGENDA ITEM: Mike Fresa RE: Request to do health insurance survey for county employees. Mike Fresa wants employment information in order to give insurance quote. Fazzini moved to let Joe Shaffer, Legal, look at this and render an opinion on how the Commission should proceed. Commission concurred.
9:45 A.M. AGENDA ITEM: Paul Bump RE: Phone system: 2 bids received and reviewed. Verizon met the needs and specs. Have had meetings with Verizon to try to get price down and tailor plan. Bump presented contracts for approval and signature. He stated that Legal has reviewed contracts and has OK'd content. Bulk of cost for 9-1-1 part of contract will come out 9-1-1 funds ($474,025.47 – Harrison and $118,506.34 – Taylor). Levy Money will be used for EOC Phones – 10 I.T. phones: $4,461.16. 54 phones for Sheriff's Office side and garage will cost $21,782.00 (minus approximately $4,000.00 for Task Force) and Bump does not have money resources for this expense. Fazzini moved to approve expenditures for system as presented except for the Sheriff, Garage and Task Force. Commission concurred.

PUBLIC COMMENT:

Mr. Williams, Salem, submitted invoices showing charges from Sun Valley PSD for transcript of a meeting. Cost for Sun Valley transcript was $305.73. Clarksburg Water Board charged $368.00.

With no further business to come before the Commission, meeting adjourned.

Ron Watson

Ronald Watson, President

10-2-08
Date

STATE OF WEST VIRGINIA,

County of Harrison:

I, SUSAN J. THOMAS, Clerk of The County Commission of Harrison County, WV, do hereby certify that the foregoing writing is a true and accurate copy as appears of record in my office in GENERAL ORDER Book No. 77 at Page 450, of said records.

Given under my hand and Seal of said Office, this 10 day of October, 2008.

Clerk, Harrison County Commission

At a regular meeting of the County Commission of Harrison County, continued and held at the Courthouse thereof, on Thursday, December 11, 2003, Commissioners Diaz, Angotti and Watson being present thereat, the following order was made and entered to-wit:

Evan Hugus

Reappointed Member of Greater Harrison Public Service District

WHEREAS, the term of office of Evan Hugus as a member of the Greater Harrison Public Service District Board expired on November 19, 2003; and,

WHEREAS, the County Commission has reappoined Evan Hughs as such member aforesaid;

Thereupon came Evan Hugus and accepted said office or trust and took the oath prescribed by law, for a term of office begining December 11, 2003 and continuing until November 19, 2009.

CLAIMS -- ALLOWED CONTINUED

ENHANCED 9-1-1 EQUIPMENT	$ ----------
ASSESSORS" VALUATION FUND	33,047.18
CONCEALED WEAPONS PERMITS	----------
VOTERS REGISTRATION FUND	----------
COMMUNITY CRIMINAL JUSTICE	----------
FEDERAL FORFEITURE	----------
SPECIAL LAW ENFORCEMENT	----------
FEMA HAZARD MITIGATION GRANT	----------
WV DEPUTY SHERIFFS RETIREMENT FUND	1,326.50
GRAND TOTAL	$ 1,093,295.37

Gregory D. Robertson — Re-Appointed Member of Greater Harrison Public Service District Board

This day came Gregory D. Robertson, who was heretofore re-appointed as a member of the Greater Harrison Public Service District Board, and accepted said office or trust and took the oath prescribed by law for a Six-year (6) term continuing until August 2008.

Angelo Moschella — Appointed Member of The Enlarged Hepzibah Public Service District Board

This day came Angelo Moschella, who was this day, appointed as a Member of the Enlarged Hepzibah Public Service District Board for a term of Six (6) years, and accepted said office or trust and took the oath prescribed by law

Section Held
Collated by HC/SPENCER, W. VA. RE-ORDER NO. 20016-06
County Commission

Minutes of July 17, 2008
Meeting -- Approved

Harrison County Commission
301 WEST MAIN STREET
CLARKSBURG, WEST VIRGINIA 26301
304-624-8500
FAX (304) 624-8673

COMMISSIONERS
FRANK "CHUNKI" ANGOTTI
RONALD R. WATSON
Bernie Fazzini

At the regular meeting of the County Commission of Harrison County held on Thursday, July 17, 2008, Commissioners Ron Watson, Frank Angotti and Bernie Fazzini were present. Also present was Susan Thomas, County Clerk and Regina Seamon, Administrative Secretary. Commission President Watson opened the meeting and Russell Snyder led those present in the Pledge of Allegiance to the Flag. Anyone wishing to speak during Public Comment may do so at end of Agenda items.

1. Action on Consent Agenda: Fazzini moved to approve Consent Agenda as amended and Motion passed unanimously.
2. Payroll Change Notices: NONE
3. Exonerations/Corrective Tickets/Joint Property Applications: Angotti moved to approve Exonerations and Corrective Tickets as presented and Commission concurred.
4. Consolidations of Land/Segregations of Land: NONE
5. Request to travel/Sheriff's Dept./James C. Jack/Joe Carbacio/Patricia Combs/Kimberly Shaffer/Diana Book/Sheriff's Annual In-Service Training Seminar/September 15 – September 17, 2008/Oglebay Resort/Wheeling, WV: Angotti moved to approve and Commission concurred.
6. Letter from Greater Harrison County PSD RE: Re-Appointment: Fazzini moved to re-appoint William Derrickson and Commission concurred.
7. Memo consideration/approval RE: Mileage rate increase for approved travel: Angotti moved to approve and Commission agreed unanimously.
8. Letter from Magistrate Court Clerk RE: Applicants for Deputy Magistrate Clerk position: Fazzini moved to approve Erin Minor for position and Commission concurred.
9. Memo RE: Applicants for Administrative Assistant Aide: Fazzini moved to approve Marsha Frederick and Commission agreed unanimously.
10. Letter from Granston & Edwards RE: Motion for Continuance/Estate of J. M. Pigott: Fazzini moved to set Hearing for Thursday, August 21, 2008 9:30 A.M. and Commission concurred.

FROM THE TABLE: Fazzini moved T6 from the TABLE and Commission concurred.

T6. Various requests for funding: Request from Town of Lumberport for funds for recreational projects and other projects. After some discussion, Angotti moved to place on next week's Agenda in order to procure more information on request. Commission concurred.

At this time, Commission introduced Russell Snyder.

With no further business to come before the Commission, meeting adjourned.

Ronald Watson, President

HARRISON COUNTY SEAL WEST VIRGINIA

7-24-08
Date

At a regular meeting of the County Commission of Harrison County, continued and held at the Courthouse thereof, Thursday, December 11, 2003, Commissioners Diaz, Angotti and Watson being present thereat, the following order was made and entered, to-wit:

ORDERS — Commissioners Harrison County, W. Va.

Session Held THURSDAY, DECEMBER 11, 20 03

CATO & HARRIS, INC., SPENCER, W. VA. RE-ORDER NO. 134238-03

William L. Coffindaffer — Reappointed Member of Greater Harrison Public Service District

WHEREAS, the term of office of William L. Coffindaffer as a member of the Greater Harrison Public Service District Board did expire on December 9, 2003; and,

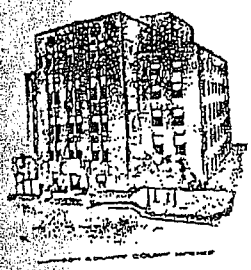
WHEREAS, the County Commission has reappointed William L. Coffindaffer as such member aforesaid;

Thereupon came William L. Coffindaffer and accepted said office or trust and took the oath prescribed by law, for a term office beginning December 11, 2003 through December 9, 2009.

Session Held

County Commission

Minutes of January 18, 2007
Meeting - Approved



Harrison County Commission
301 WEST MAIN STREET
CLARKSBURG, WEST VIRGINIA 26301
304-624-8500
FAX (304) 624-8673

COMMISSIONERS
ROGER DIAZ
FRANK "CHUNKI" ANGOTTI
RONALD R. WATSON

At the regular meeting of the County Commission of Harrison County held on Thursday, January 18, 2007, Commissioners Ron Watson, Frank Angotti and Bernie Fazzini were present. Also present were Susan Thomas, County Clerk, James McMurtry, County Administrator. Commissioner Watson opened the meeting and Greg Dale led those present in the Pledge of Allegiance to the Flag. Anyone wishing to speak during Public Comment may do so at end of Agenda items.

1. Action on Consent Agenda: Angotti moved to approve Consent Agenda and Motion carried.
2. Minutes of the previous meeting: Angotti moved the Minutes of previous meeting be approved as presented and Motion carried.
3. Payroll Change Notices: Angotti moved to approve Payroll Change Notice as presented. and Commission concurred.
4. Exonerations/Corrective Tickets/Joint Property Applications: Angotti moved to approve the Exonerations as presented and Commission concurred.
5. Purchase Orders: Angotti moved to approve Purchase Orders as presented and Commission concurred.
6. Consolidations of Land/Segregations of Land: NONE
7. Memo from Prosecutor RE: Buy-in for insurance/new Asst. PA: Angotti moved to approve if request falls within guidelines. Commission concurred.
8. Letter from Sun Valley PSD RE: Consideration of re-appointment of Greg Dale: Fazzini moved to approve re-appointment of Greg Dale and Commission concurred.
9. Letter from Circuit Clerk & 2 deputies RE: Request to travel/WVACo Annual Meeting/February 11-13, 2007/Charleston Marriott: Angotti moved to approve and Commission concurred.
10. Letter from Fred Smart RE: Resignation: Angotti moved to make part of record and Commission agreed unanimously.
11. Letter from HCDA RE: Request for recommendation/Industrial Access Road funds/to WV Economic Development Office for consideration: Angotti moved to approve request and Commission concurred.
12. Appointment data sheet/James L. Scudere/Greater Harrison PSD: Fazzini moved to approve appointment of James Scudere to Greater Harrison PSD and Commission concurred.
13. Close out/Marshville Community Center: This is a completion of the project and requires signatures. Fazzini moved to authorize signature and close out this project. Commission concurred.

Session Held

CLEM & WEBB, INC., SPENCER, W. VA. RECORDER NO. 03-0558-03

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14. Change of Scope/Courthouse Facilities: TABLED by Commission President.
15. Concurrence letter/Rails-Trails/North Bend: T. Schulte, Planning Commission, gave an overview of why she and the State Rail Authority advise against purchasing the rail bed from CSX. The section in question is a liability possibly involving environmental issues. CSX is asking $17,000.00 plus responsibility for any environmental concerns to be shouldered by County. Angotti moved to approve recommendation of Planning and authorize signature on letter to State regarding this recommendation and Commission concurred.
16. Letter from Commissioner Gobel/Taylor County/RE: Request a review of Taylor County's contribution to the 911 Service in Harrison County: NO FORMAL ACTION. Jim McMurtry, County Administrator, directed to investigate and bring back report to the Commission. A Letter to Commissioner Gobel will be drafted after investigation completed.
9:15 A.M. AGENDA ITEM: Sheriff Jack & Chief Marano RE: Overtime budget: Sheriff Jim Jack and Chief Deputy Albert Marano requested $35,000.00 be added to their budget to cover overtime for the year. After much discussion and explanation, Angotti moved to honor request for up to $35,000.00 in budget for overtime, however Sheriff Jack will submit a bill each month to the Commission for payment rather than the entire amount being put in budget. Commission concurred.

PUBLIC COMMENT: Kathy Titus, informed the Commission that there is plans for a "mass wedding" on the Courthouse Plaza on Feb. 14, 2007 with Judge Thomas Bedell presiding. Other activities include 2/19/2007 commemorating the signing of the Clarksburg City Charter.

With no further business to come before the Commission, meeting adjourned.

Ronald Watson, President

1-25-07
Date

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SUSAN J THOMAS
HARRISON County 03:33:58 PM
Instrument No 200900002273
Date Recorded 01/23/2009
Document Type OATH
Book-Page 36-415

OATH OF OFFICE AND CERTIFICATE

STATE of WEST VIRGINIA)
)
Harrison County, to-wit)

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of Member, Greater Harrison Public Service District

to the best of my skill and judgement: **SO HELP ME GOD.**

Signature of Affiant Gerald C. Everett
Gerald C. Everett

Subscribed and sworn to before me, in said County and State, this 23rd day of January, 2009.

Frank T. Angotti, Jr., President

Bernie Fazzini, Member

Ron Watson, Member

STATE OF WEST VIRGINIA,

County of Harrison:

I, SUSAN J. THOMAS, Clerk of The County Commission of Harrison County, WV, do hereby certify that the foregoing writing is a true and accurate copy as appears of record in my office in Bond & Oath Book No. 36 at Page 415, of said records.

Given under my hand and Seal of said Office, this 23 day of January, 2009.

Clerk, Harrison County Commission

OATH OF OFFICE AND CERTIFICATE

SUSAN J THOMAS
HARRISON County 09:37:35 AM
Instrument No 200800028490
Date Recorded 10/10/2008
Document Type OATH
Book-Page 36-304

STATE of WEST VIRGINIA)
)
Harrison County, to-wit)

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of Member, Greater Harrison Public Service District

to the best of my skill and judgement: SO ~~HELP ME~~ GOD.

Signature of Affiant
Gregory D. Robertson

Subscribed and sworn to before me, in said County and State, this 8th day of October, 2008.

Ron Watson
Ron Watson, President

Frank "Chunki" Angotti, Member

Bernie Fazzini, Member

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STATE OF WEST VIRGINIA,

County of Harrison:

I, SUSAN J. THOMAS, Clerk of The County Commission of Harrison County, WV, do hereby certify that the foregoing writing is a true and accurate copy as appears of record in my office in OATH Book No. 36 at Page 384 of said records.

Given under my hand and Seal of said Office, this 10 day of October, 2008.

Clerk, Harrison County Commission

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Instrument Book Page
200300049740 35 423

OATH OF OFFICE AND CERTIFICATE

STATE of WEST VIRGINIA)
)
Harrison County, to-wit)

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of Member, Greater Harrison Public Service District

to the best of my skill and judgement: SO HELP ME GOD.

Signature of Affiant William L. Coffindaffer
William L. Coffindaffer

Subscribed and sworn to before me, in said County and State, this 11th day of December 2003.

Roger Diaz, President

Frank "Chunki" Angotti, Member

Ronald R. Watson, Member

Instrument Book Page
200300049741 35 424

OATH OF OFFICE AND CERTIFICATE

STATE of WEST VIRGINIA)
)
Harrison County, to-wit)

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of Member, Greater Harrison Public Service District

to the best of my skill and judgement: SO HELP ME GOD.

