

GRANT COUNTY PUBLIC SERVICE DISTRICT

WATER REVENUE BONDS, SERIES 1999

BOND RESOLUTION

GRANT COUNTY PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 1999

BOND RESOLUTION

Table of Contents

	Page
ARTICLE I	
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS	1
Section 1.01. Definitions	1
Section 1.02. Authority for this Resolution	8
Section 1.03. Findings	8
Section 1.04. Resolution Constitutes Contract	10
ARTICLE II	
AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF PROJECT	11
Section 2.01. Authorization of Acquisition and Construction of Project	11
ARTICLE III	
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS	12
Section 3.01. Authorization of Bonds	12
Section 3.02. Description of Bonds	12
Section 3.03. Execution of Bonds	12
Section 3.04. Authentication and Registration	13
Section 3.05. Negotiability, Transfer and Registration	13
Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost	14
Section 3.07. Bonds not to be Indebtedness of the Issuer	14
Section 3.08. Bonds Secured by Pledge of Net Revenues	14
Section 3.09. Form of Bonds	14
Section 3.10. Sale of Bonds	24
ARTICLE IV	
LINE OF CREDIT [Reserved]	25

ARTICLE V

SYSTEM REVENUES AND APPLICATION THEREOF 26
Section 5.01. System Revenues and Application Thereof 26
Section 5.02. Tap Fees 29
Section 5.03. Excess Bond Proceeds 29

ARTICLE VI

APPLICATION OF BOND PROCEEDS 30
Section 6.01. Application of Bond Proceeds 30
Section 6.02. Construction Trust Fund 30

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER 31
Section 7.01. General Covenants of the Issuer 31
Section 7.02. Bonds not to be Indebtedness of the Issuer 31
Section 7.03. Bonds Secured by Pledge of Net Revenues 31
Section 7.04. Rates 31
Section 7.05. Sale of the System 32
Section 7.06. Issuance of Additional Bonds 32
Section 7.07. Books and Records 32
Section 7.08. Fiscal Year; Budget 33
Section 7.09. Services Rendered by the System 33
Section 7.10. Enforcement of Collections 34
Section 7.11. Insurance and Bonds 34
Section 7.12. No Competing Franchise 35
Section 7.13. Consulting Engineer 36
Section 7.14. Contracts 36
Section 7.15. Statutory Mortgage Lien 36
Section 7.16. PSC Order 36
Section 7.17. Covenant to Amend Resolution 36
Section 7.18. Compensation of the Issuer 36
Section 7.19. Funds and Accounts Under Prior Resolutions 36

ARTICLE VIII

DEFAULTS AND REMEDIES 37
Section 8.01. Events of Default 37
Section 8.02. Remedies 37
Section 8.03. Appointment of Receiver 37
Section 8.04. Remedies On Parity With First Lien Bonds 38

ARTICLE IX

INVESTMENTS	39
Section 9.01. Investments	39

ARTICLE X

MISCELLANEOUS	40
Section 10.01. Modification or Amendment	40
Section 10.02. Severability of Invalid Provisions	40
Section 10.03. Table of Contents and Headings	40
Section 10.04. Repeal of Conflicting Resolutions	40
Section 10.05. Covenant of Due Procedure	40
Section 10.06. Satisfaction and Discharge	40
Section 10.07. Effective Date	41

GRANT COUNTY PUBLIC SERVICE DISTRICT

BOND AND LINE OF CREDIT RESOLUTION

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING WATERWORKS FACILITY OF THE GRANT COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF, THROUGH THE ISSUANCE BY THE DISTRICT OF \$1,850,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 1999 AND THE SALE THEREOF TO THE UNITED STATES DEPARTMENT OF AGRICULTURE, RURAL UTILITIES SERVICE; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Definitions. The following terms shall have the following meanings herein unless the context expressly requires otherwise:

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

"Additional Bonds" means additional bonds issued under the provisions and within the limitations prescribed by Section 7.06.

"Authorized Officer" means the Chairman of the Governing Body of the Issuer or any other person duly appointed as such by the Governing Body.

"Board" means the public service board of the Issuer and shall include the membership of the Board as may hereafter be duly constituted as the legal successors to the

present membership or any other authority vested with and authorized to exercise the powers of the Issuer.

"Bondholders," "Holder of the Bonds," "Holder," "Registered Owner," "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 Registrar" means the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns.

"Bonds" means the \$1,850,000 in aggregate principal amount of Water Revenue Bonds, Series 1999 and any Additional Bonds hereafter issued within the terms, restrictions and conditions contained in this Resolution.

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

"Closing Date" means the date upon which there is an exchange of the Bonds for all or a significant portion of the proceeds representing the purchase of the Bonds by the Government.

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

"Consulting Engineers" means William Pallavicini, Petersburg, West Virginia, or any engineer or firm of engineers of reputation for skill and experience with respect to the design and construction of waterworks systems or facilities that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System.

"Construction Trust Fund" means the Construction Trust Fund established by Section 6.02.

"Costs" or "Costs of the Project" means those costs described in Section 1.03F hereof to be a part of the cost of construction and acquisition of the Project.

"Debt Service" means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"Depository Bank" means a bank or national banking association located in the State, eligible under the laws of the State to receive deposits of state and municipal funds and insured by the FDIC, which Depository Bank shall be named in the Supplemental Resolution.

"Depreciation Reserve" means the Depreciation Reserve Account established by the 1976 Resolution and continued by the 1984 Resolution, the 1990 Resolution, the 1991 Resolution and the 1993 Resolution and continued by Section 5.01(5) hereof.

"Event of Default" means any event or occurrence specified in Section 8.01.

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

"First Lien Bonds" shall mean the Series 1990 Bonds, the Series 1984 Bonds, the Series 1976 Bonds, the Series 1974 Bonds and the Series 1973 Bonds.

"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 is now or may hereafter be constituted.

"Government" means the United States Department of Agriculture, Rural Utilities Service, which is expected to be the original purchaser of the Bonds.

"Government Obligations" means direct obligations of, or obligations the timely payment of the principal of and interest on which is guaranteed by, the United States of America, including (i) such obligations which have been stripped from their unmatured interest coupons, interest coupons stripped from such obligations and receipts or certificates evidencing payments from such obligations, (ii) evidences of ownership of a proportionate interest in specified direct obligations of, or specified obligations which are unconditionally and fully guaranteed by, the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian and (iii) obligations, the sole source of the payment of the principal of and interest on which are obligations of the nature of those described in clause (i), which are irrevocably pledged for such purposes.

"Grants" means collectively, the SCBG Grant and the RUS Grant.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereafter 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 purchased pursuant to Section 9.01) or any Tap Fees.

"Independent Certified Public Accountants" means any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained

by the Issuer to prepare an independent annual or special audit of the accounts of the System or for any other purpose except keeping the accounts of the System in the normal operation of its business and affairs.

"Issuer" or "District" means the Grant County Public Service District, a public corporation and political subdivision of the State.

"Letter of Conditions" means the letter of conditions of the Government dated December 11, 1997, and any supplements or amendments thereto.

"Net Revenues" means Gross Revenues less Operating Expenses.

"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, fiscal agents, depository banks, registrars, paying agents and trustees 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, of any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from and 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 canceled 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 Section 10.06 hereof; and (iv) for purposes of consents or other action by a specified percentage of Bondholders, any Bonds registered to the Issuer.

"Paying Agent" means the bank or banks or other entity designated as such for the Bonds in the Supplemental Resolution or such entity or authority as may be designated by the Issuer.

"Prior Bonds" means collectively, the Series 1993 Bond, the Series 1991 Bond, the Series 1990 Bond, the Series 1984 Bond, the Series 1976 Bond, the Series 1974 Bond and the Series 1973 Bond.

"Prior Resolutions" means collectively, the 1993 Resolution, the 1991 Resolution, the 1990 Resolution, the 1984 Resolution, the 1976 Resolution, the 1974 Resolution and the 1973 Resolution.

"Project" means the extension of water service to the areas of the District and the necessary related appurtenances as more particularly defined in Exhibit A hereto.

"PSC" means the Public Service Commission of West Virginia and any successor to the functions thereof.

"PSC Order" means the recommended decision of the PSC in Case No. 98-0491-PWD-CN, which was entered by the Administrative Law Judge of the PSC on October 23, 1998, and became the final order on November 12, 1998, granting the Issuer a Certificate of Convenience and Necessity to construct the Project and approving the financing thereof.

