

**GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2007 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)**

DATE OF CLOSING: SEPTEMBER 26, 2007

BOND TRANSCRIPT

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GLEN WHITE TRAP HILL PUBLIC SERVICE DISTRICT

**Water Revenue Bonds, Series 2007 A
(United States Department of Agriculture)**

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Closing Date: September 26, 2007

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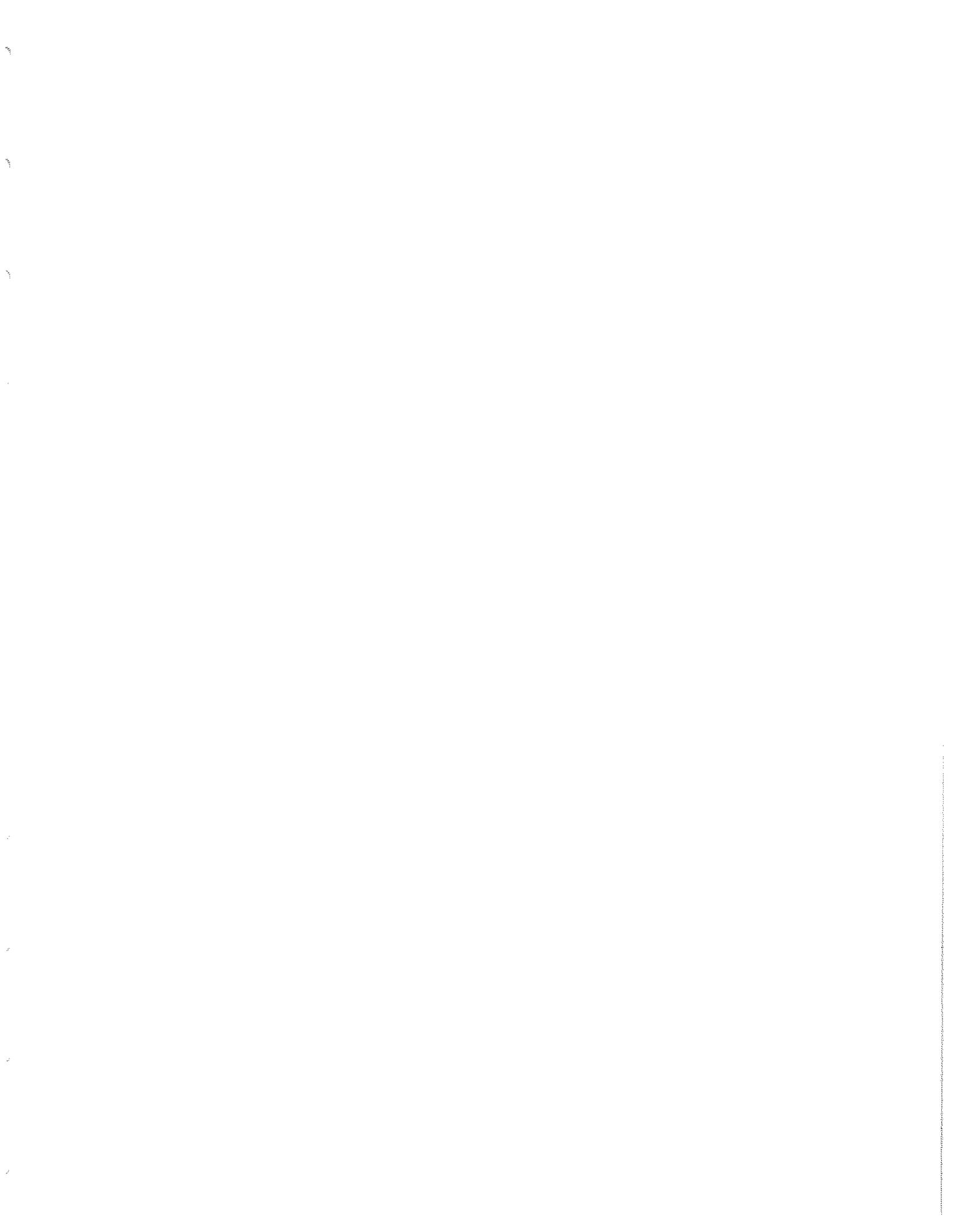
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333370.00001



GLEN WHITE TRAP HILL PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2007 A
(United States Department of Agriculture)

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GLEN WHITE TRAP HILL PUBLIC SERVICE DISTRICT
BOND RESOLUTION

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC SERVICE PROPERTIES CONSISTING OF ADDITIONS, IMPROVEMENTS AND EXTENSIONS TO THE EXISTING WATERWORKS SYSTEM OF GLEN WHITE TRAP HILL PUBLIC SERVICE DISTRICT, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$2,249,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2007 A (UNITED STATES DEPARTMENT OF AGRICULTURE); DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT

BE IT RESOLVED AND ORDERED BY THE PUBLIC SERVICE BOARD OF GLEN WHITE TRAP HILL PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS
AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. Glen White Trap Hill Public Service District (the "Issuer") is a public corporation, public service district and political subdivision of the State of West Virginia in Raleigh County of said State, duly created pursuant to the Act by The County Commission of Raleigh County.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

A. The Issuer currently owns and operates a public waterworks system and desires to finance and acquire, construct, operate and maintain certain additional public service properties consisting of additions, improvements and extensions to such existing waterworks facilities with all appurtenant facilities, within the boundaries of the Issuer to be owned and operated by the Issuer.

B. It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer, and, accordingly, it is hereby ordered, that there be acquired and constructed certain additions, improvements and extensions to the existing waterworks facilities of the Issuer, consisting of consisting of (i) a small line extension which will serve about twenty-eight potential new customers in the community of Lilly Mountain and will also enable the Issuer to serve the area to the east of Lake Stephens and (ii) construction of a new storage tank, pressure control system and associated facilities project that will also provide improved service to the existing recreational facilities located on the western side of Lake Stephens, together with all necessary appurtenant facilities (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Secretary of the Public Service Board (the "Governing Body") of the Issuer. The existing waterworks facilities of the Issuer, together with the Project and any further additions, improvements or extensions thereto, are herein called the "System." The acquisition and construction of the Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

C. The estimated revenues to be derived in each year from the operation of the System after completion of the Project will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Bonds (hereinafter defined) and all funds and accounts and other payments provided for herein.

D. The estimated maximum cost of the acquisition and construction of the Project is \$3,749,000 of which \$2,249,000 will be obtained from the proceeds of sale of the Series 2007 A Bonds, herein authorized; and \$1,500,000 as a grant from the Purchaser.

E. It is necessary for the Issuer to issue its Water Revenue Bonds, Series 2007 A (United States Department of Agriculture), in the aggregate principal amount of \$2,249,000 (the "Series 2007 A Bonds"), to finance a portion of the cost of such acquisition and construction in the manner hereinafter provided. The cost of such acquisition and construction shall be deemed to include, without being limited to, the acquisition and construction of the Project; the cost of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; interest on the Series 2007 A Bonds prior to, during and for six months after completion of such acquisition and construction of the improvements and extensions; engineering, fiscal agents and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility

or practicability of the Project, administrative expense, and such other expenses as may be necessary or incident to the financing herein authorized, and the acquisition and construction of the properties and the placement of same in operation; provided that, reimbursement to the Issuer for any amounts expended by it for the repayment of indebtedness incurred for costs of the Project by the Issuer shall be deemed costs of the Project.

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

G. There are outstanding obligations of the Issuer which will rank senior and prior to the Series 2007 A Bonds as to liens, pledge and source of and security for payment, being the Issuer's: (i) Water Revenue Bonds, Series 1974, dated June 26, 1974, issued in the original aggregate principal amount of \$830,000 (the "Series 1974 Bonds") and (ii) Water Revenue Bonds, Series 1975 B, dated August 5, 1975, issued in the original aggregate principal amount of \$425,000 (the "Series 1975 Bonds" and together with the Series 1974 Bonds, the "Prior Bonds") both are currently held by General Motors Acceptance Corporation. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which rank prior to or on a parity with the Series 2007 A Bonds as to liens, pledge and/or source of and security for payment.

The Series 2007 A Bonds shall be issued junior and subordinate to the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer is in compliance with the covenants of the Prior Bonds and the Prior Resolution.

H. It is in the best interest of the Issuer that the Series 2007 A Bonds be sold to the Purchaser, pursuant to the terms and provisions of the Letters of Conditions, dated April 19, 2002, and all amendments thereto, if any (collectively, the "Letter of Conditions").

I. The Issuer has complied with all requirements of law relating to the authorization of the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2007 A Bonds, or will have so complied prior to issuance of the Series 2007 A Bonds, including, among other things and without limitation, obtaining a certificate of public convenience and necessity and approval of the financing and necessary user rates and charges from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired or shall have been duly waived or otherwise provided for.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2007 A Bonds by those who shall be the Registered Owner of the same from time to time, this Resolution (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner, and the

covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Series 2007 A Bonds.

Section 1.04. Definitions. In addition to capitalized terms defined elsewhere herein, the following terms shall have the following meanings herein unless the text otherwise expressly requires:

“Act” means Chapter 16, Article 13A of the West Virginia Code of 1931, as amended.

“Bond Legislation” means this Resolution and all resolutions supplemental hereto and amendatory hereof.

“Bond Registrar” means the Issuer, which shall usually so act by its Secretary.

“Bonds” means, collectively, the Series 2007 A Bonds and the Prior Bonds.

“Chairman” means the Chairman of the Governing Body.

“Closing Date” means the date upon which there is an exchange of the Series 2007 A Bonds for all or a portion of the proceeds of the Series 2007 A Bonds from the Purchaser.

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

“Consulting Engineer” means Pentree, Incorporated, Princeton, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

“Costs” or “Costs of the Project” means those costs described in Section 1.02 (F) hereof.

“Depository Bank” means City National Bank, Beckley, Raleigh County, West Virginia, a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns.

“Depreciation Reserve” means the Depreciation Reserve established by Prior Resolutions.

“Facilities” or “waterworks facilities” means all the tangible properties of the System and also any tangible properties which may hereafter be added to the System by

additions, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

“FDIC” means the Federal Deposit Insurance Corporation.

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

“Governing Body” means the Public Service Board of the Issuer.

“Government Obligations” means direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America.

“Grants” means, collectively, all grants committed for the Project.

“Herein” or “herein” means in this Bond Legislation.

“Issuer,” “Borrower” or “District” means Glen White Trap Hill Public Service District, a public service district, a public corporation and a political subdivision of the State of West Virginia, in Raleigh County, West Virginia, and includes the Governing Body.

“Letter of Conditions” means, collectively, the Letter of Conditions of the Purchaser dated April 19, 2002, and all amendments thereto, if any.

“Minimum Reserve” means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2007 A Bonds in the then current or any succeeding year.

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

“Operating Expenses” means the current expenses, paid or accrued, of operation and maintenance of the Project and the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the Project and the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting principles and retention of a sum not to exceed one-sixth of the budgeted Operating Expenses stated above for the current year as working capital, and language herein requiring payment of Operating Expenses means also retention of not to exceed such sum as working capital; provided that, all monthly amortization payments upon the Bonds and into all funds and accounts have been made to the last monthly payment date prior to the date of such retention.

“Operation and Maintenance Fund” means the Operation and Maintenance Fund established by Prior Resolutions.

“Prior Bonds” means, collectively, the Series 1974 Bonds and Series 1975 B Bonds.

“Prior Resolution” means, collectively, the resolutions of the Issuer, respectively, adopted authorizing the issuance of the Prior Bonds.

“Project” shall have the meaning stated in Section 1.02B above.

“Purchaser” or “Government” means United States Department of Agriculture, Rural Utilities Service, and any successor thereof, acting for and on behalf of the United States of America.

“Qualified Investments” means and includes any of the following, to the extent such investments are permitted by law:

(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 (hereinbefore defined) or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

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

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

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

“Registered Owners,” “Bondholders,” “Holders of the Bonds” or any similar term means any person who shall be the registered owner of the Bonds.

“Reserve Accounts” means, collectively, the reserve account established for the Series 2007 A Bonds and the Prior Bonds.

“Reserve Fund” means the Reserve Fund established by Prior Resolutions for the Prior Bonds.

“Reserve Requirements” means, collectively, the respective amounts required to be on deposit in the Reserve Accounts.

“Resolutions” means, collectively, the Prior Resolutions and the Bond Legislation.

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

“Revenues” or “Gross Revenues” means all rates, rents, fees, charges or other income received by the Issuer, or accrued to the Issuer, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System, and all parts thereof, all as calculated in accordance with sound accounting practices.

“Secretary” means the Secretary of the Governing Body.

“Series 1974 Bonds” means the Issuer’s Water Revenue Bonds, Series 1974 (General Motors Acceptance Corporation), dated June 26, 1974, issued in the original aggregate principal amount of \$830,000.

“Series 1975 B Bonds” means the Issuer’s Water Bonds, Series 1975 B (General Motors Acceptance Corporation), dated August 5, 1975, issued in the original aggregate principal amount of \$425,000.

“Series 2007 A Bonds” means the Water Revenue Bonds, Series 2007 A (United States Department of Agriculture), authorized hereby to be issued pursuant to this Bond Legislation.

