

RECEIVED  
OCT - 2 2006  
MBC

**GLEN ROGERS PUBLIC SERVICE DISTRICT**

**SEWER REVENUE BONDS, SERIES 2006 A  
(WEST VIRGINIA SRF PROGRAM)**

**DATE OF CLOSING: JUNE 27, 2006**

**BONDS TRANSCRIPT**

**STEPTOE & JOHNSON PLLC**

John C. Stump, Esquire  
707 Virginia Street, East  
Chase Tower, Seventh Floor  
Charleston, WV 25326  
(304)353-8196  
john.stump@step toe-johnson.com

Vincent A. Collins, Esquire  
1085 Van Voorhis Road  
United Center, Suite 400  
Morgantown, WV 26505  
(304)598-8161  
vincent.collins@step toe-johnson.com

**GLEN ROGERS PUBLIC SERVICE DISTRICT**

**Sewer Revenue Bonds, Series 2006 A  
(West Virginia SRF Program)**

**BOND TRANSCRIPT**

**Table of Contents**

**BASIC DOCUMENTS**

1. Bond Resolution
2. Supplemental Resolution
3. Bond Purchase Agreement
4. Public Service Commission Orders
5. Infrastructure and Jobs Development Council Approval
6. Cross-Receipt for Bonds and Bond Proceeds
7. Direction to Authenticate and Deliver Bonds
8. Specimen Bond

**OPINIONS OF COUNSEL**

9. Approving Opinion of Steptoe & Johnson PLLC, Bond Counsel
10. Opinion of Counsel to Issuer
11. Title Opinion

**CERTIFICATES**

12. General Certificate of Issuer and Attorney
13. Certificate of Certified Public Accountant
14. Certificate as to Use of Proceeds

## **DOCUMENTS OF THE ISSUER**

15. County Commission Orders Creating District
16. County Commission Orders Appointing Current Boardmembers
17. Oaths of Office of Current Boardmembers
18. Rules of Procedure
19. [RESERVED]
20. [RESERVED]
21. Minutes of Organizational Meeting, Adoption of Bond Resolution, and Supplemental Resolution
22. Municipal Bond Commission New Issue Report

## **MISCELLANEOUS DOCUMENTS**

23. [RESERVED]
24. Acceptance of Duties as Registrar
25. Certificate of Registration of Bonds
26. Registrar's Agreement
27. NPDES Permit
28. Closing Memorandum
29. Settlement Agreement and Release
30. Certificate of Insurance

06/14/06  
333420.00001



**GLEN ROGERS PUBLIC SERVICE DISTRICT**

**SEWER REVENUE BONDS, SERIES 2006 A  
(WEST VIRGINIA SRF PROGRAM)**

**BOND RESOLUTION**

**Table of Contents**

**ARTICLE I**

**STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS**

Section 1.01	Authority for this Resolution
Section 1.02	Findings
Section 1.03	Bond Legislation Constitutes Contract
Section 1.04	Definitions

**ARTICLE II**

**AUTHORIZATION OF THE PROJECT**

Section 2.01	Authorization of the Project
--------------	------------------------------

**ARTICLE III**

**AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND  
SALE OF BONDS; AUTHORIZATION AND EXECUTION OF  
BOND PURCHASE AGREEMENT**

Section 3.01	Authorization of Bonds
Section 3.02	Terms of Bonds
Section 3.03	Execution of Bonds
Section 3.04	Authentication and Registration
Section 3.05	Negotiability, Transfer and Registration
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost
Section 3.07	Bonds not to be Indebtedness of the Issuer
Section 3.08	Bonds Secured by Pledge of Net Revenues
Section 3.09	Delivery of Bonds
Section 3.10	Form of Bonds FORM OF BOND
Section 3.11	Sale of Bonds; Approval and Ratification of Execution of Bond Purchase Agreement

**ARTICLE IV  
[RESERVED]**

**ARTICLE V  
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION  
THEREOF**

Section 5.01	Establishment of Funds and Accounts with Depository Bank
Section 5.02	Establishment of Funds and Accounts with Commission
Section 5.03	System Revenues; Flow of Funds

**ARTICLE VI  
BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS**

Section 6.01	Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds
--------------	---

**ARTICLE VII  
ADDITIONAL COVENANTS OF THE ISSUER**

Section 7.01	General Covenants of the Issuer
Section 7.02	Bonds not to be Indebtedness of the Issuer
Section 7.03	Bonds Secured by Pledge of Net Revenues
Section 7.04	Initial Schedule of Rates and Charges
Section 7.05	Sale of the System
Section 7.06	Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances
Section 7.07	Parity Bonds
Section 7.08	Books; Records and Audit
Section 7.09	Rates
Section 7.10	Operating Budget and Monthly Financial Report
Section 7.11	Engineering Services and Operating Personnel
Section 7.12	No Competing Franchise
Section 7.13	Enforcement of Collections
Section 7.14	Insurance and Construction Bonds
Section 7.15	Mandatory Connections
Section 7.16	Operation of System; Permits and Orders
Section 7.17	Tax Covenants;
Section 7.18	Statutory Mortgage Lien
Section 7.19	Compliance with Bond Purchase Agreement and Law
Section 7.20	Securities Law Compliance
Section 7.21	Public Releases
Section 7.22	Contracts; Public Releases

**ARTICLE VIII  
INVESTMENT OF FUNDS**

Section 8.01	Investments
Section 8.02	Certificate as to Use of Proceeds; Covenants as to Use of Proceeds

**ARTICLE IX  
DEFAULT AND REMEDIES**

Section 9.01	Events of Default
Section 9.02	Remedies
Section 9.03	Appointment of Receiver

**ARTICLE X  
PAYMENT OF BONDS**

Section 10.01	Payment of Bonds
---------------	------------------

**ARTICLE XI  
MISCELLANEOUS**

Section 11.01	Amendment or Modification of Bond Legislation
Section 11.02	Bond Legislation Constitutes Contract
Section 11.03	Severability of Invalid Provisions
Section 11.04	Headings, Etc.
Section 11.05	Notices
Section 11.06	Conflicting Provisions Repealed
Section 11.07	Covenant of Due Procedure, Etc.
Section 11.08	Effective Date

**SIGNATURES  
CERTIFICATION  
EXHIBIT A**

GLEN ROGERS PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE PERMANENT FINANCING OF AN OBLIGATION OF THE DISTRICT INCURRED IN CONJUNCTION WITH THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE PUBLIC SEWERAGE FACILITIES OF GLEN ROGERS PUBLIC SERVICE DISTRICT, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$160,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA SRF PROGRAM); 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 BOND PURCHASE 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 GLEN ROGERS PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01.      Authority for this Resolution. This Resolution (together with any order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is adopted pursuant to the provisions of Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be permanently financed an outstanding financial obligation of the District to West Virginia Pipeline, Inc., related to the acquisition and construction of certain improvements and extensions to the public sewerage facilities of the Issuer (the "Project"), which constitute properties for the collection, transportation, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (the public sewerage system of the Issuer, the Project and any further additions, betterments and improvements thereto or extensions thereof are herein called the "System").

C. The Issuer intends to permanently finance the costs of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), in connection with the West Virginia Water Pollution Control Revolving Fund Program which the Authority administers pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2006 A (West Virginia SRF Program), in the total aggregate principal amount of not more than \$160,000 (the "Series 2006 A Bonds"), to permanently finance the costs of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the SRF Program; interest, if any; amounts which may be deposited in the Series 2006 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, including the SRF Administrative Fee (as hereinafter defined), 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 undertaking 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 the completion of the Project is not less than 40 years.

F. It is in the best interests of the Issuer that the Series 2006 A Bonds be sold to the Authority pursuant to the terms and provisions of the Bond Purchase Agreement (hereinafter defined), by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), in form satisfactory to the parties thereunder, approved hereby if not previously approved by resolution of the Issuer.

G. There are no outstanding obligations of the Issuer which will rank either on a parity with or junior and subordinate to the Series 2006 A Bonds as to liens, pledge and source of and security for payment.

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, to pay the principal of and interest on the Series 2006 A 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 Bond Purchase Agreement relating to the Project and operation of 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 West Virginia Infrastructure and Jobs Development 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 West Virginia Infrastructure and Jobs Development Council (the "Council") pursuant to 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 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 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"Authority" means the West Virginia Water Development Authority, 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 DEP 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 and any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

"Bond Purchase Agreement" means the Bond Purchase Agreement heretofore entered into, or to be entered into, by and among the Authority, the DEP and the Issuer, 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.

"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.

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

"DEP" means the West Virginia Department of Environmental Protection or any other agency, board or department of the State that succeeds to the functions of the DEP.

"Depository Bank" means the bank designated as such in the Supplemental Resolution, and its successors and assigns, which shall be a member of 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 moneys received by the Issuer on account of any Grant for the Project, if any.

"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:

- the Code),
- (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 Glen Rogers Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia in Wyoming County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Net Proceeds" means the face amount of the Series 2006 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2006 A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 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, the SRF Administrative Fee, 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 moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X 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.

"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 Investments 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.

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

"Reserve Account" means the reserve account established for the Series 2006 A Bonds.

"Reserve Requirement" means the amount required to be on deposit in the Reserve Account of the Series 2006 A Bonds.

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

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

"Series 2006 A Bonds" means the Sewer Revenue Bonds, Series 2006 A (West Virginia SRF Program), of the Issuer, authorized by this Resolution.

"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 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 Fund" means the Sinking Fund established for the Series 2006 A Bonds.

"SRF Administrative Fee" means any administrative fee required to be paid under the Bond Purchase Agreement for the Series 2006 A Bonds.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.

"SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution 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 or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund, the Sinking Funds and the Reserve Accounts.

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

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

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; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Chairman or the Secretary shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Chairman or Acting Secretary.

ARTICLE II

AUTHORIZATION OF THE PROJECT

Section 2.01. Authorization of the Project. The total cost of the Project will not exceed \$160,000 and will be obtained from the proceeds of the Series 2006 A Bonds. The proceeds of the Series 2006 A Bonds hereby authorized shall be applied as provided in Article VI hereof.

### ARTICLE III

#### AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF BOND PURCHASE AGREEMENT

Section 3.01.      Authorization of Bonds. For the purposes of capitalizing interest on 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 "Sewer Revenue Bonds, Series 2006 A (West Virginia SRF Program)," in the principal amount of not more than \$160,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution.

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 Bond Purchase 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 such denominations as determined by a Supplemental Resolution. Such Bonds shall be dated and shall bear interest, if any as specified in the 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. 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 form set forth in Section 3.10 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 the Series 2006 A Bonds or transferring the registered Bonds are exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of 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 Bonds or, in the case of any proposed redemption of 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 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. 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. 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 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 Bond Purchase 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 BOND)

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
GLEN ROGERS PUBLIC SERVICE DISTRICT  
SEWER REVENUE BOND, SERIES 2006 A  
(WEST VIRGINIA SRF PROGRAM)

No. AR-1

\$160,000

KNOW ALL MEN BY THESE PRESENTS: That GLEN ROGERS PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Wyoming County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of ONE HUNDRED SIXTY THOUSAND DOLLARS (\$160,000), 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 \_\_\_\_\_ 1, 20\_\_\_\_, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing \_\_\_\_\_ 1, 20\_\_\_\_, as set forth on said EXHIBIT B.

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 Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Issuer, the Authority and the DEP, dated \_\_\_\_\_, 2006.

This Bond is issued (i) permanently finance an outstanding financial obligation of the District to West Virginia Pipeline, Inc., related to the costs of acquisition and construction of certain improvements and extensions to the public sewerage facilities of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs. The public sewerage facilities of the Issuer, the Project and any further improvements and 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 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on June \_\_\_, 2006, and a Supplemental Resolution duly adopted by the Issuer on June \_\_\_, 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 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, and from moneys 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 or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the moneys 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; 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, 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 Registrar (as defined in the Bond Legislation), 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 moneys, until so applied, in favor of the registered owner of this Bond.

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

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

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, GLEN ROGERS 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 June \_\_\_\_, 2006.

[SEAL]

\_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

(Form of)

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: June \_\_\_\_\_, 2006.

THE HUNTINGTON NATIONAL BANK,  
as Registrar

\_\_\_\_\_  
Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$ 160,000	June __, 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

(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 Bond Purchase Agreement. The Series 2006 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Bond Purchase Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Bond Purchase Agreement in the form attached hereto as "EXHIBIT A" and made a part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Bond Purchase Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Bond Purchase Agreement, including all schedules and exhibits attached hereto, are hereby approved and incorporated into this Bond Legislation.

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 with and shall be held by the Depository Bank, separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund; and
- (3) Series 2006 A Bonds Cost of Issuance Account.

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) Within the Series 2006 A Bonds Sinking Fund, the 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 provided in the Prior Resolutions and this Bond Legislation. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

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

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) 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; 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.

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

Moneys in the Series 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. Moneys in the Series 2006 A Bonds Reserve Account 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 come due, when other moneys in the Series 2006 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys 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 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.

Any withdrawals from the Series 2006 A Bonds Reserve Account which result in a reduction in the balance of the Series 2006 A Bonds Reserve Account to below the Series 2006 A Bonds 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 account in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2006 A Bonds Sinking Fund or the Series 2006 A Bonds Reserve Account therein 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 any other Bonds from Surplus Revenues, all 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 created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into the Series 2006 A Bonds Sinking Fund and the Series 2006 A Bonds Reserve Account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys 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 therein, 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 herein set forth.

B. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in 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.

C. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month), deposit with the Commission the required 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. The Issuer shall also 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 SRF Administrative Fee as set forth in Schedule Y attached to the Bond Purchase Agreement.

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

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

F. The moneys in excess of the sum insured by 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. All remittances made by the Issuer to the Commission and the Depository Bank shall clearly identify the fund or account into which each amount is to be deposited.

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

J. All Tap Fees shall be deposited by the Issuer, as received, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE VI

BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys 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 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.

B. There shall be deposited with the Depository Bank \$10,000 in the Series 2006 A Bonds Cost of Issuance Account.

C. The remaining monies derived from the sale of the Series 2006 A Bonds shall be wired directly to West Virginia Pipeline, Inc.

## ARTICLE VII

### ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2006 A 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 be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. 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. The payment of the debt service of the Series 2006 A Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2006 A Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

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 Bond Purchase 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 March 1, 2006, in Case No. 97-0828-PSWD-19A, and such rates have been 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 Bond Purchase Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2006 A Bonds shall prove to be insufficient to produce the amounts required by this Bond Legislation and the Bond Purchase 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 and charges and take all such actions necessary to provide funds sufficient to produce the amounts required by this Bond Legislation and the Bond Purchase Agreement.

Section 7.05. Sale of the System. So long as the Series 2006 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to 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, with the written permission of the DEP and the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal 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 Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds of any such sale shall be remitted by the Issuer to the Commission for deposit in the Sinking Funds and applied only to the purchase of Bonds of the last maturities then outstanding at prices not greater than the par value thereof plus 3% of such par value or deposited in the

Renewal and Replacement Fund. The payment of such proceeds into the Sinking Funds or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds 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 DEP prior written notice of its issuance of any other obligations to be used for the System, payable from the revenues of the System or from any grants, or any other obligations related to the Project or the System.

Section 7.07. Parity Bonds. 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, except with the prior written consent of the DEP and the Authority under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2006 A Bonds.

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

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, 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 to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates adopted by the Issuer and approved by the Public Service Commission of West Virginia, the period for appeal of which has expired prior to the date of 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 hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect

to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on 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 any time, however, unless all 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 such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

Section 7.08.      Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the DEP, or 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 DEP such documents and information as they may reasonably require in connection with the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

The Issuer shall permit the Authority and the DEP, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System.

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 Authority and the DEP, 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 Authority and the DEP, or any other original purchaser of the Series 2006 A Bonds. Such audit report submitted to the Authority and the DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the Bond Purchase Agreement, the Act 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.

All real estate and interests in real estate and all personal property constituting the System site heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

The Issuer shall permit the DEP and the Authority, or their agents and representatives, to enter and inspect the System at all reasonable times. The Issuer shall also provide the Authority and the DEP, or their agents and representatives, access to the System

site and facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the DEP with respect to the System pursuant to the Act.

The Issuer shall provide the DEP with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in EXHIBIT E of the Bond Purchase Agreement or as promulgated from time to time.

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 said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all 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; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2006 A Bonds Reserve Account and the Reserve Accounts for obligations on a parity with the Series 2006 A 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. 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 DEP within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10%

of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the DEP 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 DEP and to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

Section 7.11.      No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.12.      Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

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

Section 7.13.      No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department,

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

Section 7.14. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2006 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund.

(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 no 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.

(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.

Section 7.15. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 7.16. Operation of System; Permits and Orders. The Issuer will 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, all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the undertaking of the Project and the operation of the System and all approvals for issuance of the Series 2006 A Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

Section 7.17.      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 the lesser of 5% or \$5,000,000 of the Net Proceeds of the Series 2006 A Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C.    FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to

be taken if the result of the same would be to cause the 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 7.18.      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.

Section 7.19.      Compliance with Bond Purchase Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Bond Purchase Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP 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 DEP or other state, federal or local bodies in regard to the operation, maintenance and use of the System.

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

Section 7.21.      Public Releases. The Issuer shall list the funding as being provided by the DEP and the Authority in any press release, publication, program bulletin, sign or other public communication that references the Project.

## ARTICLE VIII

### INVESTMENT OF FUNDS; NON ARBITRAGE

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

Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission 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 Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest, if any, on the Series 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 governmental bonds; (ii) that

it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 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, the Council or the DEP, as the case may be, 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, the Council or the DEP, 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; or

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

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.

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 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, 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 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 said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or 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 moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 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.     Notices. All notices to be sent to the Issuer, the Authority or the DEP shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class mail, postage prepaid, addressed as follows:

ISSUER:

Glen Rogers Public Service District  
P.O. Box 87  
Glen Rogers, West Virginia 25848  
Attention: Chairperson

AUTHORITY:

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

DEP:

West Virginia Department of Environmental Protection  
601 57th Street  
Building 2002, Room 2159, SE  
Charleston, WV 25304

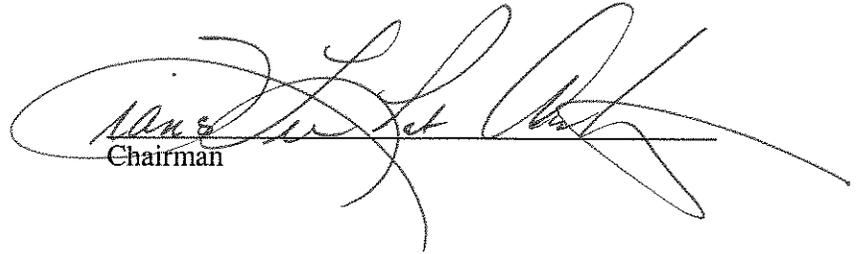
All notices to be sent to the DEP hereunder, shall also be sent to the Authority.

Section 11.06.      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.

Section 11.07.      Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, 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 11.08.      Effective Date. This Resolution shall take effect immediately upon adoption.

Adopted this 19th day of June, 2006.



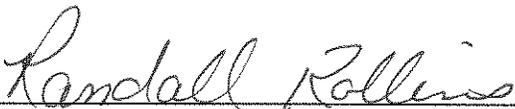
Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of GLEN ROGERS PUBLIC SERVICE DISTRICT on the 19th day of June, 2006.

Dated: June 27, 2006.

[SEAL]

  
Secretary

06/14/06  
333420.00001

EXHIBIT A

Bond Purchase Agreement included in bond transcript as Document 3.



GLEN ROGERS PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds Revenue Bonds, Series 2006 A  
(West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA SRF PROGRAM), OF GLEN ROGERS PUBLIC SERVICE DISTRICT; RATIFYING AND APPROVING THE BOND PURCHASE 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; APPROVING THE FIRST DRAW AMOUNT; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Glen Rogers Public Service District (the "Issuer") has duly and officially adopted a bond resolution, effective June 19, 2006 (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE PERMANENT FINANCING OF AN OBLIGATION OF THE DISTRICT INCURRED IN CONJUNCTION WITH THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE PUBLIC SEWERAGE FACILITIES OF GLEN ROGERS PUBLIC SERVICE DISTRICT, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$160,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER

REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA SRF PROGRAM); 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 BOND PURCHASE 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 meanings set forth in the Bond Resolution when used herein;

WHEREAS, the Bond Resolution provides for the issuance of Sewer Revenue Bonds, Series 2006 A (West Virginia SRF Program), of the Issuer (the "Bonds" or the "Series 2006 A Bonds"), in the aggregate principal amount not to exceed \$160,000, and has authorized the execution and delivery of a bond purchase agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP") (the "Bond Purchase Agreement"), all in accordance with Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Resolution it is provided that the form of the Bond Purchase 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 Bond Purchase Agreement has been presented to the Issuer at this meeting;

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

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Bond Resolution") be adopted, that the Bond Purchase 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, the first draw amount be approved, and that other matters relating to the Bonds be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF GLEN ROGERS 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 Sewer Revenue Bonds, Series 2006 A (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$160,000. The Series 2006 A Bonds shall be dated the date of delivery thereof, shall finally mature September 1, 2036, 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 December 1, 2006, and maturing September 1, 2036, and in the amounts as set forth in the "Schedule Y" attached to the Bond Purchase 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 DEP, and upon payment of the redemption premium, if any, and otherwise in compliance with the Bond Purchase Agreement, so long as the Authority shall be the registered owner of the Series 2006 A Bonds. The Issuer does hereby approve and shall pay the SRF administrative fee equal to 1/2% of the principal amount of the Series 2006 A Bonds set forth in the "Schedule Y" attached to the Bond Purchase Agreement.

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 Bond Purchase Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Bond Purchase 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 Bond Purchase Agreement and in the applications to the DEP 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 First Community Bank, Pineville, 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 Reserve Account. Series 2006 A Bonds proceeds in the amount of \$10,000 shall be deposited in the Series 2006 A Bonds Cost of Issuance Account.

Section 8. The balance of the proceeds of the Series 2006 A Bonds shall be wired to West Virginia Pipeline, Inc.

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 Series 2006 A Bonds to be issued hereby and by the Bond Resolution approved and provided for, to the end that the Series 2006 A Bonds may be delivered to the Authority pursuant to the Bond Purchase Agreement on or about June 27, 2006.

Section 10. The undertaking of the Project with proceeds of the Series 2006 A Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 11. Moneys 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.

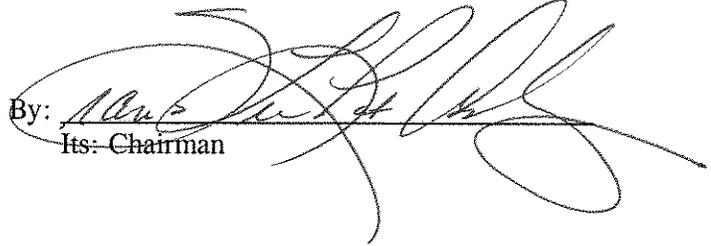
Section 12. The Issuer hereby approves the payment to West Virginia Pipeline, Inc., in the amount set forth in the Settlement Document attached hereto, related to the Project.

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

[Remainder of Page Intentionally Left Blank]

Adopted this 19th day of June, 2006

GLEN ROGERS PUBLIC SERVICE DISTRICT

By:   
Its: Chairman

CERTIFICATION

Certified a true copy of a Supplemental Bond Resolution duly adopted by the Public Service Board of GLEN ROGERS PUBLIC SERVICE DISTRICT on the 19th day of June, 2006.

Dated: June 27, 2006

[SEAL]

  
Secretary

06.14.06  
333420.00001

SRF-BPA-1  
(11/01/04)

BOND PURCHASE AGREEMENT

THIS WATER POLLUTION CONTROL REVOLVING FUND BOND PURCHASE AGREEMENT (the "Bond Purchase Agreement"), made and entered into in several counterparts, by and among the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), the WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION (the "DEP"), and the local government designated below (the "Local Government").