"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 any said time account or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time account;

(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 any said repurchase agreement either must mature as nearly as practicable coincident with the maturity of said repurchase agreement or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreement, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

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

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

(j) Advanced - Refunded Municipal Bonds.

"Resolution" means this resolution, as from time to time amended or supplemented.

"Revenue Fund" means the Revenue Fund established or continued by Section 5.01(A).

"RUS Grant" means the Rural Utilities Service Grant in the amount of \$500,000.

"SCBG" Grant means the Small Cities Block Grant in the amount of \$1,000,000.

"Second Lien Bonds" shall mean the Series 1993 Bonds and the Series 1991 Bonds.

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

"Series 1999 Reserve Account" means the reserve account established by Section 5.01(A)(4) for the Bonds.

"Series 1999 Reserve Requirement" means the maximum amount of principal and interest which will mature and become due on the Bonds in any succeeding Fiscal Year.

"Series 1999 Sinking Fund" means the Sinking Fund established by Section 5.01(A)(2).

"Series 1993 Bond" means the District's \$130,000 Water Revenue Bond, Series 1993, issued on December 6, 1993, by resolution adopted on December 6, 1993.

"Series 1991 Bond" means the District's \$600,000 Water Revenue Bond, Series 1991, issued on August 6, 1991, by resolution adopted on January 3, 1991.

"Series 1990 Bond" means the District's \$209,000 Water Revenue Bond, Series 1990, issued on September 25, 1990, by resolution adopted on June 28, 1990.

"Series 1984 Bond" means the District's \$400,000 Water Revenue Bond, Series 1984, issued on August 14, 1984, by resolution adopted on June 21, 1984.

"Series 1976 Bond" means the District's \$350,000 Water Revenue Bond, Series 1976, issued on November 13, 1977, by resolution adopted on August 5, 1977.

"Series 1974 Bond" means the Dorcas Public Service District's \$90,000 Water Revenue Bonds, Series 1974, issued on January 7, 1975 pursuant to a resolution adopted on February 25, 1974 by the public service board of the Dorcas Public Service District. The District assumed the responsibility to repay the Series 1974 Bond when the District was consolidated with Dorcas Public Service District effective December 5, 1990.

"Series 1973 Bond" means the Dorcas Public Service District's \$180,000 Water Revenue Bonds, Series 1973, issued on September 21, 1973 pursuant to a resolution adopted on June 4, 1973 by the public service board of the Dorcas Public Service District. The District assumed the responsibility to repay the Series 1973 Bond when the District was consolidated with Dorcas Public Service District effective December 5, 1990.

"State" means the State of West Virginia.

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

"System" means the public service properties to be used for or in connection with the diversion, development, pumping, impounding, treatment, storage, distribution or furnishing of water to or for industrial, public, private or other uses, owned by the Issuer, and any improvements or extensions thereto hereafter constructed or acquired from any sources whatsoever, and includes the Project.

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

Additional terms and phrases are defined in this Resolution as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Resolution; and the term "hereafter" means after the date of adoption of this Resolution.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Resolution so numbered.

Section 1.02. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of the Act and other applicable provisions of law.

Section 1.03. Findings. It is hereby found, determined and declared as follows:

A. The Issuer (being a consolidated entity resulting from the consolidation of the Dorcas Public Service District and the Grant County Public Service District) now owns and operates a public waterworks system, furnishing water service to residences, premises and businesses residing or located within and without the area of the Issuer. There are, however, residents of the Issuer who are not currently served by the water system.

B. It is deemed necessary and desirable for the health, welfare and safety of the inhabitants of the Issuer that there be acquired and constructed certain extensions, additions and improvements to the existing System, the acquisition and construction to be permanently financed, in part, by the issuance of the Bonds to the Government all in accordance with the plans and specifications prepared by the Consulting Engineers. The acquisition and construction of the System was financed in part with the proceeds from the Prior Bonds, authorized pursuant to the Prior Resolutions.

C. The Issuer derives revenues from the System and, except for the pledge thereof to secure and pay for the Prior Bonds, said revenues are not pledged or encumbered in any manner. There are outstanding obligations of the Issuer which will rank on a parity with the Bonds (the "First Lien Bonds") or junior and subordinate to the Bonds (the "Second Lien Bonds") as to liens, pledge and source of and security for payment, as follows:

<u>ISSUE</u>	<u>LIEN POSITION</u>
Series 1993 Bond, held by the Government;	Second Lien
Series 1991 Bond, held by the Government;	Second Lien
Series 1990 Bond, held by the Government;	First Lien
Series 1984 Bond, held by the Government;	First Lien
Series 1976 Bond, held by the Government;	First Lien
Series 1974 Bond, held by or through GMAC Commercial Mortgage Corporation; and	First Lien
Series 1973 Bond, held by or through GMAC Commercial Mortgage Corporation; and	First Lien

The Issuer has met the parity tests set forth in the Prior Resolutions or has secured or will secure a waiver of the parity consent requirements of the Prior Resolutions. Prior to the issuance of the Bonds, the Issuer will obtain the consent of the Prior Bond owners to the issuance of the Bonds on a parity with the lien of the First Lien Bonds as may be required by the Prior Resolutions. Upon the issuance of the Bonds, the Issuer will grant the Government a first lien on the Net Revenues of the System on a parity as to liens, pledge and source of and security for payment with the lien of the First Lien Bonds.

D. The estimated maximum cost of the construction of the Project is \$3,350,000. The Project will be financed with the proceeds of the sale of the Bonds anticipated to be in the amount of \$1,850,000, the RUS Grant proceeds in the amount of \$500,000 and the SCBG Grant in the amount of \$1,000,000.

E. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of the System, the principal of and interest on the Prior Bonds and the Bonds authorized to be issued pursuant to this Resolution, and all sinking funds, reserve and other payments provided for in this Resolution and the Prior Resolutions.

F. It is deemed necessary for the Issuer to issue its Bonds to permanently finance all or a portion of the costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements, and franchises deemed necessary therefor; the cost of the construction of said extensions, additions, betterments and improvements to the System and any other expenses necessary, incidental, desirable or appurtenant to the acquisition and construction of the Project and such replacements as are necessary therefor; the cost of interim financing for such Project; interest on the Bonds, prior to, during and for six months after the estimated date of completion of construction of the Project; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; expenses for the service of registrars, paying agents, depositories or other agents in connection with the issuance of the Bonds, and such other expenses as may be necessary or desirable to said acquisition and construction of the project and placing the same in operation and the financing authorized by this Resolution.

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

H. It is in the best interests of the Issuer that its Bonds be sold to the Government pursuant to the terms and provisions of the Letter of Conditions.

I. The Issuer has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of the PSC Order, the time for rehearing and appeal of which have expired.

J. The Issuer has obtained the approval of the West Virginia Infrastructure and Jobs Development Council as to the feasibility of the Project.

Section 1.04. Resolution Constitutes Contract. In consideration of the acceptance of the Bonds by those who shall be the Registered Owners of the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND
CONSTRUCTION OF PROJECT

Section 2.01. Authorization of Acquisition and Construction of Project. There is hereby authorized the construction and acquisition of the Project in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Bonds hereby authorized shall be applied as provided in Article VI hereof.

The Issuer has received bids or entered into contracts for the acquisition and construction of the Project.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions hereof, the Bonds of the Issuer, to be known as "Grant County Public Service District Water Revenue Bonds" (the "Bonds") are hereby authorized to be issued in the aggregate principal amount of \$1,850,000 for the purpose of permanently financing a portion of the Costs of the Project.

Section 3.02. Description of Bonds.

(A) The Bonds shall be issued in the form of one Bond, numbered R-1, in a principal amount not to exceed \$1,850,000. The Bonds shall be fully registered in the name of the Government. The Bonds shall be dated the date of delivery thereof. The Bonds shall be sold for an amount not to exceed the par value thereof.

(B) The Bonds shall bear interest at a rate not to exceed four and seventy-five one hundredths per centum (4.750%) per annum from the date of delivery, but only on amounts advanced thereunder as shown on the record of advances and payments attached to the Bonds.

(C) Principal and interest shall be paid in installments as provided in this subsection. The Issuer shall make monthly installments of interest on amounts advanced thereunder as shown on the record of advances and payments attached to the Bonds beginning on the Payment Date and continuing on the corresponding day of each month for the first twenty-four months after the date of delivery of the Bonds. At the end of this twenty-four month period, the Issuer shall make monthly installments of principal and interest in the amount of \$8,788 on the corresponding day of each month, except that the final installment shall be paid no later than forty years from the date of delivery of the Bond in the sum of the unpaid principal and interest due on that date.