“Series 2007 A Bonds Project Construction Account” means the Series 2007 A Bonds Project Construction Account established by Section 4.01 hereof.

“Series 2007 A Bonds Reserve Account” means the Series 2007 A Bonds Reserve Account established by Section 4.01 hereof.

"Series 2007 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2007 A Bonds in the then current or any succeeding year.

"System" means the complete public waterworks system of the Issuer, presently existing in its entirety or any integral part thereof, and shall include the Project and any improvements and extensions thereto hereafter acquired or constructed for the System from any sources whatsoever.

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

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

ARTICLE II

AUTHORIZATION OF
ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Payment of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of \$3,749,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions of the Bond Legislation, the Series 2007 A Bonds of the Issuer, to be known as "Water Revenue Bonds, Series 2007 A" (United States Department of Agriculture), are hereby authorized to be issued in the aggregate principal amount of \$2,249,000, for the purpose of financing the cost of the acquisition and construction of the Project.

Section 3.02. Description of Bonds. The Series 2007 A Bonds shall be issued in single form, numbered AR-1, only as a fully registered Bond, and shall be dated the date of delivery thereof. The Series 2007 A Bonds shall bear interest from the date of delivery, payable monthly at the rate of 4.25% per annum, and shall be sold for the par value thereof.

The Series 2007 A Bonds shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the respective Bond forms hereinafter set forth.

Section 3.03. Negotiability, Registration, Transfer and Exchange of Bonds. The Series 2007 A Bonds shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but the Series 2007 A Bonds, and the right to principal of and stated interest on the Series 2007 A Bonds, may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.04 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Series 2007 A Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Bond Registrar.

Whenever the Series 2007 A Bonds shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Bond Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, but the Issuer shall pay any other expenses incurred by the Bond Registrar with respect to such transfer.

No registration of transfer of the Series 2007 A Bonds shall be permitted to be made after the 15th day next preceding any installment payment date on the Series 2007 A Bonds.

Section 3.04. Bond Registrar. The Issuer shall be the Bond Registrar and will keep, or cause to be kept by its agent, at its office, sufficient books for the registration and transfer of the Series 2007 A Bonds, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Series 2007 A Bonds initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Series 2007 A Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2007 A Bonds for registration or transfer only if ownership thereof is to be registered in the name of the Purchaser, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust and/or such other identifying number and information as may be required by law. The Series 2007 A Bonds shall initially be fully registered as to both principal and interest in the name of the United States of America. So long as the Series 2007 A Bonds shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be National Finance Office, St. Louis, Missouri 63103, or such other address as shall be stated in writing to the Issuer by the United States of America.

Section 3.05. Execution of Bonds. The Series 2007 A Bonds shall be executed in the name of the Issuer by the Chairman and its corporate seal shall be affixed thereto and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 2007 A Bonds shall cease to be such officer of the Issuer before the Series 2007 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. The Series 2007 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 2007 A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bonds or in lieu of and substitution for the Bonds destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Series 2007 A Bonds so surrendered shall be canceled and held for the account of the Issuer. If the Series 2007 A Bonds shall have matured or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, and, if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 2007 A Bonds shall be secured by a second lien on the Net Revenues derived from the System, junior and subordinate to the lien on such Net Revenues in favor of the Registered Owner of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 2007 A Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.08. Form of Bond. Subject to the provisions hereof, the text of the Series 2007 A Bonds and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or by any resolution adopted after the date of adoption hereof and prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
GLEN WHITE TRAP HILL PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2007 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$2,249,000

No. AR-1

Date: _____

FOR VALUE RECEIVED, GLEN WHITE TRAP HILL PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of TWO MILLION TWO HUNDRED FORTY NINE THOUSAND DOLLARS (\$2,249,000), plus interest on the unpaid principal balance at the rate of 4.25% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and \$9,964, 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 hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

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

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of additions, extensions and improvements to the waterworks system (the "System") of the Borrower, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Resolutions and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized

denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions 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, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13A of the West Virginia Code, as amended (the "Act"), and a Resolution of the Borrower duly adopted _____, 2007, authorizing issuance of this Bond (the "Resolution").

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

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S (I) WATER REVENUE BONDS, SERIES 1974 (GENERAL MOTORS ACCEPTANCE CORPORATION), DATED JUNE 26, 1974, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$830,000 (THE "SERIES 1974 BONDS"); AND (II) WATER REVENUE BONDS, SERIES 1975 B (GENERAL MOTORS ACCEPTANCE CORPORATION), DATED AUGUST 5, 1975 ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$425,000 (THE "SERIES 1975 B BONDS" AND TOGETHER WITH THE SERIES 1974 BONDS, THE "PRIOR BONDS").

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

IN WITNESS WHEREOF, GLEN WHITE TRAP HILL PUBLIC SERVICE DISTRICT has caused this Bond to be executed by its Chairman and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Secretary, all as of the date hereinabove written.

GLEN WHITE TRAP HILL PUBLIC SERVICE DISTRICT

[CORPORATE SEAL]

Chairman

ATTEST:

Secretary

(Form of)

RECORD OF ADVANCES

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

TOTAL \$ _____

(Form of Assignment)

ASSIGNMENT

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

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

Dated: _____, 20____.

In the presence of:

ARTICLE IV

SYSTEM REVENUES AND APPLICATION THEREOF; DISPOSITION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01. A. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created with and shall be held by the Depository Bank, separate and apart from all other funds or accounts of the Depository Bank and from each other:

- (1) Series 2007 A Bonds Project Construction Account;
- (2) Operation and Maintenance Fund (established by Prior Resolutions);
- (3) Revenue Fund (established by Prior Resolutions);
- (4) Depreciation Reserve (established by Prior Resolutions and hereby continued); and
- (5) Reserve Fund (established by Prior Resolution and hereby continued).

B. Establishment of Funds and Accounts with Commission. The following special funds or accounts are created with and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission and from each other:

- (1) Series 2007 A Bonds Reserve Account.

Section 4.02. Bond Proceeds; Project Construction Account. The proceeds of the sale of the Series 2007 A Bonds shall be deposited upon receipt by the Issuer in the Series 2007 A Bonds Project Construction Account. The monies in the Series 2007 A Bonds Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by the Depository Bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Monies in the Series 2007 A Bonds Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Monies in the Series 2007 A Bonds Project Construction Account shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Purchaser.

Until completion of acquisition and construction of the Project, the Issuer will additionally transfer from the Series 2007 A Bonds Project Construction Account and pay to the Purchaser on or before the due date, such sums as shall be from time to time required to

make the monthly installments on the Series 2007 A Bonds if there are not sufficient Net Revenues to make such monthly payment.

Pending application as provided in this Section 4.02, money and funds in the Series 2007 A Bonds Project Construction Account shall be invested and reinvested at the direction of the Issuer, to the extent possible in accordance with applicable law, in Qualified Investments.

When acquisition and construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Series 2007 A Bonds Project Construction Account shall be disposed of in accordance with the regulations of the Purchaser.

Section 4.03. Covenants of the Issuer as to System Revenues and Funds. So long as any of the Series 2007 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2007 A Bonds Reserve Account, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2007 A Bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the Holders of the Series 2007 A Bonds as follows:

A. **REVENUE FUND.** The entire Gross Revenues derived from the operation of the System, and all parts thereof, and all Tap Fees received, shall be deposited as collected by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Resolutions and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in the Resolutions.

B. **DISPOSITION OF REVENUES.** All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority, subject to the provisions of the Prior Resolutions not otherwise modified herein:

(1) The Issuer shall first, each month, pay from the Revenue Fund to the Operation and Maintenance Fund the Operating Expenses of the System.

(2) The Issuer shall next, each month, on or before the due date thereof, transfer from the Revenue Fund and remit to the Holder of the Prior Bonds the amount required by the Prior Resolutions to pay the interest, if any, on the Prior Bonds.

(3) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Holder of the Prior Bonds the

amount required by Prior Resolution to pay the principal of the Prior Bonds.

(4) The Issuer shall next, by the fifteenth day of each month, transfer from the Revenue Fund and remit to the Depository Bank the amounts required by the Prior Resolutions to be deposited in the Reserve Accounts for the Prior Bonds.

(5) The Issuer shall next, by the fifteenth day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Depreciation Reserve the amounts required by Prior Resolutions until there has been accumulated the aggregate sum of \$80,000 and thereafter such sums as shall be required to maintain such amount therein. Moneys in the Depreciation Reserve shall be used first to make up any deficiencies for monthly payments of principal of and interest on the Prior Bonds as the same shall become due, and next to restore the Reserve Fund any sum or sums transferred therefrom. Thereafter, and provided that payments into the Reserve Fund are current, moneys in the Depreciation Reserve may be withdrawn by the issuer and used for repairs, replacements and equipment and improvements on the System, or any part thereof.

(6) The Issuer shall next, each month, on or before the due date thereof, transfer from the Revenue Fund and remit to the National Finance Office the amount required to pay interest on the Series 2007 A Bonds.

(7) The Issuer shall next, each month, transfer from the Revenue Fund and on or before the due date thereof, remit to the National Finance Office, commencing 24 months following the date of delivery of the Series 2007 A Bonds, the amount required to amortize the principal of the Series 2007 A Bonds over the life of the bond.

(8) The Issuer shall next, beginning on the date specified by the purchaser, but in any event not later than the 24th monthly anniversary of the Closing Date, and continuing on each monthly anniversary of the Closing Date thereafter, transfer from the Revenue Fund and remit to the Commission, for deposit in the Series 2007 A Bonds Reserve Account, an amount equal to 10% of the monthly payment amount, until the amount in the Series 2007 A Bonds Reserve Account equals the Series 2007 A Bonds

Reserve Requirement; provided that, no further payments shall be made into the Series 2007 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2007 A Bonds Reserve Requirement.

Whenever the money in the Series 2007 A Bonds Reserve Account shall be sufficient to prepay the Series 2007 A Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2007 A Bonds at the earliest practical date and in accordance with applicable provisions hereof.

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 2007 A Bonds Reserve Account. All amounts required for the Series 2007 A Bonds Reserve Account will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such fund.

The Revenue Fund shall constitute a Trust Fund and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 2007 A Bonds and the interest thereon, junior and subordinate to the Prior Bonds.

The Series 2007 A Bonds Reserve Account shall constitute a trust fund and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 2007 A Bonds and the interest thereon.

If on any payment date the Revenues are insufficient to make the payments and transfers as hereinabove provided, the deficiency shall be made up in the subsequent payments and transfers in addition to those which would otherwise be required to be made on the subsequent payment dates.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a junior and subordinate basis, with respect to the Prior Bonds.

Subject to the Prior Resolutions, the Commission shall keep the monies in the Series 2007 A Bonds Reserve Account invested and reinvested to the fullest extent possible in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Bond

Legislation shall, unless otherwise provided herein or required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia Board of Treasury Investments. Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Earnings from monies in the Series 2007 A Bonds Reserve Account, so long as the Minimum Reserve is on deposit and maintained therein, shall be paid annually by the Commission to the Issuer and deposited in the Revenue Fund.

C. CHANGE OF DEPOSITORY BANK. The Issuer may designate another bank or trust company insured by FDIC as Depository Bank if the Depository Bank should cease for any reason to serve or if the Governing Body determines by resolution that the Depository Bank or its successor should no longer serve as Depository Bank. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchaser.

D. USER CONTRACTS. The Issuer shall, prior to delivery of the Series 2007 A Bonds, provide evidence that there will be at least 1,861 bona fide users upon the System on completion, in full compliance with the requirements and conditions of the Purchaser.

E. CHARGES AND FEES. The Issuer shall remit from the Revenue Fund to the Depository Bank and the Commission such additional sums as shall be necessary to pay the charges and fees of the Depository Bank or the Commission then due.

F. INVESTMENT OF EXCESS BALANCES. The monies in excess of the sum insured by FDIC in any of such funds or accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State of West Virginia.

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

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

ARTICLE V

GENERAL COVENANTS, ETC.

Section 5.01. General Statement. So long as the Series 2007 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2007 A Bonds Reserve Account, sums sufficient to prepay the entire principal of the Series 2007 A Bonds remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Holder of the Series 2007 A Bonds.

Section 5.02. Rates. So long as the Prior Bonds are outstanding, the Issuer will maintain rates as required in the Prior Resolutions. When the Prior Bonds are no longer outstanding, the Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the annual debt service on the Series 2007 A Bonds and the Prior Bonds and sufficient to make the payments required herein into all funds and accounts and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes.

Section 5.03. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System or any part thereof, except as provided in the Prior Resolutions. The System will not be sold without the prior written consent of the Purchaser so long as the Series 2007 A Bonds are outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 5.04. Issuance of Additional Parity Bonds or Obligations. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolution shall be applicable.

In addition, no Parity Bonds or obligations payable out of any of the Revenues of the System shall be issued after the issuance of the Series 2007 A Bonds pursuant to this Bond Legislation without the prior written consent of the Purchaser and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Resolution).

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2007 A Bonds.