Signature of Affiant Evan Hugus
Evan Hugus

Subscribed and sworn to before me, in said County and State, this 11th

day of December 2003.

Roger Diaz, President

Frank "Chunki" Angotti, Member

Ronald R. Watson, Member

OATH OF OFFICE AND CERTIFICATE

STATE of WEST VIRGINIA)
)
Harrison County, to-wit)

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of Member, Greater Harrison Public Service District

to the best of my skill and judgement: SO HELP ME GOD.

Signature of Affiant James L. Scudere
James L. Scudere

Subscribed and sworn to before me, in said County and State, this 24th day of January, 2007.

Ron Watson
Ron Watson, President

Frank "Chunky" Angotti, Member

Bernie Fazzini, Member

OATH OF OFFICE AND CERTIFICATE

SUSAN J THOMAS
HARRISON County 10:50:06 AM
Instrument No 200800019854
Date Recorded 07/22/2008
Document Type OATH
Book-Page 36-349

STATE of WEST VIRGINIA)
)
Harrison County, to-wit)

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of Member, Greater Harrison Public Service District

to the best of my skill and judgement: **SO HELP ME GOD.**

Signature of Affiant
William J. Derrickson

Subscribed and sworn to before me, in said County and State, this 18th day of July, 2008.

Ron Watson, President

Frank "Chunki" Angotti, Member

Bernie Fazzini, Member

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OATH OF OFFICE AND CERTIFICATE

STATE of WEST VIRGINIA)
)
Harrison County, to-wit)

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of Member, Greater Harrison Public Service District

to the best of my skill and judgement: SO HELP ME GOD.

Signature of Affiant
Gregory D. Robertson

Subscribed and sworn to before me, in said County and State, this 12th day of August 2002.

Beth Taylor, President

Roger Diaz, Member

James D. Smith, Jr., Member

RULES OF PROCEDURE

GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT

ARTICLE I

NAME AND PLACE OF BUSINESS

Section 1. Name: GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT.

Section 2. The principal office of this Public Service District will be located at Highland Dam Road, West Milford, Harrison County, West Virginia.

Section 3. The Common Seal of the District shall consist of 2 concentric circles between which circles shall be inscribed Greater Harrison County Public Service District, and in the center "seal" as follows:

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 Public Service Board of this District shall be those persons appointed by The County Commission of Harrison 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 Public Service Board resign or otherwise become legally disqualified to serve as a member of the Public Service 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 Public Service 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 Public Service Board.

ARTICLE IV

MEETINGS OF THE PUBLIC SERVICE BOARD

Section 1. The members of the Public Service Board of this District shall hold regular monthly meetings on the third Wednesday 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 Public Service Board may be called at any time by the Chairman or by a quorum of the Board.

Section 2. At any meeting of the Public Service Board of the District, 2 members shall constitute a quorum. Each member of the Public Service 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 3 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 thereat, and 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 such Public Service Board, and the date, time, place and purpose of all special meetings of such Public Service 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 Public Service Board of the Public Service District at the front door or bulletin board of the Harrison County Courthouse and at the front door or bulletin board of the place fixed for regular meetings of the Public Service Board of the date, time and place fixed and entered of record by the Public Service 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 Public Service Board not less than 72 hours before such regular meeting is to be held. 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 Public Service Board at the front door or bulletin board of the Harrison County Courthouse and at the front door or bulletin board of the place fixed for the regular meetings of the Public Service Board not less than 72 hours before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall 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.

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 18th day of June, 2003.

06/17/03
352650.00001

GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT

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

EXCERPT OF MINUTES ON ELECTION OF OFFICERS

The undersigned SECRETARY of the Public Service Board of Greater Harrison County Public Service District hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the said Public Service Board:

*** *** ***

The Public Service Board of Greater Harrison County Public Service District met in regular session, pursuant to notice duly posted, on the 19th day of February, 2009, in Harrison County, West Virginia.

PRESENT:

William L. Coffindaffer, Chairman
Gerald Everett
Gregory D. Robertson, Secretary
James L. Scudere
William J. Derrickson

William L. Coffindaffer, Chairman, presided, and Gregory D. Robertson, acted as Secretary. The Chairman announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, following nomination and vote for each office, the following members were elected to the following offices for the 2009 calendar year:

William L. Coffindaffer, Chairman
Gregory D. Robertson, Secretary
Gerald Everett, Treasurer

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CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of Greater Harrison County 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 16th day of March, 2009.

Secretary

02.25.09
352650.00004

2008

GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT
MONTHLY MEETING
July 16, 2008

Board Members

Bill Coffindaffer, Chairman
Greg Robertson, Treasurer
Evan Hugus
Jody Derrickson
Bill Hoover, General Manager
Carolyn McDonald

Tom Michael, Attorney
Clay Riley, Thrasher Engineering
Ken Moran, Thrasher Engineering

NO PUBLIC PRESENT

Action Items
Action Item 1

Clay Riley, Thrasher Engineering, began by bringing us up to date on the water project on County Route 25. Regarding right of ways, they need 15 totals. There were no identifiable title problems. There is still 5 more right of ways that are needed for the Route 76 project. Tom discussed an appraiser to help in obtaining the 5 right of ways, etc.

Tom went over the right of way for the tank site that was discussed last meeting. He stated that he did find a recorded right of way; it is all on the Maxwell property. He says that as far as he can see they can still use it. However it will not clear the issue due to the tank site.

Clay went over the sewer project, on County Route 73, Phase 2 project, which was submitted to infrastructure was approved. The total was $15,664,000. It will add an additional 749 customers. Clay presented the new application that the infrastructure council has changed for the Board to review, he explained the new form.

The engineering agreement for sanitary sewer collection system to serve Country Club, Laurel Park, and along Route 73, needs approved.

Greg made the motion to approve the engineering agreement, for the sewer collection system to serve Country Club, Laurel Park, and along Route 73, Jody seconded, no further discussion, all in favor, motion carried.

Evan moved to approve Steptoe and Johnson for bond council, Jody seconded, no further discussion, all in favor, motion carried...

Clay then brought us up to date on County Route 76 Sewer project. He began by stating that he received bids last Wednesday, the bids came within project budget. There were 9 bidders, one had to be removed because they did not sign the receipt of addendum, and Clay explained this in detail. Clay explained that he would recommend $92,335 in grant monies, and the reason is that it will take $943,000 to do this project, and 15.6 million dollars to do the next project without asking for any grant, we need the new pump station, and if we do not get it now, we will have to go back and ask for a grant, if they say no, we award it on the base bid. Clay explained how this would work in detail.

Evan made the motion to accept, Upton Construction's bid on the Route 76 project with a total bid of $683,495 plus Alternate 1, Lakeland Terrace Lift station $32,840 and Alternate 2, Pump $96,200, Greg second, no further discussion, all in favor, motion carried.

Jody made the motion to request an additional $92,355 in grant monies for a new lift station, Greg seconded, no further discussion, all in favor, motion carried.

LEGAL ISSUES

Tom brought us up to date on our legal issues. He began by discussing the water rate issue that was filed this week with the PSC to pass through the increase for the water of Nutter Fort, we are also requesting the commission to unify our water rate, which means that the low rate will go up a bit and the high rate would go down a bit.

GENERAL MANAGERS REPORT

Water Loss Report

Quietdell	19.46%
Lost Creek/Mount Claire	41.23%
Valley Good Hope	37.6%

Bill gave us an update on the water division. He stated that the radio reads have cut the meter reading time a lot. He went over the leaks that have been repaired. He stated that he felt they had the theft of water taken care of, he discussed this. Bill went over the grant money that was obtained by Ike Maxwell. A "Local Economic Development Assistance Grant Program" application has been completed and needs to be returned. Approval by the Board is required for this to occur.

Evan made motion to accept and return EDA Grant application for processing, Greg seconded, no further discussion, all in favor, motion carried.

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Bill gave us an update on the sewer division, beginning with the package plant report. He discussed a filter replacement on Bennett Manor. The new construction will eliminate Country Club plant. The problem at Lost Creek, the Michael Bradley Corp. stated that to repair it was $4754, we bought it new for $5862, and it works very well. We pulled the other pump that was bad, we think we will go ahead and get another new one for that. The new employee has decided to stay.

FINANCIAL REPORT

Carolyn presented the check register for the sewer division for the Board to review and sign. The checks needing approval are 15578-15720.

Greg made the motion to approve checks 15578-15720 for the sewer division, Jody seconded, no further discussion, motion carried.

Carolyn presented the check register for the water division for the Board to review and sign. The checks needing approval are 4270-4316.

Evan made the motion to approve checks 4270- 4316 for the water division, Greg seconded, no further discussion, motion carried.

Carolyn presented and discussed a year end balance sheet to the board for review. They also discussed setting up an interest bearing account.

Nominations for the Board were discussed. Bill Coffindaffer, will serve as Chairman, Judy Derrickson, as Vice Chairman, Greg Robertson, secretary, and Evan Hugus as Treasurer.

Having nothing further, meeting stands adjourned. The next schedule meeting will be August 20, 2008.

William Coffindaffer
Chairman

Evan Hugus
~~Secretary~~ TREASURER

Greg Robertson
Treasurer SECRETARY

Judy Derrickson
Board Member

William Bradley
Board Member

Board Member

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GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT

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

EXCERPT OF MINUTES ON ADOPTION OF BOND RESOLUTION, SUPPLEMENTAL RESOLUTION, DRAW RESOLUTION AND SWEEP RESOLUTION

The undersigned SECRETARY of the Public Service Board of Greater Harrison County Public Service District hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the said Public Service Board:

*** *** ***

The Public Service Board of Greater Harrison County Public Service District met in regular session, pursuant to notice duly posted, on the 5th day of March, 2009, in Harrison County, West Virginia, at the hour of 9:00 a.m.

PRESENT:

William L. Coffindaffer, Chairman
Gerald Everett, Treasurer
Gregory D. Robertson, Secretary

ABSENT:

James L. Scudere
William J. Derrickson

William L. Coffindaffer, Chairman, presided, and Gregory D. Robertson, acted as Secretary. The Chairman announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the Chairman presented a proposed Bond Resolution in writing entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE

PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF $1,500,000 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 Gerald Everett and seconded by Gregory D. Robertson, it was unanimously ordered that the said Bond Resolution be adopted and be in full force and effect on and from the date hereof.

Thereupon, the Chairman then presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL 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 GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Gregory D. Robertson and seconded by Gerald Everett, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Chairman presented a proposed Draw Resolution for the approval of invoices. Thereupon, on motion duly made by Gregory D. Robertson and seconded by Gerald Everett, it was unanimously ordered that the said Draw Resolution be adopted.

Next, the Chairman presented a proposed Sweep Resolution for the authorization of electronic monthly debt service and reserve fund payments to the Municipal Bond Commission. Thereupon, on motion duly made by Gerald Everett and seconded by Gregory D. Robertson, it was unanimously ordered that the said Sweep Resolution be adopted.

*** *** ***

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

[Remainder of Page Intentionally Blank]

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of Greater Harrison County 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 16th day of March, 2009.

Secretary

02.25.09
352650.00004

WV MUNICIPAL BOND COMMISSION
1207 Quarrier Street
Suite 400
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 16-Mar-09

(See Reverse for Instructions)

ISSUE: Greater Harrison County Public Service District
Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund)

ADDRESS: Post Office Box 190, West Milford, WV 26451 COUNTY: Harrison

PURPOSE OF ISSUE:
New Money: x
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 16-Mar-09
CLOSING DATE: 16-Mar-09
ISSUE AMOUNT: $1,500,000
RATE: 0%
1ST DEBT SERVICE DUE: 1-Sep-10
1ST PRINCIPAL DUE 1-Sep-10
1ST DEBT SERVICE AMOUNT $9,678
PAYING AGENT: Municipal Bond Commission

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

UNDERWRITERS COUNSEL
Firm: Jackson Kelly, PLLC
Contact: Samme Gee, Esquire
Phone: (304) 340-1318

CLOSING BANK:
Bank: Harrison County Bank
Contact: Carol Nay
Phone: 304.745.3332

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: William Hoover
Position: General Manager
Phone: 304.745.3463

OTHER:
Agency: West Virginia Infrastructure & Jobs Development Council
Contact: Angela Chestnut, P.E.
Position: Director
Phone: (304) 558-4607

DEPOSITS TO MBC AT CLOSE
By: x Wire
Check

	Accrued Interest:	$
	Capitalized Interest:	$
x	Reserve Account:	$ 38,712
	Other:	$

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: Wire
Check
IGT

	To Escrow Trustee	$
	To Issuer	$
	To Cons. Invest. Fun	$
	To Other:	$

NOTES: The Series 2009 A Bonds Reserve Account funded with bond proceeds

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

The purpose of the NEW ISSUE REPORT FORM is to provide the WV Municipal Bond Commission with an early warning of three basic facts no later than the day of closing on any issue for which the Commission is to act as fiscal agent. These are:

1. Formal notification that a new issue is outstanding.
2. Date of first action or debt service.
3. Contact people should we lack documents, information, or funds needed to administer the issue by the date of the first action or debt service.

The commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specificed by the West Virginia Code 13-3-8. This notice is not intended to provide all the information needed to administer an issue, but to alert the Commission and ensure that no debt service payments are missed due to delays in assembling bond transcripts. If, at the time of closing, documents such as the ordinance and all supplements, debt service schedules, and a specimen bond or photostat are available and submitted with this form, it will greatly aid the Commission in the performance of its duties. These documents are needed to set up the proper accounts and to advise the issuer of monthly deposit requirements as far in advance of the first debt service as possible.

It is not necessary to complete all items if they are not pertinent to your issue. Indicate the County of the issuer. With PSDs that overlap more than one county, indicate the county of their business office. Complete "Rate" only if the issue has only one rate. Please complete a separate form for each series of an issue. Other important information can be recorded under "Notes."

Again, please submit this form on each new issue on the day of closing. If fund transfers into or out of the Commission at closing are required, please submit this form before closing. If no significant facts change by closing, no resubmission at closing is required. If, however, there are changes, please submit an updated form, with changes noted, at closing.

If you should have any questions concerning this form, please call the Commission.

GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT

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

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

HARRISON COUNTY BANK, Lost Creek, West Virginia, hereby accepts appointment as Depository Bank in connection with the Bond Resolution of Greater Harrison County Public Service District (the "Issuer") adopted March 5, 2009, and the Supplemental Resolution of the Issuer adopted March 5, 2009 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated March 16, 2009, issued in the principal amount of $1,500,000 (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 16th day of March, 2009.