GLEN ROGERS PUBLIC SERVICE DISTRICT  
(Local Government)

W I T N E S S E T H:

WHEREAS, the United States Congress under Title VI of the federal Clean Water Act, as amended (the "Clean Water Act"), has provided for capitalization grants to be awarded to states for the express purpose of establishing and maintaining state water pollution control revolving funds for the planning, design, construction, acquisition and/or improvement of wastewater treatment facilities;

WHEREAS, pursuant to the provisions of Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a state water pollution control revolving fund program (the "Program") to acquire bonds of particular local governments pursuant to the Clean Water Act;

WHEREAS, under the Act the DEP is designated the instrumentality to enter into capitalization agreements with the United States Environmental Protection Agency ("EPA") to accept capitalization grant awards (U.S. General Services Administration; Catalog of Federal Domestic Assistance, 32nd Edition § 66.458 (1998)) and DEP has been awarded capitalization grants to partially fund the Program;

WHEREAS, under the Act and under the direction of DEP, the Authority has established a permanent perpetual fund known as the "West Virginia Water Pollution Control Revolving Fund" (hereinafter the "Fund");

WHEREAS, pursuant to the Act, the Authority and DEP are empowered to utilize moneys from the Fund to purchase the bonds of local governments to provide the financing for the acquisition or construction of wastewater treatment projects by such local governments, all subject to such provisions and limitations as are contained in the Clean Water Act and the Act;

WHEREAS, the Local Government constitutes a local government as defined by the Act;

WHEREAS, the Local Government is included on the DEP State Project Priority List and the Intended Use Plan and has met DEP's pre-application requirements for the Program;

WHEREAS, the Local Government is authorized and empowered by the statutes of the State to acquire, construct, improve, operate and maintain a wastewater treatment project and to finance the cost of acquisition and construction of the same by borrowing money to be evidenced by revenue bonds issued by the Local Government;

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

WHEREAS, the Local Government has completed and filed with the Authority and DEP an Application for Purchase of Bonds with attachments and exhibits and an Amended Application for Purchase of Bonds also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference;

WHEREAS, having reviewed the Application and the Fund having available sufficient funds therefor, the Authority and DEP are willing to lend the Local Government the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Local Government with moneys held in the Fund, subject to the Local Government's satisfaction of certain legal and other requirements of the Program; and

WHEREAS, the Local Government meets the "disadvantaged community" provisions of the SRF Regulations.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Local Government, DEP and the Authority hereby agree as follows:

## ARTICLE I

### Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "cost," "fund," "local government," and "project" have the definitions and meanings ascribed to them in the Act or in the SRF Regulations.

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

1.3 "Local Act" means the official action of the Local Government required by Section 4.1 hereof, authorizing the Local Bonds.

1.4 "Local Bonds" means the revenue bonds to be issued by the Local Government pursuant to the provisions of the Local Statute, as hereinafter defined, and to be purchased by the Authority with money held in the Fund, all in accordance with the provisions of this Bond Purchase Agreement.

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

1.6 "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.

1.7 "Program" means the wastewater treatment facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Clean Water Act and administered by DEP.

1.8 "Project" means the wastewater treatment facility project hereinabove referred to, to be constructed or being constructed by the Local Government in whole or in part with the net proceeds of the Local Bonds or being or having been constructed by the Local Government in whole or in part with the proceeds of bond anticipation notes or other interim financing, which is to be paid in whole or in part with the net proceeds of the Local Bonds.

1.9 "SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations, as amended.

1.10 "System" means the wastewater treatment facility owned by the Local Government, 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.

1.11 Additional terms and phrases are defined in this Bond Purchase 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 Local Government by the Consulting Engineers, the DEP and Authority having found, to the extent applicable, that the Project is consistent with the applicable provisions of the Program.

2.2 Subject to the terms, conditions and provisions of this Bond Purchase Agreement and the Local Act, the Local Government 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 Local Government 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 Local Government, 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 is approved by DEP and the Authority.

2.4 The Local Government agrees that the Authority and DEP and their respective 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 Local Government further agrees that the Authority and DEP and their respective duly authorized agents 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 DEP with respect to the System pursuant to the pertinent provisions of the Act.

2.5 The Local Government 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 Local Government shall permit the Authority and DEP, acting by and through their Directors or 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 Local Government shall submit to the Authority and DEP such documents and information as it 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 Local Bonds proceeds or of any State and federal grants or other sources of financing for the Project.

2.6 The Local Government agrees that it will permit the Authority and DEP and their respective agents to have access to the records of the Local Government 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 Local Government 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 Local Government 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 Authority and DEP and shall verify or have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Local Government, the Local Government or (at the option of the Local Government) 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 Local Government, 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 Local Government on or before the Date of Closing, as hereinafter defined, and maintained

so long as any of the Local Bonds are outstanding. Prior to commencing operation of the Project, the Local Government 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 Local Government shall provide and maintain competent and adequate engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, DEP and the Local Government at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Government shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Local Government shall notify DEP in writing of such receipt. The Local Government shall submit a Performance Certificate, the form of which is attached hereto as Exhibit A, and being incorporated herein by reference, to DEP within 60 days of the end of the first year after the Project is completed.

2.10 The Local Government shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to DEP when the Project is 90% completed. The Local Government shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Government shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator(s) to operate the System during the entire term of this Bond Purchase Agreement. The Local Government shall notify DEP in writing of the certified operator employed at the 50% completion stage.

2.11 The Local Government hereby covenants and agrees to comply with all applicable laws, rules and regulations issued by the Authority, DEP 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 Local Government, 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 B and incorporated herein by reference, and forward a copy by the 10th of each month to the DEP and the Authority.

2.13 The Local Government, during construction of the Project, shall complete Payment Requisition Forms, the form of which is attached hereto as Exhibit C and incorporated herein by reference, and forward such forms to DEP in compliance with the Local Government's construction schedule.

### ARTICLE III

#### Conditions to Purchase of Local Bonds; Issuance of Local Bonds

3.1 The agreement of the Authority and DEP to purchase the Local Bonds is subject to the Local Government's fulfillment, to the satisfaction of the Authority and DEP, 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 Local Government shall have delivered to the Authority and DEP a report listing the specific purposes for which the proceeds of the Local Bonds will be expended and the procedures as to the disbursement of bond proceeds, including an estimated monthly draw schedule;

(b) The Local Government shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Bond Purchase Agreement;

(c) The Local Government 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;

(d) The Local Government 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 proceeds of the Local Bonds will refund an interim construction financing, the Local Government 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 DEP shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit D;

(e) The Local Government 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 DEP shall have received a certificate of the Consulting Engineers to such effect;

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

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

(h) The Local Government 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 DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

(i) 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 DEP shall have received a certificate of the accountant for the Local Government, or such other person or firm experienced in the finances of local governments and satisfactory to the Authority and DEP, to such effect; and

(j) 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 and DEP shall have received a certificate of the Consulting Engineers, or such other person or firm

experienced in the financing of wastewater treatment projects and satisfactory to the Authority and DEP, to such effect, such certificate to be in form and substance satisfactory to the Authority and DEP, and evidence satisfactory to the Authority and DEP of such irrevocably committed grants.

3.2 Subject to the terms and provisions of this Bond Purchase Agreement, the rules and regulations promulgated by the Authority and DEP, including the SRF Regulations, 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 purchase the Local Bonds of the Local Government and the Local Government shall issue and sell the Local Bonds to the Authority, and in furtherance thereof it is agreed that the Local Government shall sell to the Authority and the Authority shall purchase 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 Local Bonds shall be secured and shall be repaid in the manner hereinafter provided in this Bond Purchase Agreement.

3.4 The Local Bonds shall be delivered to the Authority, at the offices of the Authority, on a date designated by the Local Government 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, DEP and the Local Government. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Closing." Notwithstanding the foregoing, the Date of Closing shall in no event occur more than ninety (90) days after the date of execution of this Bond Purchase Agreement by the Authority or such later date as is agreed to in writing by DEP.

3.5 The Local Government understands and acknowledges that it is one of several local governments which have applied to the Authority and DEP for financing of wastewater treatment projects and that the obligation of the Authority to purchase the Local Bonds is subject to the Local Government's fulfilling all of the terms and conditions of this Bond Purchase Agreement on or prior to the Date of Closing and to the requirements of the Program. The Local Government specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Fund to purchase all the Local Bonds and that, prior to such purchase, the Authority may purchase the bonds of other local governments set out in the State Project Priority List, as defined in the SRF

Regulations. The Local Government further specifically recognizes that all bonds will be purchased in conjunction with the SRF Regulations and with the prior approval of DEP.

3.6 The Local Government shall provide DEP with the appropriate documentation to comply with the special conditions regarding the public release and audit requirements, established by federal and State regulations as set forth in Exhibit E attached hereto at such times as are set forth therein.

#### ARTICLE IV

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

4.1 The Local Government shall, as one of the conditions of the Authority and DEP to purchase the Local Bonds, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Local Government in accordance with the Local Statute, which shall, as adopted or enacted, contain provisions and covenants in substantially the form as follows:

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

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the "Reserve Account") was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof in an amount equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement"), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

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

Provided, that if the Local Government 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 net or gross revenues of the System as provided 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 Local Government shall complete the Project and operate and maintain the System in good condition;

(iv) That, except as otherwise required by State law or the SRF Regulations, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole or substantially as a whole, provided that the net proceeds to be realized from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the Local Bonds outstanding and further provided that portions of the System when no longer required for the ongoing operation of such System as evidenced by certificates from the Consulting

Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

(v) That the Local Government 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 DEP; 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 Local Government 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 Local Government 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 Local Government 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 and all rights as set forth in Section 5 of the Act;

(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 Local Government will not grant any franchise to provide any services which would compete with the System;

(xi) That the Local Government 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 DEP, 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 Local Government's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

(xii) That the Local Government 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 DEP 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, except for accrued interest and capitalized interest, if any, 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 Local Government 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 Local Government, the proceeds of which were used to finance the construction of the Project; provided that, with the prior written consent of the Authority and DEP, 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 Local Government may authorize redemption of the Local Bonds with 30 days written notice to the Authority;

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

(xvii) That the Local Government 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 Local Government shall complete the Monthly Payment Form, attached hereto as Exhibit F

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 Local Government 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 Local Government shall have obtained the certificate of the Consulting Engineers 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 DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and DEP is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

(xx) That the Local Government 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 Local Government, then the Local Government shall enter into a termination agreement with the water provider; and

(xxi) That the Local Government shall submit all proposed change orders to the DEP for written approval. The Local Government shall obtain the written approval of the DEP before expending any proceeds of the Local Bonds held in "contingency" as set forth in the final Schedule A attached to the certificate of the Consulting Engineer. The Local Government shall obtain the written approval of the DEP before expending any proceeds of the Local Bonds available due to bid/construction/project underruns.

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

4.2 The Local Bonds shall be secured by the pledge and assignment by the Local Government, as effected by the Local Act, of the fees, charges and other revenues of the Local Government from the System.

4.3 At least five percent (5%) of the proceeds of the Local Bonds will be advanced on the Date of Closing. The remaining proceeds of the Local Bonds shall be advanced by the DEP monthly as required by the Local Government to pay Costs of the Project, provided, however, if the proceeds of the Local Bonds will be used to repay an interim financing, the proceeds will be advanced on a schedule mutually agreeable to the Local Government, the DEP and the Authority. The Local Bonds shall not bear interest during the construction period but interest shall commence accruing on the completion date as defined in the SRF Regulations, provided that the annual repayment of principal and payment of interest shall begin not later than one (1) year after the completion date. The repayment of principal and interest on the Local Bonds shall be as set forth on Schedule Y 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.

4.4 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 Local Government. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series.

4.5 As provided by the SRF Regulations, the Local Government agrees to pay from time to time, if required by the Authority and DEP, the Local Government's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative expenses shall be determined by the Authority and shall include, without limitation, Program expenses, legal fees paid by the Authority and fees paid to the trustee and paying agents for any bonds or notes to be issued by the Authority for contribution to the Fund and the fees and expenses of any corporate trustee for the Fund.

4.6 The obligation of the Authority to purchase the Local Bonds shall be conditioned upon the availability of moneys in the Fund in such amount and on such terms and conditions as, in the sole judgment of the Authority, will enable it to purchase the Local Bonds.

## ARTICLE V

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

5.1 The Local Government hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Bond Purchase Agreement and the Local Act. The Local Government hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to purchase the Local Bonds, 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 Bond Purchase Agreement, the Local Government 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 Bond Purchase Agreement.

5.3 In the event the Local Government defaults in any payment due to the Authority pursuant to this Bond Purchase Agreement, the amount of such default shall bear interest at the interest rate of the installment of the Local Bonds next due, from the date of the default until the date of the payment thereof.

5.4 The Local Government hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Government, the Authority may exercise any or all of the rights and powers granted under Section 5 of the Act, including, without limitation, the right to impose, enforce and collect charges of the System.

## ARTICLE VI

### Other Agreements of the Local Government

6.1 The Local Government hereby acknowledges to the Authority and DEP its understanding of the provisions of the Act, vesting in the Authority and DEP certain powers, rights and privileges with respect to wastewater treatment projects in the event of default by the Local Government in the terms and covenants of this Bond Purchase

Agreement, and the Local Government hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Local Government shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Bond Purchase Agreement.

6.2 The Local Government hereby warrants and represents that all information provided to the Authority and DEP in this Bond Purchase 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 purchasing and receiving the Local Bonds, the Authority and DEP shall have the right to cancel all or any of their obligations under this Bond Purchase Agreement if (a) any representation made to the Authority and DEP by the Local Government in connection with the issuance of the Local Bonds shall be incorrect or incomplete in any material respect or (b) the Local Government 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, the SRF Regulations or this Bond Purchase Agreement.

6.3 The Local Government hereby agrees to repay on or prior to the Date of Closing any moneys due and owing by it to the Authority or any other lender for the planning or design of the Project, provided that such repayment shall not be made from the proceeds of the Local Bonds.

6.4 The Local Government 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 Local Government fails to make any such rebates as required, then the Local Government 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.

6.5 Notwithstanding Section 6.4, the Authority and DEP may at any time, in their sole discretion, cause the rebate calculations prepared by or on behalf of the Local Government to be monitored or cause the rebate calculations for the Local Government to be prepared, in either case at the expense of the Local Government.

6.6 The Local Government hereby agrees to give the Authority and DEP 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.

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

## ARTICLE VII

### Miscellaneous

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

7.2 If any provision of this Bond Purchase 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 Bond Purchase Agreement, and this Bond Purchase Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

7.3 This Bond Purchase 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 Bond Purchase Agreement.

7.4 No waiver by any party of any term or condition of this Bond Purchase 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 Bond Purchase Agreement.

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

7.6 By execution and delivery of this Bond Purchase Agreement, notwithstanding the date hereof, the Local Government 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.

7.7 This Bond Purchase Agreement shall terminate upon the earlier of:

(i) written notice of termination to the Local Government from either the Authority or DEP;

(ii) 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 DEP if the Local Government has failed to deliver the Local Bonds to the Authority;

(iii) termination by the Authority and DEP pursuant to Section 6.2 hereof; or

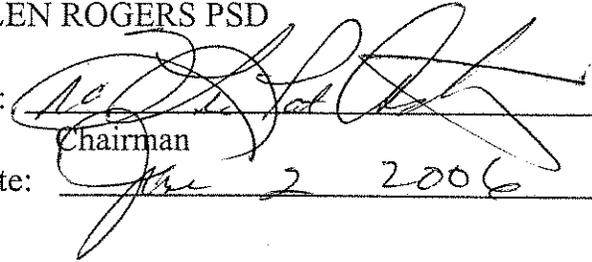
(iv) payment in full of the principal of and interest on the Local Bonds and of any fees and charges owed by the Local Government to the Authority or DEP; provided that the amount of the Local Bonds purchased under this Bond Purchase Agreement in any succeeding fiscal year is contingent upon funds being appropriated by the State legislature or otherwise being available to purchase the Local Bonds. In the event funds are not appropriated or otherwise available to purchase all of the Local Bonds, the responsibility of the Authority and DEP to purchase the Local Bonds is terminated; provided further that the obligation of the Local Government to repay the outstanding amount of the Local Bonds is not terminated due to such non-funding on any balance of the Local Bonds. The DEP agrees to use its best efforts to have the amount contemplated under this Bond Purchase Agreement included in its budget. Non-appropriation or non-funding of the Loan shall not be considered an event of default under this Bond Purchase Agreement.

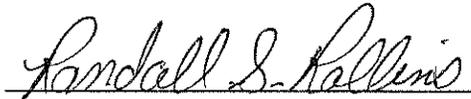
IN WITNESS WHEREOF, the parties hereto have caused this Bond Purchase Agreement to be executed by their respective duly authorized officers as of the date executed below by the Authority.

GLEN ROGERS PSD

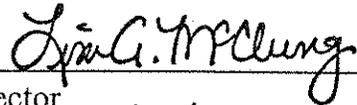
(SEAL)

Attest:

By:   
Its: Chairman  
Date: June 2 2006

  
Its: Secretary

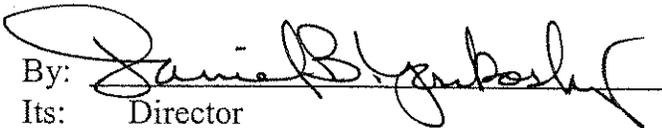
WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, DIVISION OF WATER AND WASTE MANAGEMENT

By:   
Its: Director  
Date: 6/9/06

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

Attest:

By:   
Its: Director  
Date: May 25, 2006

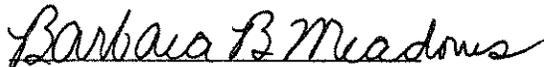
  
Its: Secretary-Treasurer

EXHIBIT A

FORM OF PERFORMANCE CERTIFICATE

[To Be Provided By DEP]

EXHIBIT B

MONTHLY FINANCIAL REPORT

Name of Local Government \_\_\_\_\_  
 Name of Bond Issue(s) \_\_\_\_\_  
 Type of Project \_\_\_\_\_ Water \_\_\_\_\_ Wastewater \_\_\_\_\_  
 Fiscal Year \_\_\_\_\_ Report Month \_\_\_\_\_

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

\_\_\_\_\_  
 Name of Person Completing Form

\_\_\_\_\_  
 Address

\_\_\_\_\_  
 Telephone

## INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

- Item 1      You will need a copy of the current fiscal year budget adopted by the Local Government 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 Local Government 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 Local Government.

**The Local Government must complete the Monthly Financial Report and forward it to the Water Development Authority by the 10<sup>th</sup> 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 C

PAYMENT REQUISITION FORM

(All Copies to Be Provided by DEP for Each Project)

EXHIBIT D

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 meaning set forth in the bond \_\_\_\_\_ adopted or enacted by the Issuer on \_\_\_\_\_, and the Bond Purchase Agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), 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 the DEP and any change orders approved by the Issuer, the DEP 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 Schedule attached hereto as Exhibit A, and my firm<sup>1</sup> has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof<sup>2</sup>, the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Bond Purchase 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 DEP; and (xi) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

WITNESS my signature and seal on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_

By \_\_\_\_\_

West Virginia License No. \_\_\_\_

[SEAL]

\_\_\_\_\_

<sup>1</sup>If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then insert the following: [and in reliance upon the opinion of \_\_\_\_\_, Esq.] and delete "my firm has ascertained that".

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

## EXHIBIT E

### SPECIAL CONDITIONS

A. PUBLIC RELEASE REQUIREMENT - The Local Government agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations, ground breaking or project dedication program documents and other documents describing projects or programs funded in whole or in part with Federal money, (1) the percentage of the total costs of the program or project which will be financed with Federal money, (2) the dollar amount of Federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

B. AUDIT REQUIREMENT (Supplement to Article IV 4.1 (b) (xi)) - Effective October 1, 2003, the Local Government that receives \$500,000 or more (in federal funds) in a fiscal year must obtain audits in accordance with the Single Audit Act and the applicable OMB Circular or any successor thereto. Financial statement audits are required once all funds have been received by the Local Government.

EXHIBIT F

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 Local Government] on [Date].

Sinking Fund:

Interest \$\_\_\_\_\_

Principal \$\_\_\_\_\_

Total: \$\_\_\_\_\_

Reserve Account: \$\_\_\_\_\_

Witness my signature this \_\_\_ day of \_\_\_\_\_.

[Name of Local Government]

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

Enclosure: copy of check(s)

EXHIBIT G

OPINION OF BOND COUNSEL FOR LOCAL GOVERNMENT

[To Be Dated as of Date of Closing]

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

West Virginia Department of Environmental Protection  
601 57<sup>th</sup> Street  
Charleston, WV 25304

Ladies and Gentlemen:

We are bond counsel to \_\_\_\_\_ (the "Local Government"), a  
\_\_\_\_\_.

We have examined a certified copy of proceedings and other papers relating to the authorization of (i) a bond purchase agreement dated \_\_\_\_\_, \_\_\_\_\_, including all schedules and exhibits attached thereto (the "Bond Purchase Agreement"), among the Local Government, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and (ii) the issue of a series of revenue bonds of the Local Government, dated \_\_\_\_\_, \_\_\_\_\_ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Bond Purchase Agreement. The Local Bonds are issued in the principal amount of \$ \_\_\_\_\_, in the form of one bond, registered as to principal only to the Authority, with principal payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning \_\_\_\_\_ 1, \_\_\_\_\_, and ending \_\_\_\_\_ 1, \_\_\_\_\_, all as set forth in the "Schedule Y" attached to the Bond Purchase 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 Local Government on \_\_\_\_\_, as supplemented by the supplemental resolution duly adopted by the Local Government on \_\_\_\_\_.

(collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Bond Purchase 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 Bond Purchase 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 Bond Purchase Agreement has been duly authorized by and executed on behalf of the Local Government and is a valid and binding special obligation of the Local Government, enforceable in accordance with the terms thereof.

2. The Bond Purchase Agreement inures to the benefit of the Authority and the DEP and cannot be amended so as to affect adversely the rights of the Authority or the DEP or diminish the obligations of the Local Government without the consent of the Authority and the DEP.

3. The Local Government 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 Local Government and constitute valid and binding obligations of the Local Government, enforceable against the Local Government 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 Bond Purchase Agreement.

5. The Local Bonds have been duly authorized, issued, executed and delivered by the Local Government to the Authority and are valid, legally enforceable and binding special obligations of the Local Government, 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,

## SCHEDULE X

### DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds \$160,000  
Purchase Price of Local Bonds \$160,000

The Local Bonds shall bear no interest. Commencing December 1, 2006, principal of the Local Bonds is payable quarterly, with an administrative fee of 0.5%. 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 Local Government shall submit its payments monthly to the Commission with instructions that the Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority. If the Reserve Account is not fully funded at closing, the Local Government shall commence the payment of the 1/120 of the maximum annual debt service on the first day of the month it makes its first monthly payment to the Commission. The Local Government shall instruct the Commission to notify the Authority of any monthly payments which are not received by the 20th day of the month in which the payment was due.

The Local Bonds are fully registered in the name of the Authority as to principal only and the Local Bonds shall grant the Authority a first lien on the net or gross revenues of the Local Government's system as provided in the Local Act.

The Local Government may prepay the Local Bonds in full at any time at the price of par upon 30 days' written notice to the Authority and DEP. The Local Government shall request approval from the Authority and DEP in writing of any proposed debt which will be issued by the Local Government 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 Local Government:

None.