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

So long as the Series 2007 A Bonds are Outstanding, no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

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

The foregoing limitation may be waived or modified by the written consent of the Holders of the Series 2007 A Bonds, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing limitation is waived or when the Series 2007 A Bonds are no longer outstanding, the following parity requirement shall be met:

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 2007 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2007 A Bonds.

No Parity Bonds shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Bond Legislation with

respect to the Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of delivery of the Parity Bonds, and the Issuer then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

Section 5.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Series 2007 A Bonds remain outstanding, 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 upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground structures of the System and mechanical and electrical equipment in place or stored on the site in an amount equal to the full 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 one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than \$200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Series 2007 A Bonds.

(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 at any time or times for the benefit of the Issuer, with limits of not less than \$500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than \$200,000 to protect the Issuer 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 for the Issuer.

(d) Workers' Compensation Coverage for All Employees of the District Eligible Therefor and Performance and Payment Bonds, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds have been or will be filed with the Clerk of the County Commission of said County prior to commencement of construction of the Project in compliance with West Virginia Code Section 38-2-39. Workers' compensation coverage shall be maintained as required by the laws of the State of West Virginia.

(e) Flood Insurance to be procured, to the extent available at reasonable cost to the Issuer; however, if the System is located in a community which has been notified as having special flood or mudslide prone areas, flood insurance must be obtained.

(f) Fidelity Bonds will be provided as to every member of the Governing Body and as to every officer and employee thereof having custody of the Revenue Fund or of any revenues or other funds of the Issuer in such amount as may be requested by the Purchaser from time to time.

(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 Series 2007 A Bonds are outstanding, 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 contractor and subcontractor to carry insurance, of such types and in such amounts as the Purchaser may specify, with insurance carriers or bonding companies acceptable to the Purchaser.

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holder of the Series 2007 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, and shall be junior and subordinate to the statutory mortgage lien in favor of the Holders of the Prior Bonds, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Series 2007 A Bonds.

Section 5.07. Events of Default. Each of the following events is hereby declared an “Event of Default”:

(a) Failure to make payment of any monthly amortization installment upon the Series 2007 A Bonds at the date specified for payment thereof;

(b) Failure to duly and punctually observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Series 2007 A Bonds or herein, or violation of or failure to observe any provision of any pertinent law; and

(c) If a default occurs with respect to the Prior Bonds or the Prior Resolutions.

Section 5.08. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Purchaser may proceed to protect and enforce its rights by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement, or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights.

Upon application by the Purchaser, such court may, upon proof of such default, appoint a receiver for the affairs of the Issuer and the System. The receiver so appointed shall administer the System on behalf of the Issuer, shall exercise all the rights and powers of the Issuer with respect to the System, shall proceed under the direction of the court to obtain authorization to increase rates and charges of the System, and shall have the power to collect and receive all revenues and apply the same in such manner as the court may direct; provided that, all rights and remedies of the Holders of the Prior Bonds shall be on a parity with the Series 2007 A Bonds.

Section 5.09. Fiscal Year; Budget. While the Series 2007 A 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 the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

If for any reason the Issuer shall not have adopted the Annual Budget before the 1st 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 next year preceding by more than 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 failure to adopt an Annual Budget be for a reason beyond the control of the Issuer. Each such Budget of Current Expenses shall be mailed immediately to the Purchaser.

Section 5.10. Compensation of Members of Governing Body. The Issuer hereby covenants and agrees that no compensation for policy direction shall be paid to the members of the Governing Body 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, nor when there is default in the performance of or compliance with any covenant or provision hereof.

Section 5.11. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the acquisition and construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer on file with the Secretary on the date of adoption hereof, subject to permitted changes.

Section 5.12. Books and Records: Audits. 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 the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

The Issuer shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants and shall mail a copy of such audit report to the Purchaser. The Issuer shall further comply with the Act with respect to such books, records and accounts.

Section 5.13. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Series 2007 A Bonds are outstanding.

Section 5.14. No Competition. To the extent legally allowable, the Issuer will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body,

agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the Issuer or within the territory served by the System.

ARTICLE VI

RATES, ETC.

Section 6.01. Initial Schedule of Rates and Charges: Rules.

A. The initial schedule of rates and charges for the services and facilities of the System, subject to change consonant with the provisions hereof, shall be as set forth in the Commission Order of the Public Service Commission of West Virginia, entered on July 13, 2007, Case No. 07-0862-PWD-30B, which Order is incorporated herein by reference as a part hereof.

B. There shall not be any discrimination or differential in rates between customers in similar circumstances.

C. All delinquent fees, rates and charges for services or facilities of the System shall be liens on the premises served of equal degree, rank and priority with the lien on such premises of state, county, school and municipal taxes, as provided in the Act. The Issuer shall have all remedies and powers provided under the Act and other applicable provisions of law with regard to the collection and enforcement of such fees, rates and charges.

D. The Issuer will not render or cause to be rendered any free services of any nature by the System nor any of the facilities; and in the event that the Issuer or any department, agency, officer or employee thereof should avail itself or themselves of the services or facilities of the System, the same fees, rates and charges applicable to other customers receiving like services under similar circumstances shall be charged, such charges shall be paid as they accrue, and revenues so received shall be deposited and accounted for in the same manner as other Revenues of the System.

E. The Issuer may require any applicant for any service by the System to deposit a reasonable and equitable amount to insure payment of all charges for the services rendered by the System, which deposit shall be handled and disposed of under the applicable rules and regulations of the Public Service Commission of West Virginia.

F. The Issuer, to the extent permitted by law, will not accept payment of any water bill from a customer served with water and sewer services by the Issuer without payment at the same time of a sewer bill owed by such customer for the same premises.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holder of the Series 2007 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 2007 A Bonds, the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2007 A Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Except through such direct payment to the Holder of the Series 2007 A Bonds, the Issuer may not defease the Series 2007 A Bonds or otherwise provide for payment thereof by escrow or like manner.

Section 7.02. Modification or Amendment. The Bond Legislation may not be modified or amended after final passage without the prior written consent of the Purchaser.

Section 7.03. Delivery of Bonds. The Chairman, Secretary and Treasurer of the Governing Body are hereby authorized and directed to cause the Series 2007 A Bonds, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 7.04. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed severable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Series 2007 A Bonds.

Section 7.05. Conflicting Provisions Repealed. The Prior Resolutions and all parts thereof not expressly hereby changed shall continue in full force and effect and this Bond Legislation shall be supplemental to the Prior Resolutions.

All resolutions and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed; provided that this Section shall not be applicable to the Loan Resolution (Form FmHA 442-47).

Section 7.06. 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.

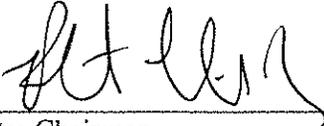
Section 7.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 7.08. Effective Time. This Resolution shall take effect immediately upon its adoption.

[Remainder of Page Intentionally Blank]

Adopted this 24th day of September, 2007.

GLEN WHITE TRAP HILL PUBLIC SERVICE
DISTRICT

By:  _____
Its: Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of GLEN WHITE TRAP HILL PUBLIC SERVICE DISTRICT on the 24th day of September, 2007.

Dated: September 26, 2007.

[SEAL]

Okay C. Harvey
Secretary

333370.00001

GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT

\$830,000 Water Revenue Bonds,
Series 1974

BOND RESOLUTION

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4/18/74

GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ISSUANCE OF \$830,000 WATER REVENUE BONDS, SERIES 1974, OF GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT TO FINANCE PART OF THE COSTS OF CONSTRUCTION OF A WATER SYSTEM; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING FOR FIXING, ESTABLISHING AND COLLECTING OF RATES AND CHARGES FOR THE SERVICES AND FACILITIES OF THE SYSTEM; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDERS OF THE BONDS; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT.

BE IT RESOLVED AND ORDERED BY THE PUBLIC SERVICE BOARD OF
GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of Article 13A, Chapter 16 of the West Virginia Code and other applicable provisions of law. Glen White-Trap Hill Public Service District is a public service district created pursuant to said Article 13A.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

(A) Glen White-Trap Hill Public Service District (herein called the "District"), in Raleigh County, State of West Virginia, does not now have any public waterworks system, and the inhabitants thereof urgently require such system. Glen White community within the District is served by a waterworks owned by Standard Utility Service Corporation, which waterworks will be purchased by the District, and said Corporation will cease service when service by the District becomes available.

(B) It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of

(F) The period of usefulness of the System after completion of the Project is not less than forty years.

(G) There are not outstanding any unpaid obligations of the District which will have priority over or rank on a parity with the Bonds authorized to be issued hereunder as to lien or source of and security for payment.

(H) The District has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the 1974 Bonds, or will have so complied prior to issuance of any of the 1974 Bonds including, among other things, the consent and approval, pursuant to the Act, of the issuance of the 1974 Bonds by the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired.

Section 1.03. Resolution to Constitute Contract. In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this resolution shall be deemed to be and shall constitute a contract between the District and such Bondholders, and the covenants and agreements herein set forth to be performed by the District shall be for the equal benefit, protection and security of the legal holders of any and all such Bonds, and the coupons appertaining thereto, all which shall be of equal rank without preference, priority or distinction of any of the Bonds or coupons over any other thereof, except as expressly provided therein and herein.

Section 1.04. Definitions. The following terms shall have the following meanings in this resolution unless the text otherwise expressly requires:

"Act" means Article 13A, Chapter 16 of the West Virginia Code.

"Board" means the Public Service Board of the District, the governing body of the District under the Act.

registered other than to the bearer, or of any coupons representing interest accrued or to accrue on said Bonds.

"Net Revenues" means the balance of the gross revenues, as defined herein, remaining after deduction only of operating expenses, as defined herein.

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the District relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting practices, and retention of a sum not to exceed one-sixth of the budgeted operating expenses stated above for the current year as working capital, and language herein requiring payment of operating expenses means also retention of not to exceed such sum as working capital.

"Original Purchaser" means the purchaser, directly from the District, of any series of Bonds issued pursuant hereto, or any part of any such series.

"Project" means the initial System, as described above in Section 1.02(B), to be constructed as herein provided and financed in part with the proceeds of sale of the 1974 Bonds.

"Revenues" or "gross revenues" means all rates, rents, fees, charges or other income received by the District, or accrued to the District, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System, and all parts thereof, all as calculated in accordance with sound accounting practices.

"Secretary" means the Secretary of the Board.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION,
REGISTRATION AND ISSUE OF BONDS

Section 2.01. Authorization of Bonds. Subject and pursuant to the provisions of this resolution, Bonds of the District, to be known as "Water Revenue Bonds, Series 1974" are hereby authorized to be issued in the aggregate principal amount of not exceeding Eight Hundred Thirty Thousand Dollars (\$830,000) for the purpose of financing part of the cost of the construction and acquisition of the Project.

Section 2.02. Description of Bonds. The 1974 Bonds may be issued in coupon or single, fully registered form, and shall be dated on the date of delivery. The 1974 coupon Bonds shall be in the denomination of \$1,000 each, shall be numbered in order of maturity, lowest numbers first, from 1 to 830, inclusive, and shall bear interest from date, payable annually on January 1 of each year, at the rate or rates of not to exceed the rate of five per centum (5%) per annum. The minimum price for the 1974 Bonds shall be the par value thereof. Coupon and single, fully registered 1974 Bonds (which shall be in the principal amount of not to exceed \$500,000 each), shall be exchangeable and interchangeable at the expense of the holder on 90 days' notice in writing to the District, provided that the single, fully registered 1974 Bond issued upon initial delivery of the 1974 Bonds by the District shall be exchanged for coupon Bonds at the expense of the District.

The 1974 Bonds shall mature serially in numerical order, lowest numbers first, on January 1 in years and amounts shown below, except that any single, fully registered 1974 Bond issued upon such initial delivery may provide for monthly payments covering interest and principal and otherwise as shown in the forms hereinafter set forth:

or at First National City Bank, New York, New York, at the option of the holder unless otherwise provided in and for the single, fully registered Bonds, and shall bear interest from their date, payable in accordance with and, as to coupon Bonds not registered as to interest, upon the surrender of the appurtenant interest coupons as they severally mature.

Section 2.03. Execution of Bonds and Coupons. The Bonds shall be executed in the name of the District by the Chairman and its corporate seal shall be affixed thereto and attested by the Secretary. 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 before the Bonds so signed and sealed shall 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 Bond may be signed and sealed on behalf of the District by such person as at the actual time of the execution of such Bonds shall hold the proper office on the Board, although at the date of such Bond such person may not have held such office or may not have been so authorized.

The 1974 Bonds may be sold at one time in their entirety or from time to time in installments as the Board may determine without preference or priority as to any of the 1974 Bonds on account of any such sale in installments.

The coupons to be attached to the Bonds shall be authenticated with the facsimile signatures of the present or any future Chairman and Secretary, and the District may adopt and use for that purpose the facsimile signature of any person who shall have been such Chairman or Secretary at the time when said Bonds shall be actually sold and delivered.