(D) Notwithstanding the provisions of subsection (C) of this section, the Issuer may prepay all or any portion of the scheduled monthly installments described in this section. Prepayments of principal and interest shall be indicated on the record of advances and payments attached to the Bonds.

(E) The Bonds shall be subject to such other conditions as may be set forth in the Supplemental Resolution.

Section 3.03. Execution of Bonds. The Bonds shall be executed in the name of the Issuer by the manual or facsimile signature of the Chairman, and the seal of the Issuer shall be impressed thereon and attested by the manual or facsimile signature of the Secretary.

In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been 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 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 Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.09, shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Resolution. The Certificate of Authentication and Registration on any 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 Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder, in accepting any of said Bonds, shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Bonds remain outstanding, the Issuer, through the Bond Registrar, shall keep and maintain books for the registration and transfer of the Bonds.

The 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 thereof 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 or transferring the Bonds are exercised, Bonds shall be delivered in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be 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 obligated to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month 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 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, and amounts, if any, in the Reserve Account. No Holder or Holders of any of the Bonds shall ever have the right to compel the exercise of the taxing power, if any, of the Issuer to pay the Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Bonds and the First Lien Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the System. The Second Lien Bonds are junior and subordinate to the First Lien Bonds and the Bonds. Net Revenues of the System in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and to make the payments as hereinafter provided are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due.

Section 3.09. Form of Bonds. The text of the Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Form of Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
GRANT COUNTY PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS,
SERIES 1999

No. R-1

\$1,850,000

_____, 1999

United States of America
National Finance Office
1520 Market Street
St. Louis, Missouri 63103

FOR VALUE RECEIVED, the GRANT COUNTY PUBLIC SERVICE DISTRICT, a public corporation organized and existing under the laws of, and a political subdivision of, the State of West Virginia, in Grant County, West Virginia (herein called the "Borrower"), promises to pay to the order of the UNITED STATES OF AMERICA (herein called the "Government"), at its National Finance Office, St. Louis, Missouri, or at such other place as the Government may hereafter designate in writing, and in the manner provided below, the principal sum of One Million Eight Hundred Fifty Thousand Dollars (\$1,850,000) or such lesser amount as shall then be reflected on the Record of Advances and Payments attached hereto and incorporated herein by reference, plus interest on the unpaid principal balance at the rate of four and seventy-five one hundredths percent (4.750%) per annum. Notwithstanding any provision of this Bond to the contrary, this Bond shall evidence only the indebtedness reflected as outstanding on the Record of Advances and Payments attached hereto. Interest shall accrue only on the amount of each advance from its actual date as listed on said Record of Advances and Payments and shall cease to accrue on the amount outstanding, or portions thereof, as the same are paid, as reflected by said Record of Advances and Payments.

The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only on the amounts advanced hereunder, commencing thirty days following the date of delivery of this Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and installments of \$8,788 covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided herein below.

ORIGINAL PRINCIPAL AMOUNT OF \$350,000 (THE "SERIES 1976 BONDS"); THE DORCAS PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 1974, DATED JANUARY 7, 1975, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$90,000 (THE "SERIES 1974 BONDS"); AND THE DORCAS PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 1973, DATED SEPTEMBER 21, 1973, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$188,000 (THE "SERIES 1973 BONDS," AND COLLECTIVELY WITH THE SERIES 1990 BONDS, THE SERIES 1984 BONDS, THE SERIES 1976 BONDS AND THE SERIES 1974 BONDS, THE "FIRST LIEN BONDS"). THIS BOND AND THE FIRST LIEN BONDS ARE SENIOR AS TO SOURCE OF SECURITY FOR PAYMENT TO THE GRANT COUNTY PUBLIC SERVICE DISTRICT WATER REVENUE BOND, SERIES 1993, DATED DECEMBER 6, 1993, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$130,000 (THE "SERIES 1993 BONDS") AND THE GRANT COUNTY PUBLIC SERVICE DISTRICT WATER REVENUE BOND, SERIES 1991, DATED AUGUST 6, 1991 ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$600,000 (THE "SERIES 1991 BONDS," AND COLLECTIVELY WITH THE SERIES 1993 BONDS, THE "SECOND LIEN BONDS"). THE FIRST LIEN BONDS AND THE SECOND LIEN BONDS ARE COLLECTIVELY HEREINAFTER REFERRED TO AS THE "PRIOR BONDS."

This Bond is payable only from and secured by a pledge of a first lien on the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, which lien is on a parity as to security and source of payment with the lien of the First Lien Bonds, moneys in the Reserve Account created under the Resolution (the "Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on this Bond, the Prior Bonds, and all bonds which may be issued for the construction, acquisition, improvement, extension or betterment of such System as and when the same become due and payable, and which shall be set aside and remitted to the Government for the Bonds as provided herein and in the Resolution and in the Prior Resolutions. This Bond does not constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provisions or limitations, nor shall said Borrower be obligated to pay the same or the interest hereon except from the Net Revenues derived from the operation of said System, the moneys in the Reserve Account and unexpended Bond proceeds. Pursuant to the Resolution, the Borrower has covenanted and agreed to establish and maintain just and equitable rates or charges for the use of such System and the services rendered thereby, which shall be sufficient to provide for the proper and reasonable expenses of operation, repair and maintenance of said System, and to leave a balance each year equal to at least 110% 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 prior to or on a parity with or subordinate to the Bonds, including, without limitation, the Prior Bonds. The Borrower has entered into certain further covenants with the owner of this Bond for the terms of which reference is made to said Resolution. Remedies provided the owner of this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Resolution, only upon the books of _____, West Virginia (the "Registrar") which shall be kept for that purpose at the office of the Registrar, by the owner or by its attorney or legal representative duly authorized in writing, upon surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar duly executed by the owner or its attorney or legal representative duly authorized in writing.

Subject to registration requirements, 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.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for such purposes and periods of time.

If at any time it so appears to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private creditor at reasonable rates and terms for loans for such purposes and period of time, Borrower will at the Government's request apply for and accept such loan in sufficient amount to repay the Government.

This Bond will be in default should any proceeds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as set forth in Exhibit M of subpart G of Part 1940 of Title 7 of the Code of Federal Regulations, as amended.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts connected with the issuance hereof, as provided by law and the Resolution, shall be applied solely to the costs of acquisition and construction of the Project, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the owner of this Bond.

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

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

IN WITNESS WHEREOF, the Grant County Public Service District has caused this Bond to be signed by its Chairman and its seal to be hereunto impressed and attested by its Secretary, all as of the date first written above.

GRANT COUNTY PUBLIC SERVICE
DISTRICT

By: _____
Its: Chairman

[SEAL]

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Grant County Public Service District Water Revenue Bonds, Series 1999, described in the within-mentioned Resolution and has been duly registered in the name of the United States of America as of the date set forth below.

Date: _____, 1999

as Registrar

By _____
Its Authorized Officer

RECORD OF ADVANCES AND PAYMENTS

Advances

Date	Amount	Initialed By
(1)	\$	
(2)	\$	
(3)	\$	
(4)	\$	
(5)	\$	
(6)	\$	
(7)	\$	
(8)	\$	
(9)	\$	
(10)	\$	

TOTAL: \$ _____

UNITED STATES DEPARTMENT OF
AGRICULTURE, RURAL UTILITIES
SERVICE

By: _____
(Title)

RECORD OF ADVANCES AND PAYMENTS

Payments

Date	Amount	Initialed By
(1)	\$	
(2)	\$	
(3)	\$	
(4)	\$	
(5)	\$	
(6)	\$	
(7)	\$	
(8)	\$	
(9)	\$	
(10)	\$	

TOTAL: \$ _____

UNITED STATES DEPARTMENT OF
AGRICULTURE, RURAL UTILITIES
SERVICE

By: _____
(Title)

[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 said Bond on the books kept for registration thereof with full power of
substitution in the premises.

Dated: _____, ____

In the presence of:

Section 3.10. Sale of Bonds. The Bonds shall be sold to the Government pursuant to the terms and conditions of the Letter of Conditions. The provisions of the Letter of Conditions are specifically incorporated in this Resolution.