SCHEDULE Y

**\$160,000**

Glen Rogers PSD

30 Years, 0% Interest Rate, 0.5% Administrative Fee

Closing: June 21, 2006

**Debt Service Schedule**

Part 1 of 4

Date	Principal	Coupon	Total P+I
09/01/2006	-	-	-
12/01/2006	1,334.00	-	1,334.00
03/01/2007	1,334.00	-	1,334.00
06/01/2007	1,334.00	-	1,334.00
09/01/2007	1,334.00	-	1,334.00
12/01/2007	1,334.00	-	1,334.00
03/01/2008	1,334.00	-	1,334.00
06/01/2008	1,334.00	-	1,334.00
09/01/2008	1,334.00	-	1,334.00
12/01/2008	1,334.00	-	1,334.00
03/01/2009	1,334.00	-	1,334.00
06/01/2009	1,334.00	-	1,334.00
09/01/2009	1,334.00	-	1,334.00
12/01/2009	1,334.00	-	1,334.00
03/01/2010	1,334.00	-	1,334.00
06/01/2010	1,334.00	-	1,334.00
09/01/2010	1,334.00	-	1,334.00
12/01/2010	1,334.00	-	1,334.00
03/01/2011	1,334.00	-	1,334.00
06/01/2011	1,334.00	-	1,334.00
09/01/2011	1,334.00	-	1,334.00
12/01/2011	1,334.00	-	1,334.00
03/01/2012	1,334.00	-	1,334.00
06/01/2012	1,334.00	-	1,334.00
09/01/2012	1,334.00	-	1,334.00
12/01/2012	1,334.00	-	1,334.00
03/01/2013	1,334.00	-	1,334.00
06/01/2013	1,334.00	-	1,334.00
09/01/2013	1,334.00	-	1,334.00
12/01/2013	1,334.00	-	1,334.00
03/01/2014	1,334.00	-	1,334.00
06/01/2014	1,334.00	-	1,334.00
09/01/2014	1,334.00	-	1,334.00
12/01/2014	1,334.00	-	1,334.00
03/01/2015	1,334.00	-	1,334.00
06/01/2015	1,334.00	-	1,334.00
09/01/2015	1,334.00	-	1,334.00
12/01/2015	1,334.00	-	1,334.00
03/01/2016	1,334.00	-	1,334.00
06/01/2016	1,334.00	-	1,334.00
09/01/2016	1,334.00	-	1,334.00
12/01/2016	1,333.00	-	1,333.00
03/01/2017	1,333.00	-	1,333.00
06/01/2017	1,333.00	-	1,333.00

**\$160,000**

Glen Rogers PSD

30 Years, 0% Interest Rate, 0.5% Administrative Fee

Closing: June 21, 2006

**Debt Service Schedule**

Part 2 of 4

Date	Principal	Coupon	Total P+I
09/01/2017	1,333.00	-	1,333.00
12/01/2017	1,333.00	-	1,333.00
03/01/2018	1,333.00	-	1,333.00
06/01/2018	1,333.00	-	1,333.00
09/01/2018	1,333.00	-	1,333.00
12/01/2018	1,333.00	-	1,333.00
03/01/2019	1,333.00	-	1,333.00
06/01/2019	1,333.00	-	1,333.00
09/01/2019	1,333.00	-	1,333.00
12/01/2019	1,333.00	-	1,333.00
03/01/2020	1,333.00	-	1,333.00
06/01/2020	1,333.00	-	1,333.00
09/01/2020	1,333.00	-	1,333.00
12/01/2020	1,333.00	-	1,333.00
03/01/2021	1,333.00	-	1,333.00
06/01/2021	1,333.00	-	1,333.00
09/01/2021	1,333.00	-	1,333.00
12/01/2021	1,333.00	-	1,333.00
03/01/2022	1,333.00	-	1,333.00
06/01/2022	1,333.00	-	1,333.00
09/01/2022	1,333.00	-	1,333.00
12/01/2022	1,333.00	-	1,333.00
03/01/2023	1,333.00	-	1,333.00
06/01/2023	1,333.00	-	1,333.00
09/01/2023	1,333.00	-	1,333.00
12/01/2023	1,333.00	-	1,333.00
03/01/2024	1,333.00	-	1,333.00
06/01/2024	1,333.00	-	1,333.00
09/01/2024	1,333.00	-	1,333.00
12/01/2024	1,333.00	-	1,333.00
03/01/2025	1,333.00	-	1,333.00
06/01/2025	1,333.00	-	1,333.00
09/01/2025	1,333.00	-	1,333.00
12/01/2025	1,333.00	-	1,333.00
03/01/2026	1,333.00	-	1,333.00
06/01/2026	1,333.00	-	1,333.00
09/01/2026	1,333.00	-	1,333.00
12/01/2026	1,333.00	-	1,333.00
03/01/2027	1,333.00	-	1,333.00
06/01/2027	1,333.00	-	1,333.00
09/01/2027	1,333.00	-	1,333.00
12/01/2027	1,333.00	-	1,333.00
03/01/2028	1,333.00	-	1,333.00
06/01/2028	1,333.00	-	1,333.00

**\$160,000**

Glen Rogers PSD

30 Years, 0% Interest Rate, 0.5% Administrative Fee

Closing: June 21, 2006

**Debt Service Schedule**

Part 3 of 4

Date	Principal	Coupon	Total P+I
09/01/2028	1,333.00	-	1,333.00
12/01/2028	1,333.00	-	1,333.00
03/01/2029	1,333.00	-	1,333.00
06/01/2029	1,333.00	-	1,333.00
09/01/2029	1,333.00	-	1,333.00
12/01/2029	1,333.00	-	1,333.00
03/01/2030	1,333.00	-	1,333.00
06/01/2030	1,333.00	-	1,333.00
09/01/2030	1,333.00	-	1,333.00
12/01/2030	1,333.00	-	1,333.00
03/01/2031	1,333.00	-	1,333.00
06/01/2031	1,333.00	-	1,333.00
09/01/2031	1,333.00	-	1,333.00
12/01/2031	1,333.00	-	1,333.00
03/01/2032	1,333.00	-	1,333.00
06/01/2032	1,333.00	-	1,333.00
09/01/2032	1,333.00	-	1,333.00
12/01/2032	1,333.00	-	1,333.00
03/01/2033	1,333.00	-	1,333.00
06/01/2033	1,333.00	-	1,333.00
09/01/2033	1,333.00	-	1,333.00
12/01/2033	1,333.00	-	1,333.00
03/01/2034	1,333.00	-	1,333.00
06/01/2034	1,333.00	-	1,333.00
09/01/2034	1,333.00	-	1,333.00
12/01/2034	1,333.00	-	1,333.00
03/01/2035	1,333.00	-	1,333.00
06/01/2035	1,333.00	-	1,333.00
09/01/2035	1,333.00	-	1,333.00
12/01/2035	1,333.00	-	1,333.00
03/01/2036	1,333.00	-	1,333.00
06/01/2036	1,333.00	-	1,333.00
09/01/2036	1,333.00	-	1,333.00
<b>Total</b>	<b>\$160,000.00</b>	-	<b>\$160,000.00 *</b>

\*Plus \$100.82 one-half percent administrative fee paid quarterly. Total fee over life of loan is \$12,098.40.



PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

Entered: February 9, 2006

CASE NO. 97-0828-PSWD-19A

GLEN ROGERS PUBLIC SERVICE DISTRICT  
Rule 19A application to increase  
water rates and charges.

FINAL

CASE NO. 98-0654-PSWD-PC

GLEN ROGERS PUBLIC SERVICE DISTRICT  
Petition for consent and approval  
to borrow funds.

3-1-06

RECOMMENDED DECISION

On July 1, 2005, the Glen Rogers Public Service District (District) filed a Petition to Reopen Petition for Consent and Approval to Borrow Funds and Establish Water Rates and Charges.

On August 1, 2005, the First Set of Interrogatories, Data Requests or Requests for Information by the Staff of the Public Service Commission of West Virginia for Glen Rogers Public Service District was filed.

On August 1, 2005, Staff Attorney Cecelia Gail Jarrell filed the Initial Joint Staff Memorandum to which was attached the July 26, 2005 Initial Internal Memorandum prepared by Scott McNeely, Utilities Analyst II, Water and Wastewater Division. Mr. McNeely reported that the District requested approval to borrow funds to settle a judgment returned against the District on August 28, 1984, in the amount of \$125,778.40, plus accrued interest, and to approve a rate increase to finance the borrowing. By Recommended Decision dated July 28, 1999, the District was required to immediately file an application for a loan to retire the judgment in question. However, the loan was not closed and the Commission dismissed the case.

Mr. McNeely reported that Staff had reviewed the District's cash flow analysis based on the annual report for the year ended June 30, 2004, and concluded that the District would require a rate increase to support the debt service needed to repay the settlement amount. The State Revolving Fund (SRF) agreed to commit a loan in the amount of \$160,000 for thirty (30) years at 0% interest and a 1/2% administrative fee. Staff opined that the loan terms are very advantageous to the District. Mr. McNeely stated that Staff needed a commitment letter for the SRF loan and confirmation that WV Pipeline, Inc., the party which had obtained judgment against the District, agreed to a \$150,000 lump sum payment.

Ms. Jarrell recommended that the matter be referred to the Division of Administrative Law Judges since a public hearing may be necessary.

By Commission Orders dated August 11, 2005, these two (2) proceedings<sup>1</sup> were referred to the Division of Administrative Law Judges for a decision to be rendered on or before February 27, 2006. Commission Staff was also directed to file its reports on or before October 10, 2005.

On August 29, 2005, the District filed a copy of a letter from West Virginia Pipeline, Inc., confirming the dollar value to settle the judgment. The District also filed financial projections from the District's auditor. The District indicated that the DEP letter regarding the SRF loan would be filed at a later date.

On September 29, 2005, the District filed a copy of the completed 2005 audit for the District and a copy of the commitment letter from the DEP to the District.

On October 7, 2005, Ms. Jarrell filed the Final Joint Staff Memorandum to which was attached the October 6, 2005 Final Internal Memorandum prepared by Mr. McNeely. Mr. McNeely reported that the SRF loan would require annual debt payments of \$5,333 with an annual administrative fee of \$411. The District would also be required to fund a debt reserve fund of \$533 which is equal to 10% of annual debt payments. The Wyoming County Circuit Court's order requires the financial burden of the judgment to be shared equally by the District's water and sewer operations.

Staff completed a cash flow analysis for both the District's water and sewer operations based on the annual reports for the year ended June 30, 2004. At per books, the water and sewer departments operate at a \$1,899 surplus and a (\$4,406) deficit, respectively. Staff recommended a 6% increase to water rates and charges which results in a \$271 cash flow surplus and a 120.16% debt service coverage. Staff recommended a 29% increase to sewer rates and charges which results in a \$184 cash flow surplus and a debt service coverage of 116.89%. The Staff-recommended water rates will result in a minimum bill of \$18.67, based on 3,000 gallons, and an average monthly bill of \$25.22, based on 4,500 gallons of water usage. The Staff-recommended sewer rates will result in a minimum bill of \$14.96, based on 2,000 gallons, and an average monthly bill of \$32.48, based on 4,500 gallons of water usage.

Mr. McNeely reported that the District's last general rate case was Case No. 02-1450-PSWD-19A, which increased the District's water rates by 35.23% and its sewer rates by 27.18%. At per books, the District's sewer operations operate at a deficit which Mr. McNeely believes necessitates an increase in the sewer rates. In the instant proceedings, the Staff-

---

<sup>1</sup>By Procedural Order dated July 27, 1998, these cases were consolidated for further proceedings before the Commission. Accordingly, the reopened cases will remain consolidated.

recommended rates account for repayment of the needed funding only and do not account for the current sewer deficit. The Staff-recommended rates should be implemented through the reopened Case No. 97-0828-PSWD-19A in order for the District to pay off the long-standing judgment and delinquent debt. Mr. McNeely recommended that the District file a new 19A rate case immediately to address the current operating deficit. The District's annual audit was recently completed.

Staff recommended that the Staff-recommended water and sewer tariffs, attached as Attachments 7 and 8 to the Final Joint Staff Memorandum, be approved to cover the associated debt service needed to retire the delinquent judgment amount. Staff also recommended that the District's petition to acquire a \$160,000 SRF loan for thirty (30) years, at 0% interest with a 1/2% administrative fee, be approved. Staff further recommended that the District file for a 19A rate review to make any adjustments to the utility's current rates and charges based on the year ended June 30, 2005.

Ms. Jarrell specifically recommended that, in order to facilitate a new rate case for the District, the District separately file the Audit Report of Glen Rogers Public Service District for the fiscal years ended June 30, 2004, and 2005, and request that a new case number be given to the filing to initiate a new Tariff Rule 19A rate case. Staff proposed to conduct an overall rate review for the District in the new case.

Ms. Jarrell also stated that notice of the increases should be required and she recommended that the Commission order that the publication requirements of the Rules for the Construction and Filing of Tariffs, Rule 8.2.i., be followed.

By Procedural Order dated November 16, 2005, the District was required to give notice to its customers of the Staff-recommended rates and charges, by publishing a copy of Tariff Form No. 10, attached to the Order as Appendix A, once a week for two (2) consecutive weeks, in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Wyoming County, making due return to the Commission of proper certification of publication within ten (10) days of the date of the last publication. The District was also required to comply with the additional notice requirements in Tariff Rules 8.2.f. and 8.2.i. and file the certifications of such compliance, Tariff Forms 6A and 6B, on or before December 16, 2005.

On November 23, 2005, the District filed a letter stating that it was filing exceptions to the Staff Memorandum and requesting the Administrative Law Judge to issue a revised Procedural Order. The District indicated that the rates adopted by Staff were based on a 2003 test year and were insufficient. The District indicated that it would not be publishing the rates as previously ordered and it requested that the requirement be removed. The District did not seek an extension of the decision due date for the Division of Administrative Law Judges.

On December 8, 2005, Staff Attorney Jarrell filed the Further Final Joint Staff Memorandum to which was attached the December 2, 2005 Further

Final Internal Memorandum prepared by Mr. McNeely. Mr. McNeely indicated that the District's CPA informed Staff that he was unable to provide the appropriate certification of rates in order for the District to close on the SRF loan. The District's CPA can not provide the certification due to the District's financial position for the year ended June 30, 2005.

Mr. McNeely reported that Staff has now reviewed the figures for the year ended June 30, 2005, and has made certain adjustments to its October 7, 2005 recommendations. Staff was informed that the delinquent debt was incurred due to sewer operations. Therefore, Staff further adjusted its recommendation to recover the debt solely from the District's sewer operations and not from both sewer and water. At per books, the sewer department operates at a (\$9,249) deficit. Staff has recommended increasing rates to cover the additional debt service associated with fulfilling the delinquent debt. Staff recommended a 50.5% increase in rates which equates to a \$1,001 cash flow surplus and debt service coverage of 128.76%. The revised Staff-recommended sewer rates will produce a minimum bill of \$17.46, based on 2,000 gallons, and an average monthly bill of \$37.89, based on 4,500 gallons of water usage. Staff recommended that the revised Staff-recommended sewer tariff be approved to cover the associated debt service needed to retire the delinquent judgment. Staff also recommended approval of the District's petition to acquire a \$160,000 SRF loan for thirty (30) years at 0% interest with a 1/2% administrative fee. Staff recommended approval of its recommended rates. Staff also recommended that the District immediately file for a 19A rate review.

By Procedural Order dated December 12, 2005, the District was required to immediately give notice to its customers of the revised Staff-recommended rates and charges, by publishing a copy of Tariff Form No. 10, attached to the Order as Appendix A, once a week for two (2) consecutive weeks, in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Wyoming County, making due return to the Commission of proper certification of publication within ten (10) days of the date of the last publication. In any event, an affidavit of publication was required to be filed with the Commission no later than January 6, 2006. Additionally, the District was required to comply with the additional notice requirements in Tariff Rules 8.2.f. and 8.2.i. and file the certifications of such compliance, Tariff Forms 6-A and 6-B, on or before January 6, 2006. Finally, the District was cautioned that, if substantial protest was received, the proceedings would be dismissed unless the District obtained a sufficient extension of the decision due date.

On December 14, 2005, the District filed a copy of the Press Release of the Notice of Application to Change Rates.

On December 20, 2005, the District filed an Affidavit Regarding Tariff Form Nos. 6-A and 6-B.

On December 30, 2005, the District filed an Affidavit Regarding Tariff Form Nos. 6-A and 6-B.

On January 3, 2006, a letter of protest was received from Lillie Chambers, Glen Rogers.

On January 6, 2006, the District filed an Affidavit of the Press Release.

On January 25, 2006, the District filed an affidavit of publication for the Notice of Application to Change Rates.

On January 30, 2006, Beulah Lozo of Glen Rogers filed a letter of protest.

On January 31, 2006, Howard and Rita Brant filed a letter of protest.

On February 2, 2006, Lois D. Bailey of Glen Rogers filed a letter of protest.

#### FINDINGS OF FACT

1. On July 1, 2005, the Glen Rogers Public Service District filed a Petition to Reopen Petition for Consent and Approval to Borrow Funds and Establish Water Rates and Charges. The two (2) cases which the District sought to have reopened had been consolidated by Procedural Order dated July 27, 1998. (See, filing dated July 1, 2005; Procedural Order dated July 27, 1998).

2. The District requested approval to borrow funds to settle a judgment returned against the District on August 28, 1984, in the amount of \$125,778.40, plus accrued interest, and to approve a rate increase to finance the borrowing. (See, Initial Joint Staff Memorandum with attachment filed August 1, 2005).

3. Staff recommended that the debt be recovered solely from the District's sewer operations since the delinquent debt was incurred due to sewer operations. (See, Further Final Joint Staff Memorandum with attachment filed December 8, 2005).

4. Currently the District's sewer operations are experiencing a cash flow deficit of \$9,249 and a debt service coverage of 0.00%. (Id.).

5. Staff recommended a 50.5% increase in sewer rates which equates to an additional \$16,527 in revenue, a \$1,001 cash flow surplus and debt service coverage of 128.76%. (Id.).

6. The Staff-recommended sewer rates will produce a minimum bill of \$17.46, based on 2,000 gallons, and an average monthly bill of \$37.89, based on 4,500 gallons of water usage. (Id.).

7. Staff also recommended approval of the District's petition to acquire a \$160,000 SRF loan for thirty (30) years at 0% interest with a 1/2% administrative fee. (Id.).

8. Staff further recommended that the District immediately file for a 19A rate review. (Id.).

9. The District submitted all of the required tariff forms, i.e., Tariff Form Nos. 6-A and 6-B, verifying compliance with the additional notice requirements of Tariff Rules 8.2.f. and 8.2.i. (See, filings dated December 20 and 30, 2005, and January 6, 2006).

10. The District filed an affidavit of publication indicating that the Notice of Application to Change Rates, i.e., Tariff Form No. 10, was published in the Pineville Independent Herald on January 11 and 18, 2006. (See, Affidavit of Publication filed January 25, 2006).

11. One (1) protest letter was filed concerning the Staff-recommended increased rates and charges within the ten-day protest period, which expired on January 28, 2006. Three (3) additional letters of protest were filed outside of the ten-day protest period, or as of the date of this Order. (See, case file generally).

12. No written response or objection to Staff's revised recommendations has been filed by the District. (See, case file generally).

#### CONCLUSIONS OF LAW

1. The Staff-recommended rates and charges are sufficient, but not more than sufficient, to cover the District's operation and maintenance expenses and financing expenses for a loan to settle a judgment returned against the District on August 28, 1984, in the amount of \$125,778.40, plus accrued interest.

2. It is reasonable to approve the Staff-recommended increased rates and charges and other tariff revisions and the requested borrowing, without need for a formal public hearing, since adequate notice has been provided and only one (1) timely protest has been filed in response thereto, for use by the District for all services rendered on and after the date that this Recommended Decision becomes a final Commission Order.

#### ORDER

IT IS, THEREFORE, ORDERED that the Staff-recommended increased rates and charges, attached hereto as Appendix A, be, and hereby are, approved for use by the Glen Rogers Public Service District for all service rendered on and after the date that this Order becomes a final Order of the Commission.

IT IS FURTHER ORDERED that the Glen Rogers Public Service District be, and hereby is, authorized to acquire a \$160,000 SRF loan for thirty (30) years at 0% interest with a 1/2% administrative fee.

IT IS FURTHER ORDERED that the District file with the Commission's Tariff Office an original and at least five (5) copies of a revised tariff reflecting the rates and charges approved herein, within thirty (30) days of the date that this Recommended decision becomes final.

IT IS FURTHER ORDERED that the District immediately file for a Tariff Rule 19A rate review if the District has not done so already.

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

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.

*Deborah Yost VanDervort*  
Deborah Yost VanDervort  
Administrative Law Judge

DYV:s  
970828ak.wpd



APPENDIX A

GLEN ROGERS PUBLIC SERVICE DISTRICT  
CASE NOS. 97-0828-PSWD-19A & 98-0654-PSWD-PC (Reopened)  
APPROVED RATES - SEWER

APPLICABILITY

Applicable within entire territory served.

AVAILABILITY

Available for general domestic, commercial and industrial sewer service.

RATES (Customers with metered water supply)

First 2,000 gallons used per month	\$8.73 per 1,000 gallons
Next 8,000 gallons used per month	\$8.17 per 1,000 gallons
All Over 10,000 gallons used per month	\$8.05 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than \$17.46 per month which is the equivalent of 2,000 gallons of usage with a 5/8-inch meter.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the District up to a maximum of \$15.00 will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

DELAYED PAYMENT PENALTY

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

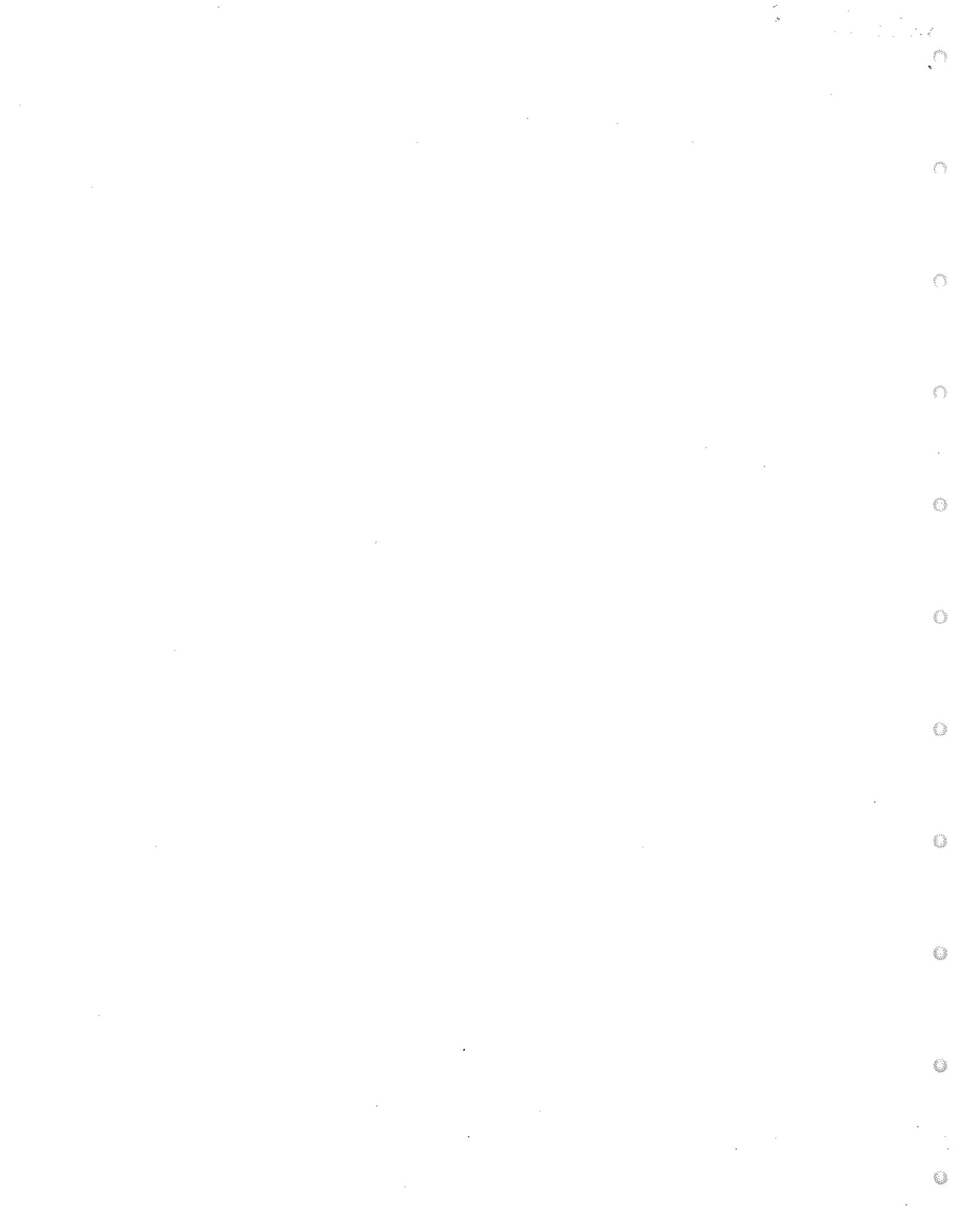
TAP FEE

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

A tap fee of \$150.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

LEAK ADJUSTMENT

\$0.56 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.



# West Virginia Infrastructure & Jobs Development Council

Public Members:

James D. Williams, Chairman  
St. Albans  
William J. Harman, PE, Vice Chairman  
Grafton  
Dwight Calhoun  
Petersburg  
William P. Stafford, II, Esquire  
Princeton

980 One Valley Square  
Charleston, West Virginia 25301  
Telephone: (304) 558-4607  
Facsimile: (304) 558-4609

Katy Mallory, PE  
Executive Secretary

KMallory@ezwv.com

November 1, 2000

Phyllis Sizemore  
Glen Rogers Public Service District  
P.O. Box 87  
Glen Rogers, West Virginia 25848

Re: Glen Rogers Public Service District  
Wastewater Project 2000S-554

Dear Ms. Sizemore:

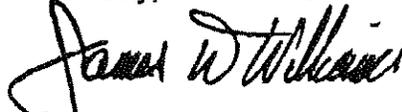
The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") has reviewed the Glen Rogers Public Service District's (the "District") preliminary application regarding its request for funding for a judgement against the District to pay for work already completed.

Based on the findings of the Sewer Technical Review Committee, the Infrastructure Council has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The District should carefully review the enclosed comments of the Sewer Technical Review Committee as the District may need to address certain issues raised in said comments as it proceeds with the Project.

Upon consideration of the preliminary application, the Infrastructure Council recommends that the District pursue a Clean Water State Revolving Fund Loan of \$195,000. Please contact the Division of Environmental Protection (DEP) at 558-0641 for specific information on the steps the District needs to follow to apply for these funds. **Please note that this letter does not constitute funding approval from the DEP.**

If you have any questions regarding this matter, please contact Katy Mallory at 558-4607.