HARRISON COUNTY BANK

By: Carol A. Nay
Its: Authorized Officer

02.25.09
352650.00004

GREATER HARRISON COUNTY 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 Greater Harrison County Public Service District Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated March 16, 2009, issued in the principal amount of $1,500,000 (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 16th day of March, 2009.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

02.25.09
352650.00004

CH4921978.1

GREATER HARRISON COUNTY 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 Greater Harrison County Public Service District (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), of the Issuer, dated March 16, 2009, in the principal amount of $1,500,000, 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 16th day of March, 2009.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

02.25.09
352650.00004

GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT

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

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 16th day of March, 2009, by and between GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $1,500,000 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 March 5, 2009, and the Supplemental Resolution of the Issuer duly adopted March 5, 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:	Greater Harrison County Public Service District Post Office Box 190 West Milford, West Virginia 26451 Attn: Chairman
REGISTRAR:	The Huntington National Bank One Huntington Square Charleston, West Virginia 25301 Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and

GREATER HARRISON COUNTY
PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

02.25.09
352650.00004

CH4919263.1

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

Huntington

STATEMENT OF REGISTRAR'S FEES
Invoice Date March 16, 2009

Greater Harrison County Public Service District
Account Number 6089001809

Greater Harrison County 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 March, 2009

****

TOTAL AMOUNT	$	500.00
TOTAL DUE	**$**	**500.00**

* 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

10-21 Permit File

SCANNED

PWSID: WV3301713

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

RECEIVED

COPY

CAPITOL and WASHINGTON STREETS 1 DAVIS SQUARE, SUITE 200 CHARLESTON, WEST VIRGINIA 25301
TELEPHONE 304-558-2981

FEB 21 2008

PERMIT

(Water)

PROJECT: County Route 25 Water System Upgrades THRASHER ENGINEERING, INC. **PERMIT NO.:** 17,879

LOCATION: Mount Clare, Lost Creek **COUNTY:** Harrison **DATE:** 2-15-2008

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

Greater Harrison County Public Service District
P. O. Box 190
West Milford, West Virginia 26451

is hereby granted approval to: install approximately 19,960 LF of 8", 16 LF of 4", 55 LF of 3" and 515 LF of 2" water line; three (3) leak detection meters; four (4) master meters; upgrade the existing Mount Clare water booster station to a 400 G.P.M. duplex station with VFD; install a new Lost Creek 300 G.P.M. duplex water booster station with VFD; install a new Lost Creek 762,000 gallon water storage tank; telemetry; and all necessary valves and appurtenances.

Facilities are to upgrade and improve the County Route 25 water distribution system in the Greater Harrison County Public Service District.

NOTE: **This permit is contingent upon: 1) All new water lines and storage tank being disinfected, flushed and bacteriologically tested, prior to use; 2) Maintaining a minimum ten (10) feet horizontal separation between sewer and water lines and a minimum 18" vertical separation between crossing sewer and water lines, with the water line to be above the sewer line; and 3) Enclosing the proposed 762,000 gallon water storage tank with a minimum six (6) feet high fence with a locking gate.**

The Office of Environmental Health Services **OEHS Philippi District Office**, telephone (304) 457-2296, 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: Thrasher Engineering, Inc.
James W. Ellars, P.E., PSC-Engineering Division
Amy Swann, PSC
Harrison County Health Department
OEHS-EED Philippi District Office

ORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 08/26/2008

(304)375-4900 FAX (304)375-2162
Bailey Insurance Agency
ighland Avenue
Box 246
lesstown, WV 26187

Greater Harrison County PSD
PO Box 190
West Milford, WV 26451

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: American Alternative Insurance	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

ERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
	GENERAL LIABILITY	SP9152000-01	06/30/2008	06/30/2009	EACH OCCURRENCE	$ 1,000,000
	X COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 1,000,000
	CLAIMS MADE X OCCUR				MED EXP (Any one person)	$ 10,000
					PERSONAL & ADV INJURY	$ 1,000,000
					GENERAL AGGREGATE	$ 3,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:				PRODUCTS - COMP/OP AGG	$ 3,000,000
	POLICY PRO-JECT LOC					
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO					
	ALL OWNED AUTOS				BODILY INJURY (Per person)	$
	SCHEDULED AUTOS					
	HIRED AUTOS				BODILY INJURY (Per accident)	$
	NON-OWNED AUTOS					
					PROPERTY DAMAGE (Per accident)	$
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	$
	ANY AUTO				OTHER THAN AUTO ONLY: EA ACC	$
					AGG	$
	EXCESS/UMBRELLA LIABILITY	SX9250719-01	06/30/2008	06/30/2009	EACH OCCURRENCE	$ 1,000,000
	X OCCUR CLAIMS MADE				AGGREGATE	$ 1,000,000
						$
	DEDUCTIBLE					$
	RETENTION $					$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATU-TORY LIMITS / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT	$
	(Mandatory in NH) If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	$
	OTHER				E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Certificate holder listed below is named as Additional Insured in regards to the policies shown above.

CERTIFICATE HOLDER

WV Water Development Authority
180 Association Drive
Charleston, WV 25311

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Ronald Shotwell

ACORD 25 (2001/08)

©ACORD CORPORATION 1988

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Certification of Bidder Regarding Compliance with the
WV Jobs Act (SB 103) WV Code 21-1C-1

WV JOBS ACT REQUIREMENTS

(a) Contractors shall hire at least 75% of employees for the project from the local labor market.

- At least two employees from outside local labor market permissible for each employer
- Employees shall have resided in the local labor market

(b) Any employer unable to employ the minimum number of employees from the local labor market shall provide the nearest office of the Division of Employment Services, Bureau of Employment Programs the following:

(1) the number of qualified employees needed; and

(2) a job description of positions to be filled

(c) If, within 3 business days following the placing of the job order with the Division of Employment Services (the "Division"), the Division is unable to refer any qualified applicants to the employer or refers less qualified job applicants than the number requested, then the Division shall issue a waiver to the employer stating the unavailability of applicants and permit the employer to fill any positions covered by the waiver from outside the local labor market.

CONTRACTOR REQUIREMENTS

The contractor hereby agrees to the following:

(a) The contractor will comply with the Act and will file or cause to be filed with the WV Division of Labor and the Infrastructure Council copies of waiver certificates and certified payrolls as required by the Act, or other comparable documents that include the number of employees, the county and state where the employees reside and their occupation

(b) the contractor will follow the procedure established by the Division of Labor for efficient collection of the data;

(c) the contractor will ensure that each subcontract for shall contain provisions conforming to the requirement of the Act

(d) the contractor will provide with each pay requisition a certification that the contract is in compliance with the Act

Name & Title of Signer (Please type) Phillip Jeffries President	
Signature:	Date 12/16/08

Certification of Bidder Regarding Compliance with the
WV Jobs Act (SB 103) WV Code 21-1C-1

WV JOBS ACT REQUIREMENTS

(a) Contractors shall hire at least 75% of employees for the project from the local labor market.

- At least two employees from outside local labor market permissible for each employer
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(b) Any employer unable to employ the minimum number of employees from the local labor market shall provide the nearest office of the Division of Employment Services, Bureau of Employment Programs the following:

(1) the number of qualified employees needed; and
(2) a job description of positions to be filled

(c) If, within 3 business days following the placing of the job order with the Division of Employment Services (the "Division"), the Division is unable to refer any qualified applicants to the employer or refers less qualified job applicants than the number requested, then the Division shall issue a waiver to the employer stating the unavailability of applicants and permit the employer to fill any positions covered by the waiver from outside the local labor market.

CONTRACTOR REQUIREMENTS

The contractor hereby agrees to the following:

(a) The contractor will comply with the Act and will file or cause to be filed with the WV Division of Labor and the Infrastructure Council copies of waiver certificates and certified payrolls as required by the Act, or other comparable documents that include the number of employees, the county and state where the employees reside and their occupation

(b) the contractor will follow the procedure established by the Division of Labor for efficient collection of the data;

(c) the contractor will ensure that each subcontract for shall contain provisions conforming to the requirement of the Act

(d) the contractor will provide with each pay requisition a certification that the contract is in compliance with the Act

Name & Title of Signer (Please type) John Fox, Vice President	
Signature: J. L. Fox	Date December 17, 2008

GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF $1,250,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2006 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 GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

A. Greater Harrison County Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Harrison County 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 installation of water lines, one booster station and one 107,000 gallon water storage tank to serve approximately 177 new customers, 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.

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

D. It is deemed necessary for the Issuer to issue its Water Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund) in the total aggregate principal amount of $1,250,000 (the "Series 2006 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 2006 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 2006 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 2006 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 2006 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.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2006 A Bonds as to liens, pledge and source of and security for payment, being the (i) Greater Harrison County Public Service District Water Revenue Bonds, Series 1966 (United States Department of Agriculture) (the "Series 1966 Bonds");(ii) Greater Harrison County Public Service District Water Revenue Bonds, Series 1974 (United States Department of Agriculture) (the "Series 1974 Bonds"); and (iii) Greater Harrison County Public Service District Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure fund) (the "Series 2004 A Bonds"). The Series 1966 Bonds, the Series 1974 Bonds and the Series 2004 A Bonds are hereinafter collectively called the "Prior Bonds."

There is an outstanding obligation of the Issuer which does not have a lien on any revenues of the System, nor is it payable from Net Revenues, held by The County Commission of Harrison County, issued in the original aggregate principal amount of $50,000.

The Series 2006 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 2006 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 2006 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the covenants of the Prior Bonds and the Prior Resolutions.

H. The estimated revenues to be derived in each year following completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest, if any, on the Series 2006 A Bonds and the Prior Bonds, and to make payments into all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2006 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 2006 A Bonds or such final order will not be subject to appeal or rehearing.

J. The Project has been reviewed and determined to be technically and financially feasible by the Council as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended. 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 2006 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 2006 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 2006 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 2006 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 2006 A Bonds for all or a portion of the proceeds of the Series 2006 A Bonds from the Authority.

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

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

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

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

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

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

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

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

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

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

"Grants" means the grant from the West Virginia Infrastructure and Jobs Development Council in the amount of $1,050,000 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.

"Investment Property" means:

(A) any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code),

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

(E) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan.

Except as provided in the following sentence, the term "Investment Property" does not include any tax-exempt bond. With respect to an issue other than an issue a part of

which is a specified private activity bond (as defined in section 57(a)(5)(C) of the Code), the term "Investment Property" includes a specified private activity bond (as so defined).

"Issuer" means Greater Harrison County Public Service District, formerly Grant-Union Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia in Harrison County, West Virginia, which has heretofore merged with the Lost Creek-Mt. Claire Public Service District, Quiet Dell Public Service District and Valley of Good Hope Public Service District 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 2006 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 2006 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 2006 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.

"Nonpurpose Investment" means any Investment Property as defined in Section 148(b) of the Code, that is not a purpose investment.

"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 2006 A Bonds in the Supplemental Resolution.

"Prior Bonds" means, collectively, the Series 1966 Bonds, the Series 1974 Bonds and the Series 2004 A Bonds.

"Prior Resolutions" means, collectively, the resolutions adopted by Lost-Creek-Mt. Clare Public Service District on September 29, 1966, and February 11, 1975, and the resolution adopted by the Issuer on July 21, 2004, authorizing the Prior Bonds and assumed by merger on July 27, 2004.

"Private Business Use" means use (directly or indirectly) in a trade or business carried on by any person other than a governmental unit; provided that, use as a member of the general public shall not be taken into account.

"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 6(c) 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.

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

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Series 2006 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 2006 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 1966 Bonds" means the Greater Harrison County Public Service District Water Revenue Bonds, Series 1996 (United States Department of Agriculture), dated December 16, 1966, issued in the original aggregate principal amount of $330,000, assumed by the Issuer in its merger with Lost Creek-Mt. Clare Public Service District.

"Series 1974 Bonds" means the Greater Harrison County Public Service District Water Revenue Bonds, Series 1974 (United States Department of Agriculture), dated May 27, 1976, issued in the original aggregate principal amount of $305,000, assumed by the Issuer in its merger with Lost Creek-Mt. Clare Public Service District.

"Series 2004 A Bonds" means the Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), dated July 27, 2004, issued in the original aggregate principal amount of $703,000.

"Series 2006 A Bonds" means the Water Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Resolution.

"Series 2006 A Bonds Construction Trust Fund" means the Series 2006 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2006 A Bonds Reserve Account" means the Series 2006 A Bonds Reserve Account established in the Series 2006 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2006 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 2006 A Bonds in the then current or any succeeding year.

"Series 2006 A Bonds Sinking Fund" means the Series 2006 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 2006 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 2006 A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2006 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 Repair 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 $1,250,000, 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 2006 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 $2,300,000 of which $1,250,000 will be obtained from the proceeds of the Series 2006 A Bonds and $1,050,000 will be obtained from a grant from the Council.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2006 A Bonds, funding the Reserve Account for the Series 2006 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2006 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 2006 A Bonds of the Issuer. The Series 2006 A Bonds shall be issued as a single bond, designated as "Water Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund)," in the principal amount of $1,250,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2006 A Bonds remaining after funding of the Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 2006 A Bonds, if any, shall be deposited in or credited to the Series 2006 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 2006 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 2006 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 2006 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 2006 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 2006 A Bonds. The Series 2006 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 2006 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 2006 A Bonds shall cease to be such officer of the Issuer before the Series 2006 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 2006 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 2006 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 2006 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 2006 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 2006 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 2006 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 2006 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 2006 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 2006 A Bonds or transferring the registered Series 2006 A Bonds are exercised, all Series 2006 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2006 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 2006 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 2006 A Bonds or, in the case of any proposed redemption of Series 2006 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 2006 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 2006 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 2006 A Bonds shall ever have the right to

compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2006 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 2006 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 2006 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 2006 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2006 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 2006 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 2006 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 2006 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2006 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 2006 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2006 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-___ $_____

KNOW ALL MEN BY THESE PRESENTS: That on this the _____ day of _____, 2006, GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Harrison County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, _____, 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 _____, 2006.

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 _____, 2006, and a Supplemental Resolution duly adopted by the Issuer on _____, 2006 (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 (1) WATER REVENUE BONDS, SERIES 1966 (UNITED STATES DEPARTMENT OF AGRICULTURE) (THE "SERIES 1966 BONDS"); (2) WATER REVENUE BONDS, SERIES 1974 (UNITED STATES DEPARTMENT OF AGRICULTURE) (THE "SERIES 1974 BONDS"); AND THE (3) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 27, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $703,000 (THE "SERIES 2004 A BONDS"). THE SERIES 1966 BONDS, THE SERIES 1974 BONDS AND THE SERIES 2004 A BONDS ARE REFERRED TO AS 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 2006 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 2006 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 2006 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, GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated the day and year first written above.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2006 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: _____, 2006.