ARTICLE IV
LINE OF CREDIT
[RESERVED]

ARTICLE V

SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. System Revenues and Application Thereof. So long as the Bonds shall be Outstanding and unpaid, the Issuer covenants with the Bondholders as follows:

(A) The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited by the Issuer in the Revenue Fund which was created by the Prior Resolutions and hereby continued. The Revenue Fund shall constitute a trust fund for the purposes provided in this Resolution and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. Funds in the Revenue Fund shall be disposed of only in the following manner and order of priorities.

(1) From the Revenue Fund, the Issuer shall first each month pay the current Operating Expenses of the System.

(2) Next from the moneys in the Revenue Fund, the Issuer shall make the interest payments required by the Prior Resolutions on account of the First Lien Bonds then outstanding, and commencing on the day which is thirty days following the date on which the Bonds were issued and continuing on the same day of each month thereafter, on a pro rata basis with interest payments under this subdivision (2) on account of the First Lien Bonds then outstanding, shall apportion and set apart out of the Revenue Fund and remit to the office and place designated by the Bonds (the "Series 1999 Sinking Fund") the monthly payment of interest set forth in the Supplemental Resolution or such lesser amount as is required to pay interest on the Bonds as evidenced by the Record of Advances and Payments attached to the Bonds.

(3) Next from the moneys in the Revenue Fund, the Issuer shall make the principal payments required by the Prior Resolutions on account of the First Lien Bonds then outstanding, and commencing on the date which is twenty-four months following the the date on which the Bonds were issued and continuing on the same day of each month thereafter, on a pro rata basis with principal payments under this subdivision (3) on account of the First Lien Bonds then outstanding, shall apportion and set apart from the Revenue Fund and remit to the Sinking Fund the monthly payment of principal set forth in the Supplemental Resolution or such lesser amount as is evidenced by the Record of Advances and Payments attached to the Bond as set forth in the Bond form in Section 3.09.

The deposits to the Sinking Fund provided in this subdivision (3) and in subdivision (2) above constitute actual payments of principal and interest on the Bonds issued to the Government. The amounts required for principal and interest payments on the

Bonds issued hereunder other than to the Government shall be deposited in a sinking fund created by a Supplemental Resolution.

(4) The Issuer shall next transfer from the Revenue Fund and make the transfers then required by the Prior Resolutions into the reserve accounts established or continued by the Prior Resolutions on account of the First Lien Bonds then outstanding, and commencing on the day which is thirty days following the date on which the Bonds were issued and continuing on the same day of each month thereafter, on a pro rata basis with reserve fund payments under this subdivision (4) on account of the First Lien Bonds then outstanding, deposit in the Series 1999 Reserve Account at the Commission or at a banking institution approved by the Government, or in the case of Bonds other than the Bonds originally authorized hereby, in a reserve account in a sinking fund created by Supplemental Resolution or otherwise as designated by a Supplemental Resolution, an amount equal to $\frac{1}{2}$ of $\frac{1}{12}$ th of $\frac{1}{10}$ th of the amount, as of the date of calculation, equal to the maximum aggregate amount of principal and interest which will become due on the Bonds in any year, until the amount in the Series 1999 Reserve Account equals the Series 1999 Reserve Requirement. In the event that additional funds are required to maintain the Series 1999 Reserve Requirement in the Series 1999 Reserve Account or to maintain the amounts required to be maintained by the Prior Resolutions into the reserve accounts established or continued by the Prior Resolutions on account of the First Lien Bonds then outstanding or both, the Issuer shall first make the required payments on a pro rata basis into the Series 1999 Reserve Account or the reserve accounts established or continued by the Prior Resolutions on account of the First Lien Bonds or both prior to making any of the payments required by subdivisions (5), (6), (7) or (8) of this subsection.

No further payments shall be made into the Series 1999 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 1999 Reserve Requirement. Moneys in the Series 1999 Reserve Account shall be used only for the purpose of payment of maturing principal or interest on the Bonds when moneys in the Revenue Fund or, in the case of bonds other than the Bonds originally authorized hereby, the funds in a sinking fund created by Supplemental Resolution are insufficient therefor and for no other purposes.

Any withdrawals from the Series 1999 Reserve Account which result in a reduction in the balance of the Series 1999 Reserve Account to below the Series 1999 Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments under subdivisions (2), (3) and (4) of this subsection, including any deficiencies for prior payments, have been made in full.

As and when Additional Bonds ranking on a parity with the Bonds are issued, provision shall be made by Supplemental Resolution for additional payments sufficient to pay the interest on such Additional Bonds and to accomplish retirement thereof at or before maturity and to accumulate a balance in the Series 1999 Reserve Account in an amount equal to the maximum provided and required to be paid in principal and interest in any succeeding year for account of all the Bonds.

(5) Next from the moneys in the Revenue Fund, the Issuer shall make the interest payments required by the Prior Resolutions on account of the Second Lien Bonds then outstanding, on a pro rata and parity basis among the Second Lien Bonds then outstanding.

(6) Next from the moneys in the Revenue Fund, the Issuer shall make the principal payments required by the Prior Resolutions on account of the Second Lien Bonds then outstanding, on a pro rata and parity basis among the Second Lien Bonds then outstanding.

(7) Next from the moneys in the Revenue Fund, the Issuer shall make the transfers required by the Prior Resolutions on account of the Second Lien Bonds then outstanding to any and all reserve accounts established for the Second Lien Bonds, on a pro rata and parity basis among the Second Lien Bonds then outstanding.

(8) Thereafter, from the moneys remaining in said Revenue Fund, the Issuer shall next make the transfers required to be made into the Depreciation Reserve by the 1993 Resolution until such account is fully funded pursuant to the 1993 Resolution, and shall, commencing with the month succeeding the first full calendar month after commencement of operation of the Project, transfer to the Depreciation Reserve, in addition to any amount then required to be transferred pursuant to the 1993 Resolution, an additional amount equal to $\frac{1}{2}$ of $\frac{1}{12}$ th of $\frac{1}{10}$ th of the amount of the Series 1999 Reserve Requirement; provided, that after the Series 1999 Reserve Requirement has been accumulated in the Series 1999 Reserve Account pursuant to subdivision (4) of this subsection, the Issuer shall also transfer from the Revenue Fund to the Depreciation Reserve an additional $\frac{1}{2}$ of $\frac{1}{12}$ th of $\frac{1}{10}$ th of the Series 1999 Reserve Requirement. Moneys in the Depreciation Reserve shall be used first to make up any deficiencies for monthly payments of principal of and interest on account of the First Lien Bonds then outstanding and the Bonds, on a pro rata basis, as the same become due; next to restore to the reserve accounts established for the First Lien Bonds then outstanding and the Series 1999 Reserve Account, on a pro rata basis, any sum or sums transferred therefrom; next to make up any deficiencies for monthly payments of principal of and interest on any Second Lien Bonds then outstanding, on a pro rata basis, as the same become due; and thereafter to make up any deficiencies in the reserve accounts established for any Second Lien Bonds then outstanding, on a pro rata basis, as the same become due. Thereafter and provided that payments into the aforementioned reserve accounts are current and in accordance with the foregoing provisions, monies in the Depreciation Reserve may be withdrawn by the Issuer and used for extraordinary repairs and for replacements of equipment and improvements for the System, or any part therefor. All funds in said Depreciation Reserve shall be kept apart from all other funds of the Issuer, and all or any part of said fund may be invested as provided by Article IX.

(9) If all of the above required payments are then current, the Issuer may use any moneys remaining in the Revenue Fund for the following purposes: (a) for prepayment of the amount, or any part thereof, of the First Lien Bonds then outstanding and of the Bonds, in accordance with the terms thereof, pro rata as to each series, (b) for

prepayment of the amount, or any part thereof, of the Second Lien Bonds then outstanding and of the Bonds, in accordance with the terms thereof, pro rata as to each series, (c) for additions, betterments or replacements to the System which the Consulting Engineers certify are needed, (d) for payments of principal of and interest on subordinate waterworks and sewerage system revenue bonds or other obligations which may hereafter be issued by the Issuer, or (e) for any lawful purpose of the System.

(B) All of the funds and accounts provided for above shall constitute trust funds and shall be used only for the purposes provided herein.