Sincerely,



James D. Williams

Enclosure  
JDW/km

cc: Mike Johnson, DEP (w/o enclosure)  
David Cole, Region 1



GLEN ROGERS PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2006 A  
(West Virginia SRF Program)

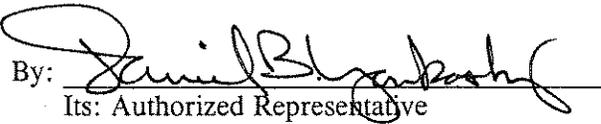
CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On this 27th day of June, 2006, 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 Glen Rogers Public Service District (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

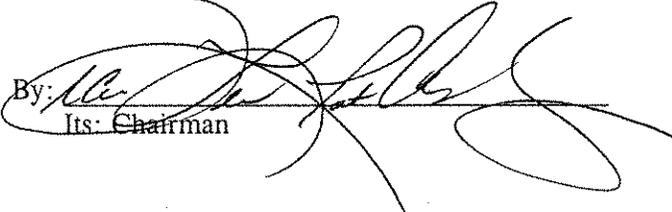
1. On the date hereof, the Authority received the Sewer Revenue Bonds, Series 2006 A (West Virginia SRF Program), of the Issuer, in the principal amount of \$160,000, numbered AR-1 (the "Bonds"), issued as a single, fully registered Bond, and dated June 27, 2006.
2. At the time of such receipt, the Bonds 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 Bonds, the entire principal amount of the Bonds.

Dated as of the day and year first written above.

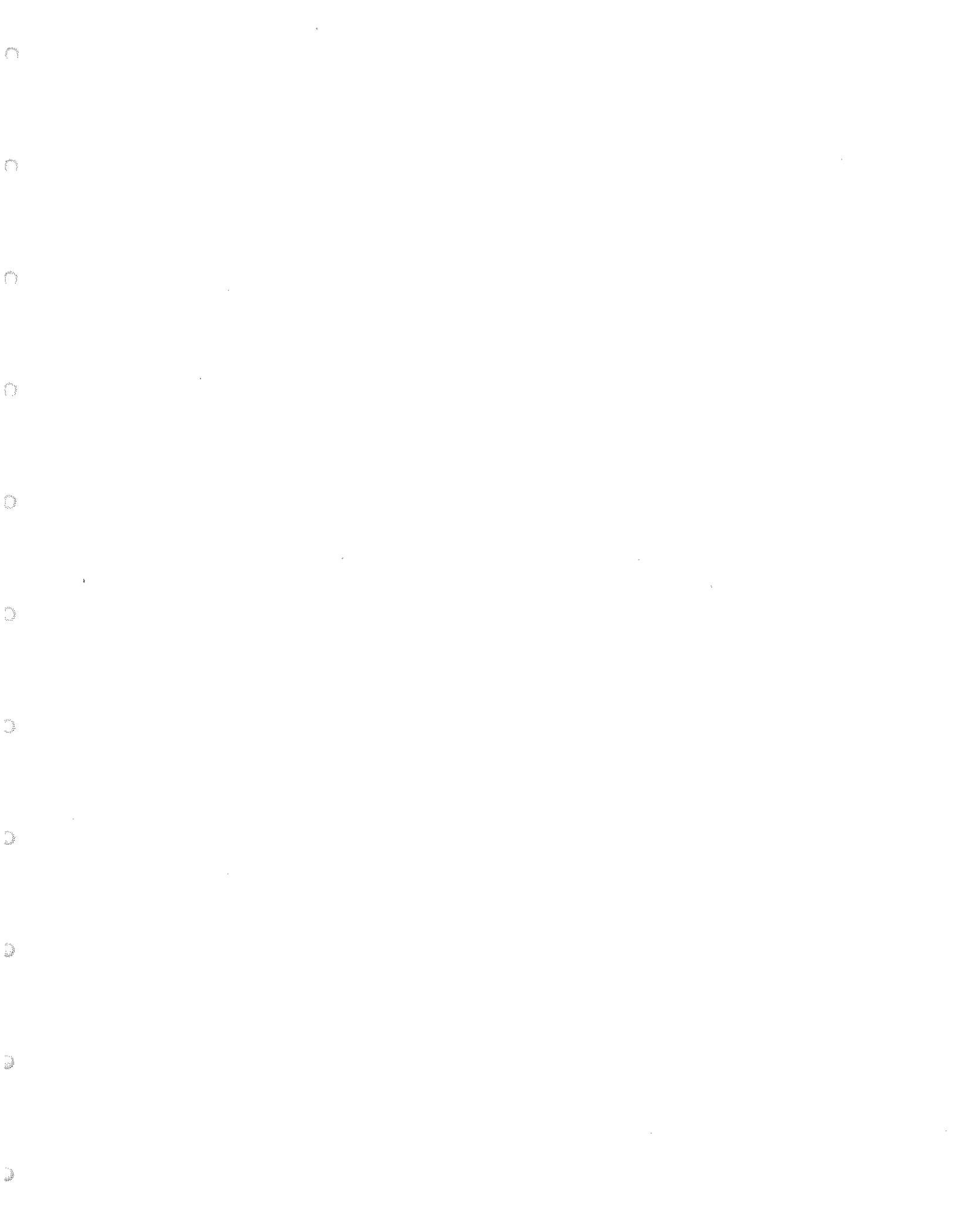
WEST VIRGINIA WATER DEVELOPMENT  
AUTHORITY

By:   
Its: Authorized Representative

GLEN ROGERS PUBLIC SERVICE DISTRICT

By:   
Its: Chairman

06.14.06  
333420.00001



GLEN ROGERS PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2006 A  
(West Virginia SRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

The Huntington National Bank, as Registrar  
Charleston, West Virginia

Ladies and Gentlemen:

On this 27th day of June, 2006, there are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of Glen Rogers Public Service District Sewer Revenue Bonds, Series 2006 A (West Virginia SRF Program), in the principal amount of \$160,000, dated June 27, 2006 (the "Bonds"), executed by the Chairman and Secretary of Glen Rogers Public Service District (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Resolution duly adopted by the Issuer on June 19, 2006, and a Supplemental Resolution duly adopted by the Issuer on June 19, 2006 (collectively, the "Bond Legislation");

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

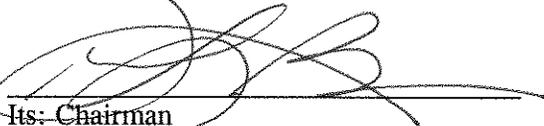
(3) Executed counterparts of a bond purchase agreement for the Bonds, dated May 25, 2006, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP") (the "Bond Purchase Agreement"); and

(4) An executed opinion of nationally recognized bond counsel regarding the validity of the Bond Purchase Agreement and the Bonds.

You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the Issuer of the sum of \$160,000, representing the entire principal amount of the Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the forms of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

GLEN ROGERS PUBLIC SERVICE DISTRICT

By: 

Its: Chairman

06.14.06  
333420.00001



# SPECIMEN

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
GLEN ROGERS PUBLIC SERVICE DISTRICT  
SEWER REVENUE BOND, SERIES 2006 A  
(WEST VIRGINIA SRF PROGRAM)

No. AR-1

\$160,000

KNOW ALL MEN BY THESE PRESENTS: That on this the 27th day of June, 2006, GLEN ROGERS PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Wyoming County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of ONE HUNDRED SIXTY THOUSAND DOLLARS (\$160,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2006, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, June 1 and December 1 of each year, commencing December 1, 2006, as set forth on said EXHIBIT B.

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 Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Issuer, the Authority and the DEP, dated May 25, 2006.

This Bond is issued (i) permanently finance an outstanding financial obligation of the District to West Virginia Pipeline, Inc., related to the costs of acquisition and construction of certain improvements and extensions to the public sewerage facilities of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs. The public sewerage facilities of the Issuer, the Project and any further improvements and 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 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on June 19, 2006, and a Supplemental Resolution duly adopted by the Issuer on June 19, 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 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, and from moneys 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 or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the moneys 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; 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, 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 Registrar (as defined in the Bond Legislation), 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 moneys, until so applied, in favor of the registered owner of this Bond.

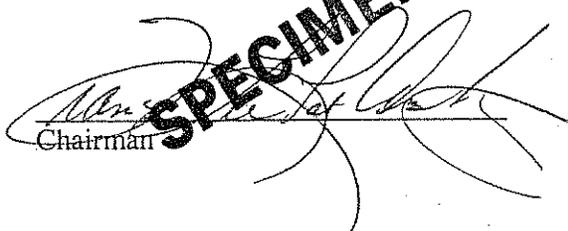
IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond,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

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

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, GLEN ROGERS 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: June 27, 2006.

THE HUNTINGTON NATIONAL BANK,  
as Registrar

By:   
Its: Authorized Officer

**SPECIMEN**

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$ 160,000	June 27, 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
09/01/2006	-	-	-
12/01/2006	1,334.00	-	1,334.00
03/01/2007	1,334.00	-	1,334.00
06/01/2007	1,334.00	-	1,334.00
09/01/2007	1,334.00	-	1,334.00
12/01/2007	1,334.00	-	1,334.00
03/01/2008	1,334.00	-	1,334.00
06/01/2008	1,334.00	-	1,334.00
09/01/2008	1,334.00	-	1,334.00
12/01/2008	1,334.00	-	1,334.00
03/01/2009	1,334.00	-	1,334.00
06/01/2009	1,334.00	-	1,334.00
09/01/2009	1,334.00	-	1,334.00
12/01/2009	1,334.00	-	1,334.00
03/01/2010	1,334.00	-	1,334.00
06/01/2010	1,334.00	-	1,334.00
09/01/2010	1,334.00	-	1,334.00
12/01/2010	1,334.00	-	1,334.00
03/01/2011	1,334.00	-	1,334.00
06/01/2011	1,334.00	-	1,334.00
09/01/2011	1,334.00	-	1,334.00
12/01/2011	1,334.00	-	1,334.00
03/01/2012	1,334.00	-	1,334.00
06/01/2012	1,334.00	-	1,334.00
09/01/2012	1,334.00	-	1,334.00
12/01/2012	1,334.00	-	1,334.00
03/01/2013	1,334.00	-	1,334.00
06/01/2013	1,334.00	-	1,334.00
09/01/2013	1,334.00	-	1,334.00
12/01/2013	1,334.00	-	1,334.00
03/01/2014	1,334.00	-	1,334.00
06/01/2014	1,334.00	-	1,334.00
09/01/2014	1,334.00	-	1,334.00
12/01/2014	1,334.00	-	1,334.00
03/01/2015	1,334.00	-	1,334.00
06/01/2015	1,334.00	-	1,334.00
09/01/2015	1,334.00	-	1,334.00
12/01/2015	1,334.00	-	1,334.00

Date	Principal	Coupon	Total P+I
03/01/2016	1,334.00	-	1,334.00
06/01/2016	1,334.00	-	1,334.00
09/01/2016	1,334.00	-	1,334.00
12/01/2016	1,333.00	-	1,333.00
03/01/2017	1,333.00	-	1,333.00
06/01/2017	1,333.00	-	1,333.00
09/01/2017	1,333.00	-	1,333.00
12/01/2017	1,333.00	-	1,333.00
03/01/2018	1,333.00	-	1,333.00
06/01/2018	1,333.00	-	1,333.00
09/01/2018	1,333.00	-	1,333.00
12/01/2018	1,333.00	-	1,333.00
03/01/2019	1,333.00	-	1,333.00
06/01/2019	1,333.00	-	1,333.00
09/01/2019	1,333.00	-	1,333.00
12/01/2019	1,333.00	-	1,333.00
03/01/2020	1,333.00	-	1,333.00
06/01/2020	1,333.00	-	1,333.00
09/01/2020	1,333.00	-	1,333.00
12/01/2020	1,333.00	-	1,333.00
03/01/2021	1,333.00	-	1,333.00
06/01/2021	1,333.00	-	1,333.00
09/01/2021	1,333.00	-	1,333.00
12/01/2021	1,333.00	-	1,333.00
03/01/2022	1,333.00	-	1,333.00
06/01/2022	1,333.00	-	1,333.00
09/01/2022	1,333.00	-	1,333.00
12/01/2022	1,333.00	-	1,333.00
03/01/2023	1,333.00	-	1,333.00
06/01/2023	1,333.00	-	1,333.00
09/01/2023	1,333.00	-	1,333.00
12/01/2023	1,333.00	-	1,333.00
03/01/2024	1,333.00	-	1,333.00
06/01/2024	1,333.00	-	1,333.00
09/01/2024	1,333.00	-	1,333.00
12/01/2024	1,333.00	-	1,333.00
03/01/2025	1,333.00	-	1,333.00
06/01/2025	1,333.00	-	1,333.00
09/01/2025	1,333.00	-	1,333.00
12/01/2025	1,333.00	-	1,333.00
03/01/2026	1,333.00	-	1,333.00
06/01/2026	1,333.00	-	1,333.00
09/01/2026	1,333.00	-	1,333.00

Date	Principal	Coupon	Total P+I
12/01/2026	1,333.00	-	1,333.00
03/01/2027	1,333.00	-	1,333.00
06/01/2027	1,333.00	-	1,333.00
09/01/2027	1,333.00	-	1,333.00
12/01/2027	1,333.00	-	1,333.00
03/01/2028	1,333.00	-	1,333.00
06/01/2028	1,333.00	-	1,333.00
09/01/2028	1,333.00	-	1,333.00
12/01/2028	1,333.00	-	1,333.00
03/01/2029	1,333.00	-	1,333.00
06/01/2029	1,333.00	-	1,333.00
09/01/2029	1,333.00	-	1,333.00
12/01/2029	1,333.00	-	1,333.00
03/01/2030	1,333.00	-	1,333.00
06/01/2030	1,333.00	-	1,333.00
09/01/2030	1,333.00	-	1,333.00
12/01/2030	1,333.00	-	1,333.00
03/01/2031	1,333.00	-	1,333.00
06/01/2031	1,333.00	-	1,333.00
09/01/2031	1,333.00	-	1,333.00
12/01/2031	1,333.00	-	1,333.00
03/01/2032	1,333.00	-	1,333.00
06/01/2032	1,333.00	-	1,333.00
09/01/2032	1,333.00	-	1,333.00
12/01/2032	1,333.00	-	1,333.00
03/01/2033	1,333.00	-	1,333.00
06/01/2033	1,333.00	-	1,333.00
09/01/2033	1,333.00	-	1,333.00
12/01/2033	1,333.00	-	1,333.00
03/01/2034	1,333.00	-	1,333.00
06/01/2034	1,333.00	-	1,333.00
09/01/2034	1,333.00	-	1,333.00
12/01/2034	1,333.00	-	1,333.00
03/01/2035	1,333.00	-	1,333.00
06/01/2035	1,333.00	-	1,333.00
09/01/2035	1,333.00	-	1,333.00
12/01/2035	1,333.00	-	1,333.00
03/01/2036	1,333.00	-	1,333.00
06/01/2036	1,333.00	-	1,333.00
09/01/2036	1,333.00	-	1,333.00

\*Plus \$100.82 one-half percent administrative fee paid quarterly. Total fee over life of loan is \$12,098.40.

(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.

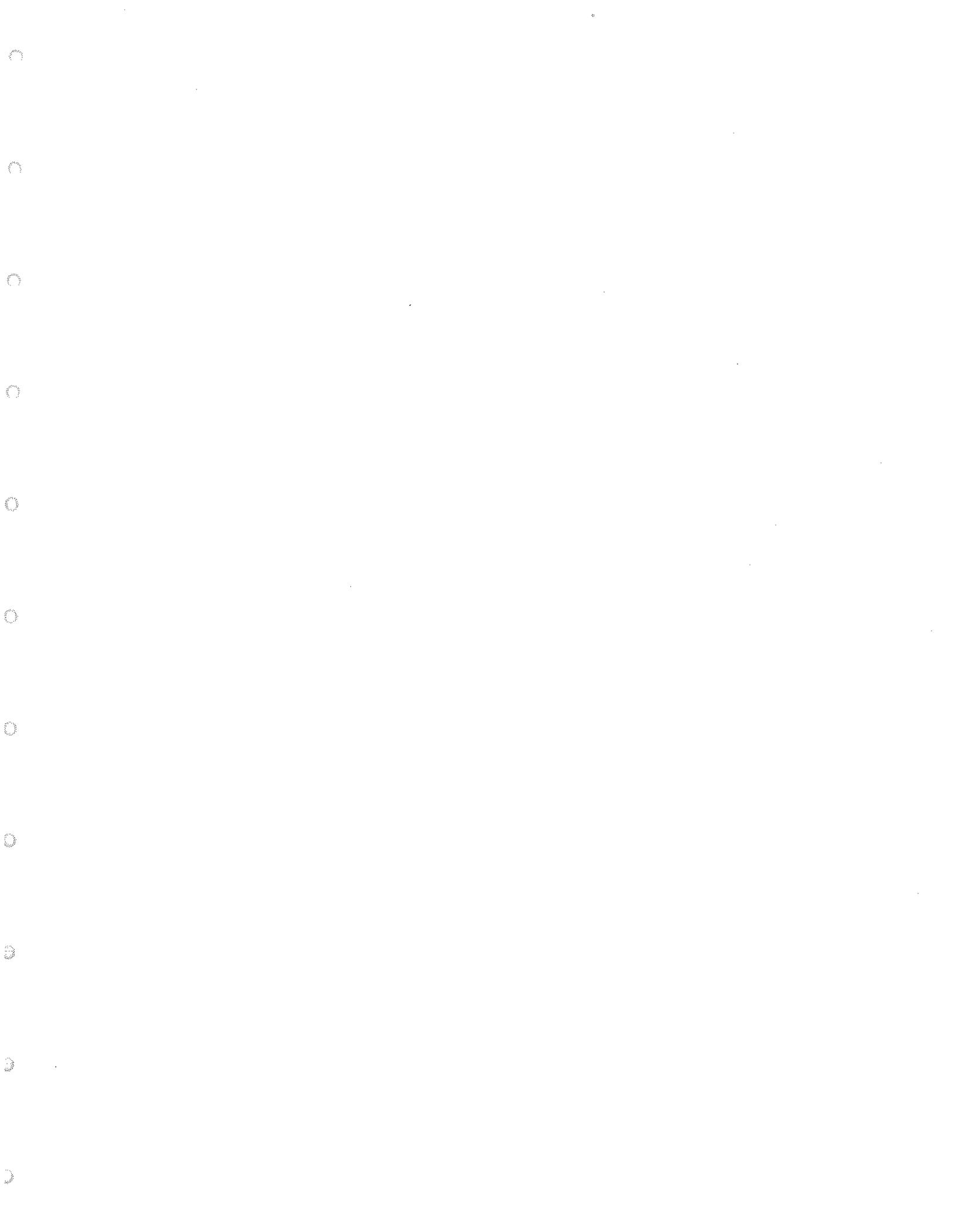
Dated: \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_

In the presence of:

\_\_\_\_\_

06/14/06  
333420.00001





Clarksburg Charleston Morgantown Martinsburg Wheeling Huntington

Bank One Center, Eighth Floor

P.O. Box 1588

Charleston, WV 25326-1588

(304) 353-8000 (304) 353-8180 Fax

www.steptoeh-johnson.com

Writer's Contact Information

June 27, 2006

Glen Rogers Public Service District  
Sewer Revenue Bonds, Series 2006 A  
(West Virginia SRF Program)

Glen Rogers Public Service District  
Glen Rogers, West Virginia

West Virginia Water Development  
Authority  
Charleston, West Virginia

West Virginia Department of  
Environmental Protection  
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Glen Rogers Public Service District (the "Issuer"), a public service district and public corporation and political subdivision created and existing under the laws of the State of West Virginia, of its \$160,000 Sewer Revenue Bonds, Series 2006 A (West Virginia SRF Program), 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 bond purchase agreement, dated May 25, 2006, including all schedules and exhibits attached thereto (the "Bond Purchase Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Bond Purchase Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2006 and maturing September 1, 2036, all as set forth in the "Schedule Y," attached to the Bond Purchase 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 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) permanently financing an outstanding financial obligation of the District to West Virginia Pipeline, Inc., related to the costs of acquisition and construction of certain improvements and extensions

to the public sewerage facilities of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Resolution duly adopted by the Issuer on June 19, 2006, as supplemented by a Supplemental Resolution duly adopted by the Issuer on June 19, 2006 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Bond Purchase 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 Bond Purchase Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Bond Purchase 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 undertake 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 Bond Purchase 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 DEP and cannot be amended by the Issuer so as to affect adversely the rights of the Authority or the DEP or diminish the obligations of the Issuer without the written consent of the Authority and the DEP.

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 Bond Purchase 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, 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.

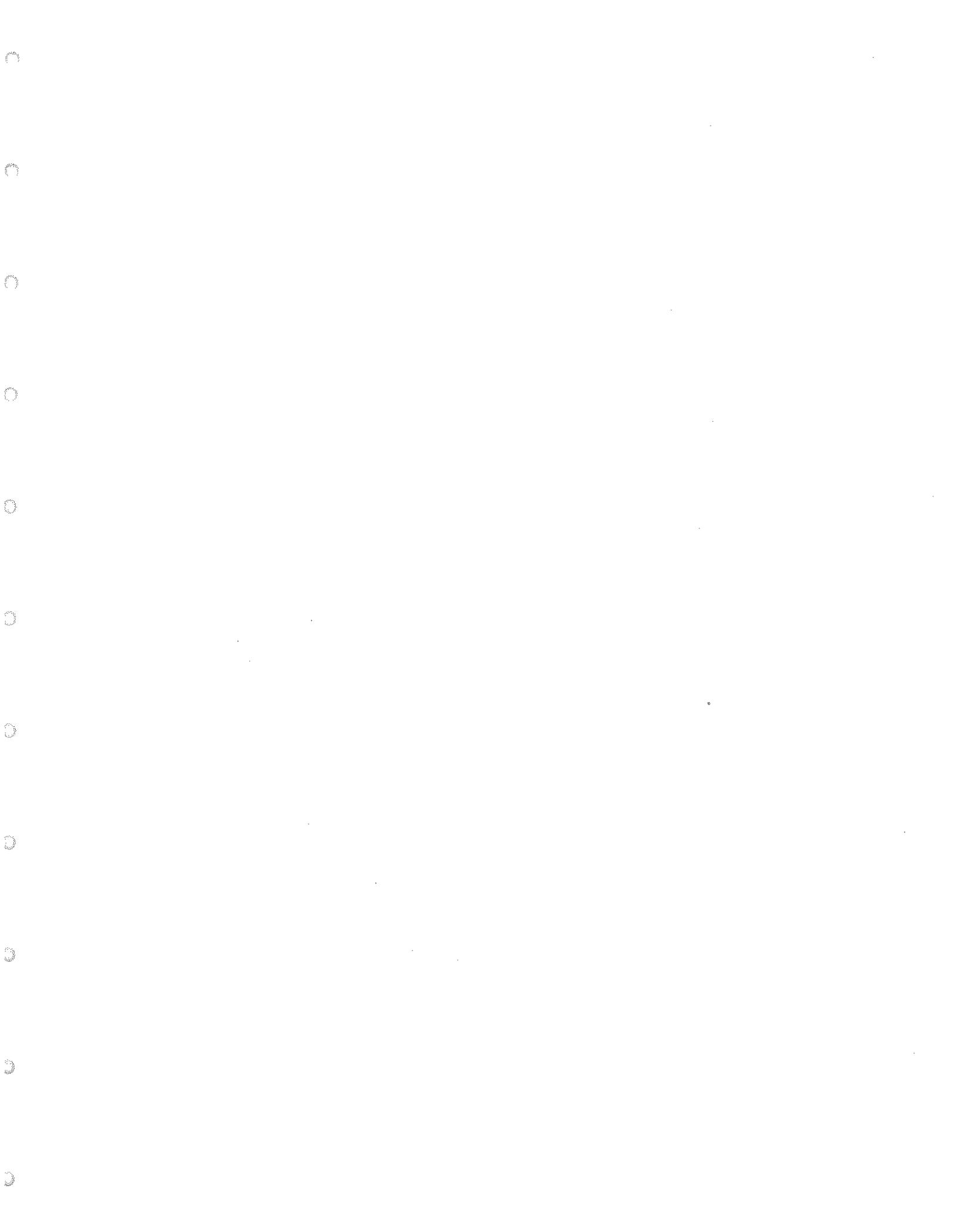
6. The Bonds have not been issued on the basis that the interest, if any, thereon is or will be excluded from the gross income of the owners thereof for federal income tax purposes. We express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal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



# Mullins, Morgan & Bledsoe, PLLC



Charles B. Mullins II, Attorney At Law  
Dennie S. Morgan, Jr., Attorney At Law  
Christopher B. Bledsoe, Attorney At Law

P.O. Box 490 Pineville, WV 24874  
Phone: (304) 732-9334 Fax: (304) 732-7905

June 27, 2006

Glen Rogers Public Service District  
Sewer Revenue Bonds, Series 2006 A  
(West Virginia SRF Program)

Glen Rogers Public Service District  
Glen Rogers, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

West Virginia Dept. of Environmental Protection  
Charleston, West Virginia

Steptoe & Johnson PLLC  
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to Glen Rogers Public Service District, a public service district in Wyoming County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a bond purchase agreement dated May 25, 2006, including all schedules and exhibits attached thereto, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP") (the "Bond Purchase Agreement"), the Bond Resolution duly adopted by the Issuer on June 19, 2006, the Supplemental Resolution duly adopted by the Issuer on June 19, 2006 (collectively, the "Bond Legislation"), and other documents, papers, agreements, instruments and certificates relating to the above-captioned Bonds of the Issuer (the "Bonds") and orders of The County Commission of Wyoming County relating to the Issuer and the appointment of members of the Public Service Board of the Issuer.