THE HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2006 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) and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

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

(2) Operation and Maintenance Fund (established by the Prior Resolutions);

(3) Repair and Replacement Fund (established by the Prior Resolutions); and

(4) Series 2006 A Bonds Construction Trust Fund.

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

(1) Series 2006 A Bonds Sinking Fund; and

(2) Series 2006 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 remit to the National Finance Office, the amounts required to pay interest on the Prior Bonds, as required by the Prior Resolutions.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and (i) remit to the National Finance Office the amounts required to pay principal of the Series 1966 Bonds and Series 1974 Bonds, as required by the Prior Resolutions; (ii) remit to the Commission the amounts required to pay principal of the Series 2004 A Bonds, as required by the Prior Resolutions; and (iii) remit to the Commission, commencing 3 months prior to the first date of payment of principal of the Series 2006 A Bonds, for deposit in the Series 2006 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2006 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 2006 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and (i) remit to the Depository Bank, the amounts required by the Prior Resolutions for deposit in the respective Reserve Accounts for the Series 1966 Bonds and Series 1974 Bonds; (ii) remit to the Commission, the amount required by the Prior Resolutions for deposit in the Series 2004 A Bonds Reserve Act; and (iii) remit to the Commission, commencing 3 months prior to the first date of payment of principal of the Series 2006 A Bonds, if not fully funded upon issuance of the Series 2006 A Bonds, for deposit in the Series 2006 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2006 A Bonds Reserve Requirement, until the amount in the Series 2006 A Bonds Reserve Account equals the Series 2006 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2006 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 2006 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Repair 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 Repair 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 Repair 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 Repair and Replacement Fund.

Monies in the Series 2006 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2006 A Bonds as the same shall become due. Monies in the Series 2006 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2006 A Bonds as the same shall come due, when other monies in the Series 2006 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2006 A Bonds Sinking Fund and the Series 2006 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 2006 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 2006 A Bonds, and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 2006 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 2006 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.

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.

The Issuer shall not be required to make any further payments into the Series 2006 A Bonds Sinking Fund and the Series 2006 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2006 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 2006 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 2006 A Bonds Sinking Fund and the Series 2006 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 2006 A Bonds Sinking Fund and the Series 2006 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2006 A Bonds Sinking Fund and the Series 2006 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2006 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 2006 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.

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 2006 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2006 A Bonds, there shall first be deposited with the Commission in the Series 2006 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 2006 A Bonds for the period commencing on the date of issuance of the Series 2006 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 2006 A Bonds, there shall be deposited with the Commission in the Series 2006 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2006 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2006 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2006 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 2006 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 2006 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 2006 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 and the Consulting Engineers, 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 2006 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 2006 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 2006 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 2006 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 2006 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 2006 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2006 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 2006 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 2006 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. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. 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 Final Order of the Public Service Commission of West Virginia entered November 17, 2005, in Case No. 05-0602-PWD-CN, and such rates are hereby adopted.

So long as the Series 2006 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 2006 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 2006 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 2006 A Bonds, immediately be remitted to the Commission for deposit in the Series 2006 A Bonds Sinking Fund and applied to the payment of principal of and interest, if any, on the Series 2006 A Bonds. Any balance remaining after the payment of the Series 2006 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 Repair 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 Repair and Replacement Fund. The payment of such proceeds into the Repair 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 2006 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2006 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 2006 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 2006 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 2006 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 2006 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 2006 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.

So long as the Series 1966 Bonds and Series 1974 Bonds are Outstanding, no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements 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 foregoing limitation may be waived or modified by the written consent of the Holders of the Series 1966 Bonds and Series 1974 Bonds, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing limitation is waived or when the Series 1966 Bonds and Series 1974 bonds are no longer Outstanding, the following requirement shall be met:

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 2006 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 2006 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 2006 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2006 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 in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, 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 2006 A Bonds, and shall submit said report to the Council and the Authority, or any other original purchaser of the Series 2006 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 2006 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 2006 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2006 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 2006 A Bonds Reserve Account and the reserve accounts for obligations on a parity with the Series 2006 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 2006 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2006 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 Repair 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 Repair and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction

contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

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

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

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

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

Section 7.18. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2006 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2006 A Bonds during the term thereof is, under the terms of the Series 2006 A 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 5% of the Net Proceeds of the Series 2006 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2006 A Bonds during the term thereof is, under the terms of the Series 2006 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2006 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2006 A 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 the portion of the Project to which such Private Business Use is related. All of the foregoing shall be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Series 2006 A Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2006 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will timely file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2006 A Bonds and the interest thereon including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 2006 A Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2006 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 2006 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; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2006 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 2006 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 2006 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; NON ARBITRAGE

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 2006 A Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest, if any, on the Series 2006 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 2006 A Bonds as a condition to issuance of the Series 2006 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 2006 A Bonds as may be necessary in order to maintain the status of the Series 2006 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 2006 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 2006 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 2006 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 2006 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2006 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 2006 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2006 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 2006 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 2006 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 2006 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 2006 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 2006 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2006 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 2006 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2006 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 2006 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 2006 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 2006 A Bonds.

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

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

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

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

Adopted this 24th day of March, 2006.

William L. Coffurdaffer
Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT on the 24th day of March, 2006.

Dated: March 29, 2006.

[SEAL]

Secretary

03/15/06
352650.00003

EXHIBIT A

Loan Agreement included in bond transcript as Documents 3 and 4.

GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2006 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 2006 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Greater Harrison County Public Service District (the "Issuer") has duly and officially adopted a bond resolution on March 24, 2006 (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF $1,250,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2006 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 2006 A (West Virginia Infrastructure Fund), of the Issuer (the "Bonds"), in the aggregate principal amount not to exceed $1,250,000 and has authorized the execution and delivery of the loan agreement relating to the Series 2006 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 GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Bond Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Water Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $1,250,000. The Series 2006 A Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2046, and shall bear no interest. The principal of the Series 2006 A Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2007, and maturing March 1, 2046, 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 2006 A Bonds. The Series 2006 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 2006 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 Harrison County Bank, Lost Creek, West Virginia, to serve as Depository Bank under the Bond Resolution.

Section 7. Series 2006 A Bonds proceeds in the amount of -0- shall be deposited in the Series 2006 A Bonds Sinking Fund, as capitalized interest. Series 2006 A Bonds proceeds in the amount of -0- shall be deposited in the Series 2006 A Bonds Reserve Account.

Section 8. The balance of the proceeds of the Series 2006 A Bonds shall be deposited in or credited to the Series 2006 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 9. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds to be issued hereby and by the Bond Resolution approved and provided for, to the end that the Bonds may be delivered on or about March 29, 2006, to the Authority pursuant to the Loan Agreement.

Section 10. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 11. 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 2006 A Bonds Sinking Fund and the Series 2006 A Bonds Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 12. 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 13. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 24th day of March, 2006.

GREATER HARRISON COUNTY PUBLIC
SERVICE DISTRICT

By: William L. Coffindaffer
Its: Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Greater Harrison County Public Service District on March 24, 2006.

Dated: March 29, 2006.

[SEAL]

Secretary

03.21.06
352650.00003

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2006 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

SPECIMEN

No. AR-1 $1,250,000

KNOW ALL MEN BY THESE PRESENTS: That on this the 29th day of March, 2006, GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Harrison County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of ONE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS ($1,250,000), 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 September 1, 2007, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated March 29, 2006.

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 March 24, 2006, and a Supplemental Resolution duly adopted by the Issuer on March 24, 2006 (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 (1) WATER REVENUE BONDS, SERIES 1966 (UNITED STATES DEPARTMENT OF AGRICULTURE) (THE "SERIES 1966 BONDS"); (2) WATER REVENUE BONDS, SERIES 1974 (UNITED STATES DEPARTMENT OF AGRICULTURE) (THE "SERIES 1974 BONDS"); AND THE (3) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 27, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $703,000 (THE "SERIES 2004 A BONDS"). THE SERIES 1966 BONDS, THE SERIES 1974 BONDS AND THE SERIES 2004 A BONDS ARE REFERRED TO AS 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 2006 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 2006 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 2006 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, GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated the day and year first written above.

[SEAL]

Chairman

ATTEST:

Secretary

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2006 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: March 29, 2006.

THE HUNTINGTON NATIONAL BANK,
as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$126,140	March 29, 2006	(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

Date	Principal	Coupon	Total P+I
06/01/2006	-	-	-
09/01/2006	-	-	-
12/01/2006	-	-	-
03/01/2007	-	-	-
06/01/2007	-	-	-
09/01/2007	8,065.00	-	8,065.00
12/01/2007	8,065.00	-	8,065.00
03/01/2008	8,065.00	-	8,065.00
06/01/2008	8,065.00	-	8,065.00
09/01/2008	8,065.00	-	8,065.00
12/01/2008	8,065.00	-	8,065.00
03/01/2009	8,065.00	-	8,065.00
06/01/2009	8,065.00	-	8,065.00
09/01/2009	8,065.00	-	8,065.00
12/01/2009	8,065.00	-	8,065.00
03/01/2010	8,065.00	-	8,065.00
06/01/2010	8,065.00	-	8,065.00
09/01/2010	8,065.00	-	8,065.00
12/01/2010	8,065.00	-	8,065.00
03/01/2011	8,065.00	-	8,065.00
06/01/2011	8,065.00	-	8,065.00
09/01/2011	8,065.00	-	8,065.00
12/01/2011	8,065.00	-	8,065.00
03/01/2012	8,065.00	-	8,065.00
06/01/2012	8,065.00	-	8,065.00
09/01/2012	8,065.00	-	8,065.00
12/01/2012	8,065.00	-	8,065.00
03/01/2013	8,065.00	-	8,065.00
06/01/2013	8,065.00	-	8,065.00
09/01/2013	8,065.00	-	8,065.00
12/01/2013	8,065.00	-	8,065.00
03/01/2014	8,065.00	-	8,065.00
06/01/2014	8,065.00	-	8,065.00
09/01/2014	8,065.00	-	8,065.00
12/01/2014	8,065.00	-	8,065.00
03/01/2015	8,065.00	-	8,065.00
06/01/2015	8,065.00	-	8,065.00
09/01/2015	8,065.00	-	8,065.00
12/01/2015	8,065.00	-	8,065.00
03/01/2016	8,065.00	-	8,065.00
06/01/2016	8,065.00	-	8,065.00
09/01/2016	8,065.00	-	8,065.00
12/01/2016	8,065.00	-	8,065.00

Date	Principal	Coupon	Total P+I
03/01/2017	8,065.00	-	8,065.00
06/01/2017	8,065.00	-	8,065.00
09/01/2017	8,065.00	-	8,065.00
12/01/2017	8,065.00	-	8,065.00
03/01/2018	8,065.00	-	8,065.00
06/01/2018	8,065.00	-	8,065.00
09/01/2018	8,065.00	-	8,065.00
12/01/2018	8,065.00	-	8,065.00
03/01/2019	8,065.00	-	8,065.00
06/01/2019	8,065.00	-	8,065.00
09/01/2019	8,065.00	-	8,065.00
12/01/2019	8,065.00	-	8,065.00
03/01/2020	8,065.00	-	8,065.00
06/01/2020	8,065.00	-	8,065.00
09/01/2020	8,065.00	-	8,065.00
12/01/2020	8,065.00	-	8,065.00
03/01/2021	8,065.00	-	8,065.00
06/01/2021	8,065.00	-	8,065.00
09/01/2021	8,065.00	-	8,065.00
12/01/2021	8,065.00	-	8,065.00
03/01/2022	8,065.00	-	8,065.00
06/01/2022	8,065.00	-	8,065.00
09/01/2022	8,065.00	-	8,065.00
12/01/2022	8,065.00	-	8,065.00
03/01/2023	8,065.00	-	8,065.00
06/01/2023	8,065.00	-	8,065.00
09/01/2023	8,065.00	-	8,065.00
12/01/2023	8,065.00	-	8,065.00
03/01/2024	8,065.00	-	8,065.00
06/01/2024	8,065.00	-	8,065.00
09/01/2024	8,065.00	-	8,065.00
12/01/2024	8,065.00	-	8,065.00
03/01/2025	8,065.00	-	8,065.00
06/01/2025	8,065.00	-	8,065.00
09/01/2025	8,065.00	-	8,065.00
12/01/2025	8,065.00	-	8,065.00
03/01/2026	8,065.00	-	8,065.00
06/01/2026	8,065.00	-	8,065.00
09/01/2026	8,065.00	-	8,065.00
12/01/2026	8,065.00	-	8,065.00
03/01/2027	8,065.00	-	8,065.00
06/01/2027	8,065.00	-	8,065.00
09/01/2027	8,064.00	-	8,064.00
12/01/2027	8,064.00	-	8,064.00
03/01/2028	8,064.00	-	8,064.00
06/01/2028	8,064.00	-	8,064.00
09/01/2028	8,064.00	-	8,064.00
12/01/2028	8,064.00	-	8,064.00
03/01/2029	8,064.00	-	8,064.00

Date	Principal	Coupon	Total P+I
06/01/2029	8,064.00	-	8,064.00
09/01/2029	8,064.00	-	8,064.00
12/01/2029	8,064.00	-	8,064.00
03/01/2030	8,064.00	-	8,064.00
06/01/2030	8,064.00	-	8,064.00
09/01/2030	8,064.00	-	8,064.00
12/01/2030	8,064.00	-	8,064.00
03/01/2031	8,064.00	-	8,064.00
06/01/2031	8,064.00	-	8,064.00
09/01/2031	8,064.00	-	8,064.00
12/01/2031	8,064.00	-	8,064.00
03/01/2032	8,064.00	-	8,064.00
06/01/2032	8,064.00	-	8,064.00
09/01/2032	8,064.00	-	8,064.00
12/01/2032	8,064.00	-	8,064.00
03/01/2033	8,064.00	-	8,064.00
06/01/2033	8,064.00	-	8,064.00
09/01/2033	8,064.00	-	8,064.00
12/01/2033	8,064.00	-	8,064.00
03/01/2034	8,064.00	-	8,064.00
06/01/2034	8,064.00	-	8,064.00
09/01/2034	8,064.00	-	8,064.00
12/01/2034	8,064.00	-	8,064.00
03/01/2035	8,064.00	-	8,064.00
06/01/2035	8,064.00	-	8,064.00
09/01/2035	8,064.00	-	8,064.00
12/01/2035	8,064.00	-	8,064.00
03/01/2036	8,064.00	-	8,064.00
06/01/2036	8,064.00	-	8,064.00
09/01/2036	8,064.00	-	8,064.00
12/01/2036	8,064.00	-	8,064.00
03/01/2037	8,064.00	-	8,064.00
06/01/2037	8,064.00	-	8,064.00
09/01/2037	8,064.00	-	8,064.00
12/01/2037	8,064.00	-	8,064.00
03/01/2038	8,064.00	-	8,064.00
06/01/2038	8,064.00	-	8,064.00
09/01/2038	8,064.00	-	8,064.00
12/01/2038	8,064.00	-	8,064.00
03/01/2039	8,064.00	-	8,064.00
06/01/2039	8,064.00	-	8,064.00
09/01/2039	8,064.00	-	8,064.00
12/01/2039	8,064.00	-	8,064.00
03/01/2040	8,064.00	-	8,064.00
06/01/2040	8,064.00	-	8,064.00
09/01/2040	8,064.00	-	8,064.00
12/01/2040	8,064.00	-	8,064.00
03/01/2041	8,064.00	-	8,064.00
06/01/2041	8,064.00	-	8,064.00