(C) The moneys in excess of the sum insured by the maximum amounts insured by the FDIC in the Revenue Fund, in the Series 1999 Reserve Account and in the Depreciation Reserve shall at all times be secured, to the full extent thereof in excess of such insured sum, by Government Obligations or such other obligations as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

(D) If on any monthly payment date the Net 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 payments dates; provided, that all deposits, including on account of deficiencies, shall be made in the order of priority set forth in Paragraph (A), above, and no payment of lower priority shall be made if there exists a deficiency in a fund or account of higher priority. No such deficiency shall exist solely because the required payments into the Series 1999 Reserve Account have not, as of such date, funded such account to the requirement therefor.

(E) All remittances made by the Issuer to the Government or to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

(F) The Gross Revenues of the System shall only be used for purposes of the System.

Section 5.02. Tap Fees. During the construction of the Project, Tap Fees shall be deposited in the Construction Trust Fund created in Section 6.02 hereof. Following completion of the Project, Tap Fees shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

Section 5.03. Excess Bond Proceeds. The Issuer shall apply any excess proceeds from the Bonds not required by the Project as instructed in writing by the Government.

ARTICLE VI

APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds. All the moneys received from time to time from the sale of Bonds shall be deposited in the Construction Trust Fund, hereinafter created.

Section 6.02. Construction Trust Fund. There is hereby created with the Depository Bank a special fund to be known as the "Construction Trust Fund," which fund shall be kept separate and apart from all other funds of the Issuer, and shall be drawn out, used and applied by the Issuer solely for the payment of the Costs of the Project and purposes incidental thereto, including payment of any borrowings by the Issuer made for the purpose of temporarily financing a portion of the Costs of Project, for the payment of interest on the Bonds during construction and for a period up to six months thereafter and for no other purposes whatsoever. The moneys in said fund shall be secured at all times by the Depository Bank, by Government Obligations having a fair market value at least equal to the balance in said fund in excess of the amount insured by the FDIC. If for any reason the amounts on deposit in the Construction Trust Fund are not necessary for, or are not applied to, such purposes, then such unapplied amounts shall be deposited by the Issuer as determined by the rules and regulations of the Government. All such proceeds shall constitute a trust fund for such purposes, and there is hereby created a lien upon such moneys, until so applied, in favor of the Holders of the Bonds hereby authorized.

Expenditures or disbursements by the Depository Bank from said Construction Trust Fund shall be made only after such expenditures or disbursements shall have been approved in writing by the Governing Body, the Consulting Engineers and the Government.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

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

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Resolution. No Holder or Holders of any Bonds shall ever have the right to compel the exercise of the taxing power, if any, of the Issuer to pay said Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System which lien is on a parity as to such security and source of payment with the lien of the First Lien Bonds. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Bonds herein authorized and to make the payments into the Series 1999 Sinking Fund and the Series 1999 Reserve Account and all other payments provided for in this Resolution and the Prior Resolutions are hereby irrevocably pledged, in the manner provided herein and therein, to the payment of the principal of and interest on the Prior Bonds and the Bonds as the same become due, and for the other purposes provided in this Resolution and the Prior Resolutions.

Section 7.04. Rates. Prior to the issuance of the Bonds, equitable rates or charges for the use of and service rendered by the System will 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 in the office of the Governing Body, copies of which will be open to inspection by all interested parties. The schedule of rates and charges shall be sufficient to pay the Operating Expenses of the System, to pay the principal of and interest on the Bonds and the Prior Bonds, to make the required transfers into the Series 1999 Reserve Account and the reserve accounts established on account of any Prior Bonds then outstanding, and to to make the transfers into the Depreciation Reserve required by the 1993 Resolution and this Resolution. 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 (i) to provide for all reasonable expenses of operation, repair and maintenance of the System and (ii) to leave a balance each year equal to at least 110% of the maximum amount required in any year for payment of principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds (including, without limitation, the First Lien Bonds).

Section 7.05. Sale of the System. So long as the Bonds are Outstanding, the System may be sold, transferred, mortgaged, leased or otherwise disposed of or encumbered (other than any statutory mortgage lien created under the Act on account of obligations issued within the restrictions hereof) only with the written consent of the Government, and such consent will specify the disposition of any such sale or transfer. So long as the Prior Bonds are outstanding, the System may be sold, transferred, mortgaged, leased or otherwise disposed of only in accordance with the terms of the Prior Resolutions and with the written consent of the Government.

Section 7.06. Issuance of Additional Bonds. As long as the Prior Bonds are Outstanding, no Additional Bonds shall be issued except as provided in the Prior Resolutions and with the prior written consent of the Government. As long as the Bonds are Outstanding, no additional Bonds shall be issued without the prior written consent of the Government.

Section 7.07. Books and Records. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds issued pursuant to this Resolution shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the PSC. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Government. The Government 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 Government shall be reported to such agent of the Issuer as the Government shall direct.

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

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

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

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of Bonds and shall submit said report to the Government, or any other original purchaser of the Bonds. Such audit report submitted to the Government shall include a statement that the Issuer is in compliance with the terms and provisions of this Resolution and the Prior Resolutions.

The Issuer shall keep and preserve all financial records for a period of ten (10) years, and such material, upon request, will be made available for public inspection.

Section 7.08. Fiscal Year; Budget. While the Bonds are Outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a fiscal year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than 30 days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the annual budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of such annual budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Board. Copies of each annual budget shall be delivered to the Government by the beginning of each Fiscal Year.

If for any reason the Issuer shall not have adopted the annual budget before the first day of any Fiscal Year, it shall adopt a budget of current expenses from month to month until the adoption of the annual budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the year next preceding by more than ten percent (10%); and provided further, that adoption of a budget of current expenses shall not constitute compliance with the covenant to adopt an annual budget unless the Issuer's failure to submit an annual budget shall be for a reason beyond the control of the Issuer. Each such budget of current expenses shall be delivered and mailed immediately as in the case of the annual budget.

Section 7.09. Services Rendered by the System. The Issuer will not render or cause to be rendered any free services of any nature by its System; and, in the event the Issuer or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or 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. Such charges shall be paid as they accrue, and the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.10. 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 laws of the State and the rules and regulations of the Public Service Commission. All such rates and charges, if not paid when due, shall become a lien on the premises served by the System.

To the extent allowed by law and the PSC, whenever any rates, rentals or charges for the services and facilities of the System, shall remain unpaid for a period of thirty (30) days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent and the owner, user and property shall be held liable at law until such time as all such rates and charges are fully paid.

The Issuer further covenants and agrees that it will, to the full extent permitted by law and the rules and regulations promulgated by the PSC, for any account not paid within sixty (60) days, discontinue and shut off the services and facilities of the System and, in the event the Issuer owns a sewer facility (the "Sewerage System"), the Sewerage System to all users 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 have been paid in full and all accrued penalties plus a reconnection charge have been paid and shall take all further actions to enforce collections to the maximum extent permitted by law. The Issuer further covenants to use its best efforts to enter into agreements with any other entities providing sewerage service to its users, providing for discontinuing and shutting off the services and facilities of the sewerage system to users of the System delinquent in payment.

Section 7.11. Insurance and Bonds. The Issuer hereby covenants and agrees that, so long as the Bonds remain Outstanding, it will, as an expense of operation and maintenance of the System, procure, carry and maintain insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(A) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured prior to acceptance of any part of the Project from the contractor, on all above-ground insurable portions of the System, including machinery and equipment housed therein, in an amount equal to the insurable value thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged

or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

(B) Public Liability Insurance, with limits of not less than \$500,000 for personal liability to protect the Issuer from claims for bodily injury and/or death and not less than \$200,000 from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured at the commencement of construction of the Project.

(C) Vehicular Public Liability Insurance, in the event the Issuer owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the Issuer is operated for the benefit of the Issuer, with limits of not less than \$500,000 for personal liability to protect the Issuer from claims for bodily injury and/or death and not less than \$200,000 from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle.

(D) Workers' Compensation Coverage for All Employees of the System Eligible Therefor and Performance and Payment Bonds, such bonds to be in the amounts of 100% of the construction contract, will be required of each contractor dealing directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of Grant County prior to commencement of construction of the Project in compliance with Chapter 38, Article 2, Section 39 of the Code of West Virginia, 1931, as amended.

(E) Fidelity Bonds will be provided as to every officer and employee of the Issuer having custody of the Revenue Fund or of any other funds or valuable property of the System in an amount at least equal to the total funds in the custody of any such person at any one time, and initially in the amount required by the Government and to be increased thereafter as necessary to cover the maximum amount of funds under control of that position at any one time.

(F) Flood Insurance will be obtained by the Issuer if available.