Section 2.04. Negotiability and Registration. The coupon

equally and ratably by a first lien on the net revenues derived from the System in addition to the statutory mortgage lien on the System hereinafter provided for. The net revenues derived from the System in an amount sufficient to pay the principal of and interest on the Bonds, and to make the payments into the Sinking Fund and otherwise 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 2.07. Form of Bonds and Coupons. Subject to the provisions of this resolution, the text of the 1974 Bonds, the provisions for registration to be endorsed thereon, the coupons, the single Bonds and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted by this resolution or any subsequent resolution adopted prior to the issuance thereof:

Construction Account, all as provided in said Resolution. Notice of any such redemption shall be published at least once not less than thirty nor more than sixty days prior to the redemption date in a financial newspaper published in the City of New York, New York. Interest shall cease upon this Bond after the date fixed for redemption if it shall be duly called for prior redemption and payment thereof duly provided for.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of Eight Hundred Thirty Thousand Dollars (\$830,000) of like date, tenor and effect, except as to number* and date of maturity issued to finance the cost of the construction of a waterworks (herein, with all additions, called the "System") of the District under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Article 13A, Chapter 16 of the West Virginia Code (herein called the "Act") and other applicable statutes, and a Resolution duly adopted by the Public Service Board of the District.

This Bond and the coupons appertaining hereto are payable solely from, and secured by a first lien on and pledge of, the net revenues derived from the operation of the System, with monthly payments from such revenues to be made into the Sinking Fund with the State Sinking Fund Commission for payment of the principal hereof and interest hereon, in the manner provided in said Resolution, and do not and shall not in any event constitute an indebtedness of the District within the meaning of any constitutional or statutory provisions or limitations, and the District shall never be obligated to pay this Bond or the interest hereon except from the revenues of the System, as provided in said Resolution. The District covenants with the holders

* add ", interest rate" if more than one rate
add ", date of issuance" if more than one date

Board and its corporate seal to be affixed hereto and attested by the Secretary of said Board, and the annexed coupons to be executed with the facsimile signatures of said Chairman and said Secretary, all as of the _____ day of _____, 1974.

GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT

By _____
Chairman of its Public Service Board

ATTEST:
(SEAL)

Secretary of its Public Service Board

(CERTIFICATE OF CONVERSION)

It is hereby certified over my signature and the official seal of the issuing Public Service District that upon the presentation of the within Bond with a written request by the holder thereof for its conversion into a bond registered as to both principal and interest, there have been this day cut off and destroyed ____ interest coupons attached thereto, of the amount and value of _____ each, being all the coupons for interest on the within Bond payable after the date of this certificate, and that the interest at the rate and on the dates stated in the within bond and as was provided by the coupons, as well as the principal, is to be paid to the registered holder hereof, his legal representatives, successors or transferees, at the place stated in the within bond and as was stated in the coupons. The principal of and interest on this Bond shall be payable only to the registered holder hereof named in the registration blank below, or his legal representative, and this Bond shall be transferable only on the books of the registrar kept in the office of the undersigned, and by an appropriate notation in such registration blank. When registered the registrar shall treat the registered owner as the person exclusively entitled to payment of interest and the exercise of all other rights and powers of the owner prior to due presentment for registration of transfer.

Dated: _____, 19__.

[SEAL OF PUBLIC SERVICE DISTRICT]

_____, Registrar

<u>Date of Registration</u>	<u>In Whose Name Registered</u>	<u>Signature of Treasurer of Public Service District as Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Farmers Home Administration according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower, and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument

request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act. This Bond shall be subject to the present regulations of the Farmers Home Administration and to its future regulations not inconsistent with the express provisions hereof.

(CORPORATE SEAL)

GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT
(Name of Borrower)

(Signature of Executive Official)

ATTEST:

Chairman, Public Service Board
(Title of Executive Official)

(Post Office Box No. or Street Address)

(Signature of Attesting Official)

Glen White, West Virginia 25849
(City, State and Zip Code)

Secretary, Public Service Board
(Title of Attesting Official)

ARTICLE III
BOND PROCEEDS; REVENUES AND
APPLICATION THEREOF

Section 3.01. Bond Proceeds; Project Construction Account.

All moneys received from the sale of any or all the 1974 Bonds, temporary construction loans and the proceeds of the grants in aid of construction and \$5,000 of the first tap fees collected shall be deposited on receipt by the District in Raleigh County National Bank, Beckley, West Virginia, a member of Federal Deposit Insurance Corporation (FDIC) in a special account heretofore created and designated as "Glen White-Trap Hill Public Service District Construction Account" (herein called the "Project Construction Account"). The moneys in the Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by such bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Moneys in the Project Construction Account shall be expended by the District solely for the purposes provided in this resolution.

Moneys received upon delivery of the 1974 Bonds representing accrued interest will be immediately transferred to and deposited in the Sinking Fund.

Until completion of construction of the Project, the District will transfer from the Project Construction Account and deposit in the Sinking Fund, not later than fifteen days prior to the next interest payment date, such sums as shall be from time to time required to pay the interest becoming due on the 1974 Bonds on such interest payment date.

If the District shall determine at any time that all funds on deposit in the Project Construction Account exceed the estimated disbursements on account of the Project for the ensuing 90 days, the District may invest such excess funds in direct obligations of,

in this resolution and shall be kept separate and distinct from all other funds of the District and used only for the purposes and in the manner provided in this resolution.

(B) Disposition of Revenues. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority, subject to subsection (D) below:

(1) The District shall first each month set aside in the Operation and Maintenance Fund hereby established with said Bank such sum as the Board shall determine, in accordance with its budget, to be necessary for operating expenses, and from such Fund shall pay all Current Operating Expenses.

(2) The District shall next, by the fifteenth day of each month, transfer from the Revenue Fund and remit to the office and place designated in the Bonds the amount required to pay the interest becoming due on the Bonds on the next interest payment date and to amortize the principal of the Bonds over the life of the Bond issue. Such office and the payments thereto are herein referred to as the "Sinking Fund".

(3) The District shall next, by the fifteenth day of each month, transfer from the Revenue Fund and deposit in the Reserve Fund hereby established with said Bank, one-twelfth of one-tenth of the maximum annual aggregate amount of interest and principal which will fall due on the Bonds outstanding until the amount in the Reserve Fund equals such maximum annual aggregate amount of interest and principal. After such amount has been accumulated in the Reserve Fund, the District shall monthly remit to the said Bank such part of the moneys remaining in the Revenue Fund, after such provision for payment of maturing principal of and interest on the Bonds, as shall be required to maintain such amount in the Reserve Fund. Moneys in the Reserve Fund shall be used solely to make up any deficiency in the Sinking Fund for payment of the principal

to redemption, and not exceeding the par value of Bonds not subject to redemption but available for purchase.

Raleigh County National Bank is hereby designated as the Fiscal Agent for the administration of the Reserve Fund as herein provided, and all amounts required therefor will be transferred to the Reserve Fund from the Revenue Fund by the District at the times provided herein.

All the funds provided for in this Section shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Bondholders shall have a lien thereon for further securing payment of the Bonds and the interest thereon. The moneys in excess of the sum insured by FDIC in the Revenue Fund, the Reserve Fund and the Depreciation Reserve shall at all times be secured, to the full extent thereof in excess of such insured sum, in a manner lawful for securing deposits of state and municipal funds under the laws of the State of West Virginia.

If on any payment date the revenues are insufficient to place the required amount in any of the funds or accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to those which would otherwise be required to be made into the funds or accounts on the subsequent payment dates.

The said Bank shall keep the moneys in the Reserve Fund, and the District shall keep the moneys in the Depreciation Reserve invested and reinvested to the fullest extent practicable in direct obligations of, or obligations the payment of the principal of and interest on which are guaranteed by, the United States of America and having maturities not exceeding two years.

(C) Initial Deposits in Project Construction Account and Revenue Fund. Prior to issuance of the 1974 Bonds, the District shall have signed agreements with at least 400 new bona fide users, in addition to

ARTICLE IV
GENERAL COVENANTS

Section 4.01. General Statement. So long as any of the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Sinking Fund and the Reserve Account therein a sum sufficient to pay when due, or redeem or purchase prior to maturity, the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon and any applicable redemption premiums, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the District and the Bondholders.

Section 4.02. Rates. The District will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide revenues in each fiscal year sufficient to produce net revenues equal to not less than 110% of the average annual debt service on all Bonds outstanding and to make the payments required herein into the Sinking Fund, the Reserve Account and the Depreciation Reserve and all the necessary expenses of operating and maintaining the System during such fiscal year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate revenues for such purposes.

Section 4.03. Sale of the System. The System may be sold, mortgaged, leased, or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient fully to pay all the Bonds and the interest thereon as herein provided. The proceeds from such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the State Sinking Fund Commission and the District shall direct said

an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues, and in all other respects, to the Bonds.

The District will not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge, having priority over or being on a parity with the lien of the Bonds, and the interest thereon, upon any of the income and revenues of the System pledged as security therefor in this resolution, or upon the System, or any part thereof.

Section 4.05. Issuance of Additional Parity Bonds. No additional parity Bonds, as in this Section defined, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this resolution, except under the conditions and in the manner herein provided.

(A) No such additional parity Bonds shall be issued except for the purposes of financing the costs of the construction or acquisition of extensions, additions and improvements to the System or refunding Bonds issued hereunder, except as provided in subsection (C) of this Section.

(B) No such additional parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Secretary a written certification by a certified public accountant not in the regular employ of the District, based upon the necessary investigation, reciting the conclusion that the net revenues, as defined herein and adjusted as provided below, actually derived from the System during the fiscal year immediately preceding the date of the issuance of such additional parity Bonds, shall have been not less than one hundred twenty per centum (120%) of the average aggregate amount which will mature or become due in any succeeding fiscal year for principal of and interest on the Bonds originally issued pursuant to this resolution then outstanding, and on any

original amounts of each series.

(E) All additional parity Bonds issued pursuant to this Section shall mature or be subject to mandatory redemption on January 1 of the year or years of maturity, and the interest thereon shall be payable January 1 of each year.

(F) No additional parity Bonds shall be issued at any time unless all the payments into the respective Funds provided for in this resolution on Bonds then outstanding and all other payments provided for in this resolution shall have been made or paid up as required to the date of issuance of the additional parity Bonds and the District shall have fully complied with all the covenants, agreements and terms of this resolution or shall have remedied any deficiency in such compliance.

(G) With the written consent in advance of the original purchaser of the 1974 Bonds and anything to the contrary in subsections (A), (B) and (C) of this Section notwithstanding, additional parity Bonds may be authorized and issued by the District pursuant to supplemental resolution in the event that the 1974 Bonds should be insufficient, together with other funds lawfully available therefor, to pay all costs of construction of the Project. Any such additional parity Bonds authorized and issued under the provisions of this subsection shall be limited to the aggregate principal amount required to make up any deficiency in funds for payment of such construction costs, and the maturities of any such additional parity Bonds shall be in years and amounts suggested by such original purchaser.

Section 4.06. Insurance and Bonds. The District hereby covenants and agrees that so long as any of 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:

(d) Workmen's Compensation Coverage for all Employees of the District Eligible Therefor and Performance and Payment Bonds, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds will be filed with the Clerk of the County Court of said County prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

(e) Fidelity Bonds will be provided as to every member of the Board and as to every officer and employee thereof having custody of the Revenue Fund or of any revenues or other funds of the District in an amount at least equal to the total funds in the custody of any such person at any one time, and initially in the amount of \$10,000 upon the treasurer, provided, however, that no bond shall be required insofar as custody of the Project Construction Account is concerned.

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

Section 4.07. Statutory Mortgage. For the further protection of the holders of the Bonds and the coupons appertaining thereto, 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 the delivery of any of the Bonds.

and powers of the District with respect to its System and shall have the power to collect and receive all revenues and apply the same in such manner as the court may direct.

Section 4.10. No Priority Between Bonds. The Bonds shall not be entitled to priority one over the other in the application of the revenues of the System or with respect to the security for their payment, regardless of the time or times of their issuance, it being the intention of the District that there shall be no priority among the Bonds, regardless of the fact that they may be actually issued and delivered at different times.

Section 4.11. Fiscal Year; Budget. While any 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 thirty days prior to the beginning of each fiscal year, the District agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such fiscal year unless unanimously authorized and directed by the Board. Copies of each Annual Budget shall be delivered to the Government by the beginning of each fiscal year and shall be mailed to the original purchaser of the Bonds and to those Bondholders who shall have filed their names and addresses with the Secretary of the Board for such purpose.

If for any reason the District shall not have adopted the Annual Budget before the first day of any fiscal year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the year

independent competent firm of certified public accountants, shall mail a copy of such audit report to the Government and the original purchaser of the Bonds, and shall make available the report of said accountants at all reasonable times to any holder or holders of the Bonds, or any customer receiving services from the System, or anyone acting for and in behalf of such Bondholder, Bondholders or customer.

Section 4.15. Maintenance of System. The District covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as any of the Bonds are outstanding.

Section 4.16. No Competition. The District will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to, or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the District or within the territory served by the System.

If any bill is not paid within thirty days of the date thereof, the bill will be considered delinquent and subject to disconnection. However, water service shall not be disconnected to any customer for nonpayment of the bill without first having diligently tried to induce the customer to pay the same and until after at least twenty-four (24) hours' written notice to the customer. Service shall not be restored until all amounts in arrears, including accrued penalties, plus a reconnection fee of \$5.00 have been paid.