Date	Principal	Coupon	Total P+I
09/01/2041	8,064.00	-	8,064.00
12/01/2041	8,064.00	-	8,064.00
03/01/2042	8,064.00	-	8,064.00
06/01/2042	8,064.00	-	8,064.00
09/01/2042	8,064.00	-	8,064.00
12/01/2042	8,064.00	-	8,064.00
03/01/2043	8,064.00	-	8,064.00
06/01/2043	8,064.00	-	8,064.00
09/01/2043	8,064.00	-	8,064.00
12/01/2043	8,064.00	-	8,064.00
03/01/2044	8,064.00	-	8,064.00
06/01/2044	8,064.00	-	8,064.00
09/01/2044	8,064.00	-	8,064.00
12/01/2044	8,064.00	-	8,064.00
03/01/2045	8,064.00	-	8,064.00
06/01/2045	8,064.00	-	8,064.00
09/01/2045	8,064.00	-	8,064.00
12/01/2045	8,064.00	-	8,064.00
03/01/2046	8,064.00	-	8,064.00

(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:

_____

GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT

WATER REVENUE BONDS, SERIES 2004 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

BOND RESOLUTION

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GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF $703,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2004 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 GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

A. Greater Harrison County Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Harrison County 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 approximately four miles of water line extensions, an 80 gallon per minute booster station, fire hydrants, a 47,000 gallon storage facility to serve 52 new customers, 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.

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

D. It is deemed necessary for the Issuer to issue its Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund) in the total aggregate principal amount of $703,000 (the "Series 2004 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 2004 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 2004 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 2004 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 2004 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.

G. The Issuer has merged with Lost Creek-Mt. Clare Public Service District, Quiet Dell Public Service District and Valley of Good Hope Public Service District, acquiring all their assets and assuming all their liabilities. Quiet Dell Public Service District and Valley of Good Hope Public Service District had no outstanding bonds. The Issuer has assumed from Lost Creek-Mt. Clare Public Service District certain outstanding bonds, which are re-designated and have the lien positions with respect to the Net Revenues of the merged waterworks system of the Issuer as follows:

Designation	Lien Position
(1) Lost Creek-Mt. Clare Public Service District Waterworks System Revenue Bonds, Series A, dated December 16, 1966, held by the United States Department of Agriculture, issued in the original aggregate principal amount of $330,000 and hereby re-designated by the Issuer as the Greater Harrison County Public Service District Water Revenue Bonds, Series 1966 (United States Department of Agriculture) (the "Series 1966 Bonds").	First Lien
(2) Lost Creek-Mt. Clare Public Service District Water Revenue Bonds, Series 1974, dated May 27, 1976, held by the United States Department of Agriculture, issued in the original aggregate principal amount of $305,000 and hereby re-designated by the Issuer as the Greater Harrison County Public Service District Water Revenue Bonds, Series 1974 (United States Department of Agriculture) (the "Series 1974 Bonds").	First Lien

The Series 1966 Bonds and the Series 1974 Bonds are hereinafter collectively called the "Prior Bonds." The Prior Bonds are secured by a first lien on and a pledge of the Net Revenues of the System, on a parity with each other.

There is an outstanding obligation of the Issuer which does not have a lien on any revenues of the System, nor is it payable from Net Revenues, held by The County Commission of Harrison County, issued in the original aggregate principal amount of $50,000.

The Series 2004 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 2004 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 2004 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the covenants of the Prior Bonds and the Prior Resolutions.

H. The estimated revenues to be derived in each year following completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest, if any, on the Series 2004 A Bonds and the Prior Bonds, and to make payments into all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2004 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 2004 A Bonds or such final order will not be subject to appeal or rehearing.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2004 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 2004 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 2004 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 2004 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 2004 A Bonds for all or a portion of the proceeds of the Series 2004 A Bonds from the Authority.

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

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

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

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

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

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

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

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

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

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

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

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not

include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 8.01 hereof) or any Tap Fees, as hereinafter defined.

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

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

"Investment Property" means:

(A) any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code),

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

(E) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan.

Except as provided in the following sentence, the term "Investment Property" does not include any tax-exempt bond. With respect to an issue other than an issue a part of which is a specified private activity bond (as defined in section 57(a)(5)(C) of the Code), the term "Investment Property" includes a specified private activity bond (as so defined).

"Issuer" means Greater Harrison County Public Service District, formerly Grant-Union Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia in Harrison County, West Virginia, which has heretofore merged with the Lost Creek-Mt. Claire Public Service District, Quiet Dell Public Service District and Valley of Good Hope Public Service District 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 2004 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 2004 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 2004 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.

"Nonpurpose Investment" means any Investment Property as defined in Section 148(b) of the Code, that is not a purpose investment.

"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 2004 A Bonds in the Supplemental Resolution.

"Prior Bonds" means, collectively, the Series 1966 Bonds and the Series 1974 Bonds.

"Prior Resolutions" means, collectively, the resolutions adopted by Lost-Creek-Mt. Clare Public Service District on September 29, 1966, and February 11, 1975, authorizing the Prior Bonds and hereby assumed by the Issuer.

"Private Business Use" means use (directly or indirectly) in a trade or business carried on by any person other than a governmental unit; provided that, use as a member of the general public shall not be taken into account.

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

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

(a) Government Obligations;

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

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

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

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time

accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

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

(h) The West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 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 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.

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

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Series 2004 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 2004 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 1966 Bonds" means the Lost Creek-Mt. Clare Public Service District Waterworks System Revenue Bonds, Series A, dated December 16, 1966, issued in the original aggregate principal amount of $330,000, assumed by the Issuer in its merger with Lost Creek-Mt. Clare Public Service District and hereby re-designated by the Issuer as the Greater Harrison County Public Service District Water Revenue Bonds, Series 1966 (United States Department of Agriculture).

"Series 1974 Bonds" means the Lost Creek-Mt. Clare Public Service District Water Revenue Bonds, Series 1974, dated May 27, 1976, issued in the original aggregate principal amount of $305,00, assumed by the Issuer in its merger with Lost Creek-Mt. Clare Public Service District and hereby re-designated by the Issuer as the Greater Harrison County Public Service District Water Revenue Bonds, Series 1974 (United States Department of Agriculture).

"Series 2004 A Bonds" means the Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Resolution.

"Series 2004 A Bonds Construction Trust Fund" means the Series 2004 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2004 A Bonds Reserve Account" means the Series 2004 A Bonds Reserve Account established in the Series 2004 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2004 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 2004 A Bonds in the then current or any succeeding year.

"Series 2004 A Bonds Sinking Fund" means the Series 2004 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 2004 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 2004 A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2004 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 Repair 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 $703,000, 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 2004 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.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2004 A Bonds, funding the Reserve Account for the Series 2004 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2004 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 2004 A Bonds of the Issuer. The Series 2004 A Bonds shall be issued as a single bond, designated as "Water Revenue Bonds, Series 2004 A (West Virginia Infrastructure Fund)," in the principal amount of $703,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2004 A Bonds remaining after funding of the Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 2004 A Bonds, if any, shall be deposited in or credited to the Series 2004 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 2004 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 2004 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 2004 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 2004 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 2004 A Bonds. The Series 2004 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 2004 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 2004 A Bonds shall cease to be such officer of the Issuer before the Series 2004 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 2004 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 2004 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 2004 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 2004 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 2004 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 2004 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 2004 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 2004 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 2004 A Bonds or transferring the registered Series 2004 A Bonds are exercised, all Series 2004 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2004 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 2004 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 2004 A Bonds or, in the case of any proposed redemption of Series 2004 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 2004 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 2004 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 2004 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2004 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 2004 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 2004 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 2004 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2004 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 2004 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 2004 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 2004 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2004 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 2004 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2004 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Harrison County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, _____, 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 _____, 2004.

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 _____, 2004, and a Supplemental Resolution duly adopted by the Issuer on _____, 2004 (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 (1) THE LOST CREEK-MT. CLARE PUBLIC SERVICE DISTRICT WATERWORKS SYSTEM REVENUE BONDS, SERIES A, DATED DECEMBER 16, 1966, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $330,000 AND RE-DESIGNATED BY THE ISSUER IN THE BOND LEGISLATION AS THE GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 1966 (UNITED STATES DEPARTMENT OF AGRICULTURE) (THE "SERIES 1966 BONDS"); AND (2) THE LOST CREEK-MT. CLARE PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 1974, DATED MAY 27, 1976, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $305,000 AND RE-DESIGNATED BY THE ISSUER IN THE BOND LEGISLATION AS THE GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 1974 (UNITED STATES DEPARTMENT OF AGRICULTURE) (THE "SERIES 1974 BONDS"). THE SERIES 1966 BONDS AND THE SERIES 1974 BONDS ARE REFERRED TO AS 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 2004 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 2004 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 2004 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, GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated _____, 2004.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2004 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: _____, 2004.

THE HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2004 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) and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

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

(2) Operation and Maintenance Fund (established by the Prior Resolutions);

(3) Repair and Replacement Fund (established by the Prior Resolutions); and

(4) Series 2004 A Bonds Construction Trust Fund.

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

(1) Series 2004 A Bonds Sinking Fund; and

(2) Series 2004 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 remit to the National Finance

Office, the amounts required to pay interest on the Prior Bonds, as required by the Prior Resolutions.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and (i) remit to the National Finance Office the amounts required to pay principal of the Prior 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 2004 A Bonds, for deposit in the Series 2004 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2004 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 2004 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and (i) remit to the Depository Bank, the amounts required by the Prior Resolutions for deposit in the respective Reserve Accounts for the Prior Bonds; and (ii) remit to the Commission, commencing 3 months prior to the first date of payment of principal of the Series 2004 A Bonds, if not fully funded upon issuance of the Series 2004 A Bonds, for deposit in the Series 2004 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2004 A Bonds Reserve Requirement, until the amount in the Series 2004 A Bonds Reserve Account equals the Series 2004 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2004 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 2004 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Repair and Replacement Fund, 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 Repair 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 Repair 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 Repair and Replacement Fund.

Monies in the Series 2004 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2004 A Bonds as the same shall become due. Monies in the Series 2004 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2004 A Bonds as the same shall come due, when other monies in the Series 2004 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2004 A Bonds Sinking Fund and the Series 2004 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 2004 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 2004 A Bonds, and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 2004 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 2004 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 2004 A Bonds Sinking Fund and the Series 2004 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2004 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 2004 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 2004 A Bonds Sinking Fund and the Series 2004 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 2004 A Bonds Sinking Fund and the Series 2004 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2004 A Bonds Sinking Fund and the Series 2004 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2004 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 2004 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 2004 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2004 A Bonds, there shall first be deposited with the Commission in the Series 2004 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 2004 A Bonds for the period commencing on the date of issuance of the Series 2004 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 2004 A Bonds, there shall be deposited with the Commission in the Series 2004 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2004 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2004 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2004 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 2004 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 2004 A Bonds shall be applied as directed by the Council.

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 2004 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 and the Consulting Engineers, 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 2004 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 2004 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 2004 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 2004 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 2004 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 2004 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2004 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 2004 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 2004 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. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. 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 Final Order of the Public Service Commission of West Virginia entered August 2, 2002, in Case No. 02-0491-PWD-30B, and such rates are hereby adopted.

So long as the Series 2004 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 2004 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 2004 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 2004 A Bonds, immediately be remitted to the Commission for deposit in the Series 2004 A Bonds Sinking Fund and applied to the payment of principal of and interest, if any, on the Series 2004 A Bonds. Any balance remaining after the payment of the Series 2004 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 Repair 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 Repair and Replacement Fund. The payment of such proceeds into the Repair 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 2004 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2004 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 2004 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 2004 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 2004 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 2004 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 2004 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.

So long as the Prior Bonds are Outstanding, no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements 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 foregoing limitation may be waived or modified by the written consent of the Holders of the Prior Bonds, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing limitation is waived or when the Prior Bonds are no longer outstanding, the following parity requirement shall be met:

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 2004 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 2004 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 2004 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2004 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 in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, 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 2004 A Bonds, and shall submit said report to the Council and the Authority, or any other original purchaser of the Series 2004 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 2004 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 2004 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2004 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 2004 A Bonds Reserve Account and the reserve accounts for obligations on a parity with the Series 2004 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 2004 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2004 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 Repair 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 Repair and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

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

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

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

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

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

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

Section 7.18. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2004 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2004 A Bonds during the term thereof is, under the terms of the Series 2004 A 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 5% of the Net Proceeds of the Series 2004 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2004 A Bonds during the term thereof is, under the terms of the Series 2004 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2004 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2004 A 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 the portion of the Project to which such Private Business Use is related. All of the foregoing shall be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Series 2004 A Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2004 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will timely file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2004 A Bonds and the interest thereon including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 2004 A Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2004 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 2004 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; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2004 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 2004 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 2004 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; NON ARBITRAGE

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 2004 A Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest, if any, on the Series 2004 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 2004 A Bonds as a condition to issuance of the Series 2004 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 2004 A Bonds as may be necessary in order to maintain the status of the Series 2004 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 2004 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 2004 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 2004 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 2004 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2004 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 2004 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2004 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 2004 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 2004 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 2004 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 2004 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 2004 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2004 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 2004 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2004 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 2004 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 2004 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 2004 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. Public Notice of Proposed Financing. Prior to making formal application to the Public Service Commission of West Virginia for a Certificate of Public Convenience and Necessity and adoption of this Resolution, the Secretary of the Governing Body shall have caused to be published in a newspaper of general circulation in each municipality in Greater Harrison County Public Service District and within the boundaries of the District, a Class II legal advertisement stating:

(a) The maximum amount of the Series 2004 A Bonds to be issued;

(b) The maximum interest rate and terms of the Series 2004 A Bonds authorized hereby;

(c) The public service properties to be acquired or constructed and the cost of the same;

(d) The maximum anticipated rates which will be charged by the Issuer; and

(e) The date that the formal application for a certificate of public convenience and necessity is to be filed with the Public Service Commission of West Virginia.