(G) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this section, during construction of the Project and so long as the Government holds any of the Bonds, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer, and during such construction will require each prime contractor to carry insurance, of such types and in such amounts as the Government may specify, and with insurance carriers or bonding companies acceptable to the Government.

Section 7.12. No Competing Franchise. To the extent allowable by law, the Issuer will not grant or cause, consent to or allow the granting of any franchise or permit to

any person, firm, corporation or body, or agency or instrumentality for the providing of any services which would compete with services provided by the System.

Section 7.13. Consulting Engineer. The Issuer will retain recognized, qualified independent Consulting Engineers on an annual basis to supervise generally the operation, maintenance and renewal of the System, and to report annually to the Issuer writing their recommendations and comments as to the System. Such annual report of the Consulting Engineers, or a summary thereof, shall be made available at reasonable times to the Government and to any Bondholder requesting the same.

Section 7.14. Contracts. Not later than simultaneously with the delivery of the Bonds, the Issuer shall have entered into written contracts for the immediate acquisition or construction of the Project.

Section 7.15. Statutory Mortgage Lien. For the further protection of the Holders of 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, and shall take effect immediately upon delivery of the Bonds and shall be for the equal benefit of all Holders of the Bonds; provided however, that a statutory mortgage lien in favor of the Holders of the Bonds issued hereunder shall be on a parity with the statutory mortgage lien in favor of the owners of the First Lien Bonds.

Section 7.16. PSC Order. The Issuer shall comply with the conditions of the PSC Order and any supplement or amendment thereto.

Section 7.17. Covenant to Amend Resolution. The Issuer retains the right to make any amendments, insertions or deletions by Supplemental Resolution of this Resolution as the Issuer deems necessary prior to the issuance of the Bonds to meet the requirements of the Government.

Section 7.18. Compensation of the Issuer. The Issuer hereby covenants and agrees that no compensation for policy direction shall be paid to the members of the Public Service Board of the Issuer in excess of the amount permitted by the Act. Payment of any compensation to any such member for policy direction shall not be made if such payment would cause the Net Revenues to fall below the amount required to meet all payments provided for herein and in the Prior Resolutions, nor when there is a default in the performance of or compliance with any covenants or provision hereof or of the Prior Resolutions.

Section 7.19. Funds and Accounts Under Prior Resolutions. The Issuer hereby covenants that all payments into the respective funds and accounts created under the Prior Resolutions will have been made in full as required by the Prior Resolutions prior to the date of delivery of the Bonds.

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.01. Events of Default. A. Each of the following events shall constitute an "Event of Default" with respect to the Bonds.

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

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Bonds set forth in this Resolution, any Supplemental Resolution or the 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 Government, the Depository Bank, the Bond Registrar, any Paying Agent or a Registered Owner of a Bond; or

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

(D) If a default occurs under the Prior Resolutions.

Section 8.02. 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 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 this Resolution relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon 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 at law or bill in equity enjoin any acts in violation of the resolution with respect to the Bonds, or the rights of such Registered Owners.

Section 8.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under this Resolution and the Act, including, after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default, with respect to the Bonds, the Registered Owner shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project, or both, on behalf of the Issuer, with power to charge rates, rentals, fees and other

charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and any interest thereon and the deposits into the funds and accounts herein provided and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Resolution and the Act.

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

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

Such receiver, in the performance of the powers hereinabove conferred upon him, 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 Bonds issued pursuant to this Resolution. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System, for the sole purpose of the protection of both the Issuer and Registered Owners, and the curing and making good of any default under the provisions of this Resolution, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage, or otherwise dispose of any assets of the System.

Section 8.04. Remedies On Parity With First Lien Bonds. The exercise of any remedies set forth in Sections 8.02 and 8.03 above shall recognize and protect the parity rights of the owners of the First Lien Bonds.

ARTICLE IX
INVESTMENTS

Section 9.01. Investments. Any moneys held as a part of the funds and accounts created by this Resolution, other than the Revenue Fund, shall be invested and reinvested by the Depository Bank at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Resolution, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this Section.

Except as specifically provided herein, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, including but not limited to those in the Construction Trust Fund, and used for the purpose of such fund or account. The interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the Owner, including the value of accrued interest and giving effect to the amortization of discount and investments in the "consolidated fund" of the West Virginia Board of Investments shall be valued at par. The Depository Bank shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. Such Depository Bank may make any and all investments permitted by this Section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

Notwithstanding the foregoing, any investments made pursuant to this Resolution shall comply with the guidelines of the Government.

ARTICLE X

MISCELLANEOUS

Section 10.01. Modification or Amendment. Except as provided in Section 7.17, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto that would materially and adversely affect the respective rights of Owners of the Bonds shall be made without the consent in writing of the Owners of 66-2/3 percent or more in principal amount of the Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the Net Revenues of the System without the consent of the respective Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds respectively, required for consent to the above-permitted amendments or modifications.

Section 10.02. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Resolution, any Supplemental Resolution or the Bonds.

Section 10.03. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 10.04. Repeal of Conflicting Resolutions. All resolutions and orders, or parts thereof, in conflict with this Resolution are, to the extent of such conflict, repealed; provided, that no provision of the Government's Form 1942-47 or the Prior Resolutions shall be repealed hereby.

Section 10.05. Covenant of Due Procedure. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the 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 10.06. Satisfaction and Discharge. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then the respective pledges of Net Revenues, and other moneys and

securities pledged under this Resolution, and all covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied. Any payment must comply with the terms of the Letter of Conditions and any Government regulations.

Section 10.07. Effective Date. This Resolution shall take effect immediately upon its adoption.

Adopted this 25th day of February, 1999.

GRANT COUNTY PUBLIC SERVICE
DISTRICT

[SEAL]

Dwight Calhoun
Chairman, Public Service Board

Juanita Lloyd
Member, Public Service Board

Patricia H. Kimmick
Member, Public Service Board

CHASFS3:130140

CERTIFICATION

Certified as a true copy of a Resolution adopted by the Public Service Board
of Grant County Public Service District.

[SEAL]

Patricia H. Kitzmiller
Secretary, Public Service Board

EXHIBIT A

The Project involves the acquisition and construction of the extension of water distribution facilities consisting of approximately 158,000 linear feet of 4 inch and 6 inch water distribution pipe, two (2) 95,000 gallon water storage tanks, three (3) water booster stations, and miscellaneous appurtenances, to provide water service to the areas of Sunrise Heights, North Mill Creek Road, Masonville, Wildcat Road, Scherr, Keplinger Road, Knobley Road, Morgantown Road and Greenland Road. A total of 200 potential users will be serviced by the new water extensions. Treated water is purchased from the City of Petersburg for redistribution.

[Form of Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
GRANT COUNTY PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS,
SERIES 1999

No. R-1

\$1,850,000

Feb. 25, 1999

United States of America
National Finance Office
1520 Market Street
St. Louis, Missouri 63103

FOR VALUE RECEIVED, the GRANT COUNTY PUBLIC SERVICE DISTRICT, a public corporation organized and existing under the laws of, and a political subdivision of, the State of West Virginia, in Grant County, West Virginia (herein called the "Borrower"), promises to pay to the order of the UNITED STATES OF AMERICA (herein called the "Government"), at its National Finance Office, St. Louis, Missouri, or at such other place as the Government may hereafter designate in writing, and in the manner provided below, the principal sum of One Million Eight Hundred Fifty Thousand Dollars (\$1,850,000) or such lesser amount as shall then be reflected on the Record of Advances and Payments attached hereto and incorporated herein by reference, plus interest on the unpaid principal balance at the rate of four and seventy-five one hundredths percent (4.750%) per annum. Notwithstanding any provision of this Bond to the contrary, this Bond shall evidence only the indebtedness reflected as outstanding on the Record of Advances and Payments attached hereto. Interest shall accrue only on the amount of each advance from its actual date as listed on said Record of Advances and Payments and shall cease to accrue on the amount outstanding, or portions thereof, as the same are paid, as reflected by said Record of Advances and Payments.

The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only on the amounts advanced hereunder, commencing thirty days following the date of delivery of this Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and installments of \$8,788 covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided herein below.