All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Bond Purchase 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, with full power and authority to undertake the Project, to operate and maintain the System and to adopt the Bond Legislation, all under the Act and other applicable provisions of law.
2. 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.
3. The Bond Purchase 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.
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 Bond Purchase Agreement and the consummation of the transactions contemplated by the Bonds, the Bond Purchase 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, and of which I am aware, 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 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 Wyoming County, the DEP and the West Virginia Infrastructure and Jobs Development Council, 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.
7. To the best of my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or

threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bonds, the Bond Purchase Agreement, the Bond Legislation, the operation of the System, the validity of the Bonds or the collection or pledge of the Net Revenues therefor.

I express no other opinions other than those expressly stated hereinabove. Without limiting the generality of the foregoing sentence, I express no opinion as to the tax, bond or securities laws of the United States or of any state thereof.

It is to be understood that the rights of the various parties to the transaction and the enforceability of the instruments and agreements may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights (to the extent constitutionally applicable), and that the enforcement thereof may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion is rendered only for the benefit of the addressees and may not be relied upon by other parties without our prior written consent. No attorney-client privilege is waived or intended to be waived by this opinion.

Very truly yours,



Christopher B. Bledsoe  
Attorney at Law

CBB/tj

06.14.06  
333420.00001





# Mullins, Morgan & Bledsoe, PLLC

Charles B. Mullins II, Attorney At Law

Dennie S. Morgan, Jr., Attorney At Law

Christopher B. Bledsoe, Attorney At Law

P.O. Box 490 Pineville, WV 24874

Phone: (304) 732-9334 Fax: (304) 732-7905

May 30, 2006

Glen Rogers Public Service District  
PO Box 87, Glen Rogers, WV 25848

West Virginia Department of Environmental Protection  
Charleston, WV 25301

West Virginia Water Development Authority  
Charleston, WV 25311

Steptoe & Johnson, PLLC  
PO Box 1588, Charleston, WV 25326

Re: Final Title Opinion for Glen Rogers Public Service District

Ladies and Gentlemen:

We are counsel to Glen Rogers Public Service District (the "Issuer") in connection with a proposed project to acquire and construct certain improvements and extensions to the public sewerage facilities of the Issuer (the "Project"). We provide this final title opinion on behalf of the Issuer to satisfy the requirements of the West Virginia Department of Environmental Protection (the "DEP") for the Project. Please be advised of the following:

1. We are of the opinion that the Issuer is a duly created and validly 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 to construct, operate and maintain the Project as approved by the DEP.

Glen Rogers Public Service District  
West Virginia Department of Environmental Protection  
West Virginia Water Development Authority  
Steptoe & Johnson PLLC  
May 30, 2006  
Page 2

2. The Issuer has obtained all necessary permits and approvals for the construction of the Project.

3. We have investigated and ascertained the location of, and are 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 E. L. Robinson, the consulting engineers for the Project.

4. We have examined the records on file in the Office of the Clerk of the County Commission of Wyoming County, West Virginia, the county in which the Project is to be located, and, in our opinion, the Issuer 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, with the exception of those listed in Paragraph 5, sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the Project.

5. The following listed properties are to be acquired by eminent domain and the necessary filings have been made in the Office of the Clerk of the Circuit Court of Wyoming County, West Virginia, to permit the Issuer a right-of-entry for the purpose of construction, operation and maintenance of the Project on the subject properties. The Issuer's title thereto is defeasible in the event the Issuer does not satisfy any resulting judgment and/or award in the proceedings for acquisition of said properties, and our certification is subject to the following pending litigation:

Name	Tax Map	Parcel
Appalachian Resources	21	39
West Virginia MidVol, Inc.	20	28

6. All deeds, easements and rights-of-way, which have been acquired to date by the Issuer have been duly recorded in the Office of the Clerk of the County Commission of Wyoming County to protect the legal title to and interest of the Issuer.

Very truly yours,



Christopher B. Bledsoe

CBB:sh



GLEN ROGERS PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2006 A  
(West Virginia SRF Program)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS
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. BOND PURCHASE AGREEMENT
10. RATES
11. PUBLIC SERVICE COMMISSION ORDER
12. SIGNATURES AND DELIVERY
13. BOND PROCEEDS
14. SPECIMEN BOND
15. CONFLICT OF INTEREST
16. CLEAN WATER ACT
17. EXECUTION OF COUNTERPARTS

We, the undersigned CHAIRMAN and the undersigned SECRETARY of the Public Service Board of Glen Rogers Public Service District in Wyoming County, West Virginia (the "Issuer"), and the undersigned COUNSEL TO THE ISSUER, hereby certify in connection with the Issuer's Sewer Revenue Bonds, Series 2006 A (West Virginia SRF Program), dated the date hereof (the "Bonds" or the "Series 2006 A Bonds"), as follows:

1. **TERMS:** All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond Resolution of the Issuer duly adopted June 19, 2006, and a Supplemental Resolution of the Issuer duly adopted June 19, 2006 (collectively, the "Bond Legislation"), when used herein.
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 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 undertaking 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 Net Revenues as security for the Bonds.

3. GOVERNMENTAL APPROVALS: All applicable and necessary approvals, permits, exemptions, consents, authorizations, registrations, licenses, orders and certificates required by law for 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.

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 Bond Purchase Agreement, and the Issuer has met all conditions prescribed in the Bond Purchase Agreement. The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete the Project.

There are no outstanding obligations of the Issuer which will rank either on a parity with or junior and subordinate to the Series 2006 A Bonds.

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

Bond Purchase Agreement

Public Service Commission Orders

Infrastructure and Jobs Development Council Approval

County Commission Orders Creating and Enlarging District and PSC Orders Relating Thereto

County Commission Orders Appointing Current Boardmembers

Oaths of Office of Current Boardmembers

Rules of Procedure

Affidavit of Publication on Borrowing

Minutes of Organizational Meeting, Adoption of Bond Resolution, and Supplemental Resolution.

NPDES Permit

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

<u>Name</u>	<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
Frances Armstrong	February 21, 2001	December 31, 2006
Betty Richardson	January 14, 2005	December 31, 2010
Randall Rollins	January 19, 2005	December 31, 2008

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 2006 are as follows:

Chairman	-	Frances Armstrong
Secretary/Treasurer	-	Randall Rollins

The duly appointed and acting counsel to Issuer is Christopher Bledsoe, Esquire, of Pineville, West Virginia.

7. **LAND AND RIGHTS-OF-WAY:** All land in fee simple and all rights-of-way and easements necessary for the operation and maintenance of the 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.

8. MEETINGS, ETC.: All actions, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds and the undertaking of the Project and the operation of the System were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including, without limitation, Chapter 6, Article 9A of the West Virginia Code of 1931, as amended, and a quorum of duly 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. BOND PURCHASE AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Bond Purchase Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Bond Purchase 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 Bond Purchase 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 Bond Purchase Agreement not misleading; and (iv) the Issuer is in compliance with all covenants, terms and representations in the Bond Purchase Agreement.

10. RATES: The Issuer has received the Final Order of the Public Service Commission of West Virginia entered on March 1, 2006, in Case No. 97-0828-PSWD-19A, among other things, approving the rates and charges for the services of the System, and has adopted a resolution prescribing such rates and charges. The time for appeal of such Order has not expired prior to the date hereof. However, the Issuer hereby states it will not appeal such Order and the other parties to such Order have stated that they do not intend to appeal such Order. Such Order is not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant, intervenor or other person not a party to such Order. Such rates and charges are effective as of the date hereof.

11. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Final Order entered March 1, 2006, of the Public Service Commission of West Virginia, in Case No. 97-0828-PSWD-19A, among other things, approving the Project. The time for appeal of the Final Order entered March 1, 2006, has expired prior to the date hereof. Such Order is in full force and effect.

12. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Chairman did officially sign all of the Bonds of the aforesaid issue, consisting upon original issuance of a single Bond, dated the date hereof, by his or her manual signature, and the

undersigned Secretary did officially cause the official seal of the Issuer to be affixed upon the 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 Bond Purchase Agreement. Said official seal is also impressed above the signatures appearing on this certificate.

13. BOND PROCEEDS: On the date hereof, the Issuer received \$160,000 from the DEP and the Authority, being the entire principal amount of the Bonds.

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

15. 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.

16. CLEAN WATER ACT: The Project as described in the Bond Legislation complies with Sections 208 and 303(e) of the Clean Water Act.

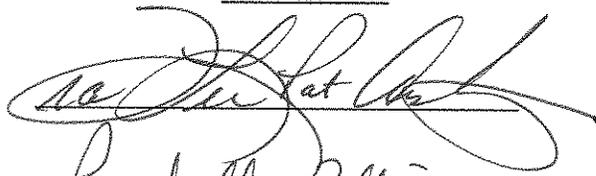
17. EXECUTION OF COUNTERPARTS: This document may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same document.

WITNESS our signatures and the official seal of GLEN ROGERS PUBLIC SERVICE DISTRICT on this 27th day of June, 2006.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

  
\_\_\_\_\_  
Randall Rollins  
\_\_\_\_\_  
Ces BWSR  
\_\_\_\_\_

Chairman

Secretary

Counsel to Issuer

06.14.06  
333420.00001



**BASSETT & LOWE**  
CERTIFIED PUBLIC ACCOUNTANTS

---

1156 South Main Street  
Milton, West Virginia 25541  
Telephone: (304) 743-5573  
Fax: (304) 743-1150 Toll Free: 1-800-720-9629  
e-mail: [ralphwb@charterinternet.com](mailto:ralphwb@charterinternet.com) (Ralph W. Bassett, Jr.)  
e-mail: [rodlowe@charterinternet.com](mailto:rodlowe@charterinternet.com) (Rodman G. Lowe)

June 27, 2006

Glen Rogers Public Service District  
Sewer Revenue Bonds, Series 2006 A  
(West Virginia SRF Program)

Glen Rogers Public Service District  
Glen Rogers, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

West Virginia Department of Environmental Protection  
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the sewer rates and charges set forth in the Final Order of the Public Service Commission of West Virginia, entered March 1, 2006, in Case No. 97-0828-PSWD-19A, and the projected operation and maintenance expenses and customer usage as furnished to us by the District, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage system (the "System") of Glen Rogers Public Service District (the "Issuer"), will pay all repair, operation and maintenance expenses of the system and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Issuer's Sewer Revenue Bonds, Series 2006A (West Virginia SRF Program) (the "Bonds"), to be issued in the aggregate principal amount of \$160,000 to the West Virginia Water Development Authority on the date hereof.

Sincerely yours,



Ralph W. Bassett, Jr.

RWB:pbs



GLEN ROGERS PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2006 A  
(West Virginia SRF Program)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Chairman of the Public Service Board of Glen Rogers Public Service District in Wyoming County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of \$160,000 Revenue Bonds, Series 2006 A (West Virginia SRF Program), of the Issuer, dated June 27, 2006 (the "Bonds" or the "Series 2006 A Bonds"), hereby certify as follows:

1. I am one of the officers of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Resolution duly adopted by the Issuer on June 19, 2006 (the "Bond Resolution"), authorizing the Bonds.

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

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on June 27, 2006, the date on which the Bonds are being physically delivered in exchange for \$160,000, being the entire principal amount of the Series 2006 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 2006 A Bonds were sold on June 27, 2006, to the Authority, pursuant to a bond purchase agreement dated May 25, 2006, by and among the Issuer, the Authority and the DEP, for an aggregate purchase price of \$160,000 (100% of par), at which time, the Issuer received \$160,000 from the Authority and the DEP, being the entire principal amount of the Series 2006 A Bonds. No accrued interest has been or will be paid on the Series 2006 A Bonds.

6. The Series 2006 A Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) permanently financing an outstanding financial obligation of the District to West Virginia Pipeline, Inc., related to the costs of acquisition and construction of certain improvements and extensions to the public sewerage facilities of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs.

7. Within 30 days after the delivery of the Bonds, the Issuer shall expend at least 100% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Reserve Account for the Bonds, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on the date hereof.

8. The total cost of the Project financed from the proceeds of the Bonds described below is estimated at \$160,000. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 2006 A Bonds	<u>\$ 160,000</u>
Total Sources	<u>\$ 160,000</u>

USES

Cost of Project	\$ 150,000
Cost of Issuance of Series 2006 A Bonds	\$ 10,000
Total Uses	<u>\$ 160,000</u>

11. Pursuant to Article V of the Bond Resolution, the following special funds or accounts have been created or continued relative to the Series 2006 A Bonds:

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund;
- (3) Series 2006 A Bonds Sinking Fund;
- (4) Series 2006 A Bonds Reserve Account; and
- (5) Series 2006 A Bonds Cost of Issuance Account.

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

(1) Series 2006 A Bonds proceeds in the amount of \$10,000 will be deposited in the Series 2006 A Bonds Cost of Issuance Account.

(2) The balance of the proceeds of the Series 2006 A Bonds will be wired to West Virginia Pipeline, Inc. to pay for the Project.

13. Moneys held in the Series 2006 A Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 2006 A Bonds. All investment earnings on moneys in the Series 2006 A Bonds Sinking Fund and Series 2006 A Bonds Reserve Account, if any, 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.

14. The acquisition and construction of the improvements to the system related to the Project is completed.

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

16. With the exception of the amount deposited in the Series 2006 A Bonds Sinking Fund for payment of interest, if any, on the Bonds and the amount deposited in the Series 2006 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within one month from the date of issuance thereof.

17. 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.

18. 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.

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

20. 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.

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

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

23. The Bonds are not federally guaranteed.

24. 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 governmental bonds.

25. The Issuer has either (a) funded the Series 2006 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 2006 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2006 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Moneys in the Series 2006 A Bonds Reserve Account and the Series 2006 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

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

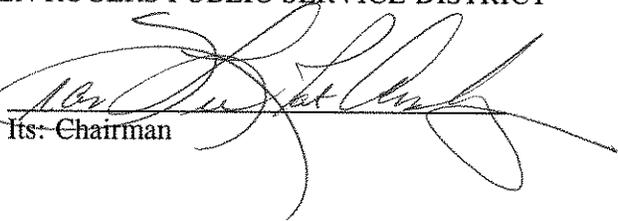
27. To the best of my knowledge, information and belief, there are no other facts, estimates and circumstances which would materially change the expectations herein expressed.

28. 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.

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

WITNESS my signature on this 27th day of June, 2006.

GLEN ROGERS PUBLIC SERVICE DISTRICT

By:   
Its: Chairman

06.14.06  
333420.00001

## ORDERS

WYOMING COUNTY COMMISSION, WEST VIRGINIA

Regular

SESSION

Tuesday

THE

4th

DAY OF

November

1975

INSPECTION OF JAIL

State Health Department

An inspection report made of the Wyoming County Jail by a representative of the State Department of Health on 10/17/75 was filed with the County Commission. The Health Department notified the Commission that all violations must be corrected in 90 days.

ORDER--EXTENSION OF BOUNDARIES

Glen Rogers Public Service District

At a public hearing held in Pineville on October 29, 1975, pursuant to published notice, in accordance with the statute, at which meeting the court heard comments and protests in connection with several phases of proposed projects for Extension of the Glen Rogers Water System and Establishment of a Sanitary Disposal System, the Court made the following findings and took the following actions:

Upon the issue of extending the water system to include an area extending from the present boundary of the District to the area of the Glen Rogers High School, there were 23 favorable votes and no negative votes among the persons present including both residents within and without the present District, and residents of the area of the proposed extension;

It is therefore Ordered that the prior finding of this court that the Extension of the Glen Rogers Public Service District for providing water service in the area described below is affirmed and approved.

Because of newly received information concerning construction money available that may have effect upon the rates to be charged, it is Ordered that further hearing of the said matter of constructing a sanitary sewage disposal system shall be and hereby is postponed for 90 days subject to further notice by publication.

It is found that the said extension of the District is feasible and in the interest of the persons who will be embraced thereby; and it is Ordered that the Glen Rogers Public Service District shall be extended to embrace and will include the following area to-wit:

"GLEN ROGERS PUBLIC SERVICE DISTRICT BOUNDARY REVISION Beginning at the point of intersection of Laurel Fork and Trough Fork; thence, in a southerly direction along a line perpendicular to the centerline of Laurel Fork 2,000 feet to a point; thence, in a easterly direction along a line 2,000 feet south of a parallel to the centerline of said stream, past the point of intersection of said stream with Franks Fork and continuing in a northeasterly direction along a line 2,000 feet southeast to and parallel to the centerline of Franks Fork to a point in the common boundary of Raleigh and Wyoming Counties; thence, in a northwesterly direction along said boundary to a point being 2,000 feet northwest of the center of Franks Fork along a line perpendicular to the centerline of said stream; thence, in a southwesterly direction along a line 2,000 feet northwest of and parallel to the centerline of Franks Fork, past the point of intersection of Franks Fork and Laurel Fork and continuing in a westerly direction 2,000 feet north of and parallel to the centerline of Laurel Fork to a point being 2,000 feet north to the point of beginning along a line perpendicular to the centerline of Laurel Fork; thence, 2,000 feet to the point of beginning. The herein described boundary containing 993 acres, more or less, as shown on a map dated September, 1975 as prepared by Gates Engineering Company: The original District Boundary being included in its entirety by this boundary revision. Said map shall be filed hereby and the Order Book marked with reference thereto."

I, D. Michael Good's, Clerk of the County Commission of Wyoming County, West Virginia, do certify that the foregoing Order Book is correct, as taken from the records of this office.

Given under my hand and official seal the

2nd day of October, 2001

D. Michael Good's Clerk

By Shirley R. Cook Deputy

## ORDERS

WYOMING COUNTY COURT, WEST VIRGINIA

REGULAR

SESSION

TUESDAY

THE

6

DAY OF JUNE

19 67

## CONSTABLE OFFICE

Clearfork District

The Court asked that the Prosecuting Attorney find out whether or not the Constable of Clearfork District is still in the county, or whether to declare the office vacant.

## REQUESTS GRANTED

Roscoe Plumley

This day the Court advised Mr. Roscoe Plumley that he would be permitted to use some of the travel money allocated to the Agriculture Agent, for travel by the Work-Study Students, also that some recreation equipment, such as bats etc. could be charged to 4-H allocation.

## GLEN ROGERS PUBLIC SERVICE DISTRICT

Formed

Upon motion of Woodrow Cook, seconded by W. W. Bailey, it is the order of the Court that the "Glen Rogers Public Service District" be formed in accordance with order as follows, entered by D. Grove Moler, Attorney. See next page.

There being no further business before the Court, it is ordered that the Court do now adjourn.

*Thomas H. Smith* President

\* \* \*

IN THE COUNTY COURT OF WYOMING COUNTY, WEST VIRGINIA

IN RE: GLEN ROGERS PUBLIC SERVICE DISTRICT:

This 6th day of June, 1967, came C. C. Cottrill and others, residents of the unincorporated village of Glen Rogers, and of adjacent areas, all within Slab Fork Magisterial District, Wyoming County, West Virginia, in person and by petition, and by D. Grove Moler, their attorney, and having heretofore tendered to the Court their petition, praying for the creation of a public service district embracing their village and adjacent areas, all within Slab Fork Magisterial District, and for such action by the Court as it deems advisable in the circumstances, the said petition is hereby ordered filed.

And the Court, perceiving that the creation of such a public service district as provided for in Chapter 16, Article 13-A, Section 1, et seq. Code of West Virginia, as amended, will be in the public interest and beneficial to the petitioners; that the construction, or acquisition by purchase or otherwise, and maintenance, operation, improvement and extension of public service properties supplying water or sewerage services, or both, within such territory by such public service district will be conducive to the preservation of the public health, comfort and convenience of such area; that no city, incorporated town or other municipal corporation is located in the area, and no other public service district conflicts therewith; but that the number of petitioners and immediate users of the services involved, is less than one hundred legal voters, doth, on its own motion, propose the establishment of such public service district, as follows:

1. The name and corporate title of said public service district shall be the "Glen Rogers Public Service District";
2. The territory to be embraced in the public service district shall be as follows:

Beginning at a T-rail, north side of Laurel Fork, a corner of Dillon tract; Thence along side of hill and up Laurel Fork N 50°-00' E 538.90 feet to a steel pin; thence N 30°-56' E 313.25 feet to a steel pin; thence N 48°-15' E 773.86 feet to a steel pin; thence N 23°-38' E 364.09 feet to a steel pin; thence N 45°-47' W 263.45 feet to a steel pin; thence N 50°-57' E 137.42 feet to a steel pin; thence S 58°-56' E 234.72 feet to a steel pin; thence N 31°-55' E 623.74 feet to a steel pin; thence N 28°-44' W 597.35 feet to a steel pin; thence N 2°-53' E 130.69 feet to a steel pin; Thence crossing Wallis Branch N 73°-00' E 272.90 feet to a steel pin on hillside; thence S 37°-27' E 519.12 feet to a steel pin on hillside; thence N 70°-07' E 1117.38 feet to a steel pin on hillside; Thence leaving Laurel Fork and along the west hillside of Frank's Fork N 4°-31' E 2072.11 feet to a steel pin; thence leaving hillside N 80°-42' E 251.50 feet to a steel pin on west side of paved road; thence N 16°-33' E 404.98 feet to a steel pin on west side of paved road; thence N 16°-33' W 526.53 feet to a steel pin on west hillside; thence N 26°-47' W 353.78 feet to a steel pin on west hillside; Thence crossing Frank's Fork to east hillside N 60°-11' E 251.46 feet to steel pin on hillside; thence S 32°-04' E 456.76 feet to steel pin on hillside; thence N 67°-34' E 412.30 feet to steel pin on hillside; Thence crossing Bob's Fork S 20°-10' E 372.48 feet to steel pin on hillside; thence along east hillside of Frank's Fork S 66°-30' W 418.20 feet to a steel pin; thence S 10°-38' W 2413.70 feet to a steel pin; thence S 10°-52' E 444.66 feet to a steel pin; Thence leaving Frank's Fork and crossing Laurel Fork to the south hillside of Laurel Fork S 4°-01' W 412.00 feet to a steel pin; thence along hillside and down Laurel Fork S 68°-03' W 1023.02 feet to a steel pin; thence S 43°-20' W 824.72 feet to a steel pin; thence S 24°-21' W 1085.41 feet to a steel pin; thence S 72°-49' W 364.74 feet to a steel pin; thence S 37°-47' W 735.05 feet to a steel pin; thence crossing Lewis Fork S 9°-09' W 255.39 feet to a steel pin near creek; thence S 77°-35' W 224.33 feet to steel pin on hillside; thence N 70°-30' W 355.13 feet to a corner of Dillon tract; Thence crossing Laurel Fork and with line of Dillon tract N 12°-31' W 472.40 feet to beginning, and being a part of the same tract of real estate conveyed to the Youghieny and Ohio Coal Company by Wyoming Pocahontas Coal and Coke Company by deed dated the 1st day of May, 1965, of record in the office of the County Clerk of Wyoming County, West Virginia, in Deed Book No. 219 page 227. (Reference to Map File No. 1401).

3. The purpose of said public service district shall be for the construction or acquisition by purchase or otherwise, and maintenance, operation, improvement, and extension of public service properties supplying water or sewerage, services, or both, within such territory.

A public hearing on said proposal for the creation of the proposed public service district shall be held on the 28th day of June, 1967, before the County Court of Wyoming County, West Virginia, at the Court House at Pineville, West Virginia, at 7:30 o'clock, p.m. at which time and place all persons residing in or owning or having any interest in property in such proposed public service district shall have an opportunity to be heard for and against the creation of said public service district; and, at such hearing, the County Court shall consider and determine the feasibility of the creation of the proposed public service district.