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

Adopted this 21st day of July, 2004.

William L. Offenbacher
Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT on the 21st day of July, 2004.

Dated: July 27, 2004.

[SEAL]

Secretary

06/25/04
352650.00002

EXHIBIT A

Loan Agreement included in bond transcript as Documents 3 and 4.

1974

LOST CREEK-MT. CLARE PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ISSUANCE OF $305,000 WATER REVENUE BOND, SERIES 1974, OF LOST CREEK-MT. CLARE PUBLIC SERVICE DISTRICT ON A PARITY WITH THE 1966 BONDS TO FINANCE CONSTRUCTION OF IMPROVEMENTS FOR THE EXISTING WATERWORKS; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BOND; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDER OF THE BOND AND FOR A STATUTORY MORTGAGE LIEN UPON THE WATERWORKS IN FAVOR OF THE HOLDER OF THE BOND; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT

BE IT RESOLVED AND ORDERED BY THE PUBLIC SERVICE BOARD OF LOST CREEK-MT. CLARE PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for This Resolution. This Resolution is adopted pursuant to the provisions of Article 13A, Chapter 16 of the West Virginia Code and other applicable provisions of law. Lost Creek-Mt. Clare Public Service District (herein called the "District") is a public service district created pursuant to said Article 13A by the County Court of Harrison County.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

(A) The District now owns and operates a public waterworks system, which system should be improved and extended to serve additional users. The District purchases water under contract with the City of Clarksburg.

(B) It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the District, and, accordingly, it is hereby ordered, that there be constructed and acquired improvements and extensions for the existing water-

works system of the District, consisting of transmission and distribution lines, pumping stations and storage tanks, with all necessary appurtenant facilities (herein called the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Secretary of the Public Service Board of the District (herein called the "Board").

(C) It is necessary for the District to issue its revenue bond in the principal amount of $305,000 to finance the costs of acquisition and construction of the Project in the manner hereinafter provided.

(D) The estimated maximum cost of the construction of the Project is $305,000, all which will be obtained from the proceeds of sale of the Series 1974 Bond herein authorized.

(E) The cost of such construction shall be deemed to include, without being limited to, the construction or acquisition of the Project, the acquisition of any necessary property, real or personal, or interest therein; interest on the Series 1974 Bond prior to, during and for six months after completion of such construction to the extent that revenues of the System are not sufficient therefor; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; and such other expenses as may be necessary or incidental to the construction of the Project and the financing authorized by this resolution.

(F) The period of usefulness of the System after completion of the Project is not less than forty years.

(G) There are outstanding the Water-Works System Revenue Bonds, Series A, of the District, dated November 7, 1966 (herein called the "1966 Bonds"), which will rank on a parity with the Series 1974 Bond as to lien and source of and security for payment and in all other respects pursuant to the written consent of the Government, heretofore received, the Government being the holder or issuer of all the 1966 Bonds.

(H) The District has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Series 1974 Bond, or will have so complied prior to issuance of the Series 1974 Bond including, among other things, the consent and approval, pursuant to the Act, of the issuance of the Series 1974 Bond by the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired.

Section 1.03. Resolutions to Constitute Contract. In consideration of the acceptance of the Series 1974 Bond by the Government, this Resolution shall be deemed to be and shall constitute a contract between the District and such Bondholder, and the covenants and agreements set forth in this Resolution to be performed by the District shall be for the benefit, protection and security of the legal holders of all the Bonds.

Section 1.04. Definitions. The following terms shall have the following meanings in this Resolution unless the text otherwise expressly requires:

"Act" means Article 13A, Chapter 16 of the West Virginia Code.

"Board" means the Public Service Board of the District, the governing body of the District under the Act.

"Bonds" means the $305,000 Water Revenue Bond, Series 1974, originally authorized to be issued pursuant to this Resolution and shall also be deemed to include, where appropriate, any additional parity Bonds issued pursuant to this Resolution.

"Series 1974 Bond" means the Bond hereby authorized to be issued.

"1966 Bonds" means the Water-Works System Revenue Bonds, Series A, defined in Section 1.02(G).

"Chairman" means the Chairman of the Board.

"Consulting Engineer" means Milam Engineering, Consulting Engineers, Dunbar, West Virginia, or any qualified engineer or firm of

engineers which shall at any time hereafter be retained by the District as Consulting Engineer for the System.

"District" means Lost Creek-Mt. Clare Public Service District, of Harrison County; West Virginia, and, where appropriate, also means the Public Service Board thereof.

"Facilities" or "waterworks facilities" means all the facilities of the System and also any facilities which may hereafter be added to the System by any additions, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"Fiscal Year" means each year beginning on July 1 and ending on the succeeding June 30.

"Government" means United States Department of Agriculture, Farmers Home Administration and any successor thereof.

"Herein" means in this Resolution.

"Holder of the Bond" or "Bondholder" or any similar term means any person who shall be the bearer or owner of any outstanding Bond or 1966 Bond registered to bearer or not registered, or the registered owner of any outstanding Bond or 1966 Bond which shall at the time be registered other than to the bearer.

"Net Revenues" means the balance of the gross revenues, as defined below, remaining after deduction only of operating expenses, as defined below.

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the District relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are

normally and regularly included under recognized accounting practices, and retention of a sum not to exceed one-sixth of the budgeted operating expenses stated above for the current year as working capital, and language herein requiring payment of operating expenses means also retention of not to exceed such sum as working capital.

"Original Purchaser" means the purchaser, directly from the District, of the Series 1974 Bond or of any part of such series.

"Project" shall have the meaning stated in Section 1.02(B) above.

"Revenues" or "gross revenues" means all rates, rents, fees, charges or other income received by the District, or accrued to the District, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System, and all parts thereof, all as calculated in accordance with sound accounting practices.

"1966 Resolution" means the resolution adopted by the Board September 29, 1966, providing for the issuance of the 1966 Bonds.

"Secretary" means the Secretary of the Board.

"System" means the complete waterworks system of the District consisting of the waterworks existing on the date of adoption hereof and of the Project, including all water facilities owned by the District and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks; and shall also include any and all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the System after completion of the Project.

Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF SERIES 1974 BOND

Section 2.01. Authorization of Series 1974 Bond. Subject and pursuant to the provisions of this Resolution, the Bond of the District, to be known as "Water Revenue Bond, Series 1974", is hereby authorized to be issued in the aggregate principal amount of not exceeding Three Hundred Five Thousand Dollars ($305,000) for the purpose of financing the cost of the construction and acquisition of the Project.

Section 2.02. Description of Series 1974 Bond. The Series 1974 Bond shall be issued in single form, No. 1, and shall be dated on the date of delivery. The Series 1974 Bond shall bear interest from date, payable monthly at the rate of five per centum (5%) per annum, and shall be sold for the par value thereof.

The Series 1974 Bond shall be subject to prepayment of scheduled installments, or any portion thereof, at the option of the District, and shall be payable as provided in the bond form hereinafter set forth.

Section 2.03. Execution of Series 1974 Bond. The Series 1974 Bond shall be executed in the name of the District by the Chairman and its corporate seal shall be affixed thereto and attested by the Secretary. The Series 1974 Bond may be signed and sealed on behalf of the District by such person as at the actual time of the execution of such Series 1974 Bond shall hold the proper office on the Board, although at the date of such Series 1974 Bond such person may not have held such office or may not have been so authorized.

Section 2.04. Bond Mutilated, Destroyed, Stolen or Lost. In case the Series 1974 Bond shall become mutilated or be destroyed, stolen or lost, the District may in its discretion issue and deliver a new Series 1974 Bond of like tenor as the Series 1974 Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such

mutilated Series 1974 Bond or in lieu of and substitution for the Series 1974 Bond destroyed, stolen or lost, and upon the holder's furnishing the District proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the District may require; provided, however, that no indemnity shall be required of the Government except as to lost or destroyed unregistered coupon Bonds, if any. The Series 1974 Bond so surrendered shall be canceled and held for the account of the District. If the Series 1974 Bond shall have matured or be about to mature, instead of issuing a substitute Series 1974 Bond, the District may pay the same, upon being indemnified as aforesaid, and, if such Series 1974 Bond be destroyed, stolen or lost, without surrender thereof.

Section 2.05. Bond Secured by Pledge of Revenues. The payment of the debt service of the Series 1974 Bond shall be secured forthwith by a first lien on the net revenues derived from the System in addition to the statutory mortgage lien on the System hereinafter provided for. The net revenues derived from the System in an amount sufficient to pay the principal of and interest on the Series 1974 Bond, and to make the payments of the principal and interest installments and otherwise as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Series 1974 Bond as the same become due, on a parity with the 1966 Bonds.

Section 2.06. Form of Series 1974 Bond. Subject to the provisions of this Resolution, the text of the Series 1974 Bond and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted by this Resolution or any subsequent resolution adopted prior to the issuance thereof:

(Form of Bond)

WATER REVENUE BOND, SERIES 1974

LOST CREEK-MT. CLARE PUBLIC SERVICE DISTRICT

$305,000

Date: _____

No. 1

FOR VALUE RECEIVED, LOST CREEK-MT. CLARE PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (herein called the "Government"), at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of Three Hundred Five Thousand Dollars ($305,000), plus interest on the unpaid principal balance at the rate of five per cent (5%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Installments of interest only on the first day of each month for the first twelve months after the date hereof and $1483, covering principal and interest, thereafter on the first day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of this Bond, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Farmers Home Administration according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower, and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the

Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction and acquisition of additions, extensions and improvements to the waterworks of the Borrower, is payable solely from the revenues to be derived from the operation of such waterworks after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the waterworks. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Article 13A of Chapter 16 of the West Virginia Code (herein called the "Act").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is on a parity, as to lien and source of and security for payment and in all other respects, with the Water-Works System Revenue Bonds, Series A, of the Borrower dated November 7, 1966, originally issued in the aggregate principal amount of $330,000.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act. This Bond shall be subject to the present regulations of the Farmers Home Administration and to its future regulations not inconsistent with the express provisions hereof.

LOST CREEK-MT. CLARE PUBLIC SERVICE DISTRICT
(Name of Borrower)

[CORPORATE SEAL]

(Signature of Executive Official)

ATTEST:

Chairman, Public Service Board
(Title of Executive Official)

(Signature of Attesting Official)

(Post Office Box No. or Street Address)

Secretary, Public Service Board
(Title of Attesting Official)

Mt. Clare, West Virginia 26408
(City, State and Zip Code)

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $		(6) $	
(2) $		(7) $	
(3) $		(8) $	
(4) $		(9) $	
(5) $		(10) $	

TOTAL _____

Pay to the Order of _____

_____

UNITED STATES OF AMERICA
FARMERS HOME ADMINISTRATION

By_____

_____
(Title)

ARTICLE III

SERIES 1974 BOND PROCEEDS; REVENUES AND APPLICATION THEREOF

Section 3.01. Series 1974 Bond Proceeds; Project Construction Account. All moneys received from the sale of the Series 1974 Bond shall be deposited on receipt by the District in

, West Virginia, a member of Federal Deposit Insurance Corporation (herein called "FDIC"), in a special account heretofore created and designated as "Lost Creek-Mt. Clare Public Service District Construction Account" (herein called the "Project Construction Account"). The moneys in the Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by such bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Moneys in the Project Construction Account shall be expended by the District solely for the purposes provided in this Resolution.

Until completion of construction of the Project, the District will transfer from the Project Construction Account and deposit in the Bond Fund, not later than fifteen days prior to the next interest payment date, such sums as shall be from time to time required to pay the interest becoming due on the Series 1974 Bond on such interest payment date if moneys in the Bond Fund are insufficient for such purpose.

If the District shall determine at any time that all funds on deposit in the Project Construction Account exceed the estimated disbursements on account of the Project for the ensuing 90 days, the District may invest such excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, which shall mature not later than eighteen months after the date of such investment. All such investments and the income therefrom shall be carried to the credit of the Project Construction Account.

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 Project Construction Account shall first be used to prepay installments of the Series 1974 Bond or a portion thereof and any residue shall be deposited in the Bond Fund.

Section 3.02. Covenants of the District as to Revenues and Funds. So long as any of the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Account hereinafter established, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 1974 Bond and any additional parity Bonds remaining unpaid, together with interest accrued and to accrue thereon, the District further covenants with the holders 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 District in a special fund in a bank or trust company in the State of West Virginia which is a member of FDIC, which Fund, known as the "Lost Creek-Mt. Clare Public Service District Revenue Fund" (herein called the "Revenue Fund"), established by the 1966 Resolution, is hereby continued with the bank named in Section 3.01 above. The Revenue Fund shall constitute a trust fund for the purposes provided in this Resolution and shall be kept separate and distinct from all other funds of the District and used only for the purposes and in the manner provided in this Resolution.

(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 District shall first each month set aside in the Operation and Maintenance Fund, established by the 1966 Resolution and now with said Bank, such sum as the Board shall determine, in accordance with its budget, to be necessary for operating expenses.

(2) The District shall next, by the fifteenth day of each month, transfer from the Revenue Fund and pay to the office and place designated in the Bond (herein called the "Bond Fund") the amount required to pay the interest on the Series 1974 Bond and to amortize the principal of the Series 1974 Bond over the life of the Bond issue, in addition to payments into the Bond Fund established by the 1966 Resolution for the 1966 Bonds.

(3) The District shall next, by the fifteenth day of each month, transfer from the Revenue Fund and deposit with the said Bank in the Reserve Fund established by the 1966 Resolution and now with said Bank, not less than 20% of the amount paid each month into the Bond Fund for the Series 1974 Bond until the amount in the Reserve Fund equals 5% of the Series 1974 Bond, which 5% is the sum of $28,550. After such maximum amount has been accumulated in the Reserve Fund, the District shall monthly deposit in the Reserve Fund such part of the moneys remaining in the Revenue Fund, after such provision for payment of maturing principal of and interest on the Series 1974 Bond and the 1966 Bonds and for payments of operating expenses of the System, as shall be required to maintain such maximum amount in the Reserve Fund. Moneys in the Reserve Fund shall be used solely to make up, ratably, in the ratio of the original issue amounts, any deficiency for monthly payments of the principal of and interest on the 1966 Bonds and the Series 1974 Bond as the same shall become due or for prepayment of installments or for mandatory redemption of Bonds of all series as hereinafter provided, and for no other purpose.