ORIGINAL PRINCIPAL AMOUNT OF \$350,000 (THE "SERIES 1976 BONDS"); THE DORCAS PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 1974, DATED JANUARY 7, 1975, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$90,000 (THE "SERIES 1974 BONDS"); AND THE DORCAS PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 1973, DATED SEPTEMBER 21, 1973, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$188,000 (THE "SERIES 1973 BONDS," AND COLLECTIVELY WITH THE SERIES 1990 BONDS, THE SERIES 1984 BONDS, THE SERIES 1976 BONDS AND THE SERIES 1974 BONDS, THE "FIRST LIEN BONDS"). THIS BOND AND THE FIRST LIEN BONDS ARE SENIOR AS TO SOURCE OF SECURITY FOR PAYMENT TO THE GRANT COUNTY PUBLIC SERVICE DISTRICT WATER REVENUE BOND, SERIES 1993, DATED DECEMBER 6, 1993, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$130,000 (THE "SERIES 1993 BONDS") AND THE GRANT COUNTY PUBLIC SERVICE DISTRICT WATER REVENUE BOND, SERIES 1991, DATED AUGUST 6, 1991 ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$600,000 (THE "SERIES 1991 BONDS," AND COLLECTIVELY WITH THE SERIES 1993 BONDS, THE "SECOND LIEN BONDS"). THE FIRST LIEN BONDS AND THE SECOND LIEN BONDS ARE COLLECTIVELY HEREINAFTER REFERRED TO AS THE "PRIOR BONDS."

This Bond is payable only from and secured by a pledge of a first lien on the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, which lien is on a parity as to security and source of payment with the lien of the First Lien Bonds, moneys in the Reserve Account created under the Resolution (the "Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on this Bond, the Prior Bonds, and all bonds which may be issued for the construction, acquisition, improvement, extension or betterment of such System as and when the same become due and payable, and which shall be set aside and remitted to the Government for the Bonds as provided herein and in the Resolution and in the Prior Resolutions. This Bond does not constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provisions or limitations, nor shall said Borrower be obligated to pay the same or the interest hereon except from the Net Revenues derived from the operation of said System, the moneys in the Reserve Account and unexpended Bond proceeds. Pursuant to the Resolution, the Borrower has covenanted and agreed to establish and maintain just and equitable rates or charges for the use of such System and the services rendered thereby, which shall be sufficient to provide for the proper and reasonable expenses of operation, repair and maintenance of said System, and to leave a balance each year equal to at least 110% 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 prior to or on a parity with or subordinate to the Bonds, including, without limitation, the Prior Bonds. The Borrower has entered into certain further covenants with the owner of this Bond for the terms of which reference is made to said Resolution. Remedies provided the owner of this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Resolution, only upon the books of _____, West Virginia (the "Registrar") which shall be kept for that purpose at the office of the Registrar, by the owner or by its attorney or legal representative duly authorized in writing, upon surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar duly executed by the owner or its attorney or legal representative duly authorized in writing.

Subject to registration requirements, 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.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for such purposes and periods of time.

If at any time it so appears to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private creditor at reasonable rates and terms for loans for such purposes and period of time, Borrower will at the Government's request apply for and accept such loan in sufficient amount to repay the Government.

This Bond will be in default should any proceeds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as set forth in Exhibit M of subpart G of Part 1940 of Title 7 of the Code of Federal Regulations, as amended.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts connected with the issuance hereof, as provided by law and the Resolution, shall be applied solely to the costs of acquisition and construction of the Project, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the owner of this Bond.

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

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

IN WITNESS WHEREOF, the Grant County Public Service District has caused this Bond to be signed by its Chairman and its seal to be hereunto impressed and attested by its Secretary, all as of the date first written above.

GRANT COUNTY PUBLIC SERVICE
DISTRICT

By: _____
Its: Chairman

[SEAL]

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Grant County Public Service District Water Revenue Bonds, Series 1999, described in the within-mentioned Resolution and has been duly registered in the name of the United States of America as of the date set forth below.

Date: _____, 1999

as Registrar

By _____
Its Authorized Officer

RECORD OF ADVANCES AND PAYMENTS

Advances

Date	Amount	Initialed By
(1)	\$	
(2)	\$	
(3)	\$	
(4)	\$	
(5)	\$	
(6)	\$	
(7)	\$	
(8)	\$	
(9)	\$	
(10)	\$	

TOTAL: \$ _____

UNITED STATES DEPARTMENT OF
AGRICULTURE, RURAL UTILITIES
SERVICE

By: _____
(Title)

RECORD OF ADVANCES AND PAYMENTS

Payments

Date	Amount	Initialed By
(1)	\$	
(2)	\$	
(3)	\$	
(4)	\$	
(5)	\$	
(6)	\$	
(7)	\$	
(8)	\$	
(9)	\$	
(10)	\$	

TOTAL: \$ _____

UNITED STATES DEPARTMENT OF
AGRICULTURE, RURAL UTILITIES
SERVICE

By: _____
(Title)

[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 said Bond on the books kept for registration thereof with full power of
substitution in the premises.

Dated: _____, ____.

In the presence of:

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO DATE, INTEREST RATE, AND SALE PRICE OF THE GRANT COUNTY PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 1999; DESIGNATING A REGISTRAR AND DEPOSITORY BANK; SETTING FORTH REGISTRATION INFORMATION; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Board") of the Grant County Public Service District (the "District") has duly and officially adopted a Bond and Line of Credit Resolution, on February 25, 1999 (the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING WATERWORKS FACILITY OF THE GRANT COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF, THROUGH THE ISSUANCE BY THE DISTRICT OF \$1,850,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 1999 AND THE SALE THEREOF TO THE UNITED STATES DEPARTMENT OF AGRICULTURE, RURAL UTILITIES SERVICE; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Resolution provides for the issuance of Water Revenue Bonds (the "Bonds") of the District in an aggregate principal amount not to exceed \$1,850,000 and the sale thereof to the United States Department of Agriculture, Rural Utilities Service ("RUS"), all in accordance with Chapter 16, Article 13A, of the Code of West Virginia, 1931, as amended (the "Act"), and the Resolution, and it is provided that the interest rates and sale price of the Bonds would be established by a supplemental resolution and that other matters relating to the Bonds be herein provided for;

WHEREAS, RUS proposes to purchase the Bonds;

WHEREAS, the Board of the District deems it essential and desirable that this resolution (the "Supplemental Resolution"), be adopted and that the price of and the interest rate on the Bonds be fixed hereby in the manner stated herein; and that other matters relating to the Bonds be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE GRANT COUNTY PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Resolution and the Act, this Supplemental Resolution is adopted and there is hereby authorized and ordered to be issued the Grant County Public Service District Water Revenue Bonds, Series 1999, in the aggregate principal amount of \$1,850,000, and the sale thereof to RUS. The Bonds shall be in the form of one Bond, shall be dated the date of delivery, shall mature forty years from the date thereof, shall be numbered R-1 and the principal amount advanced under the Bonds shall bear interest at the rate of four and seventy-five one hundredths per centum (4.75%) per annum. Monthly installments of interest on amounts advanced thereunder as shown on the record of advances and payments attached to the Bonds are payable beginning on the day which is one month following the date the Bonds were issued and continuing on the corresponding day of each month for the first twenty-four months after the date of delivery of the Bonds. At the end of this twenty-four month period, monthly installments of principal and interest in the amount of \$8,788 are payable on the corresponding day of each month, except that the final installment shall be paid no later than forty years from the date of delivery of the Bond in the sum of the unpaid principal and interest due on that date. The Bonds are subject to prepayment as set forth in the Resolution.

Section 2. All other provisions relating to the Bonds shall be as provided in the Resolution and the Bonds shall be in substantially the form provided in the Resolution with such changes, insertions and omissions as may be approved by the Board of the District. The execution of the Bonds by the Chairman shall be conclusive evidence of such approval.

Section 3. The District hereby approves and accepts the offer of RUS to purchase the Bonds. The execution and delivery by the Chairman and Secretary of the Bonds, and the performance of the obligations contained therein, on behalf of the District are hereby authorized, approved and directed. The price of the Bonds shall be One Million Eight Hundred Fifty Thousand Dollars (\$1,850,000) (100% of par value). At least One Hundred Seventy-Five Thousand Dollars (\$175,000) will be advanced on the date of Closing and the remaining purchase price will be advanced to the District as needed to pay the Costs of the Project.

Section 4. All principal and interest payments on the Bonds will be paid to the order of the United States of America on behalf of the United States Department of Agriculture at its National Finance Office, 1520 Market Street, St. Louis, Missouri 63103.