RECONNECTION CHARGE

The reconnection charge shall be \$5.00.

MULTIPLE OCCUPANCY

Each family or business unit of apartment buildings and other multiple occupancy buildings shall be required to pay not less than the minimum monthly charge herein established for 5/8 inch meter. Motels and hotels shall pay on the basis of size of meter installed.

House trailer (mobile and immobile types) courts and parks shall have one or more master meters of adequate size and shall pay \$8.10 multiplies by the number of units at the site on the monthly billing date or the minimum charge for the master meter or meters installed, whichever is greater.

House trailers located on sites other than a park or court shall be billed in the same manner as any other family or business unit.

B. There shall not be any discrimination or differential in rates between customers in similar circumstances.

C. All delinquent fees, rates and charges for services or facilities of the System shall be liens on the premises served of equal degree, rank and priority with the lien on such premises of state, county, school and municipal taxes, as provided in the Act. When such fees, rates and charges have been delinquent for thirty days, the District shall have power forthwith to foreclose the lien on the premises served in the same manner provided by the laws of the State of West Virginia for the foreclosure of mortgages on real property.

D. The District will not render or cause to be rendered any free services of any nature by the System nor any of the facilities; and in the event that the District or any department, agency, officer or employee thereof should avail itself or themselves of the services or facilities of the System, the same fees, rates and charges applicable

ARTICLE VI
MISCELLANEOUS

Section 6.01. Filing Under Uniform Commercial Code. Contemporaneously with the delivery of the Bonds, or sooner, the District shall execute Financing Statements meeting the requirements of the Uniform Commercial Code of West Virginia and promptly thereafter, shall file such Financing Statements in the offices of the Secretary of State of the State of West Virginia and of the Clerk of the County Court of said County.

Section 6.02. Modification or Amendment. No material modification or amendment of this resolution, or of any resolution amendatory hereof or supplemental hereto, may be made without the consent in writing of the holders of two-thirds or more in principal amount of the Bonds then outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of any of the Bonds or a reduction in the rate of interest thereon, or in the amount of the principal obligation, or affecting the unconditional promise of the District to pay the principal of and interest on the Bonds as the same shall become due from the revenues of the System, without the consent of the holders of such Bonds. Notwithstanding the above, no amendment or modification shall be made without unanimous consent of the bondholders which would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications and for consent of 75% of the holders of each Series of Bonds outstanding to waiver or modification of the limitation upon issuance of additional parity Bonds contained in Section 4.05B.

Section 6.03. Award of Bonds. The 1974 Bonds are hereby awarded in their entirety to the Government, all the 1974 Bonds to

Section 6.05. Severability of Invalid Provision. If any one or more of the covenants, agreements or provisions of this resolution should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions, and shall in no way affect the validity of all the other provisions of this resolution or the Bonds or coupons appertaining thereto.

Section 6.06. Conflicting Provisions Repealed. All resolutions and orders, or parts thereof, in conflict with the provisions of this resolution, are, to the extent of such conflicts, hereby repealed.

Section 6.07. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 6.08. Effective Time. This resolution shall take effect immediately upon its adoption.

Adopted _____, 1974.

Chairman of Public Service Board

Member

Member

REVENUE BOND

GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT

No. R-1

Date: November 20, 1974

FOR VALUE RECEIVED, GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (herein called the "Government"), at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of Five Hundred Thousand Dollars (\$500,000), plus interest on the unpaid principal balance at the rate of five per cent (5%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Installments of interest only on the first day of each month for the first twenty-four months after the date hereof and \$2,470, covering principal and interest, thereafter on the first day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of this Bond, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Farmers Home Administration according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower, and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

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

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction and acquisition of a waterworks (herein, with all additions, called the "System") of the Borrower, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation. The issue and series of which this Bond is one is in the aggregate principal amount of \$830,000.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia including, among others, Article 13A of Chapter 16 of the West Virginia Code (herein called the "Act").

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

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act. This Bond shall be subject to the present regulations of the Farmers Home Administration and to its future regulations not inconsistent with the express provisions hereof.

GLEN WHITE-TRAP HILL PUBLIC SERVICE
DISTRICT

By _____
Chairman
Public Service Board
Glen White, West Virginia 25843

[CORPORATE SEAL]

ATTEST:

Secretary, Public Service Board

REVENUE BOND

GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT

No. R-2

Date: November 20, 1974

FOR VALUE RECEIVED, GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (herein called the "Government"), at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of Three Hundred Thirty Thousand Dollars (\$330,000), plus interest on the unpaid principal balance at the rate of five per cent (5%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Installments of interest only on the first day of each month for the first twenty-four months after the date hereof and \$1,631, covering principal and interest, thereafter on the first day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of this Bond, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Farmers Home Administration according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower, and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

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

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction and acquisition of a waterworks (herein, with all additions, called the "System") of the Borrower, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation. The issue and series of which this Bond is one is in the aggregate principal amount of \$830,000.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia including, among others, Article 13A of Chapter 16 of the West Virginia Code (herein called the "Act").

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

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act. This Bond shall be subject to the present regulations of the Farmers Home Administration and to its future regulations not inconsistent with the express provisions hereof.

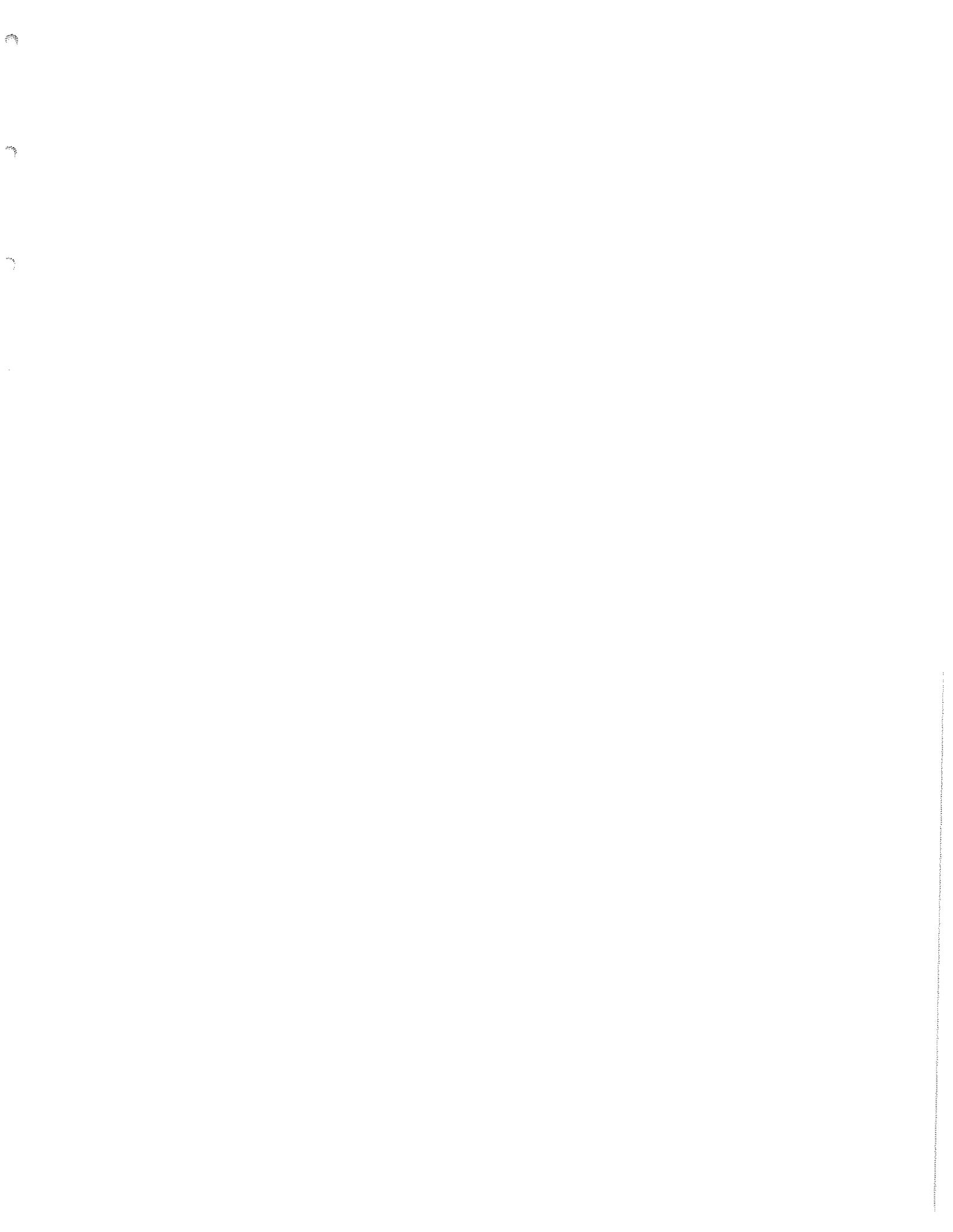
GLEN WHITE-TRAP HILL PUBLIC SERVICE
DISTRICT

By _____
Chairman
Public Service Board
Glen White, West Virginia 25849

[CORPORATE SEAL]

ATTEST:

Secretary, Public Service Board



GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT

Water Revenue Bond, Series B

BOND RESOLUTION

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GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ISSUANCE OF \$425,000 WATER REVENUE BOND, SERIES B, OF GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT TO FINANCE CONSTRUCTION OF ADDITIONS TO ITS EXISTING WATERWORKS; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BOND; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDER OF THE BOND AND FOR A STATUTORY MORTGAGE LIEN UPON THE SYSTEM IN FAVOR OF THE HOLDER OF THE BOND; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT

BE IT RESOLVED AND ORDERED BY THE PUBLIC SERVICE BOARD OF GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of Article 13A, Chapter 16 of the West Virginia Code and other applicable provisions of law. Glen White-Trap Hill Public Service District (herein called the "District") is a public service district created pursuant to said Article 13A by the County Court of Raleigh County.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

(A) The District now has a public waterworks system.

(B) It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the District, and, accordingly, it is hereby ordered, that there be constructed additions, extensions and improvements to the waterworks system of the District consisting of a line extension to serve approximately 170 additional customers, with all necessary appurtenant facilities (herein called the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and hereto-

fore filed in the office of the Secretary of the Public Service Board of the District (herein called the "Board").

(C) It is necessary for the District to issue its revenue bond in the principal amount of \$425,000 to finance the cost of such construction in the manner hereinafter provided.

(D) The estimated maximum cost of the construction of the Project is \$654,000, of which \$425,000 will be obtained from the proceeds of sale of the Series B Bond herein authorized and \$229,000 will be obtained by a grant from the Government.

(E) The cost of such construction shall be deemed to include, without being limited to, the construction or acquisition of the Project, the acquisition of any necessary property, real or personal, or interest therein; interest on the Series B Bond prior to, during and for six months after completion of such construction to the extent that revenues of the System are not sufficient therefor; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; and such other expenses as may be necessary or incidental to the construction of the Project and the financing authorized by this resolution.

(F) The period of usefulness of the System after completion of the Project is not less than forty years.

(G) There are outstanding obligations of the District which will rank on a parity with the Series B Bond as to lien and source of and security for payment, as follows:

The outstanding Water Revenue Bonds, Series 1974, of the District to be dated on the date of delivery thereof but heretofore awarded to the Government, in the principal amount of \$830,000 (herein called the "Series 1974 Bonds"), authorized by a resolution of the Board adopted on the 25th day of June, 1974 (herein called the "1974 Resolution").

(H) The entire principal amount outstanding of the Series 1974 Bonds is held or insured by Farmers Home Administration. Farmers Home Administration has heretofore consented to the issuance of the Series B Bond as herein authorized and has seen and approved a copy of this Resolution prior to the adoption hereof. Said Farmers Home Administration is expected by the Board to purchase the entire principal amount of the Series B Bond.

(I) The District has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Series B Bond, or will have so complied prior to issuance of the Series B Bond including, among other things, the consent and approval, pursuant to the Act, of the issuance of the Series B Bond by the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired.

Section 1.03. Resolutions to Constitute Contract In consideration of the acceptance of the Series B Bond by the Government, this Resolution and the 1974 Resolution shall be deemed to be and shall constitute a contract between the District and such Bondholder, and the covenants and agreements set forth in such Resolutions to be performed by the District shall be for the benefit, protection and security of the legal holders of all the Bonds.

Section 1.04. Definitions. The following terms shall have the following meanings in this resolution unless the text otherwise expressly requires:

"Act" means Article 13A, Chapter 16 of the West Virginia Code.

"Board" means the Public Service Board of the District, the governing body of the District under the Act.

"Bonds" means the \$425,000 Water Revenue Bond, Series B, originally authorized to be issued pursuant to this Resolution and

shall also be deemed to include, where appropriate, the Series 1974

Bonds and additional parity Bonds issued pursuant to the 1974 Resolution.

"Series 1974 Bonds" means the Series 1974 Bonds defined above.

"Series B Bond" means the Bond hereby authorized to be issued.

"Chairman" means the Chairman of the Board.