(4) The District shall next, by the fifteenth day of each month, transfer from the Revenue Fund and deposit in the Repair and Replacement Fund established by the 1966 Resolution and now with said Bank, the moneys remaining in the Revenue Fund and not permitted to be retained therein, until there has been accumulated in the Repair and Replacement Fund the aggregate sum of $24,180 and thereafter such sums as shall be required to

maintain such amount therein. Moneys in the Repair and Replacement Fund shall be used, ratably, first to make up any deficiencies for monthly payments of principal of and interest on the 1966 Bonds and the Series 1974 Bond as the same become due, and next to restore to the Reserve Fund any sum or sums transferred therefrom. Thereafter, and provided that payments into the Reserve Fund are current and in accordance with the foregoing provisions, moneys in the Repair and Replacement Fund may be withdrawn by the District and used for repairs, replacements of equipment and improvements of the System, or any part thereof.

(5) After all the foregoing provisions for use of moneys in the Revenue Fund have been fully complied with, any moneys remaining therein and not permitted to be retained therein may be used to prepay installments of the Series 1974 Bond outstanding, or for any lawful purpose.

Whenever the moneys in the Reserve Fund shall be sufficient to prepay the unpaid principal of the 1966 Bonds and the Series 1974 Bond outstanding, it shall be the mandatory duty of the District, anything to the contrary in this Resolution notwithstanding, to direct the said Bank to pay the unpaid principal amount of the 1966 Bonds and the Series 1974 Bond at the earliest practical date and in accordance with applicable provisions hereof, any such purchase to be at a price not exceeding the then market price of the 1966 Bonds and the 1974 Bond, but in no event exceeding the then redemption price, including interest accrued and to accrue to the date of prepayment.

The aforesaid Bank (and any successor appointed by the District) is hereby designated as the Fiscal Agent for the administration of the Reserve Fund as herein provided, and all amounts required therefor will be deposited by the District 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.

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 Bondholder shall have a lien thereon for further securing payment of the 1966 Bonds and the Series 1974 Bond and the interest thereon. The moneys in excess of the sum insured by FDIC in any of such funds shall at all times be secured, to the full extent thereof in excess of such insured sum, in a manner lawful for securing deposits of state and municipal funds under the laws of the State of West Virginia.

If on any payment date the revenues are insufficient to place the required amount in any of the funds or accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to those which would otherwise be required to be made into the funds or accounts on the subsequent payment dates.

The Fiscal Agent shall keep the moneys in the Reserve Fund and the Replacement Fund invested and reinvested to the fullest extent practicable in direct obligations of, or obligations the payment of the principal of and interest on which are guaranteed by, the United States of America and having maturities not exceeding two years. Earnings upon moneys in the Reserve Fund, so long as the maximum amount required to be accumulated therein is on deposit and maintained therein, shall be paid annually into the Revenue Fund by the Fiscal Agent.

(C) Change of Fiscal Agent. The District may designate another bank insured by FDIC as Fiscal Agent if the aforesaid Bank should cease for any reason to serve or if the Board determines by resolution that said Bank or its successor should no longer serve as Fiscal Agent. Upon any such change, the Board will cause notice of the change to be sent by registered or certified mail to the Government.

(D) User Contracts. The District shall, prior to delivery of the Series 1974 Bond, obtain user agreements from not less than 108 new users in the area to be served by the Project, and shall collect and deposit in the Project Construction Account not less than $ 2,160 , based on a tap fee of $ 20 .

ARTICLE IV

GENERAL COVENANTS

Section 4.01. General Statement. So long as any of the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Bond Fund and the Reserve Fund therein a sum sufficient to pay when due, or redeem or purchase prior to maturity, the entire principal of the Series 1974 remaining unpaid, together with interest accrued and to accrue thereon and any applicable redemption premiums, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the District and the Bondholders.

Section 4.02. Rates. The District will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide revenues in each fiscal year sufficient to produce net revenues equal to not less than 110% of the average annual debt service on the Series 1974 Bond outstanding and to make the payments required herein into the Bond Fund, the Reserve Fund and the Replacement Fund and all the necessary expenses of operating and maintaining the System during such fiscal year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate revenues for such purposes.

Section 4.03. Sale of the System. The System may be sold, mortgaged, leased, or otherwise disposed of only with written consent of the Government, and such consent will specify the disposition of any such sale or transfer.

Section 4.04. Covenant Against Encumbrances. The District 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 1974 Bond without express written consent of the Government.

Section 4.05. Insurance and Bonds. The District hereby covenants and agrees that so long as any of the Series 1974 Bond remains outstanding, it will, as an expense of operation and maintenance of the System, procure, carry and maintain insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(a) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured before issuance of the Series 1975 Bond, on all insurable portions of the System in an amount equal to the actual cost thereof. In the event of any damage to or destruction of any portion of the System, the District will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The District will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the District during construction of the Project in the full insurable value thereof.

(b) Public Liability Insurance, with limits of not less than $100,000 for one person and $300,000 for more than one person injured or killed in one accident to protect the District from claims for bodily injury and/or death, and not less than $100,000 from claims for damage to property of others which may arise from the operation of the System, such insurance to be in effect prior to issuance of the Series 1974 Bond.

(c) Vehicular Public Liability Insurance, in the event the District owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the District is operated for the benefit of the District, with limits of not less than $100,000 for one person and $300,000 for more than one person injured or killed in [illegible]c-cident to protect the District from claims for bodily injury and/o[illegible]ath, and not less than $100,000 from claims for damage to property of others

which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle.

(d) Workmen's Compensation Coverage for all Employees of the District Eligible Therefor and Performance and Payment Bonds, such bonds to be in the amounts of 100% of the construction contract, will be required of each contractor or subcontractor, and such payment bonds will be filed with the Clerk of the County Court of said County prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

(e) Fidelity Bonds will be provided as to every member of the Board and as to every officer and employee thereof having custody of the Revenue Fund or of any revenues or other funds of the District in an amount at least equal to the total funds in the custody of any such person at any one time.

(f) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Government holds any of the Bonds, the District will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the District and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Government may specify, with insurance carriers or bonding companies acceptable to the Government.

Section 4.06. Statutory Mortgage. For the further protection of the holder of Series 1974 Bond, 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.

Section 4.07. Events of Default. Each of the following events is hereby declared an "Event of Default":

(A) Failure to make payment of the principal of any of the Series

1974 Bond either at the date therein specified for payment or by proceedings for redemption or otherwise;

(B) Failure to make payment of any installment of interest due on any of the Series 1974 Bond on the date specified for the payment of such interest;

(C) Failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the District in the Series 1974 Bond or in this Resolution, or violation of or failure to observe any provision of any pertinent law, provided any such failure or violation, excluding those covered in (A) and (B) above in this Section, shall continue for a period of thirty days after written notice shall have been given to the District by the holder of the Series 1975 Bond, specifying such failure or violation and requiring the same to be remedied.

Section 4.08. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, any Bondholder may proceed to protect and enforce the rights of the Bondholders by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights.

Upon application by such Bondholder, such court may, upon proof of such default, appoint a receiver for the affairs of the District and the System. The receiver so appointed shall administer the System on behalf of the District, shall exercise all the rights and powers of the District with respect to its System and shall have the power to collect and receive all revenues and apply the same in such manner as the court may direct.

Section 4.09. Fiscal Year; Budget. While the Series 1974 Bond is outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a fiscal year basis commencing

on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than forty-five days prior to the beginning of each fiscal year, the District agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such fiscal year unless unanimously authorized and directed by the Board. Copies of each Annual Budget shall be mailed to the Government, to the original purchaser of the Bonds and to those Bondholders who shall have filed their names and addresses with the Secretary of the Board for such purpose.

If for any reason the District shall not have adopted the Annual Budget before the first day of any fiscal year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the year next preceding by more than ten per centum; and provided further, that adoption of a Budget of Current Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the District. Each such Budget of Current Expenses shall be mailed immediately as in the case of the Annual Budget.

Section 4.10. Compensation of Board Members. The District hereby covenants and agrees that no compensation for policy direction shall be paid to the members of its Board in excess of the amount permitted by the Act. Payment of any compensation to any member of the Board for policy direction shall not be made if such payment would cause the Net Operating Income to fall below the amount required to meet all payments provided for herein, nor when there is default in the performance of or compliance with any covenant or provision of this Resolution.

Section 4.11. Covenant to Proceed. The District hereby covenants to proceed as promptly as possible with the construction of the Project in

accordance with the plans and specifications prepared by the Consulting Engineer and on file with the Secretary of the Board on the date of adoption of this Resolution.

Section 4.12. Books and Records. The District will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the System, and any holder of the Series 1974 Bond or the agent or representative thereof shall have the right at all reasonable times to inspect the System and all records, accounts and data of the District relating thereto.

The District shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants, shall mail a copy of such audit report to the Government and the original purchaser of the Series 1974 Bond, and shall make available the report of said accountants at all reasonable times to the holder of the Series 1974 Bond, or any customer receiving services from the System, or anyone acting for and in behalf of such Bondholder or customer.

Section 4.13. Maintenance of System. The District covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as any of the Series 1974 Bond is outstanding.

Section 4.14. Concerning Arbitrage. It is not reasonably expected that the proceeds of sale of the Series 1974 Bond will be invested in such a way as to violate the operating rules in the regulations of the Internal Revenue Service or of the Treasury Department of the United States of America in connection with the arbitrage provisions of Section 103(d) of the Internal Revenue Code of 1954, as amended. The Fiscal Agent is hereby expressly instructed not to violate such rules in investing such proceeds.

ARTICLE V

RATES, ETC.

Section 5.01. Initial Schedule of Rates and Charges; Rules.

A. The initial schedule of rates and charges for the services and facilities of the System, now in effect for the existing waterworks, shall be as follows:

AVAILABILITY OF SERVICE

Available for all domestic, commercial and industrial consumers within the District's service area.

RATES FOR WATER USED PER MONTH

First	400 cubic feet	$1.40 per 100 cubic feet
Next	600 cubic feet	1.10 per 100 cubic feet
All over	1,000 cubic feet	.60 per 100 cubic feet

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	$ 5.60 per month
3/4" Meter	8.05 per month
1" Meter	14.80 per month
1 1/4" Meter	22.40 per month
1 1/2" Meter	32.25 per month
2" Meter	57.35 per month
3" Meter	129.00 per month
4" Meter	229.35 per month

TAP FEES

Tap fee before completion of the Project shall be $20.

After completion of the Project, the tap fee shall be $100, or actual cost, including materials and labor, whichever is greater.

DELAYED PAYMENT PENALTY

The above rates are net. On all accounts not paid in full within ten days after date of billing, a penalty of ten per cent will be added to the net amount of the bill.

If any bill is not paid within thirty days of the date thereof, the bill will be considered delinquent and subject to disconnection. However, water service shall not be disconnected to any customer for nonpayment of the bill without first having diligently tried to induce the customer to pay the same and until after at least twenty-four hours'

written notice to the customer. Service shall not be restored until all amounts in arrears, including accrued penalties, plus a reconnection fee of $ 5 have been paid.

RECONNECTION CHARGE

The reconnection charge shall be $ 5 .

MULTIPLE OCCUPANCY

Each family or business unit of apartment buildings and other multiple occupancy buildings shall be required to pay not less than the minimum monthly charge herein established for 5/8 inch meter. Motels and hotels shall pay on the basis of size of meter installed.

House trailer (mobile and immobile types) courts and parks shall have one or more master meters of adequate size and shall pay $ 5.60 multiplied by the number of units at the site on the monthly billing date or the minimum charge for the master meter or meters installed, whichever is greater.

House trailers located on sites other than a park or court shall be billed in the same manner as any other family or business unit.

B. There shall not be any discrimination or differential in rates between customers in similar circumstances.

C. All delinquent fees, rates and charges for services or facilities of the System shall be liens on the premises served of equal degree, rank and priority with the lien on such premises of State, county, school and municipal taxes, as provided in the Act. When such fees, rates and charges have been delinquent for thirty days, the District shall have power forthwith to foreclose the lien on the premises served in the same manner provided by the laws of the State of West Virginia for the foreclosure of mortgages on real property.

D. The District will not render or cause to be rendered any free services of any nature by the System nor any of the facilities; and in the event that the District or any department, agency, officer or employee thereof should avail itself or themselves of the services or facilities of the System, the same fees, rates and charges applicable

to other customers receiving like services under similar circumstances shall be charged, such charges shall be paid as they accrue, and revenues so received shall be deposited and accounted for in the same manner as other revenues of the System.

E. The District may require any applicant for any service by the System to deposit a reasonable and equitable amount to insure payment of all charges for the services rendered by the System, which deposit shall be handled and disposed of under the applicable rules and regulations of the Public Service Commission of West Virginia.

F. No allowance or adjustment in any bill for use of the service and facilities of the System shall be made for any leakage occurring on the customer's side of any water meter.

G. The District shall not be liable to any customer for any damage resulting from bursting or breakage of any line, main, pipe, valve, equipment or part or from discontinuance of the operation of any part of the System or from failure of any part thereof for any cause whatsoever.

H. In case of emergency, the District shall have the right to restrict the use of any part of the System in any reasonable manner for the protection of the System and the inhabitants of the District.

I. The fees, rates and charges above provided will be increased whenever such increase is necessary in order to comply fully with all provisions of this resolution and the District shall always be obligated to and shall fix, establish and collect fees, rates and charges for the services and facilities of the System which shall at all times be sufficient to provide net revenues to meet its obligations hereunder, but never less than 110% of the average annual debt service on all Bonds outstanding.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Filing Under Uniform Commercial Code. Contemporaneously with the delivery of the Bond, the District shall execute Financing Statements meeting the requirements of the Uniform Commercial Code of West Virginia and promptly thereafter shall file such a Financing Statement in the offices of the Secretary of State of the State of West Virginia and of the Clerk of the County Court of said County.

Section 6.02. Delivery of Bond No. 1. The Chairman, Secretary and Treasurer of the Board are hereby authorized and directed to cause Bond No. 1, representing all the Series 1974 Bond issue, hereby awarded to the Government pursuant to agreement, to be delivered to the Government as soon as the Government will accept such delivery and pay for Bond No. 1.