Section 5. The Bonds shall be issued as a fully registered Bond, both as to principal and interest, and shall be registered to the United States of America on behalf of the United States Department of Agriculture, Rural Utilities Service, 75 High Street, Morgantown, West Virginia 26505.

Section 6. The District hereby appoints and designates Potomac Valley Bank, Petersburg, West Virginia, as the Depository Bank, as provided in the Resolution.

Section 7. The District hereby appoints and designates Potomac Valley Bank, Petersburg, West Virginia, as Registrar for the Bonds as provided in the Resolution.

Section 8. The Chairman and the Secretary are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Resolution and the RUS financing.

Section 9. The financing of the Project by the Bonds is in the public interest, serves a public purpose of the District and will promote the health, welfare and safety of the residents of the District.

Section 10. It is anticipated that the Bonds will be delivered on or about March 4, 1999.

Section 11. This Supplemental Resolution shall be effective immediately upon adoption.

Dated: February 25, 1999

Dwight Calhoun
Chairman

[SEAL]

Patricia H. Kitzmiller
Secretary

CHASFS3:130175

CERTIFICATION

Certified as a true copy of a Supplemental Resolution adopted by the Public Service Board of Grant County Public Service District.

[SEAL]

Patricia H. Kimmick
Secretary, Public Service Board

GRANT COUNTY PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 1993; and
Water Revenue Bonds, Series 1999
(United States Department of Agriculture)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING FOR THE ESTABLISHMENT OF RESERVE ACCOUNTS FOR THE SERIES 1993 BONDS AND SERIES 1999 BONDS, TRANSFER OF FUNDS ACCORDINGLY, AND AMENDMENT OF PRIOR RESOLUTIONS TO EFFECT SUCH TRANSFER AND MODIFICATION THEREOF

WHEREAS, the Series 1993 Bonds Reserve Account has been created and established by a Resolution adopted by the Grant County Public Service District on December 6, 1993 (the Series 1993 Bond Legislation).

WHEREAS, the Series 1993 Bonds, are secured by the Series 1993 Bonds Reserve Fund pledged for the payment of principal of and interest on the Series 1993 Bonds, which account is, pursuant to the Series 1993 Bond Legislation, held by the Depository Bank;

WHEREAS, the Reserve Requirement for the Series 1993 Bonds is \$7,668.

WHEREAS, the Issuer desires to transfer the monies in the Series 1993 A Bonds Reserve Fund at the Depository Bank to the Municipal Bond Commission (the "Commission");

WHEREAS, the Series 1999 Bonds Reserve Account has been created and established by a Resolution adopted by the Grant County Public Service District on February 25, 1999 (the Series 1999 Bond Legislation).

WHEREAS, the Series 1999 Bonds, are secured by the Series 1999 Bonds Reserve Fund pledged for the payment of principal of and interest on the Series 1999 Bonds, which account is, pursuant to the Series 1999 Bond Legislation, held by the Depository Bank;

WHEREAS, the Reserve Requirement for the Series 1999 Bonds is \$105,456.

WHEREAS, the Issuer desires to transfer the monies in the Series 1999 A Bonds Reserve Fund at the Depository Bank to the Commission.

WHEREAS, the Grant County Public Service District has outstanding:

(i) Water Revenue Bonds, Series 1993 (United States Department of Agriculture), dated December 6, 1993, issued in the original aggregate principal amount of \$130,000 (the "Series 1993 Bonds");

(ii) Water Revenue Bonds, Series 1999 (United States Department of Agriculture), dated February 25, 1999, issued in the original aggregate principal amount of \$1,850,000 (the "Series 1999 Bonds");

(iii) Water Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), dated July 28, 2005, issued in the original aggregate principal amount of \$1,833,369 (the "Series 2005 A Bonds");

(iv) Water Revenue Bonds, Series 2008 A (United States Department of Agriculture), dated March 27, 2008, issued in the original aggregate principal amount of \$500,000 (the "Series 2008 A Bonds");

(v) Water Revenue Bonds, Series 2011 A (West Virginia Infrastructure Fund), dated March 22, 2011, issued in the original aggregate principal amount of \$328,300 (the "Series 2011 A Bonds"); and

(vi) Water Revenue Bonds, Series 2011 B (West Virginia Infrastructure Fund), dated March 22, 2011, issued in the original aggregate principal amount of \$115,000 (the "Series 2011 B Bonds"), (collectively, the "Prior Bonds").

WHEREAS, the Bond Resolutions authorizing the Prior Bonds are collectively known as the Prior Resolutions.

WHEREAS, the Issuer deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted,

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

Section 1. A. 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 1993 Bonds Reserve Account.; and
- (2) Series 1999 Bonds Reserve Account.

B. System Revenues; Flow of Funds. 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 Supplemental Resolution and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. All monies at any time on deposit in the Revenue Fund shall be disposed of only in the following order of priority:

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

(2) The Issuer shall next, on the first of each month, transfer from the Revenue Account and simultaneously remit to (i) the National Finance Office the amount required by Prior Resolutions to pay interest on the Series 1993 Bonds, Series 1999 Bonds and Series 2008 A Bonds; (ii) the Commission the amount required by Prior Resolutions to pay interest on the Series 2011 A Bonds and Series 2011 B Bonds; (iii) the Commission, the amounts required to pay the interest on the Series 2016 A Bonds; (iv) the Commission, the amounts required to pay the interest on the Series 2016 B Bonds; and (v) the Commission, the amounts required to pay the interest on the Series 2016 C Bonds.

(3) The Issuer shall next, on the first of each month, transfer from the Revenue Account and simultaneously remit to (i) the National Finance Office the amount required by Prior Resolutions to pay principal of the Series 1993 Bonds, Series 1999 Bonds and Series 2008 A Bonds; (ii) the Commission the amount required by Prior Resolutions to pay principal of the Series 2005 A Bonds, Series 2011 A Bonds and Series 2011 B Bonds; (iii) the Commission, the amounts required to pay principal of the Series 2016 A Bonds; (iv) the Commission, the amounts required to pay the principal of the Series 2016 B Bonds; and (v) the Commission, the amounts required to pay principal of the Series 2016 C Bonds.

(4) The Issuer shall next, on the first of each month, transfer from the Revenue Account and simultaneously remit to the Commission the amount required for deposit into the respective Reserve Accounts for the Prior Bonds.

(5) The Issuer shall next, on the first day of each month, from the monies remaining in the Revenue Fund, transfer to the Renewal and Replacement Fund, a sum equal to 2.5% of the Gross Revenues each month (as previously set forth in the Prior Resolutions and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the

Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

C. 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.

D. The Commission is designated as the Fiscal Agent for the administration of the Series 1993 Bonds Reserve Account as herein provided, and all amounts required for the Series 1993 Bonds Reserve Account will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein. If required by the Purchaser at anytime, the Issuer shall make the necessary arrangements whereby required payments into said account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

The Commission is designated as the Fiscal Agent for the administration of the Series 1999 Bonds Reserve Account as herein provided, and all amounts required for the Series 1999 Bonds Reserve Account will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein. If required by the Purchaser at anytime, the Issuer shall make the necessary arrangements whereby required payments into said account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

E. Moneys in the Series 1993 Bonds Reserve Account and the Series 1999 Bonds Reserve Account shall be invested by the Commission in the West Virginia Consolidated Fund.

F. Earnings from moneys in Series 1993 Bonds Reserve Account and Series 1999 Bonds Reserve Account so long as the amounts required by Prior Resolutions for each reserve account are on deposit in such account and maintained therein, shall be returned not less than once each year, by the Commission to the Issuer, to be deposited in the Revenue Fund.

G. The Issuer shall remit from the Revenue Fund to the Commission such additional sums as shall be necessary to pay the charges and fees of the Commission then due.

H. All remittances made by the Issuer to the Commission or the Depository Bank shall clearly identify the fund or account into which each amount is to be deposited.

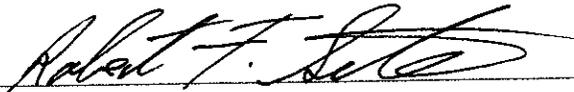
Section 2. Transfer of Funds. An amount of \$113,124 shall be transferred by check from the Depository Bank to the Commission.

[Remainder of Page Intentionally Blank]

Section 3. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 9th day of June, 2016.

GRANT COUNTY PUBLIC SERVICE DISTRICT



Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Board
of the Grant County Public Service District on the 9th day of June, 2016

[SEAL]


Secretary