"Consulting Engineer" means Gates Engineering Company, Consulting Engineers, Beckley, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the District as Consulting Engineer for the System.

"District" means Glen White-Trap Hill Public Service District, of Raleigh County, West Virginia, and, where appropriate, also means the Public Service Board thereof.

"Established by the 1974 Resolution" means also "and continued by this Resolution."

"Facilities" or "waterworks facilities" means all the facilities of the System and also any facilities which may hereafter be added to the System by any additions, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"Fiscal Year" means each year beginning on July 1 and ending on the succeeding June 30.

"Government" means United States Department of Agriculture, Farmers Home Administration and any successor thereof.

"Herein" means in this Resolution.

"Holder of the Bond" or "Bondholder" or any similar term means any person who shall be the bearer or owner of any outstanding Bond registered to bearer or not registered, or the registered owner of any outstanding Bond which shall at the time be registered other than to the bearer.

"Net Revenues" means the balance of the gross revenues, as defined below, remaining after deduction only of operating expenses, as defined below.

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the District relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting practices, and retention of a sum not to exceed one-sixth of the budgeted operating expenses stated above for the current year as working capital, and language herein requiring payment of operating expenses means also retention of not to exceed such sum as working capital.

"Original Purchaser" means the purchaser, directly from the District, of the Series B Bond or of any part of such series.

"Project" shall have the meaning stated in Section 1.02(B) above.

"Revenues" or "gross revenues" means all rates, rents, fees, charges or other income received by the District, or accrued to the District, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System, and all parts thereof, all as calculated in accordance with sound accounting practices.

"Secretary" means the Secretary of the Board.

"System" means the complete waterworks system of the District as extended and improved by the Project, including all water facilities owned by the District and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in

connection with the System; and shall also include any and all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the System after completion of the Project.

Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

Section 1.05. 1974 Resolution Applies. Except as otherwise herein provided, all provisions of the 1974 Resolution shall apply to the Series B Bond, and this Resolution is supplemental and amendatory of the 1974 Resolution. This Resolution and the 1974 Resolution are to be read together.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION,
REGISTRATION AND ISSUE OF SERIES
B BOND

Section 2.01. Authorization of Series B Bond. Subject and pursuant to the provisions of this Resolution, the Bond of the District, to be known as "Water Revenue Bond, Series B", is hereby authorized to be issued in the aggregate principal amount of not exceeding Four Hundred Twenty-Five Thousand Dollars (\$425,000) for the purpose of financing the cost of the construction and acquisition of the Project.

Section 2.02. Description of Series B Bond. The Series B Bond shall be issued in single form, No. B-1, and shall be dated on the date of delivery. The Series B Bond shall bear interest from date, payable monthly at the rate of five per centum (5%) per annum, and shall be sold for the par value thereof.

The Series B Bond shall be subject to prepayment of scheduled installments, or any portion thereof, at the option of the District, and shall be payable as provided in the bond form hereinafter set forth.

Section 2.03. Execution of Series B Bond. The Series B Bond shall be executed in the name of the District by the Chairman and its corporate seal shall be affixed thereto and attested by the Secretary. The Series B Bond may be signed and sealed on behalf of the District by such person as at the actual time of the execution of such Series B Bond shall hold the proper office on the Board, although at the date of such Series B Bond such person may not have held such office or may not have been so authorized.

Section 2.04. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series B Bond shall become mutilated or be destroyed, stolen or lost, the District may in its discretion issue and deliver a new Series B Bond of like tenor as the Series B Bond so mutilated, destroyed, stolen

or lost, in exchange and substitution for such mutilated Series B Bond or in lieu of and substitution for the Series B Bond destroyed, stolen or lost, and upon the holder's furnishing the District proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the District may require. The Series B Bond so surrendered shall be canceled and held for the account of the District. If the Series B Bond shall have matured or be about to mature, instead of issuing a substitute Series B Bond, the District may pay the same, upon being indemnified as aforesaid, and, if such Series B Bond be destroyed, stolen or lost, without surrender thereof.

Section 2.05. Bond Secured by Pledge of Revenues. The payment of the debt service of the Series B Bond shall be secured forthwith equally and ratably, and on a parity in all respects with the Series 1974 Bonds, by a first lien on the net revenues derived from the System in addition to the statutory mortgage lien on the System hereinafter provided for. The net revenues derived from the System in an amount sufficient to pay the principal of and interest on the Series 1974 and Series B Bonds, and to make the payments into the Bond Fund and otherwise as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Series B Bond as the same become due and on a parity with payments of principal of and interest on the Series 1974 Bonds.

Section 2.06. Form of Series B Bond. Subject to the provisions of this Resolution, the text of the Series B Bond and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted by this Resolution or any subsequent resolution adopted prior to the issuance thereof:

(Form of Bond)

WATER REVENUE BOND, SERIES B

GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT

\$425,000

Date: _____, 19__

No. B-1

FOR VALUE RECEIVED, GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (herein called the "Government"), at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of Four Hundred Twenty-Five Thousand Dollars (\$425,000), plus interest on the unpaid principal balance at the rate of five per cent (5%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Installments of interest only on the first day of each month for the first twenty-four months after the date hereof and \$2,083, covering principal and interest, thereafter on the first day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of this Bond, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Farmers Home Administration according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower, and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the

Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

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

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction and acquisition of additions, extensions and improvements to the waterworks of the Borrower, is payable solely from the revenues to be derived from the operation of such waterworks after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the waterworks. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

This Bond is on a parity with the Water Revenue Bonds, Series 1974, of the Borrower issued in the aggregate principal amount of \$830,000 on the 26th day of June, 1974 (herein called the "Series 1974 Bonds") pursuant to a resolution of the Borrower adopted on the last named date. Consent of the holder of all the Series 1974 Bonds outstanding has been given for the issuance of the Series B Bond on a parity with the Series 1974 Bonds.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including,

among others, Article 13A of Chapter 16 of the West Virginia Code (herein called the "Act").

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

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act. This Bond shall be subject to the present regulations of the Farmers Home Administration and to its future regulations not inconsistent with the express provisions hereof.

[CORPORATE SEAL]

GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT
(Name of Borrower)

ATTEST:

(Signature of Executive Official)

Chairman, Public Service Board
(Title of Executive Official)

(Signature of Attesting Official)

(Title of Attesting Official)

(Post Office Box No. or Street
Address)

Glen White, West Virginia 25849
(City, State and Zip Code)

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$		(6) \$	
(2) \$		(7) \$	
(3) \$		(8) \$	
(4) \$		(9) \$	
(5) \$		(10) \$	

TOTAL _____

Pay to the Order of _____

UNITED STATES OF AMERICA
FARMERS HOME ADMINISTRATION

By _____

(Title)

ARTICLE III

SERIES B BOND PROCEEDS; REVENUES
AND APPLICATION THEREOF

Section 3.01. Series B Bond Proceeds; Project Construction

Account. All moneys received from the sale of the Series B Bond shall be deposited on receipt by the District in Raleigh County National Bank, Beckley, West Virginia, a member of Federal Deposit Insurance Corporation (herein called "FDIC"), in a special account heretofore created and designated as "Glen White-Trap Hill Public Service District Construction Account" (herein called the "Project Construction Account"). The moneys in the Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by such bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Moneys in the Project Construction Account shall be expended by the District solely for the purposes provided in this Resolution.

Until completion of construction of the Project, the District will transfer from the Project Construction Account and deposit in the Bond Fund, not later than fifteen days prior to the next interest payment date, such sums as shall be from time to time required to pay the interest becoming due on the Series B Bond on such interest payment date if moneys in the Bond Fund are insufficient for such purpose.

If the District shall determine at any time that all funds on deposit in the Project Construction Account exceed the estimated disbursements on account of the Project for the ensuing 90 days, the District may invest such excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, which shall mature not later than eighteen months after the date of such investment. All such investments and the income therefrom shall be carried to the credit of the Project Construction Account.

When construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Project Construction Account shall first be used to refund promptly any overpayment made with respect to the aforesaid Federal grant, and any moneys then remaining in the Project Construction Account shall be promptly used to prepay installments of the Series B Bond or a portion thereof and any residue shall be deposited in the Bond Fund.

Section 3.02. Covenants of the District as to Revenues and Funds. So long as any of the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Account, hereinafter established, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 1974 and the Series B and any additional parity Bonds, as defined in the 1974 Resolution, remaining unpaid, together with interest accrued and to accrue thereon, the District further covenants with the holders of the Bonds as follows:

(A) Revenue Fund. The entire gross revenues derived from the operation of the System, and all parts thereof, and all tap fees received, shall be deposited as collected by the District in a special fund in a bank or trust company in the State of West Virginia which is a member of FDIC, which Fund, known as the "Glen White-Trap Hill Public Service District Revenue Fund" (herein called the "Revenue Fund") was established by the 1974 Resolution. The Revenue Fund is with said Raleigh County National Bank. The Revenue Fund shall constitute a trust fund for the purposes provided in this Resolution and shall be kept separate and distinct from all other funds of the District and used only for the purposes and in the manner provided in this Resolution.

(B) Disposition of Revenues. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

(1) The District shall first each month set aside in the Operation and Maintenance Fund hereby established with said Bank such sum as the Board shall determine, in accordance with its budget, to be necessary for operating expenses.

(2) The District shall next, by the fifteenth day of each month, transfer from the Revenue Fund and pay to the office and place designated in the Bonds the amount required to pay the interest on the Series 1974 and Series B Bonds and to amortize the principal of the Series 1974 and Series B Bonds over the respective lives of the Bond issues.

(3) The District shall next, by the fifteenth day of each month, transfer from the Revenue Fund and deposit with the said Bank in the Reserve Fund now established with said Bank, 1/12 of 1/10 of the maximum amount of principal and interest becoming due on the Series 1974 and Series B Bonds in any year until the amount in the Reserve Fund equals such maximum amount. After such maximum amount has been accumulated in the Reserve Fund, the District shall monthly deposit in the Reserve Fund such part of the moneys remaining in the Revenue Fund, after such provision for payment of maturing principal of and interest on the Series 1974 and Series B Bonds and for payments of operating expenses of the System, as shall be required to maintain such maximum amount in the Reserve Fund. Moneys in the Reserve Fund shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Series 1974 and Series B Bonds as the same shall become due on an equal pro rata basis and on a parity with each other or for prepayment of installments, pro rata on the Series 1974 and Series B Bonds, or for mandatory redemption of Bonds of all series as hereinafter provided, and for no other purpose.

(4) The District shall next, by the fifteenth day of each month, transfer from the Revenue Fund and deposit in the Depreciation

Reserve established by the 1974 Resolution and now with said Bank, including the amount required to be deposited into the Depreciation Reserve pursuant to the 1974 Resolution, the moneys remaining in the Revenue Fund and not permitted to be retained therein, until there has been accumulated in the Depreciation Reserve the aggregate sum of \$80,000 and thereafter, such sums as shall be required to maintain such amount therein. Moneys in the Depreciation Reserve shall be used first to make up any deficiencies for monthly payments of principal of and interest on the Series 1974 and Series B Bonds as the same become due, and next to restore to the Reserve Fund any sum or sums transferred therefrom. Thereafter, and provided that payments into the Reserve Fund are current and in accordance with the foregoing provisions, moneys in the Depreciation Reserve may be withdrawn by the District and used for repairs, replacements of equipment and improvements of the System, or any part thereof.

(5) After all the foregoing provisions for use of moneys in the Revenue Fund have been fully complied with, any moneys remaining therein and not permitted to be retained therein may be used to prepay installments of Series 1974 and Series B Bonds outstanding, pro rata, or for any lawful purpose.

Whenever the moneys in the Reserve Fund shall be sufficient to purchase or redeem all Series 1974 and Series B Bonds outstanding, it shall be the mandatory duty of the District, anything to the contrary in this Resolution notwithstanding, to direct the said Bank to purchase or redeem all outstanding Series 1974 and Series B Bonds at the earliest practical date and in accordance with applicable provisions hereof, any such purchase to be at a price or prices not exceeding the then market price of Bonds so purchased, but in no event exceeding the then redemption price of the respective series of Bonds.

The aforesaid Bank (and any successor appointed by the District) is hereby designated as the Fiscal Agent for the administration of

the Reserve Fund as herein provided, and all amounts required therefor will be deposited by the District upon transfers of funds from the Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such Fund.

All the funds provided for in this Section shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Bondholder shall have a lien thereon for further securing payment of the Series 1974 and Series B Bonds and the interest thereon. The moneys in excess of the sum insured by FDIC in any of such funds shall at all times be secured, to the full extent thereof in excess of such insured sum, in a manner lawful for securing deposits of State and municipal funds under the laws of the State of West Virginia.

If on any payment date the revenues are insufficient to place the required amount in any of the funds or accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to those which would otherwise be required to be made into the funds or accounts on the subsequent payment dates.

The Fiscal Agent shall keep the moneys in the Reserve Fund and the Depreciation Reserve invested and reinvested to the fullest extent practicable in direct obligations of, or obligations the payment of the principal of and interest on which are guaranteed by, the United States of America and having maturities not exceeding two years. Earnings upon moneys in the Reserve Fund, so long as the maximum amount required to be accumulated therein is on deposit and maintained therein, shall be paid annually into the Revenue Fund by the Fiscal Agent.