Section 6.03. Severability of Invalid Provision. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions, and shall in no way affect the validity of all the other provisions of this Resolution or the Bonds or coupons appertaining thereto.

Section 6.04. Conflicting Provisions Repealed; 1966 Resolution. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflicts, hereby repealed, including the 1966 Resolution to the extent of such conflicts. This Resolution supplements and amends the 1966 Resolution.

Section 6.05. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections

hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 6.06. Effective Time. This Resolution shall take effect immediately upon its adoption.

Adopted February 11, 1975.

Chairman of Public Service Board

Member

Member

WATER PURCHASE AGREEMENT

THIS AGREEMENT, made this 12th day of March, ~~2008~~ 2009, by and between the Clarksburg Water Board (hereinafter referred to as "CWB"), a municipal corporation, and the Greater Harrison County Public Service District (hereinafter referred to as "Customer").

WHEREAS, CWB operates a water filtration plant and distribution system for distribution to residential and existing commercial, governmental, and industrial customers in the area served by Customer;

WHEREAS, the Customer desires to purchase water for distribution to residential and existing commercial, governmental and industrial customers in the area served by Customer;

WHEREAS, the parties desire to reduce to writing their respective rights and obligations with respect to the purchase, sale, delivery and distribution of water by the Customer from CWB.

NOW THEREFORE, THIS AGREEMENT WITNESSETH: In consideration of the prompt performance of the covenants hereinafter contained, to be kept and performed, it is mutually agreed between the parties as follows:

1. CWB understands that, for all intends and purposes, customers are captive and have no other means of having their water needs met other than through arrangements made with CWB. Accordingly, it is the intent of CWB to act in a manner consistent with the contractual requirements of good faith and fair dealing in all agreements with all customers.

2. Customer recognizes that clean water is a limited natural resource. Accordingly, Customer agrees to undertake appropriate actions to insure the best possible method for conservation of water supplied to it. Additionally, Customer agrees to undertake conservation

programs proposed by CWB in the event that there is an emergency situation or drought conditions.

3. CWB will make available to Customer, and Customer will accept delivery of, water at point or points of delivery, as follows: at or near the Old Cannery Road and the Rosebud Plaza, locations where the CWB currently provides water to Customer, or such other location or locations as agreed upon by the parties.

4. The price of water purchased pursuant to the terms of this Agreement shall be the applicable rate, established by the Clarksburg Water Board, in effect at the time of delivery. It shall be subject to change, from time to time, in accordance with the charter and ordinances of the City of Clarksburg, the practice and procedures of the Clarksburg Water Board, and the laws of the State of West Virginia, in effect at the date of the proposed change.

5. Customer will take, and CWB will furnish, all of the future requirements of Customer for water. Under no circumstance may Customer agree to purchase water from another distributor after execution of this Agreement, unless prior approval is made by CWB.

6. All water to Customer from CWB shall be metered at the point of delivery and monthly payments shall be made promptly by Customer upon submission of a statement for such water under applicable rules, regulations and tariffs.

7. CWB will install and maintain such taps, valves, and metering devices which may be necessary to be installed at the point of delivery. Such fixtures shall be the property of CWB. CWB will test the metering devices annually and will provide the results of those tests to Customer, upon Customer's written request.

8. CWB reserves the right to have an employee or agent supervise and inspect all connections made by Customer to the water system of CWB.

9. Customer recognizes that CWB may from time to time experience shortage in its storage capacities, and that due to the inadequacies of said storage facilities or some other emergency which may arise in the distribution system of CWB, CWB may find it necessary to reduce the supply to Customer until such time as said emergency may abate. In the event of a breakdown in CWB's filtration plant or pumping system, CWB may also have to reduce the amount of water it makes available to its customers generally until such time as the system can become fully operational. If water supplies are limited, CWB may require customer to reduce original projections for any or all additional water distribution proposed by Customer. The parties agree that in the event of a water shortage requiring a restriction of the volume of water usage by the various persons or entities served by both CWB's and Customer's systems, that CWB and Customer shall be required to reduce their water usage proportionally with the proportion of reduction resting with CWB, with the understanding that CWB will reduce Customer and CWB's other customers at the same rate of restriction. The good faith judgment of CWB as to whether a shortage or emergency exists shall be conclusive upon Customer, subject to review by the Public Service Commission.

10. It is the intent of CWB to continue to provide water at adequate pressures and consumption levels at the metering point as may be needed by Customer. In order to insure proper flow, pressure, and availability of water to Customer, Customer will request confirmation from CWB of adequate water supply and pressure, when it is determined that a new customer or customers will increase Customer's water demand significantly (10% or more) or in the event of (1) a request for a new service connection of four inches (4") in diameter or larger; (2) construction of a line extension of four inches (4") in diameter or larger or (3) new storage tank facilities are to be constructed on Customer's system.

11. CWB shall not be liable for any damages to or failure of the lines, or water distribution systems to be constructed or installed by Customer or of that system now in operation, nor of any line extending from such system to the properties of those taking water form Customer, nor shall CWB be liable for any damage to, or failure of, the plumbing on the premises of those obtaining water from Customer. Under this Agreement, the sole duty of CWB shall be to furnish and deliver water produced by CWB at its plant in the City of Clarksburg to Customer of potability and quality as is required by the State of West Virginia and the United States of America.

12. Customer shall save and hold harmless CWB from all claims, suits, damages, charges, and requirements arising out of, or the result of, the taking, pumping, storage, and distribution of the water supplied hereunder to Customer, asserted or claimed by third parties or those consuming or using the same from said system to the full extent that such claims, liabilities, or obligations of any kind or character are caused by, result from, arise out of, or are connected with the negligent or intentional acts, conduct, or omissions of the Customer, or any material breach, default, or violation by the Customer of any of the terms, covenants, agreements, and provisions contained in this Agreement, and will promptly notify CWB of such claim, suit, damage, charge, and requirement, and make available to CWB all pertinent information pertaining thereto.

13. Customer may not assign this Agreement in whole or in part without first obtaining the express written permission from CWB.

14. Customer shall, within (20) days of notice, pay to CWB charges for such water, maintenance, repairs, advice, and supervision as has been administered by CWB. If Customer fails to pay charges billed by CWB when the same becomes due and payable, or Customer fails

to comply with any other terms of this Agreement, CWB may, at its discretion, seek to exercise such remedies as are available under law or equity for said breach(es), including, but not limited to, monetary damages and/or termination of services, in a court, administrative agency, or other forum of competent jurisdiction.

15. The term of this Agreement shall be for the longer of either of the following time periods:

a. Forty (40) years, or

b. For such period as any indebtedness incurred within twelve (12) months of the date of this contract by the District to construct its water system and guaranteed or underwritten by the Rural Utility Service, U.S. Department of Agriculture or any other governmental agency remains unpaid.

16. Should any provision of this Agreement or its application to any party or circumstance be held invalid, the invalidity does not affect other provisions or applications of this Agreement which can be given effect without the invalid provision or application, and to this end the provisions of this Agreement are severable.

17. This Agreement is subject to the approval of the Public Service Commission of West Virginia. In the event that this Agreement is not approved, in its entirety, the Agreement is null and void, unless both parties agree in writing to all changes proposed by the Public Service Commission.

18. This Agreement supercedes any previous Agreement.

WITNESS the following signatures:

CLARKSBURG WATER BOARD,

a municipal corporation,

By: _____
Clarksburg Water Board, General Manager

GREATER HARRISON COUNTY
PUBLIC SERVICE DISTRICT

By: _____

Its General Manager

TO WIT:
COUNTY OF HARRISON
STATE OF WEST VIRGINIA:

The foregoing agreement was acknowledged by the Clarksburg Water Board, by Richard D. Welch, its General Manager, before me this 12 day of March, ~~2008~~ 2009.

OFFICIAL SEAL
NOTARY PUBLIC
State of West Virginia
KATHY L. FAZZINI
107 Charleston Ave.
Clarksburg, WV 26301
My Commission Expires September 16, 2018

_____
Notary Public

My commission expires September 16, 2018.

TO WIT:
COUNTY OF HARRISON
STATE OF WEST VIRGINIA:

The foregoing agreement was acknowledged by the Greater Harrison County Public Service District, by Wm. C. Hoover, its General Manager, before me this 12th day of March, ~~2008~~ 2009.

Virginia L. Michael
Notary Public

My commission expires March 21, 2015.

OFFICIAL SEAL
NOTARY PUBLIC
State of West Virginia
VIRGINIA L. MICHAEL
RR 2 Box 217
Lost Creek, WV 26385
My Commission Expires March 21, 2015

United States Department of Agriculture
Rural Development
West Virginia State Office

March 16, 2009

Greater Harrison County 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 United States of America, acting through the Rural Utilities Service, United States Department of Agriculture, the present holder of the Series 1974 Bonds, hereinafter defined and described, hereby (i) 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 not to exceed $1,500,000, by Greater Harrison County Public Service District (the "Issuer"), under the terms of the resolution authorizing the Series 2009 A Bonds (the "Series 2009 A Resolution") on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's Water Revenue Bonds, Series 1974 (United States Department of Agriculture), dated May 27, 1976, issued in the original aggregate principal amount of $305,000 (the "Prior Bonds"); (ii) waive any requirements imposed by the Prior Bonds or the resolutions authorizing the Prior Bonds (the "Prior Resolutions"), regarding the issuance of parity bonds which are not met by the Series 2009 A Bonds or the Series 2009 A Resolution; and (iii) any amendments made to the Prior Resolutions by the Series 2009 A Resolution.

Dianne Goff Cropper
Authorized Representative

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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WEST VIRGINIA
Water Development Authority
Celebrating 34 Years of Service 1974 - 2008

March 16, 2009

Greater Harrison County 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 Tetrick & Bartlett PLLC, independent certified public accountants, and the opinion of Steptoe & Johnson PLLC, bond counsel, that the Issuer has met the coverage and parity requirements set forth in the 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 $1,500,000, by Greater Harrison County 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 2004 A (West Virginia Infrastructure Fund) dated July 24, 2004, issued in the original aggregate principal amount of $703,000 and Water Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund) dated March 29, 2006, issued in the original aggregate principal amount of $1,250,000 (collectively, the "Prior Bonds").

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: _____
Its: Authorized Representative

180 Association Drive, Charleston, WV 25311-1217
phone (304) 558-3612 / fax (304) 558-0299
www.wvwda.org

02.25.09
352650.00004

CLOSING MEMORANDUM

To: **Financing Team**
From: **John C. Stump, Esquire**
Date: **March 16, 2009**
Re: **Greater Harrison County Public Service District**
Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

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1. **DISBURSEMENTS TO GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT:**

Payor:	West Virginia Infrastructure and Jobs Development Council
Amount:	$ 207,620.00
Form:	Wire Transfer
Bank:	Harrison County Bank, West Milford, WV
ABA No.:	051502913
Acct. No.:	00-64805
Contact:	Carol A. Nay (745.3332)
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:	$ 38,712
Form:	Wire
Payee:	Greater Harrison County Public Service District
ABA No:	051503394
Account No:	5270517317
Bank:	BB&T for the benefit of Municipal Bond Commission
Contact:	Sara Boardman
Account:	Series 2009 A Bonds Reserve Account

GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT
IJDC NO. 2006W-902

RESOLUTION OF THE GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT APPROVING INVOICES RELATING TO CONSTRUCTION AND OTHER SERVICES FOR THE PROPOSED ROUTEWATER PROJECT AND AUTHORIZING PAYMENT THEREOF,

WHEREAS, the Greater Harrison County PSD has reviewed the invoices attached hereto and incorporated herein by reference relation to the construction of the Water Project funded by Infrastructure & Jobs Development Council ("IJDC") 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 The Greater Harrison County PSD by as follows: There is hereby authorized and directed the payment of the attached invoices as follows:

Vendor	Total	IJDC
Huntington Banks (Registrar)	500.00	500.00
Steptoe & Johnson (Bond Counsel)	25,000.00	25,000.00
Thrasher Engineering	168,482.00	168,482.00
Tom Michael	13,637.80	13,637.80
Municipal Bond Commission – Reserves (will be wired to MBC account)	38,712.00	38,712.00
Total	246,331.80	246,331.80

Round to $246,332

ADOPTED BY the Greater Harrison County PSD, at the meeting held on the 5th day of March, 2009.

By: William L. Coffindaffer

Its: Chairman

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

CLOSING ATTENDANCE LIST

Date March 16, 2009 Time 10:30 a.m. LGA Greater Harrison County PSD Program IJDC

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
Sammie Lee	Jackson Kelly PLLC	304.340.1318	304.340.1272	sglee@jacksonkelly.com
John Stump	Steptoe & Johnson PLLC	304.353.8196	304.353.8181	john.stump@steptoe-johnson.com
Diane L. Roy	WV Water Develop. Authority	304.558-3612	304-558-0299 x104	droy@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 Bill Hoover, GM Telephone 304.745.3463 E-Mail ghspsd@aol.com

Address P.O. Box 190 West Milford West Virginia 26451-0190

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 NonArbitrage 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.

SWEEP RESOLUTION

Greater Harrison County Public Service District

WHEREAS, Greater Harrison County Public Service District (the "Issuer") is a governmental body and political subdivision of West Virginia;

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

WHEREAS, the Issuer makes or will make monthly debt service payments on and transfers reserve funds for the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

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

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

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1) The monthly debt service payments on and reserve funds for the Bonds, as set forth in Exhibit A, shall be made to the MBC by an electronic transfer by the State Treasurer from the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.

2) The Chairman, 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 5th day of March, 2009.

Chairman

IC-2
(7/30/01)

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 GREATER HARRISON COUNTY PUBLIC SERVICE DISTRICT (2006W-902) (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 $600,000 (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.

GREATER HARRISON COUNTY
PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman
Date: March 16, 2009

(SEAL)

Attest:
_____
Its: Secretary

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

By: _____
Its: Executive Director
Date: March 16, 2009

(SEAL)

Attest:
Diane L. Roy
Its: Secretary-Treasurer

{C1499886.1}

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.

GREATER HARRISON COUNTY
PUBLIC SERVICE DISTRICT

By: William T. Coffindaffer
Its: Chairman
Date: March 16, 2009

(SEAL)

Attest:

Its: Secretary

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

By:
Its: Executive Director
Date: March 16, 2009

(SEAL)

Attest: Diane L. Roy

Its: Secretary-Treasurer

{C1499886.1}