The Clerk of this Court is hereby authorized and directed to cause notice of such hearing and the time and place thereof, and setting forth a description of all of the territory proposed to be included therein to be given by publication at least once in The Mullens Advocate, a newspaper of general circulation published in Wyoming County, West Virginia, at least ten days prior to such hearing, which said notice shall be in form and effect as follows:

**NOTICE OF PUBLIC HEARING ON CREATION OF GLEN ROGERS PUBLIC SERVICE DISTRICT:**

Notice is hereby given that the County Court of Wyoming County, at the instance and request of a substantial number of legal voters and residents of the village of Glen Rogers and immediately adjacent areas, all within Slab Fork Magisterial District, Wyoming County, West Virginia, has proposed the formation of a public service district pursuant to authority of Chapter 16, Article 13-A, Section 1, et seq. Code of West Virginia, as amended, for the construction or acquisition by purchase or otherwise and the maintenance, operation, improvement and extension of properties supplying water or sewerage as "Glen Rogers Public Service District", the territory to be embraced therein being described as follows:

Beginning at a T-rail, north side of Laurel Fork, a corner of Dillon tract; Thence along side of hill and up Laurel Fork N 500-00' E 538.90 feet to a steel pin; thence N 300-56 E 313.25 feet to a steel pin; thence N 480-15' E 773.86 feet to a steel pin; thence N 230-38' E 364.09 feet to a steel pin; thence N 450-47' W 263.45 feet to a steel pin; thence N 500-37' E 137.42 feet to a steel pin; thence S 380-56' E 234.72 feet to a steel pin; thence N 310-35' E 623.74 feet to a steel pin; thence N 280-44' W 597.35 feet to a steel pin; thence N 20-53' E 130.69 feet to a steel pin; Thence crossing Wallis Branch N 730-00' E 272.90 feet to a steel pin on hillside; thence S 370-27' E 519.12 feet to a steel pin on hillside; thence N 700-07' E 1117.38 feet to a steel pin on hillside; Thence leaving Laurel Fork and along the west hillside of Frank's Fork N 40-31' E 2072.11 feet to a steel pin; thence leaving hillside N 800-42' E 251.50 feet to a steel pin on west side of paved road; thence N 160-33' E 404.98 feet to a steel pin on west side of paved road; thence N 160-33' W 526.53 feet to a steel pin on west hillside; thence N 260-47' W 353.78 feet to a steel pin on west hillside; Thence crossing Frank's Fork to east hillside N 600-11' E 251.46 feet to steel pin on hillside; thence S 320-04' E 456.76 feet to steel pin on hillside; thence N 670-34' E 412.30 feet to steel pin on hillside; Thence crossing Bob's Fork S 200-10' E 372.48 feet to steel pin on hillside; thence along east hillside of Frank's Fork S 660-30' W 418.20 feet to a steel pin; thence S 100-38' W 2413.70 feet to a steel pin; thence S 100-52' E 444.66 feet to a steel pin; Thence leaving Frank's Fork and crossing Laurel Fork to the south hillside of Laurel Fork S 40-01' W 412.00 feet to a steel pin; thence along hillside and down Laurel Fork S 680-03' W 1023.02 feet to a steel pin; thence S 480-20' W 824.72 feet to a steel pin; thence S 240-21' W 1085.41 feet to a steel pin; thence S 720-49' W 364.74 feet to a steel pin; thence S 370-47' W 715.05 feet to a steel pin; thence crossing Lewis Fork S 90-09' W 255.39 feet to a steel pin near creek; thence S 770-35' W 224.33 feet to steel pin on hillside; thence N 700-30' W 355.13 feet to a corner of Dillon tract; Thence crossing Laurel Fork and with line of Dillon tract N 120-31' W 472.40 feet to beginning, and being a part of the same tract of real estate conveyed to the Youghieny and Ohio Coal Company by Wyoming Pocahontas Coal and Coke Company by deed dated the 1st day of May, 1965, of record in the office of the County Clerk of Wyoming County, West Virginia, in Deed Book No. 219 page 227. (Reference to Map File No. 1401).

All persons residing in or owning or having any interest in property in said proposed public service district are hereby notified that the County Court of Wyoming County, West Virginia, will conduct a public hearing on the 28th day of June, 1967, at 7:30 o'clock, p.m., in the County Court House of Wyoming County at Pineville, West Virginia, at which time and place all interested persons may appear before the County Court and shall have an opportunity to be heard for and against the creation of the proposed public service district, and at which time and place the County Court shall consider and determine the feasibility of the creation of the proposed public service district.

By order of the County Court of Wyoming County, West Virginia, this 6th day of June, 1967.

I, D. Michael Goble, Clerk of the County Commission of Wyoming County, West Virginia, do certify that the above Order Book is correct, as the same appears in the records of this office.

Given under my hand and official seal the And day of October, 2001  
D. Michael Goble Clerk  
Shirley A. Cook Deputy



**PROBATE OF WILL-Allena Ellen Hawks**

This day a paper writing bearing date the 20<sup>th</sup> day of December 2000, purporting to be the Last Will and Testament of Allena Ellen Hawks, deceased, lately of Oceana, WV, was produced and offered for probate.

Whereupon came Mary Anna Anderson and Gayda Canterburg, the two subscribing witnesses thereto, who after being first duly sworn did depose and say each as follows: that they were well acquainted with the said Allena Ellen Hawks while she was living and at the time of her death; that they were present at the time of the execution of said Will, and that they saw the said Allena Ellen Hawks sign the same; that they signed the same as witnesses thereto, in the presence of the said testatrix at her request and in the presence of each other; that at the time of the signing of the said will, as aforesaid, the said testatrix was, to the best of their apprehension of sound mind and disposing memory, and wholly competent to make a Will and Transact business and over the age of 18 years.

Whereupon came William Christopher Smith, Administrator (WWA) of the Last Will and Testament of Allena Ellen Hawks, deceased, and qualified as such by taking the required oath of office. A bond was presented in the amount of \$5,000.00 with CGU Insurance as Surety. Jack Gilmore, the Executor named to serve in the Last Will and Testament of Allena Ellen Hawks, presented an affidavit stating that he had relinquished his duties as Executor of the above named Estate.

The said will is thereupon admitted to probate and recorded as and for the Last Will and Testament of Allena Ellen Hawks.

**RACHEL HATFIELD-Transfer of Sick Leave**

A letter was received from Rachel Hatfield, approved by Joe Short, Assessor, asking that 30 day of her sick leave be transferred to Mike Allen effective immediately. Motion was made by Harold Hayden and seconded by Russ Davis to approve the transfer.

**GLEN ROGERS PSD-Reappointment of Frances Armstrong**

A letter from Phyllis Sizemore, General Manager of the Glen Rogers PSD informs the Commission that the board of directors for said PSD is requesting that Frances Armstrong be reappointed for another six year term expiring December 31, 2006. Motion was made by Harold Hayden and duly seconded by Russ Davis to approve said reappointment.

**POCAHONTAS LAND COMPANY-Correction to Year 2000 taxes**

The State Tax Department sent the Assessor's Office a copy of corrections to be made to Pocahontas Land Company for year 2000 taxes per Court Order dated January 19, 2001. The amount of the corrections would be \$11,134.41. Motion was made by Harold Hayden and seconded by H. R. Davis to approve the corrections.

**EASTERN WYOMING PSD-Public Hearing**

A public hearing was held on the creation of the Eastern Wyoming PSD. Present in addition to Mr. Davis and Mr. Hayden were Mike Goode, Dave Cole, Jeff Lusk and Bob Johnson. A brief update was given by Mr. Cole as to funding being sought and still needed for this project.

Susan Riggs will be taking care of the legal documents needed as Rick Staton is tied up by the meetings in Charleston for the next couple of months. Her final bill should still be near the cap set for the legal services, but if it goes over some it will be a legal



January 19, 2005

**JOSHUA WEAGEL-Oath of Office, Hatfield McCoy Trails**

This day the Court approved the oath of office for Joshua Weagel, a Ranger for the Hatfield-McCoy Regional Recreation Authority.

**LARRY T. HAMRICK-Oath of Office, Hatfield McCoy Trails**

This day the Court approved the oath of office for Larry T. Hamrick, a Ranger for the Hatfield-McCoy Regional Recreation Authority.

**JOHN HALL, JR.-Oath of Office, Hatfield McCoy Trails**

This day the Court approved the oath of office for John Hall, Jr., a Ranger for the Hatfield McCoy Regional Recreation Authority.

✓ **GLEN ROGERS PUBLIC SERVICE DISTRICT-Change of members**

A letter from the Glen Rogers PSD informs the Commission that Polly Bryson is resigning due to ill health. They ask the Commission approve the appointment of Randall Rollins to replace her. And also ask that Betty Richardson's appointment be renewed for an additional six years. Motion was made by Sam Muscari and seconded by Harold Hayden to approve the changes.

**BETTY RICHARDSON-Oath of Office, Glen Rogers PSD**

✓ This day the Court approved the oath of office for Betty Richardson, extending her appointment for an additional six years as a board member for the Glen Rogers PSD.

**BRYAN ALRED-Oath of Office, Center PSD**

This day the Court approved the oath of office for Bryan Alred, a board member with the Center PSD, with his term expiring December 31, 2010.

**ADMINISTRATRIX APPOINTMENT-Estate of Ance Laney**

This day the Clerk brought to the attention of the Court the fact that he had on the 13th day of January 2005 appointed Susie F. Laney as Administratrix of the personal estate of Ance Laney deceased; and had approved a bond executed by the said Susie F. Laney as such Administratrix in the penal sum of four thousand dollars (\$4,000.00) with RLI Insurance as surety. All which is hereby confirmed and approved by the court.

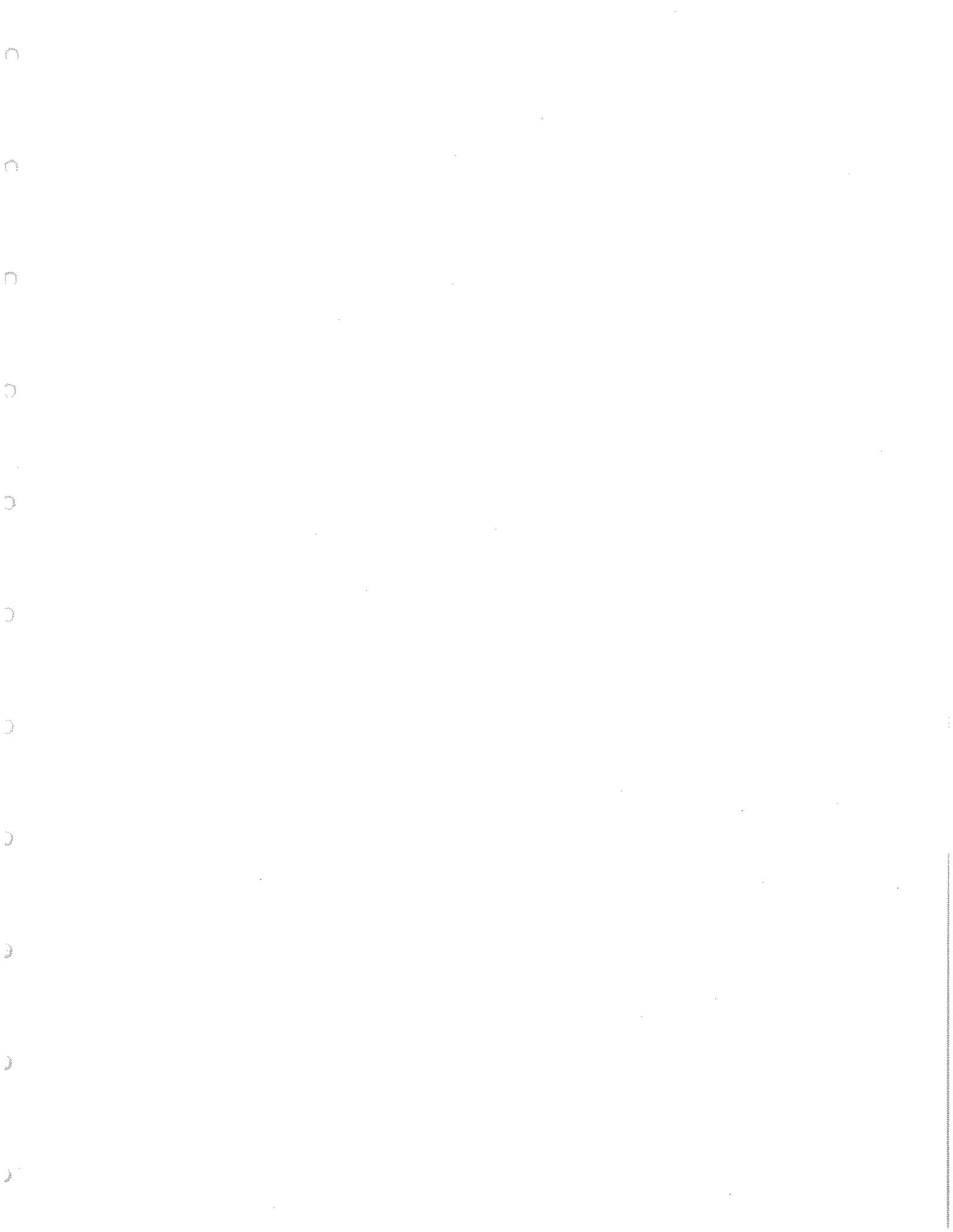
**ADMINISTRATRIX APPOINTMENT-Estate of Helen Green**

This day the Clerk brought to the attention of the Court the fact that he had on the 12th day of January 2005 appointed Armanda T. Green as Administratrix of the personal estate of Helen Green deceased; and had approved a bond executed by the said Armanda T. Green as such Administratrix in the penal sum of three thousand dollars (\$3,000.00) with Bobby Green as surety. All which is hereby confirmed and approved by the court.

**PROBATE OF WILL-Estate of Denver Lee Justice**

This day a paper writing bearing date the 29<sup>th</sup> day of March 2004 purporting to be The Last Will and Testament of Denver Lee Justice, deceased, Cyclone, Wyoming County, West Virginia was produced and offered for probate.

Whereupon came Matthew Jackson Walker, Kevin Patrick Green and Randall Keith Osborne, the three witnesses thereto, who after being first duly sworn did depose and say, each as follows: That they were well acquainted with the said Denver Lee Justice while he was living and at the time of his death; that they were present at the time



# Wyoming County Commission

Drawer 309

Pineville, West Virginia 24874

Telephone 304/732-8000

FAX 304/732-9659

---

*D. Michael Goode, Clerk*

*Members of County Commission*

*Ed Harless*

*H. R. Davis*

*Harold Hayden*

November 9, 2001

Glen Rogers PSD  
Box 87  
Glen Rogers, WV 25848

Dear Phyllis:

Enclosed you will find a copy of an oath of office for Pat Armstrong. As taken from the records in this office, her new expiration date is 12/31/2006.

If you have any questions, please let me know.

Sincerely,

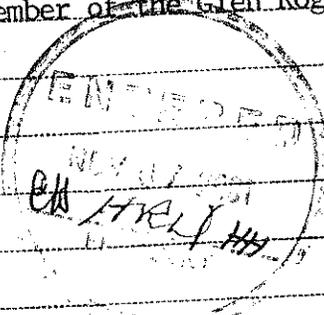


D. Michael Goode, Clerk

NOTARY PUBLIC

State of West Virginia,  
County of Wyoming, to-wit:

I, Francis "Pat" Armstrong, do solemnly swear that I will support the Constitution of the United States, and the Constitution of this State, and I further swear that I will faithfully and honestly discharge my duties as a board member of the Glen Rogers PSD



until my successor is duly elected or appointed, and qualified according to law, to the best of my skill and judgment,

so help me God.

*[Handwritten Signature]*

Affiant.

Taken, subscribed and sworn to before me this 18th day of October, 19 2001

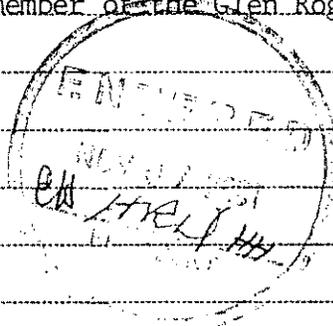
*[Handwritten Signature]*, N. P.

My Commission Expires 7th day of September, 19 2002.

NOTARIAL PUBLIC

State of West Virginia,  
County of Wyoming, to-wit:

I, Francis "Pat" Armstrong, do solemnly swear that I will support the Constitution of the United States, and the Constitution of this State, and I further swear that I will faithfully and honestly discharge my duties as a board member of the Glen Rogers PSD



until my successor is duly elected or appointed, and qualified according to law, to the best of my skill and judgment,  
so help me God.

[Signature] Affiant.

Taken, subscribed and sworn to before me this 18th day of October, 19 2001

Pamela R. Cook, N. P.

My Commission Expires 7th day of September, 19 2002.

OFFICE OF THE CLERK OF THE COUNTY COMMISSION  
WYOMING COUNTY, W. VA. OCTOBER 18, 2001 SS.

Clerk

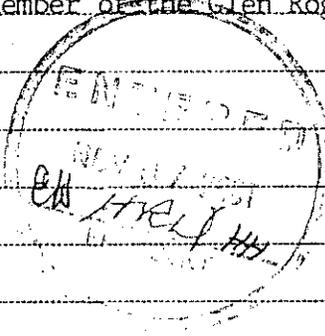
The foregoing within, together with the certificate of acknowledgment thereof thereto annexed, was this day admitted to record.

D. Michael Spade  
By Brenda Dean Deputy

OFFICE OF THE CLERK

State of West Virginia,  
County of Wyoming, to-wit:

I, Francis "Pat" Armstrong, do solemnly swear that I will support the Constitution of the United States, and the Constitution of this State, and I further swear that I will faithfully and honestly discharge my duties as a board member of the Glen Rogers PSD



until my successor is duly elected or appointed, and qualified according to law, to the best of my skill and judgment,  
so help me God.

*[Handwritten Signature]*  
Affiant.

Taken, subscribed and sworn to before me this 18th day of October, 19 2001

*[Handwritten Signature]*, N. P.

My Commission Expires 7th day of September, 19 2002.

OFFICE OF THE CLERK OF THE COUNTY COMMISSION  
WYOMING COUNTY, W. VA. OCTOBER 18, 2001 SS.

Clerk

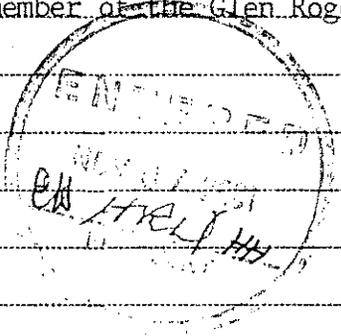
The foregoing within, together with the certificate of acknowledgment thereof thereto annexed, was this day admitted to record.

*[Handwritten Signature]*  
By *[Handwritten Signature]* Deputy

OFFICE OF THE CLERK OF THE COUNTY COMMISSION

State of West Virginia,  
County of Wyoming, to-wit:

I, Francis "Pat" Armstrong, do solemnly swear that I will support the Constitution of the United States, and the Constitution of this State, and I further swear that I will faithfully and honestly discharge my duties as a board member of the Glen Rogers PSD



until my successor is duly elected or appointed, and qualified according to law, to the best of my skill and judgment,  
so help me God.

[Signature] Affiant.

Taken, subscribed and sworn to before me this 18th day of October, 19 2001

[Signature], N. P.

My Commission Expires 7th day of September, 19 2002.

OFFICE OF THE CLERK OF THE COUNTY COMMISSION  
WYOMING COUNTY, W. VA. OCTOBER 18, 2001 SS.

Clerk

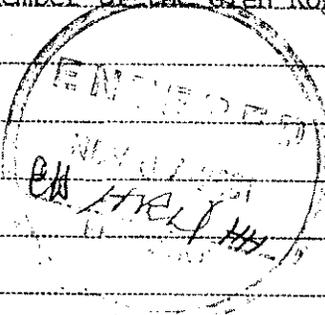
The foregoing within, together with the certificate of acknowledgment  
thereof thereto annexed, was this day admitted to record.

[Signature]  
By [Signature] Deputy

OFFICE OF THE CLERK OF THE COUNTY COMMISSION

State of West Virginia,  
County of Wyoming, to-wit:

I, Francis "Pat" Armstrong, do solemnly swear that I will support the Constitution of the United States, and the Constitution of this State, and I further swear that I will faithfully and honestly discharge my duties as a board member of the Glen Rogers PSD



until my successor is duly elected or appointed, and qualified according to law, to the best of my skill and judgment, so help me God.

*[Handwritten Signature]*

Affiant.

Taken, subscribed and sworn to before me this 18th day of October, 19 2001

*[Handwritten Signature]*, N. P.

My Commission Expires 7th day of September, 19 2002.

OFFICE OF THE CLERK OF THE COUNTY COMMISSION  
WYOMING COUNTY, W. VA. OCTOBER 18, 2001 SS-

Clerk

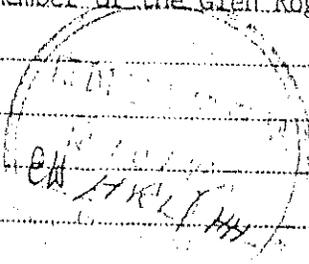
The foregoing within, together with the certificate of acknowledgment hereon thereunto annexed, was this day admitted to record.

*[Handwritten Signature]*  
By *[Handwritten Signature]* Deputy

OATH OF OFFICE

State of West Virginia,  
County of Wyoming, to-wit:

I, Francis "Pat" Armstrong, do solemnly swear that I will support the Constitution of the United States, and the Constitution of this State, and I further swear that I will faithfully and honestly discharge my duties as a board member of the Glen Rogers PSD



until my successor is duly elected or appointed, and qualified according to law, to the best of my skill and judgment, so help me God.

*[Signature]*

Affiant.

Taken, subscribed and sworn to before me this 18th day of October, 19 2001

*[Signature]*, N. P.

My Commission Expires 7th day of September, 19 2002.

OFFICE OF THE CLERK OF THE COUNTY COMMISSION  
WYOMING COUNTY, W. VA. OCTOBER 18, 2001 SS.

Clark

The foregoing writing, together with the certificate of acknowledgment thereof thereto annexed, was this day admitted to record.

*[Signature]*  
By *[Signature]* Deputy

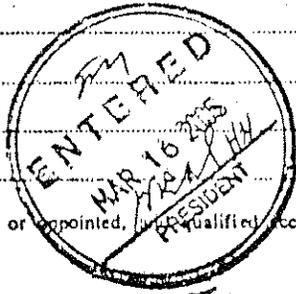
I, D. Michael Goode, Clerk of the County Commission of Wyoming County, West Virginia, do certify that the foregoing Order of Office is correct, as taken from the records of this office.

Given under my hand and official seal the 10th day of January, 2006.  
D. Michael Goode Clerk  
By Wanda B. Cook Deputy

OATH OF OFFICE

State of West Virginia,  
County of Wyoming, to-wit:

I, Randall Rollins, do solemnly swear that I will support the Constitution of the United States, and the Constitution of this State, and I further swear that I will faithfully and honestly discharge my duties as a board member of the Glen Rogers Public Service District. (term expires: December 31, 2008)



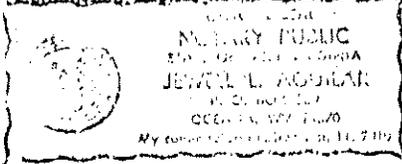
until my successor is duly elected or appointed, or disqualified according to law, to the best of my skill and judgment, so help me God.

Randall Rollins, Affiant.

Taken, subscribed and sworn to before me this 9th day of March, A.D. 2005

Jewell, N. P.

My Commission Expires 11th day of January, 19 2010



BOOK 3 PAGE 351

OFFICE OF THE CLERK OF THE COUNTY COMMISSION  
WYOMING COUNTY, W. VA. 05 March 9 SS-

Clerk

The foregoing writing, together with the certificate of acknowledgment thereof thereto annexed, was this day admitted to record.

By D. Michael Woods Deputy  
Tom Salpe

I, D. Michael Goods, Clerk of the County Commission of Wyoming County, West Virginia, do certify that the foregoing Copy of Affidavit is correct, as taken from the records of this office.

Given under my hand and official seal this

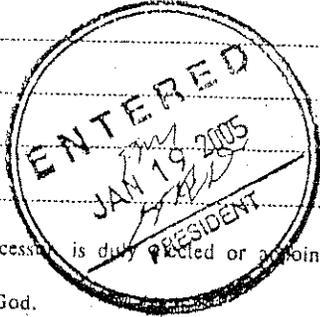
24th day of August, 2006

D. Michael Goods Clerk

By Shonda P. Cool Deputy

State of West Virginia,  
County of Wyoming, to-wit:

I, Betty Richardson, do solemnly swear that I will support the Constitution of the United States, and the Constitution of this State, and I further swear that I will faithfully and honestly discharge my duties as a board member of the Glen Rogers Public Service District with her term expiring December 32, 2010



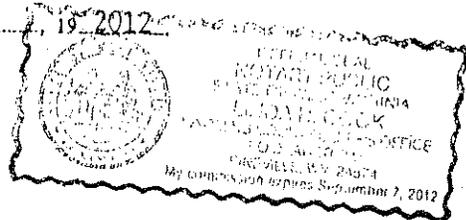
until my successor is duly elected or appointed, and qualified according to law, to the best of my skill and judgment, so help me God.