(C) Change of Fiscal Agent. The District may designate another bank insured by FDIC as Fiscal Agent if the aforesaid Bank should cease for any reason to serve or if the Board determines by resolution that said Bank or its successor should no longer serve as Fiscal Agent. Upon any such change, the Board will cause notice of the change to be sent by registered or certified mail to the Government.

(D) Transfer of Moneys Under 1974 Resolution. Upon delivery of the Series B Bond, the District shall cease to make any payment into the Sinking Fund established by the 1974 Resolution and shall transfer any moneys therein into the Reserve Fund hereby established with said Bank.

(E) Additional User Contracts. In addition to the minimum 400 users required to deliver agreements to be customers of the System in connection with the Series 1974 Bonds, the District shall, prior to delivery of the Series B Bond, obtain user agreements from not less than 322 users in the area to be served by the Project herein described, and shall collect and deposit in the Project Construction Account not less than \$8,050, based on a tap fee of \$25.

ARTICLE IV

GENERAL COVENANTS

Section 4.01. General Statement. So long as the Bond shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Account a sum sufficient to pay the entire principal of the Bond remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the District and the Government.

Section 4.02. Rates. The District will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide revenues in each fiscal year sufficient to produce net revenues equal to not less than 110% of the annual debt service on the Bond and to make the payments required herein into the Reserve Account and the Depreciation Reserve and all the necessary expenses of operating and maintaining the System during such fiscal year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate revenues for such purposes.

Section 4.03. Sale of the System. The System will not be sold without the prior written consent of the Government so long as the Bond is outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 4.04. Issuance of Additional Parity Bonds. No additional parity Bonds payable out of the revenues of the System shall be issued after the issuance of the Bond pursuant to this resolution except with the prior written consent of the Government.

Section 4.05. Insurance and Bonds. The District hereby covenants and agrees that, so long as the Bond remains outstanding, it will, as an expense of operation and maintenance of the System, procure, carry

and maintain insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(a) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured upon acceptance of any part of the Project from the contractor, on all above-ground structures of the System in an amount equal to the actual cost thereof. In the event of any damage to or destruction of any portion of the System, the District will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The District will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the District during construction of the Project in the full insurable value thereof.

(b) Public Liability Insurance, with limits of not less than \$100,000 for one person and \$300,000 for more than one person injured or killed in one accident to protect the District from claims for bodily injury and/or death, and not less than \$100,000 from claims for damage to property of others which may arise from the District's 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 District owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the District is operated for the benefit of the District, with limits of not less than \$100,000 for one person and \$300,000 for more than one person injured or killed in one accident to protect the District from claims for bodily injury and/or death, and not less than \$100,000 from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle.

(d) Workmen's Compensation Coverage for all Employees of the District Eligible Therefor and Performance and Payment Bonds, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds will be filed with the Clerk of the County Commission of said County prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

(e) Fidelity Bonds will be provided as to every member of the Board and as to every officer and employee thereof having custody of the Revenue Fund or of any revenues or other funds of the District in an amount at least equal to the total funds in the custody of any such person at any one time, and initially in the amount of \$10,000 upon the treasurer, provided, however, that no bond shall be required insofar as custody of the Project Construction Account is concerned.

(f) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Bond is outstanding, the District will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the District, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Government may specify, with insurance carriers or bonding companies acceptable to the Government.

Section 4.06. Statutory Mortgage. For the further protection of the holder of the Bond, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Bond.

Section 4.07. Events of Default. Each of the following events is hereby declared an "Event of Default":

(A) Failure to make payment of any monthly amortization installment at the date specified for payment thereof;

(B) Failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the District contained in the Bond or in this resolution, or violation of or failure to observe any provision of any pertinent law, provided any such failure or violation, excluding that covered in (A) above in this Section, shall continue for a period of thirty days after written notice shall have been given to the District by the Government specifying such failure or violation and requiring the same to be remedied.

Section 4.08. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Government may proceed to protect and enforce its rights by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights.

Upon application by the Government, such court may, upon proof of such default, appoint a receiver for the affairs of the District and the System. The receiver so appointed shall administer the System on behalf of the District, shall exercise all the rights and powers of the District with respect to its System and shall have the power to collect and receive all revenues and apply the same in such manner as the court may direct.

Section 4.09. Fiscal Year; Budget. While the Bond is outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a fiscal year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than thirty days prior to the beginning of each fiscal year, the District agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such fiscal year unless

unanimously authorized and directed by the Board. Copies of each Annual Budget shall be delivered to the Government by the beginning of each fiscal year.

If for any reason the District shall not have adopted the Annual Budget before the first day of any fiscal year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the year next preceding by more than ten per centum; and provided further, that adoption of a Budget of Current Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the District. Each such Budget of Current Expenses shall be mailed immediately to the Government.

Section 4.10. Compensation of Board Members. The District hereby covenants and agrees that no compensation for policy direction shall be paid to the members of its Board in excess of the amount permitted by the Act. Payment of any compensation to any member of the Board for policy direction shall not be made if such payment would cause the Net Revenues to fall below the amount required to meet all payments provided for herein, nor when there is default in the performance of or compliance with any covenant or provision of this resolution.

Section 4.11. Covenant to Proceed and Complete. The District hereby covenants to proceed as promptly as possible with the construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer and on file with the Secretary of the Board on the date of adoption of this resolution, subject to permitted changes.

Section 4.12. Books and Records. The District will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the System, and the

Government shall have the right at all reasonable times to inspect the System and all records, accounts and data of the District relating thereto.

The District shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants and shall mail a copy of such audit report to the Government.

Section 4.13. Maintenance of System. The District covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Bond is outstanding.

Section 4.14. No Competition. The District will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to, or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the District or within the territory served by the System.

Section 4.15. Concerning Arbitrage. It is not reasonably expected that the proceeds of sale of the Bond will be invested in such a way as to violate the operating rules in the regulations of the Internal Revenue Service or of the Treasury Department of the United States of America in connection with the arbitrage provisions of Section 103(d) of the Internal Revenue Code of 1954, as amended.

ARTICLE V

RATES, ETC.

Section 5.01. Rates and Charges; Rules. The schedule of rates and charges for the services and facilities of the System and the rules appertaining to the System, heretofore approved by the Public Service Commission of West Virginia, shall continue in effect until modified by the Public Service Commission.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Filing Under Uniform Commercial Code. Contemporaneously with the delivery of the Bond, the District shall execute Financing Statements meeting the requirements of the Uniform Commercial Code of West Virginia and promptly thereafter, shall file such a Financing Statement in the offices of the Secretary of State of the State of West Virginia and of the Clerk of the County Court of said County.

Section 6.02. Delivery of Bond No. B-1. The Chairman, Secretary and Treasurer of the Board are hereby authorized and directed to cause Bond No. B-1, hereby awarded to the Government pursuant to agreement, to be delivered to the Government as soon as the Government will accept such delivery and pay for Bond No. B-1.

Section 6.03. Severability of Invalid Provision. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions, and shall in no way affect the validity of all the other provisions of this Resolution or the Bonds or coupons appertaining thereto.

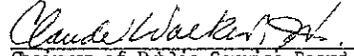
Section 6.04. Conflicting Provisions Repealed. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflicts, hereby repealed, including expressly the 1974 Resolution to the extent of any such conflicts, but expressly excluding the Series 1974 Bond as issued.

Section 6.05. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections

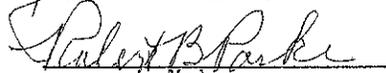
hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 6.06. Effective Time. This Resolution shall take effect immediately upon its adoption.

Adopted August 5, 1975.



Chairman of Public Service Board



Member

Member



WATER REVENUE BOND, SERIES B

GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT

\$425,000

No. B-1

Date: August 5, 1975

FOR VALUE RECEIVED, GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (herein called the "Government"), at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of Four Hundred Twenty-Five Thousand Dollars (\$425,000), plus interest on the unpaid principal balance at the rate of five per cent (5%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Installments of interest only on the first day of each month for the first twenty-four months after the date hereof and \$2,083, covering principal and interest, thereafter on the first day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of this Bond, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Farmers Home Administration according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.



If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower, and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

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

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction and acquisition of additions, extensions and improvements to the waterworks of the Borrower, is payable solely from the revenues to be derived from the operation of such waterworks after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the waterworks. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.



This Bond is on a parity with the Water Revenue Bonds, Series 1974, of the Borrower issued in the aggregate principal amount of \$830,000 on the 26th day of June, 1974 (herein called the "Series 1974 Bonds") pursuant to a resolution of the Borrower adopted on the last named date. Consent of the holder of all the Series 1974 Bonds outstanding has been given for the issuance of the Series B Bond on a parity with the Series 1974 Bonds.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Article 13A of Chapter 16 of the West Virginia Code (herein called the "Act").

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

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act. This Bond shall be subject to the present regulations of the Farmers Home Administration and to its future regulations not inconsistent with the express provisions hereof.

GLEN WHITE-TRAP HILL PUBLIC SERVICE
DISTRICT

By _____
Chairman, Public Service Board

[CORPORATE SEAL]

Glen White
West Virginia 25849

ATTEST:

Secretary





United States
Department of
Agriculture

Rural
Development

Federal Building
75 High Street, Room 320
Morgantown, WV 26505-7500
Phone (304) 284-4888
FAX (304) 284-4892
TTY/TDD (304) 284-4836

Attorney
Phase 1

Robert L. Milam, Chairman
Glen White – Trap Hill Public Service District
P.O. Box 100
Fairdale, WV 25839

April 19, 2002

Dear Mr. Milam:

This letter, with Attachments 1 through 14 and enclosures, establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan and grant will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development, by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

The docket may be completed on the basis of an RUS loan in the amount of \$2,249,000 and an RUS grant in the amount of \$1,500,000, for a total project cost of \$3,749,000.

The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you. The interest rate will be the lower of the rate in effect at the time of loan approval or the time of loan closing.

Extra copies of this letter are being provided for use by your engineer, attorney, bond counsel and accountant. The enclosures and attachments listed below are attached to the copies as noted. Enclosed are the following:

- Attachment No. 1 - Project Construction Budget (All Copies)
- Attachment No. 2 - Water and Waste Processing Checklist for Glen White-Trap Hill PSD (All Copies)
- Attachment No. 3 - RUS Instruction 1780, Subparts A and B (Applicant Copy)
- Attachment No. 4 - RUS Instruction 1780, Subpart C (Engineer Copy)
- Attachment No. 5 - RUS Instruction 1780, Subpart D (Attorney and Bond Counsel Copies)

- Attachment No. 6 - RUS Supplemental General Conditions (Engineer Copy)
- Attachment No. 7 - RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Project with RUS Financial Assistance"
- Attachment No. 8 - Government Auditing Standards (Revision 1994) (Accountant Copy)
- Attachment No. 9 - RUS Bulletin 1780-30, "Water Programs Audit Guide and Compliance Supplement "
- Attachment No. 10 - RUS Bulletin 1780-31, "Water Programs Compliance Supplement for OMB Circular A-133 Audits"
- Attachment No. 11 - Glen White-Trap Hill Water Users Agreement (Applicant and Attorney Copies)
- Attachment No. 12 - Declination Statement (Applicant and Attorney Copies)
- Attachment No. 13 - Sample Credit Agreement (Applicant Copy)
- Attachment No. 14 - Various other RD Forms as identified on Attachment No. 2

Your documents concerning the creation of your authority are administratively acceptable; however, they will be further reviewed by our Office of the General Counsel at the time your file is forwarded for closing instructions. Any changes required by our Office of the General Counsel will be included in the closing instructions.

The conditions referred to above are as follows:

1. Loan Repayment - The loan will be scheduled for repayment over a period of 40 years. The payments due the first 24 months will consist of interest only. Payments for the remaining 456 months will be equal amortized monthly installments. For planning purposes use a 4.75% interest rate and a monthly amortization factor of .00475, which provides for a monthly payment of \$10,683. You have the option of participating in the PREAUTHORIZED DEBIT (PAD) payment process. It will allow for your payment to be electronically debited from your account on the day your payment is due. Your authority must establish and fund monthly a debt service reserve account, which equals 10% of your monthly payment each month until you accumulate the equivalent of one annual installment on your loan.

You are reminded that your authority may be required to refinance (graduate) the unpaid balance of its RUS loan, in whole or in part, upon the request of RUS if at any time it shall be determined the authority is able to obtain a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time.

2. Security - The loan must be secured by a statutory lien on parity with the PSD's Series R-1, R-2, and B-1 Revenue Bond Issues now held by the General Electric Credit Corporation, a pledge of the system's revenues and other agreements between you and RUS as set forth in the bond resolution which must be properly

adopted and executed by the appropriate officials of your organization. Additional security requirements are contained in RUS Bulletin 1780-12 and RUS Bulletin 1780-27 which are mentioned later.