Betty S. Richardson, Affiant.

Taken, subscribed and sworn to before me this 13th day of January, 192005

[Signature], N. P.

My Commission Expires 7th day of September, 192012



OFFICE OF THE CLERK OF THE COUNTY COMMISSION  
WYOMING COUNTY, W. VA. JAN. 13 2005 SS.

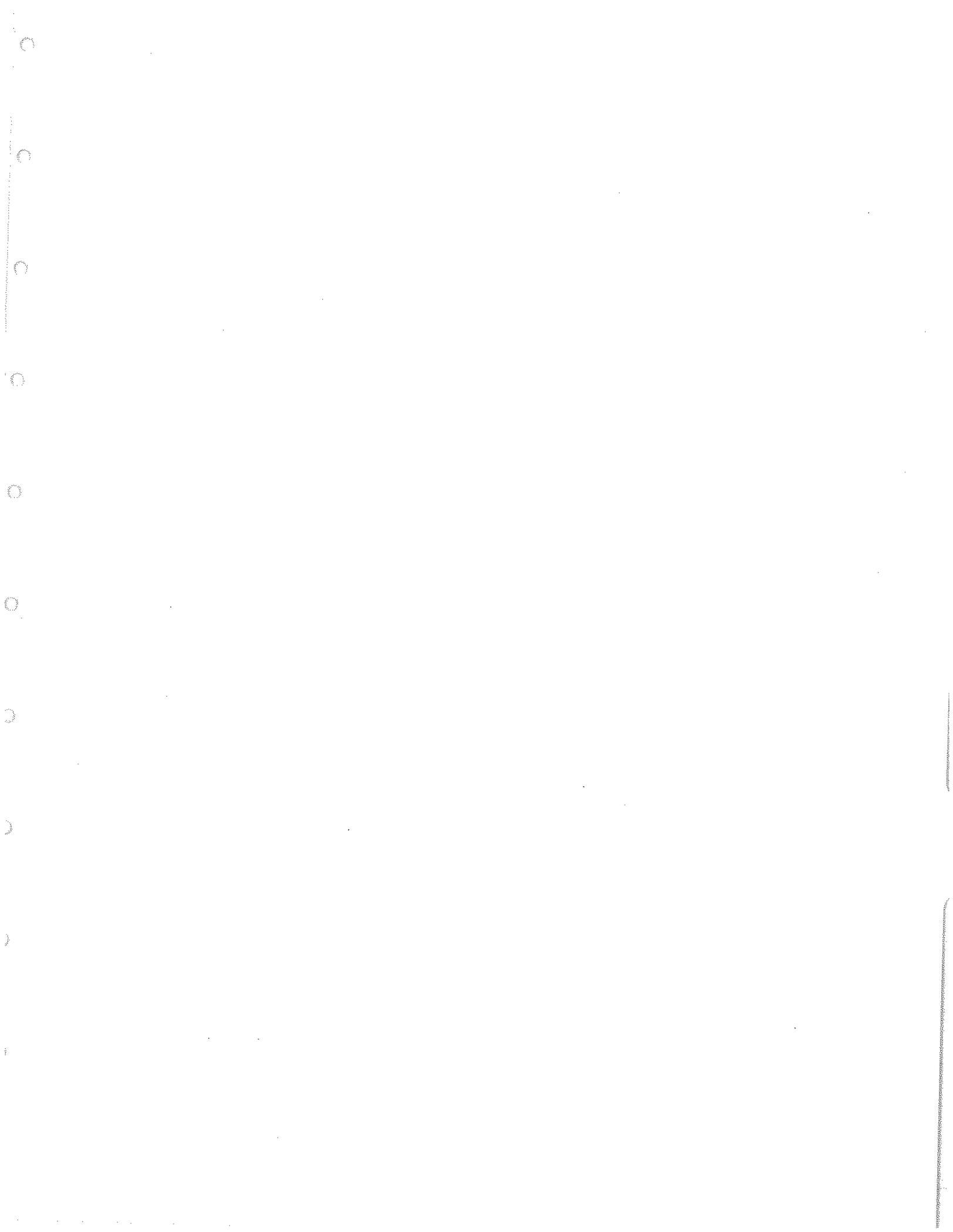
Clerk

The foregoing writing, together with the certificate of acknowledgment thereof thereto annexed, was this day admitted to record.

D. Michael Spade  
By Beverly Dean Deputy

I, D. Michael Good, Clerk of the County Commission of Wyoming County, West Virginia, do certify that the foregoing Survey of Office is correct, as taken from the records of this office

Given under my hand and official seal the 10th day of June, 2004  
D. Michael Good Clerk  
By Wanda B. Cook -Deputy



RULES OF PROCEDURE  
GLEN ROGERS PUBLIC SERVICE DISTRICT

ARTICLE I

NAME AND PLACE OF BUSINESS

Section 1. Name: GLEN ROGERS PUBLIC SERVICE DISTRICT.

Section 2. The principal office of this Public Service District will be located at County Route 1, Glen Rogers, Wyoming County, West Virginia.

Section 3. The Common Seal of the District shall consist of 2 concentric circles between which circles shall be inscribed Glen Rogers 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 Wyoming 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 second Tuesday 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 Wyoming 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 Wyoming 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 special 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

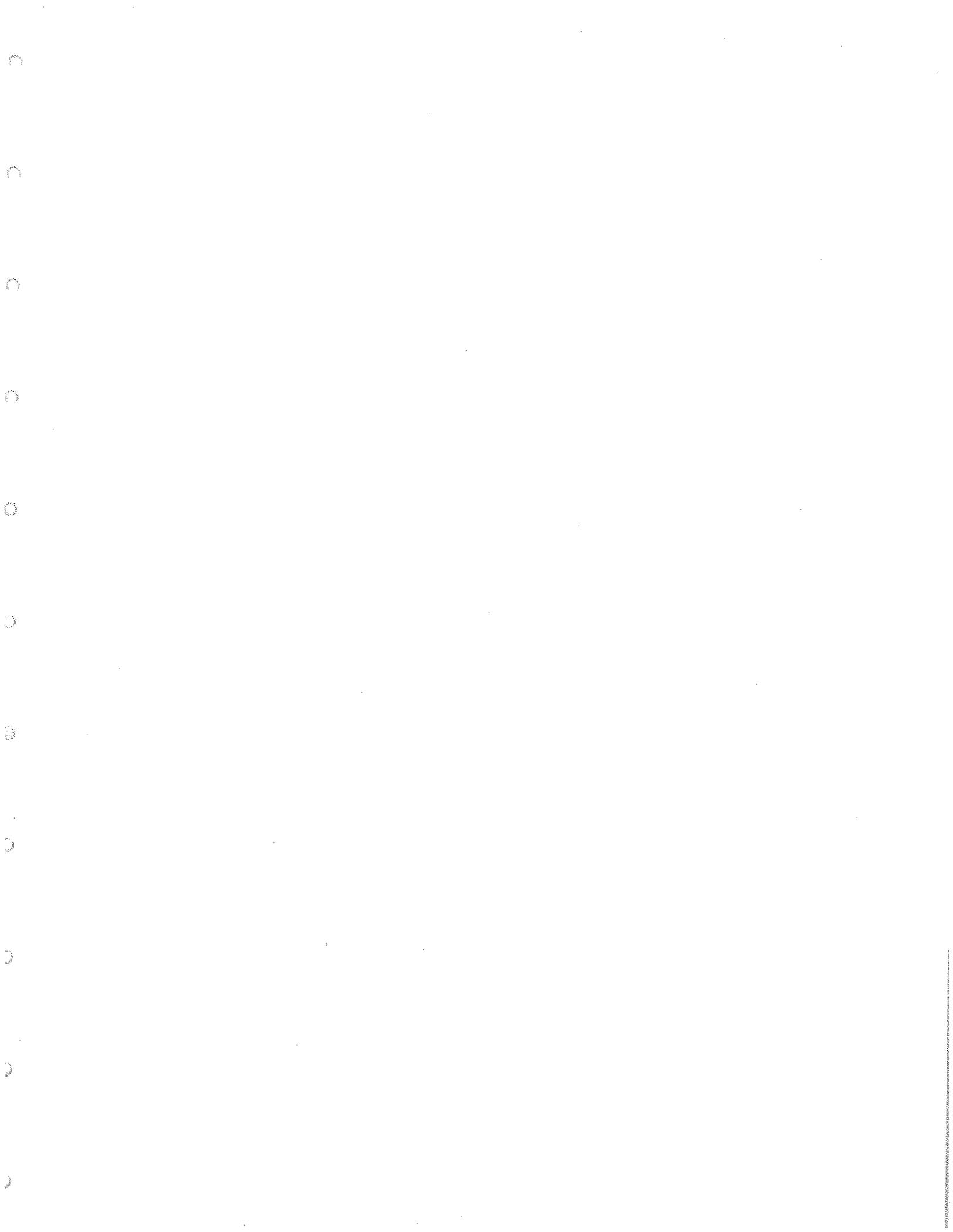
### AMENDMENTS TO RULES OF PROCEDURE

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.

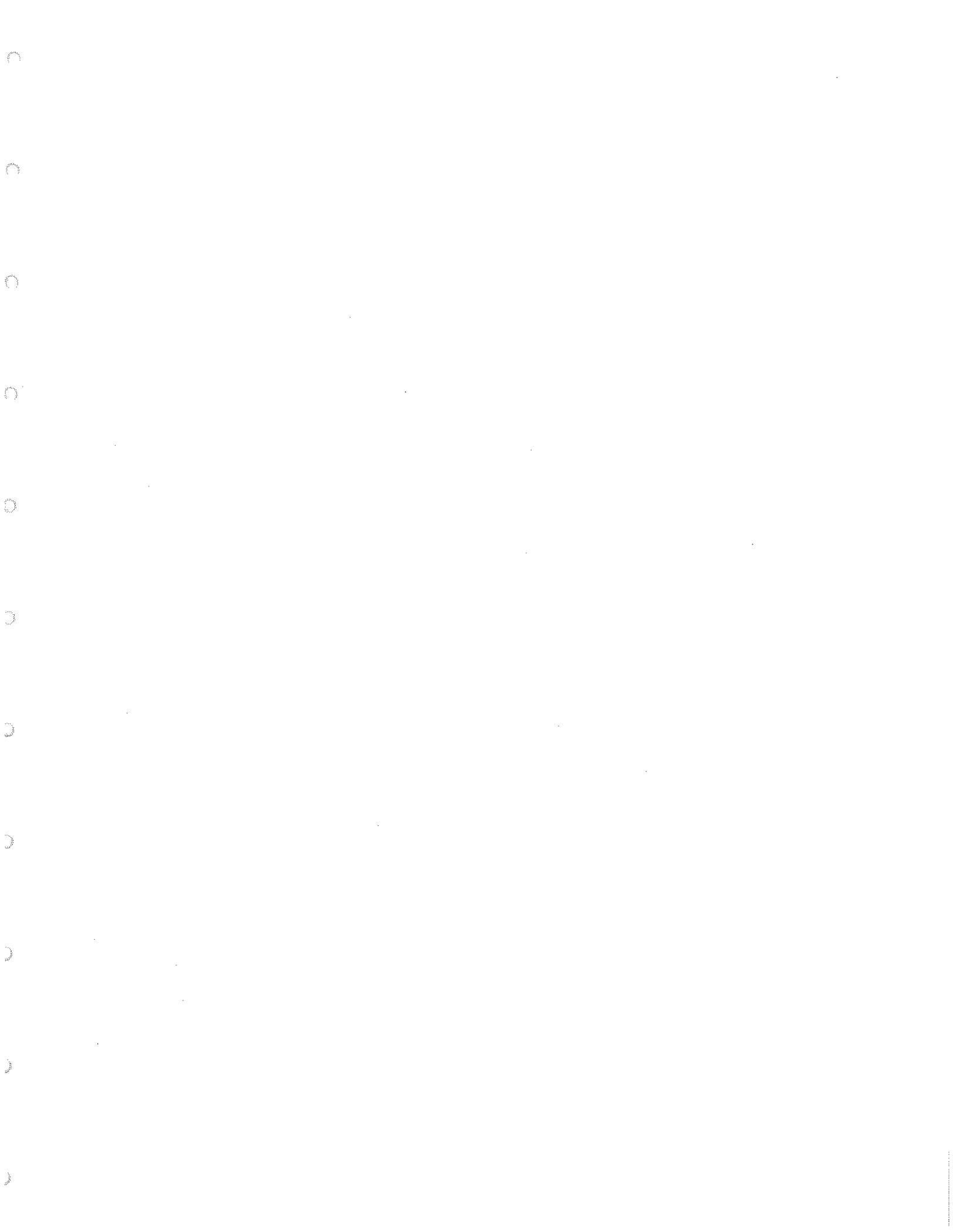
These Rules of Procedure shall replace any and all previous rules of procedure, bylaws or similar rules heretofore adopted by the District.

Adopted this 13th day of November, 2001.

10/04/01  
333420/00001



**RESERVED**



**RESERVED**



Glen Rogers Public Service District

P. O. Box 87

Glen Rogers, West Virginia 25848

(304) 294-8111

Meeting called to order 6-2-06 by Pat Armstrong, chairperson.

Minutes of previous meeting was read and approved as read.

Financial statements were read.

Pat questioned the minus balance on the O&M account and asked if ~~we~~ had gotten a bank charge. Phyllis Sizemore told the board that a mistake was made by making a deposit into Sewage and accidentally adding the deposit to O&M making it appear that there was more money in the account than there was. Pat seemed to be very upset about the bank charge and Phyllis Sizemore said she would pay the \$29.95 fee. Pat put it before the board to see if they wanted Phyllis to pay the fee - Randall Rollins felt that Phyllis should not be asked to pay for making a mistake and Betty Richardson was in agreement. The fee discussion was dropped and the meeting proceeded.

Pat at that time questioned our low balances. She told the board that we had been having good balances and now they were down. Phyllis Sizemore pointed out that the good balances were before Maxine came back to work and before Mike Stewart was hired which causes \$1000.00 less a month and before we lost the payments from 21 sewage customers - the latter costing this district over \$500.00 monthly.

Petty Cash receipts were gone over.

New bills:

Analabs-----	110.00-----	15.00
Erie-----	112.00	
AEP-----	184.59-----	201-99-----7.95
Waste Management-----	7.89-----	7.89
Ravencliff Fuel-----	36.71	
Verizon---	bill not received yet	due to early meeting.

Bills were approved as presented.

Easements were discussed and Phyllis Sizemore told Pat that she did have the original copy from Timmy and Eva Wevv and Locie Goodwin - these originals were given to Pat to deliver to Chris Bledsoe.

Maxine's pay was discussed and it was decided at this time it would be better to pay her a set salary than to pay an hourly wage. Randall Rollins excused himself from this discussion and this vote. It was agreed on by the other two members to set her salary at a bi-weekly rate of \$500.00.

The board voted to re-instate Pat Armstrong as chairperson of the district and Betty Richardson as Treasurer and Randall Rollins as Secretary. All were in agreement to these positions.

Phyllis Sizemore presented 7 copies of the Bond Purchase Agreement sent from DEP for signature to get the \$160,000.00 loan. This was discussed by the board and Betty Richardson felt that it should not be signed unless the DEP sent us something stating that they knew this was for a loan to repay a past debt and not construction of a district. Randall Rollins was in agreement. Although the other two board members did not agree to sign the documents Pat signed all seven copies anyway her motto being Get-R-Done. Rosalie Broderson was called and she did agree to fax a letter stating that it was for a past due debt and Randall Rollins said he would sign when that was sent. She did fax us a letter stating it was for a past due debt and not construction and Randall at that time signed the 7 documents.

Phyllis Sizemore showed the board papers that had been received from the Public Service Commission concerning adding the 4500 gallons of water usage to our sewage rates for non-metered customers. She told the board that she had already faxed the notice to the paper and the first ad is to be run on 6-7-06 and the next one on 6-14-06. She also told the board that notices had to be mailed to each customer informing them that the increase had been applied for.

The Bond Resolution was discussed and Betty made a ~~XXXXXX~~ motion to adopt the resolution and Randall seconded the motion.

After calling the office of Steptoe & Johnson we learned that there will be a special meeting with people from that office on 6-19-06 and at that time we will have to vote to adopt the resolution again. Personnel from Steptoe and Johnson will be at that meeting to lead the district through the procedures that have to be followed to get the loan agreement signed for.

Pat said she had met with Chris Bledsoe and she was told by him that he had filed two condemnations on property needed for easements and he was going to file the deed for the Ira and Maude Stewart property which he thought he had already done.

Chris had told Pat that the deed for the Board of Education property would be signed on 6-1-06.

Chris also wanted Pat to get \$1750.00 approved by the board. \$1000.00 going to Heartwood Forestland Fund IV, LP for the land that the storage tank will set on and \$750.00 for the easement to the property and the checks are both to be made out to Heartwood Forestland IV, LP. Betty made a motion to approve these checks to be written from the Water Reserve Fund and Randall seconded the motion. The checks were written and Pat took them to give to Chris Bledsoe.

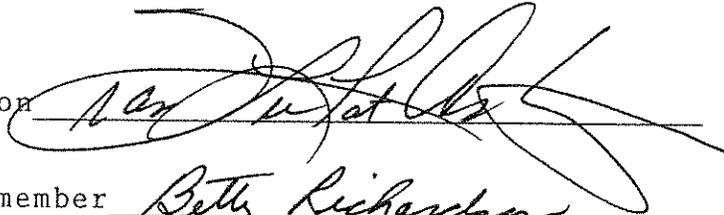
We talked to Chris Bledsoe during the meeting and Pat told him about the meeting on 6-19-06 and asked that he be in attendance at that meeting.

Chris Bledsoe had told Pat that he had sent a letter to Danny Bess and it had been returned. Pat called during the meeting and got the correct address so she could give it to Chris.

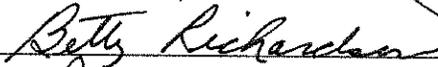
Betty made a motion to adjourn and Randall seconded the motion.

Present:

Pat Armstrong, chairperson



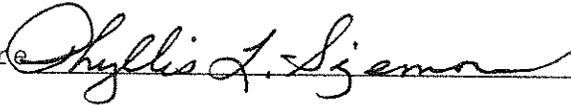
Betty Richardson, board member



Randall Rollins, board member



Attest: Phyllis Sizemore





WV MUNICIPAL BOND COMMISSION  
#8 Capitol Street, Suite 500  
Terminal Building  
Charleston, WV 25301  
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: June 27, 2006

ISSUE: Glen Rogers Public Service District, Sewer Revenue Bonds, Series 2006 A (WV SRF Program)

ADDRESS: Post Office Box 87, Glen Rogers, WV 25848-0087 COUNTY: Wyoming

PURPOSE OF ISSUE: New Money: X  
Refunding: \_\_\_\_\_ REFUNDS ISSUE(S) DATED: N/A

ISSUE DATE: June 27, 2006 CLOSING DATE: June 27, 2006

ISSUE AMOUNT: \$160,000 RATE: 0%; Administration Fee .5%

1ST DEBT SERVICE DUE: December 1, 2006 1ST PRINCIPAL DUE: December 1, 2006

1ST DEBT SERVICE AMOUNT: \$ 1334.00 PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Steptoe & Johnson PLLC  
Contact Person: John C. Stump, Esquire  
Phone: 353-8196

UNDERWRITERS COUNSEL: Jackson and Kelly, PLLC  
Contact Person: Samme L. Gee, Esquire  
Phone: 340-1318

CLOSING BANK: First Community Bank  
Contact Person: Betty Arrington  
Phone: (304)

ESCROW TRUSTEE: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Phone: \_\_\_\_\_

KNOWLEDGEABLE ISSUER CONTACT  
Contact Person: Pat Armstrong  
Position: Chairman  
Phone: (304) 294-8111

OTHER: WV Department of Environmental Protection  
Contact Person: Rosalie Brodersen  
Function: Program Manager  
Phone: 558-0637

DEPOSITS TO MBC AT CLOSE:  
By: \_\_\_\_\_ Wire \_\_\_\_\_  
\_\_\_\_\_ Check \_\_\_\_\_  
Accrued Interest: \$ \_\_\_\_\_  
Capitalized Interest: \$ \_\_\_\_\_  
Reserve Account: \$ \_\_\_\_\_  
Other: \$ \_\_\_\_\_

REFUNDS & TRANSFERS BY MBC AT CLOSE  
By: \_\_\_\_\_ Wire \_\_\_\_\_  
\_\_\_\_\_ Check \_\_\_\_\_  
\_\_\_\_\_ IGT \_\_\_\_\_  
To Escrow Trustee: \$ \_\_\_\_\_  
To Issuer: \$ \_\_\_\_\_  
To Cons. Invest. Fund: \$ \_\_\_\_\_  
To Other: \$ \_\_\_\_\_

NOTES: \_\_\_\_\_  
\_\_\_\_\_

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 specified 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.

06.14.06  
333420.00001



**RESERVED**



GLEN ROGERS PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2006 A  
(West Virginia SRF Program)

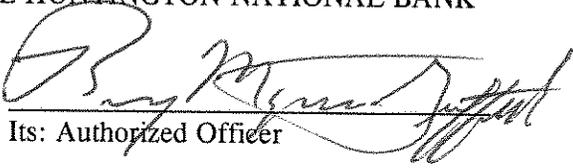
ACCEPTANCE OF DUTIES OF REGISTRAR

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Glen Rogers Public Service District Sewer Revenue Bonds, Series 2006 A (West Virginia SRF Program), dated June 27, 2006, in the principal amount of \$160,000 and agrees to perform all duties of Registrar in connection with such Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 27th day of June, 2006.

THE HUNTINGTON NATIONAL BANK

By:

  
Its: Authorized Officer

06.14.06  
333420.00001



GLEN ROGERS PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2006 A  
(West Virginia SRF Program)

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 Glen Rogers Public Service District (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Glen Rogers Public Service District Sewer Revenue Bonds, Series 2006 A (West Virginia SRF Program), of the Issuer, dated June 27, 2006, in the principal amount of \$160,000, designated "Sewer Revenue Bonds, Series 2006 A (West Virginia SRF Program)," numbered AR-1, is registered as to principal 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 27th day of June, 2006.

THE HUNTINGTON NATIONAL BANK

By:



Its: Authorized Officer

06.14.06  
333420.00001

GLEN ROGERS PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2006 A  
(West Virginia SRF Program)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 27th day of June, 2006, by and between GLEN ROGERS PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, a national banking association (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$160,000 Sewer Revenue Bonds, Series 2006 A (West Virginia SRF Program), in fully registered form (the "Bonds"), pursuant to a Bond Resolution adopted June 19, 2006, and a Supplemental Resolution adopted June 19, 2006 (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: Glen Rogers Public Service District  
P. O. Box 87  
Glen Rogers, West Virginia 25848-0087  
Attention: Chairman

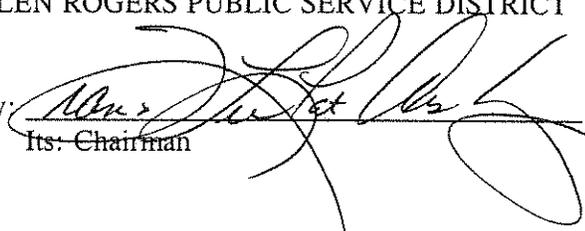
REGISTRAR: The Huntington National Bank  
One Huntington Square  
Charleston, West Virginia 25301  
Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

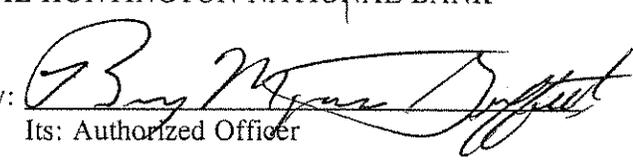
9. This document may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same document.

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

GLEN ROGERS PUBLIC SERVICE DISTRICT

By:   
Its: Chairman

THE HUNTINGTON NATIONAL BANK

By:   
Its: Authorized Officer

06.14.06  
333420.00001

EXHIBIT A

[Included in transcript as Document No. 1]

SCHEDULE OF COMPENSATION

(See Attached)

Private Financial Group  
P.O. Box 633 - WE3013  
Charleston, West Virginia 25322-0633



STATEMENT OF TRUSTEE'S FEES  
Invoice Date June 27, 2006

Glen Rogers Public Service District  
Account Number 6089001809

Glen Rogers Public Service District  
Sewer Revenue Bonds, Series 2006 A  
C/O John C. Stump  
Steptoe & Johnson, PLLC  
P.O. Box 1588  
Charleston, WV 25326-1588

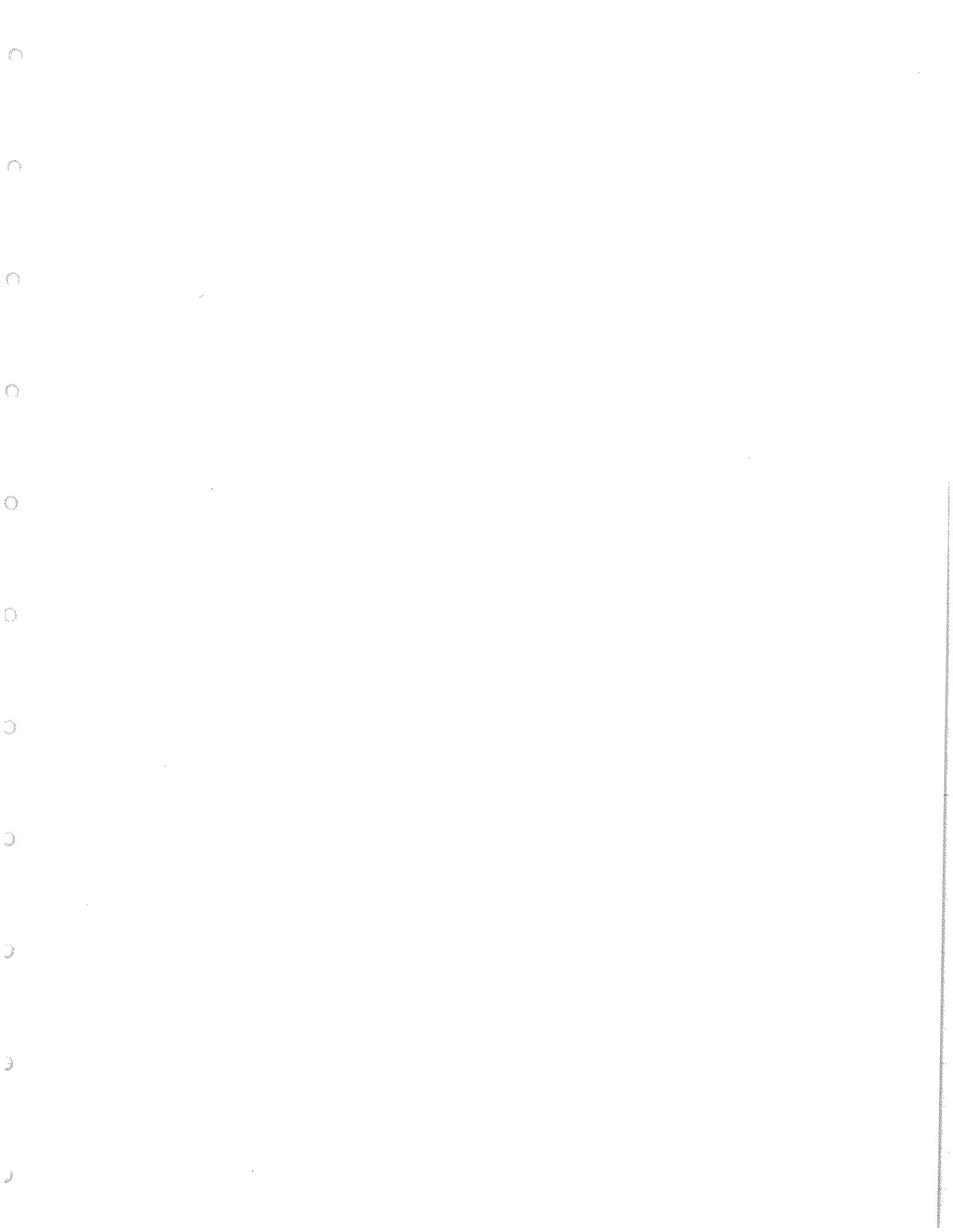
SUMMARY OF ACCOUNT

\*\*\*\*\*  
FEE CALCULATION FOR June, 2006  
\*\*\*\*\*

TOTAL AMOUNT	\$	250.00
TOTAL DUE	\$	<u>250.00</u>

- \* FEE INVOICES ARE PAYABLE WITHIN 30 DAYS. IF PAYMENT \*
- \* IS NOT RECEIVED, FEES WILL BE DEDUCTED FROM THE PLAN \*
- \* .. MAIL CHECK TO: HUNTINGTON NATIONAL BANK, ATTN: DEBRA .. \*
- \* .. BOWDEN, PO BOX 633, CHARLESTON, WV 25322-0633 .....

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT  
Barry Morgan Griffith at (304)348-5035





Division of Water and Waste Management  
601 57th Street SE  
Charleston, West Virginia 25304-2345  
Phone (304) 926-0495  
Fax (304) 926-0496

File

---

## West Virginia Department of Environmental Protection

---

Bob Wise  
Governor

Stephanie R. Timmermeyer  
Cabinet Secretary

October 22, 2004

FRANCIS ARMSTRONG, CHAIRPERSON  
GLEN ROGERS PSD  
PO BOX 87  
GLEN ROGERS, WV 25848

### CERTIFIED RETURN RECEIPT REQUESTED

Dear Permittee:

Enclosed please find WV/NPDES Permit Number WV0080390 dated October 22, 2004.

Please note that a Discharge Monitoring Report (DMR) is to be completed and submitted to this Division each month. It is suggested that several copies of the enclosed DMR forms be made for your future use, as this Division does not supply permittees with DMR forms.

Finally note that copies of all future correspondence regarding the permit including copies of DMRs must be forwarded to the Field Inspector and Field Supervisor at the following address:

Department of Environmental Protection  
Environmental Enforcement  
116 Industrial Dr  
Oak Hill, WV 25801--8320

Also, please note the attachment to this permit which describes the annual permit fee requirement. Reissuance of your permit does not change the annual fee billing cycle.

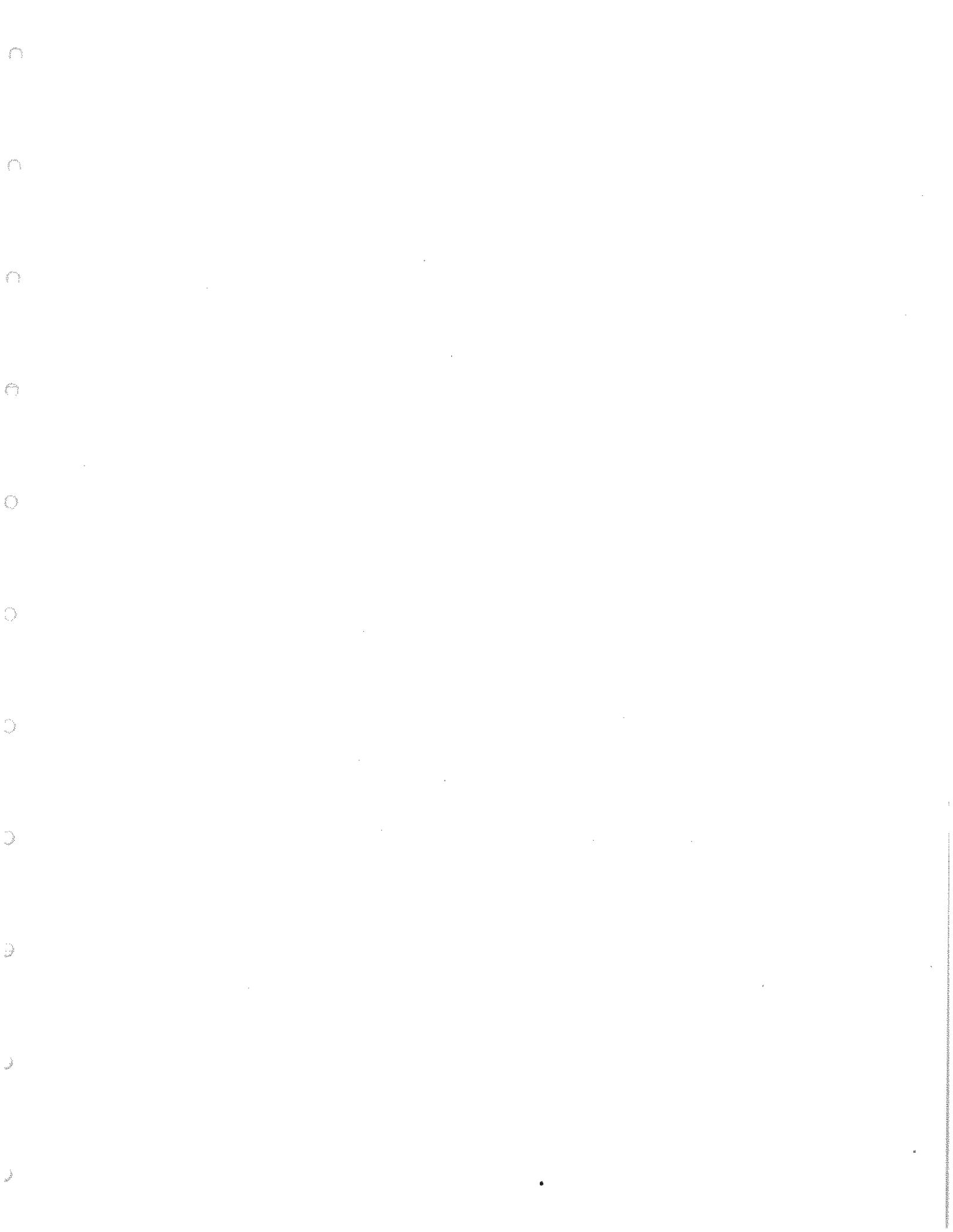
If you have any questions, please contact Brian Carney of this Division at (304) 926-0495 or our TTY number (304) 926-0489.

Sincerely,

Cliff D. Whyte, P.E.  
Manager, Permitting Section

CDW:bc

Enclosures



# CLOSING MEMORANDUM

**To:** Financing Team  
**From:** John C. Stump, Esquire  
**Date:** June 27, 2006  
**Re:** Glen Rogers Public Service District Sewer Revenue Bonds, Series 2006 A  
(West Virginia SRF Program)

---

## 1. DISBURSEMENTS TO GLEN ROGERS PUBLIC SERVICE DISTRICT

Payor: West Virginia Department of Environmental Protection  
Amount: \$160,000  
Form: Check  
Payee: Glen Rogers Public Service District  
Contact: Rosalie Brodersen - (304) 558-0637

## 2. DISBURSEMENTS BY GLEN ROGERS PUBLIC SERVICE DISTRICT

Payor: Glen Rogers Public Service District  
Amount: \$150,000  
Form: Check  
Payee: West Virginia Pipeline, Inc.

06.14.06  
333420.00001

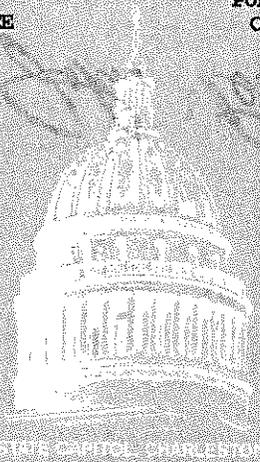
CH476173.3



AGENCY: ENVIRONMENTAL PROTECTION  
TOTAL: \$160,000.00

WARRANT #: 1002317208  
DATE: 06/13/06

TRANSACTION ID	INVOICE NUMBER	PAYEE REFERENCE	PURCHASE ORDER	AMOUNT
1007420008 1,	C544258			\$160,000.00



STATE CAPITOL CHARLESTON

If you have questions concerning the above, please call 304-926-0499 Ext. 1581.

REMOVE DOCUMENT ALONG THIS PERFORATION

CTL# 19014782

THIS WARRANT HAS MULTIPLE SECURITY FEATURES TO DETER FRAUD AND COUNTERFEITING  
VOID UNLESS PRESENTED FOR PAYMENT WITHIN SIX MONTHS

# State of West Virginia

STATE WARRANT # 1002317208

Important remittance information on top panel.  
Remitter: ENVIRONMENTAL PROTECTION  
Questions? Contact: MARK DOYLE at 304-926-0499

JUNE 13, 2006

PAYEE GLEN ROGERS PSD

\*\*\*\*\*\$160,000.00\*\*

1002317208

WEST VIRGINIA TREASURY

STATE TREASURER

STATE AUDITOR

⑈ 1002317208⑈ ⑆ 051902322⑆ 0005270537822⑈

**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

**BOND CLOSING ATTENDANCE LIST**

Date	Time	LGA	Program	CWSRF
06/27/06	10 a.m.	Glen Rogers PSD		
NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
Rosalie Brodersen	WV DEP	926 0499 x1608	926 0496	rbrodersen@wvdep.org
Franki Parsons	Jackson Kelly PLLC	340-1283	340-1277	frankie@jacksonkelly.com
Shameice	Jackson-Kelly PLLC	340-1318	340 1272	sgre@jacks-kelly.com
John Stump	Steeple Johnson PLLC	353-8196	353-8181	john.stump@steeple-johnson.com
DANIEL YONKOSKY	WV WATER DEV. AUTH.	558-3612	558-0299	dyankosky@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 Pat Armstrong, Chairman Telephone 304.294.8111 E-Mail N/A  
 Address P.O. Box 87, Glen Rogers, WV 25848-0087

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.



## SETTLEMENT AGREEMENT AND RELEASE

This SETTLEMENT AGREEMENT AND RELEASE, effective as of the date of the last signature affixed below, by and between WEST VIRGINIA PIPELINE, INC. (the "Company"), and GLEN ROGERS PUBLIC SERVICE DISTRICT (the "District"):

### WITNESS THAT:

WHEREAS, prior to the date hereof, the Company entered into a contract or contracts with the District to provide certain construction services (collectively, the "Contracts"); and

WHEREAS, the Company has previously brought suit against the District with regard to payment for services under such Contracts (the "Dispute") and has previously obtained a judgment against the District (the "Judgement"); and

WHEREAS, the Company and the District now mutually desire to enter into a settlement of the claims against each other arising out of, or related to, the Contracts, the Dispute, and/or the Judgement.

NOW, THEREFORE, in consideration of the mutual covenants set forth hereinafter, which are not mere recitals but an integral part of this Agreement, the parties do hereby agree as follows:

1. Upon the signing of this Agreement and full release of claims, the District shall cause to be paid to the Company, the total sum of One Hundred Fifty Thousand Dollars and Zero Cents (\$150,000.00). Said payments shall be in the form of a check made payable to West Virginia Pipeline, Inc. in the total amount of One Hundred Fifty Thousand Dollars and Zero Cents (\$150,000.00).

2. Company assumes and agrees (a) to pay all attorneys' fees and costs incurred by it in connection with the negotiation and prosecution of any and all claims related to the

Contracts, the Dispute and the Judgment, and (b) to hold the District harmless for all such fees and costs.

3. For and in consideration of the foregoing, including the aforementioned sum paid by the District, the receipt and sufficiency of which is hereby acknowledged, the Company for itself, its agents, attorneys, successors, and assigns, does hereby release, acquit, and forever discharge the District, its officers, directors, stockholders, agents, servants, attorneys, insurers, reinsurers, and employees, as well as any principals, subsidiaries, affiliates, parent corporations, and their successors and assigns, from any and all actions, causes of action, suits, debts, promises, warranties, contracts, agreements, damages, judgments, executions, claims, liens, attachments, and demands whatsoever, in law or in equity, and any other claims or obligations of any kind or nature, including without limitation claims for costs and attorney fees, whether known, unknown, direct, indirect, fixed, contingent, matured, unmatured, liquidated, disputed, undisputed, secured, unsecured, or derivative that the Company ever had or now has, for upon, or by reason of any matter, cause or right now or heretofore existing, arising out of, or related in any way to the Contracts, the Dispute, and/or the Judgment.

4. The execution of this Settlement Agreement and Release and the consideration exchanged herein do not constitute an admission of liability, guilt, responsibility, or other evidence of fault on the part of any party hereto, but are done and made in compromise and settlement of a disputed claim.

5. The consideration exchanged for this Settlement Agreement and Release shall constitute the full and final settlement between the parties, in satisfaction of any and all claims which any party hereto has or may have in the future against the other party hereto relating to the Contracts, the Dispute and/or the Judgment.

6. The parties hereto warrant that no promise or agreement not herein expressed has been made to them; that this Settlement Agreement and Release contains the entire agreement between the parties relating to the subject matter hereof; that in executing the Settlement Agreement and Release, they are not relying upon any statement or representation made by the other party hereto concerning the nature, extent or duration of any claims or damages, or concerning any thing or matter, but are relying solely upon their own judgment and the advice of their respective attorneys. All parties acknowledge that they have had an opportunity to consult with their respective legal counsel concerning this settlement agreement.

7. All parties shall bear their own respective costs and attorney fees incurred in connection with the Contracts, the Dispute and the Judgment

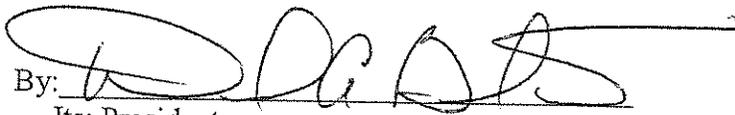
8. The Company acknowledges and agrees that neither the District nor its attorneys have made representations regarding the Company's tax obligations, if any, as a result of this settlement agreement, and that the Company has relied solely upon its own judgment and the advice of its own attorneys and financial advisors in that regard. The Company further acknowledges and agrees that the satisfaction of tax obligations, if any, incurred by the Company as a result of this settlement agreement shall be the sole responsibility of the Company.

9. This settlement agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

WITNESS the following signatures.

**[signatures begin on following page]**

WEST VIRGINIA PIPELINE, INC.

By:   
Its: President

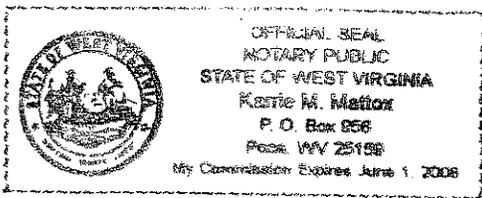
STATE OF WEST VIRGINIA

COUNTY OF KANAWHA, TO WIT:

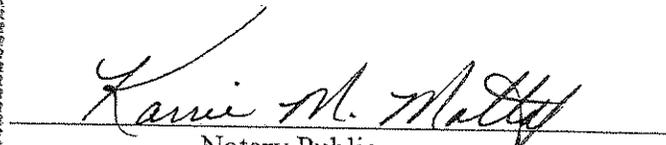
I, Karrie M. Mattox, a notary public of said county, do certify that David A. Bolton, as President of West Virginia Pipeline, Inc., a corporation, who signed the writing hereto annexed, has this day, before me, acknowledged the same to be the act and deed of said corporation.

Given under my hand this 29th day of June, 2006.

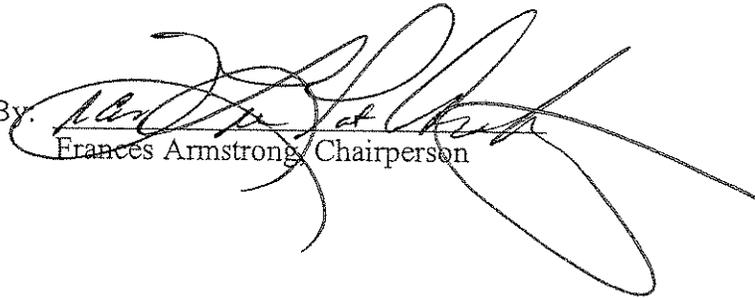
My commission expires: June 1, 2008



(NOTARIAL SEAL)

  
Notary Public

GLEN ROGERS PUBLIC SERVICE DISTRICT

By:   
Frances Armstrong, Chairperson

STATE OF WEST VIRGINIA

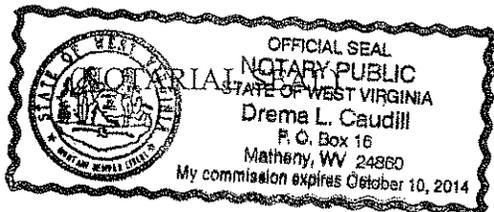
COUNTY OF Wyoming, TO WIT:

I, Drema L. Caudill, a notary public of said county, do certify that Frances Armstrong, as Chairperson of Glen Rogers Public Service District, a public service district and a public corporation, who signed the writing hereto annexed, has this day, before me, acknowledged the same to be the act and deed of said corporation.

Given under my hand this 11th day of July, 2006.

My commission expires: 10/10/14.

Drema L. Caudill  
Notary Public







RENEWAL CERTIFICATE

ERIE INS PROP/CAS CO  
COMMERCIAL PROPERTY INSURANCE

AGENT		ITEM 2. POLICY PERIOD	POLICY NUMBER
EEL152	APPALACHIAN INS AGY	03/20/06 TO 03/20/07	Q15 7050002 W
ITEM 1. NAMED INSURED AND ADDRESS		ITEM 3. OTHER INTEREST	
GLEN ROGERS PUBLIC SERVICE DISTRICT BOX 87 GLEN ROGERS WV 25848-0087			

POLICY PERIOD BEGINS AND ENDS AT 12:00 NOON STANDARD TIME AT THE STATED ADDRESS OF THE NAMED INSURED. THE INSURANCE APPLIES TO THOSE PREMISES DESCRIBED AS PER THE ATTACHED DECLARATIONS, THIS IS SUBJECT TO ALL APPLICABLE TERMS OF THE POLICY AND ATTACHED FORMS AND ENDORSEMENTS.

LOCATION OF PREMISES

OCCUPANCY/OPERATIONS

- LOC 1, BLDG 1 - INTER OF RT 1 & OLD GLENN ROGERS RD, GLEN ROGERS, WYOMING CO, WV 25848  
WATER TESTING OFFICE
- LOC 1, BLDG 2 - INTER OF RT 1 & OLD GLENN ROGERS RD, GLEN ROGERS, WYOMING CO, WV 25848  
GARAGE
- LOC 2, BLDG 1 - POST OFFICE BUILDING, GLEN ROGERS, WYOMING CO, WV 25848  
PUMP HOUSE

DEDUCTIBLE \$ 250.

COVERAGES	* LOC	* BLDG	* COINS	* INSURANCE	* BASIC I	* BASIC II	* SPECIAL FORM
BUILDINGS	* 1	* 1	* 80	* \$44,000	* \$163.	* \$ 25.	* \$ 40.
	* 2	* 2	* 80	* \$ 8,100	* \$ 30.	* \$ 5.	* \$ 7.
	* 2	* 1	* 80	* \$62,000	* \$ 67.	* \$ 11.	* \$ 56.
BUSINESS	* 1	* 1	* 80	* \$50,000	* \$214.	* \$ 29.	* \$111.
PERSONAL	* 1	* 2	* 80	* \$ 2,000	* \$ 9.	* \$ 1.	* \$ 93.
PROPERTY	* 2	* 1	* 80	* \$ 2,000	* \$ 2.	* \$ 1.	* \$ 93.

OPTIONAL COVERAGES

R/HMB SURCHARGE IMPOSED BY STATE OF WV- \$ 5.48  
TOTAL PREMIUM - - - - - \$ 962.48

APPLICABLE FORMS - SEE SCHEDULE OF FORMS

LOSS PAYEE  
GMAC  
COMMERCIAL MORTGAGE CORP  
P O BOX 1657  
HORSHAM PA 19044-6657

COPY

**PUBLIC ENTITY GENERAL LIABILITY PROTECTION  
COVERAGE SUMMARY**

The **St Paul**

This Coverage Summary shows the limits of coverage that apply to your Public Entity General Liability Protection. It also lists those endorsements, if any, that must have certain information shown for them to apply.

**Limits Of Coverage**

General total limit	\$	2,000,000
Products and completed work total limit	\$	2,000,000
Personal injury each person limit	\$	1,000,000
Advertising injury each person limit	\$	1,000,000
Each event limit	\$	1,000,000
Failure to supply limit	\$	0
Medical expenses limit	\$	5,000
Premises damage limit	\$	500,000
Sewer back-up limit	\$	0

**Named Endorsement Table**

**Important Note:** Only endorsements that must have certain information shown for them to apply are named in this table. The required information follows the name of each such endorsement. Other endorsements may apply too. If so, they're listed on the Policy Forms List.

**PSS Sexual Abuse Limitation Endt - With General Total Sublimit**  
Sexual Abuse Total Limit  
\$300,000.

Sexual Abuse Each Person Limit  
\$100,000.

**PSS Described Person Or Organization Endt - Addl Protected Persons**

Described Person or Organization  
VOLUNTEER FIRE DEPARTMENT; HANOVER VFD; BRENTON VFD; BUD VFD; CYCLONE VFD;  
COAL MOUNTAIN VFD; OCEANA VFD; UPPER LAUREL VFD;  
PINEVILLE VFD

Described Person or Organization  
PSD: GLEN ROGERS PSD; MATHENY PSD; RAVENSCLIFF PSD; BENTON PSD

Name of Insured WYOMING COUNTY COMMISSION	Policy Number GP09305640 Processing Date 08/07/01 09:41 001	Effective Date 07/01/01
--	--	-------------------------