The PSD's water revenue bond issue was sold in the 1987 asset sale. It will be necessary for the PSD's bond counsel to contact the GMAC Commercial Mortgage Corporation, 650 Dresher Road, P.O. Box 1015, Horsham, Pennsylvania, 19044-8015, to obtain consent for additional borrowing. Evidence of GMAC's consent must be provided to RUS prior to loan closing.

3. Users - This conditional commitment is based upon you providing evidence that you will have at least 1,861 bona fide users on the proposed system when it has been completed and is placed in operation. This evidence will consist of 23 signed user agreements and a certification from you that identifies and attests to the number of users actually connected to and using the PSD's existing water system, which is to be partially replaced by the new system, at the time you request authorization to advertise the proposed project for construction bids.

The enclosed Water Users Agreement (RUS Bulletin 1780-9) will be used. Each user signing an agreement must make a user contribution of \$100. Each potential user who is located along planned lines and declines the offered service will be provided an opportunity to sign a "Service Declination Statement." A guide "Service Declination Statement" is attached for your use. If a potential user refuses to sign either a user agreement or a declination statement, the individual making the contact for the PSD should complete the declination statement for that potential user and note thereon his/her visit with the potential user, the potential user's refusal to sign, and the reason therefore. The declination statement should also be dated and signed by the individual making the contact.

Before RUS can agree to the project being advertised for construction bids, you must provide evidence that the total required number of bona fide users has been acquired and that all potential users have been offered the proposed service. Information and material evidencing compliance with this requirement must consist of (1) your certification (written) as to the number of users connected to and using the water service of the existing system (paying monthly bills), (2) signed user agreements, (3) signed service declination statements, (4) records evidencing user contributions having been paid, (5) a map locating each potential user's property in the new service area identifying it by number, (6) a list of all signed bona fide users numbered so as to be a cross-reference with the map, and (7) a list of all declination statements numbered so as to be a cross-reference with the map.

4. Bond Counsel - The services of a recognized bond counsel are required. The bond counsel will prepare the form of resolution to be used, in accordance with Subpart D of RUS Instruction 1780. You should immediately provide your bond counsel with a copy of this letter of conditions, its attachments and enclosures.

5. Engineering Services - It will be necessary for you to obtain the services of an engineer. EJCDC No. 1910-1-FA, "Standard Form of Agreement between Owner and Engineer for Professional Services" (Funding Agency Edition) should be used to obtain the services of an engineer. The EJCDC document is issued under copyright and cannot be provided by RUS.

Prior to loan and grant closing, you must provide RUS with documentation that the West Virginia Public Service Commission has reviewed and approved the engineering agreement.

6. Legal Services – It will be necessary for you to obtain the services of a local attorney. For your convenience RUS Bulletin 1780-7, "Legal Services Agreement" is enclosed for your use.
7. Accounting Services – It will be necessary for you to obtain the services of a qualified accountant. The accountant must agree to develop and provide the following:
 - a. All necessary accounting material required by the Public Service Commission of West Virginia (Rule 42 Exhibit).
 - b. Prior to the advertisement of bids, your accountant must certify that the accounts and records as required by your bond resolution have been established and are operational.

The Accountant's Agreement should be submitted to RUS for review. Compensation in the contract should include only those services identified above and not include payment for construction management services from the accountant unless RUS concurrence is obtained.

RUS regulations (Attachment No. 8) outline requirements for the submission of management reports and audits. Appropriate state statutes place certain audit requirements on your PSD. The attached booklets, "Government Auditing Standards (Revised 1994)" (Attachment No. 8), and RUS Bulletins 1780-30 1780-31 (Attachment Nos. 9 and 10) outline audit requirements.

You are reminded that certain provisions of the Office of Management and Budget Circular A-133 are applicable to any public body or nonprofit association that expends \$300,000 or more in federal funds in any one fiscal year. You must enter into an agreement annually with an accountant (or the State Tax Department) to perform the audit. The agreement must be in accordance with the requirements of the State Tax Commissioner of West Virginia. Compensation for preparation of the A-133 audit or your annual audit are not included in project funds and should be paid from the operational revenues generated from your system operation.

8. Facility Control - Prior to advertisement for construction bids, you must furnish satisfactory evidence that you have or can obtain adequate continuous and valid control over the lands and rights needed for the project. Such evidence must be in the following form:
- a. A right-of-way map showing clearly the location of all lands and rights needed for the project. The map must designate public and private lands and rights and the appropriate legal ownership thereof.
 - b. A copy of deeds, contracts or options for any lands needed other than rights-of-way, along with a preliminary title opinion covering such lands. Form RD 1927-9, "Preliminary Title Opinion" may be used. In the case of your existing system or where the PSD already acquired real property (land or facilities), a preliminary title opinion(s) concerning all such property(s) will be provided.
 - c. A narrative opinion from your attorney concerning all permits, certifications and other items necessary to show that all legal requirements can be met and stating how they will be met. This narrative should also identify any condemnation proceedings that are anticipated and state how they will be handled.
 - d. A certification and legal opinion relative to title to rights-of-way and easements. Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way," may be used. This form may contain a few exceptions such as properties that must be condemned; however, prior to the start of construction or loan closing, whichever occurs first, a new Form RD 442-22, must be provided which does not provide for any exceptions.
 - e. On the day of loan closing, the PSD's attorney must furnish final title opinions on all land(s) being acquired. Form RD 1927-10, "Final Title Opinion" may be used. In the case of your existing system or where the PSD has already acquired real property(s) (land or facilities), the PSD's attorney will provide a separate final title opinion(s) covering such property(s) on the day of loan closing.
9. Permits - Copies of all permits needed for the project must be provided for review prior to advertisement for construction bids. Such permits will include but are not limited to the following:
- West Virginia Department of Highways
 - Railroads
 - State Department of Health
 - Department of Environmental Protection
 - Public Land Corporation

10. Public Service Commission Approvals - You must obtain the following from the Public Service Commission of West Virginia:

- a. A Certificate of Convenience and Necessity.
- b. Approval of user charges that are acceptable to you and the Rural Utilities Service.
- c. Approval of financing for the project's proposed financing arrangements.

The "Rule 42" Exhibit to be attached to the Public Service Commission application must contain at least the information shown in Attachment No. 1. A copy of the Public Service Commission application and its "Rule 42" Exhibit must be provided for review.

11. Insurance and Bonding Requirements - Prior to preliminary loan closing, you must acquire the following insurance and bond coverage:

- a. Liability Insurance - Personal Liability - \$500,000; Property Damage - \$200,000 - \$200,000. The limits of liability coverage noted herein should be considered as suggested amounts only. RUS recommends that you consider analyzing your actual needs in detail before you obtain coverage in a specific amount.
- b. Workers' Compensation - In accordance with appropriate State laws.
- c. Position Fidelity Bond(s) - All positions occupied by persons entrusted with the receipt and/or disbursement of funds must be bonded. As a good business practice you will probably wish to have each position bonded in an amount equal to the maximum amount of funds to be under the control of that position at any one time. The minimum coverage acceptable to RUS will be for each position to be bonded for an amount at least equal to one annual installment on your loan(s).
- d. National Flood Insurance - In addition to meeting the requirements for the type of assistance requested, the following requirements must be met for financial assistance for acquisition and/or construction in designated special flood or mudslide prone areas:
 - (1) If flood insurance is available, you must purchase a flood insurance policy at the time of loan closing.
 - (2) Applicants whose buildings, machinery or equipment are to be located

in a community which has been notified as having special flood or mudslide prone areas will not receive financial assistance where flood insurance is not available.

- e. Real Property Insurance - Prior to the acceptance of the facility from the contractor(s), you must obtain real property insurance (fire and extended coverage) on all above-ground structures, to include machinery and equipment housed therein. This does not apply to water reservoirs, standpipes, elevated tanks or noncombustible materials used in treatment plants, clearwells, filters and the like.

12. Contract Documents, Final Plans and Specifications -

- a. The contract documents should consist of the following:

- (1) EJCDC Document No. 1910-8-A-1-FA, 1997 Edition, "Standard Form of Agreement between Owner and Contractor on the Basis of Stipulated Price" and EJCDC Document No. 1910-8-FA, "Standard General Conditions of the Construction Contract – Funding Agency Edition" and Attachments. The EJCDC document is issued under copyright and cannot be provided by RUS.
- (2) "RUS Supplemental General Conditions."

RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Projects with RUS Financial Assistance," is enclosed for use by your engineer in the preparation of the contract documents (Attachment No. 7).

- b. The contract documents must provide, as a minimum, the following insurance:

- (1) Liability Insurance - Personal Liability - \$500,000; Property Damage - \$200,000 - \$200,000. This coverage must include indemnification of the PSD and its engineer. RUS Bulletin 1780-13, Attachment 9, suggests certain limits of liability for insurance coverage. Those limits should be considered as minimum requirements only. It is recommended you consider increasing the given limits of liability after analyzing your specific needs.
- (2) Builder's Risk Insurance - On all structures and mechanical and electrical equipment in place or stored on the site to the full insurable value thereof.
- (3) Workers' Compensation - In accordance with applicable State laws.

- c. The contract documents and final plans and specifications must be submitted to RUS for approval.

d. The project must be designed in compliance with Section 504 of the Rehabilitation Act of 1973.

13. Interim Financing - Interim financing will be used for the RUS loan if it is available at reasonable rates and terms. You must provide RUS with a copy of the tentative agreement reached in connection with interim financing. A copy of the proposed agreement should be provided for RUS review. A Sample Credit Agreement is attached for your use in meeting this requirement (Attachment No. 13).
14. Disbursement of Funds - The RUS funds will be advanced as they are needed in the amount(s) necessary to cover the RUS proportionate share of any disbursements required of your PSD, over 30 day periods. Any grant funds not disbursed immediately upon receipt must be deposited in an interest bearing account.

Public Bodies – Interest earned on grant funds in excess of \$100 per year will be submitted to RUS at least quarterly as required in 7 CFR 3016.

The PSD must assure that all project funds are expended only for the eligible items included in the final project budget or as may be later approved by RUS.

15. Water Purchase Contract - You propose to purchase treated water from Beckley Water Company; therefore, you must enter into a Water Purchase Contract. Form RD 442-30 must be used unless you receive an exception from RUS.
16. At a properly called meeting, you must adopt and properly execute the following forms, and minutes showing the adoption must be provided:

Form RD 442-7 - "Operating Budget"

Form RD 1940-1 - "Request for Obligation of Funds"

RUS Bulletin 1780-12 - "Water or Waste System Grant Agreement"

RUS Bulletin 1780-27 - "Loan Resolution (Public Bodies)"

Form RD 400-1 - "Equal Opportunity Agreement"

Form RD 400-4 - "Assurance Agreement"

Form AD 1047 - "Certification Regarding Debarment - Primary"

Form AD 1049 - "Certification Regarding Drug-Free Workplace"

Form RD 1910-11 - "Applicant Certification, Federal Collection Policies"

FmHA Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans"

Standard Form LLL - "Disclosure of Lobbying Activities" (If Applicable)
Certification of Compliance
Form RD 1942-46, "Letter of Intent to Meet Conditions"

17. The enclosed Water and Waste Processing Checklist (Attachment No. 2) outlines the items needed to complete the loan and grant docket. All the items listed must be included in the loan and grant docket when it is forwarded to the USDA - Rural Development State Office with a request for loan closing instructions to be issued.
18. Upon receipt of the loan and grant docket, which contains all the items required above, RUS may authorize you to advertise the project for construction bids. Such advertisement must be in accordance with appropriate State statutes. Immediately after bid opening you must provide RUS with (a) a bid tabulation, (b) recommendations from you and your engineer as to the acceptability of the bids received, and (c) your recommendations for contract awards. If all parties then agree the construction bids received are acceptable, it is determined that adequate funds are available to cover the total facility costs, and that all the administrative conditions of loan approval have been satisfied, loan closing instructions will be issued. The closing instructions, a copy of which will be forwarded to you, will set forth any further requirements that must be met before the loan can be closed.

When all parties agree that the closing requirements can be met, a mutually acceptable date for the loan closing will be scheduled.

Any applicant contribution shall be considered as the first funds expended. After providing for all authorized costs, any remaining RUS project funds will be considered to be RUS grant funds and refunded to RUS. If the amount of unused RUS project funds exceeds the RUS grant, that part would be RUS loan funds.

If the conditions set forth in this letter are not met within six (6) months from the date hereof, RUS reserves the right to discontinue processing of the application. In the event the project has not advanced to the point of loan closing within the six-month period and it is determined the authority still wishes to proceed, it will be necessary that the proposed budget be reviewed again in detail. If during that review, it is determined the budget is no longer current and/or adequate, RUS reserves the right to require that it be revised or replaced.

We believe the information herein clearly sets forth the actions which must be taken; however, if you have any questions, please do not hesitate to contact me.

Sincerely yours,

Jenny N. Phillips

JENNY N. PHILLIPS

State Director

Enclosures

cc: Rural Development Specialist
Beckley, WV

William S. Winfrey, II
Attorney at Law
Princeton, WV

Robert D. Hazelwood
Pentree, Inc.
Princeton, WV

(Bond Counsel)

(Accountant)

**PROJECT CONSTRUCTION BUDGET
 GLEN WHITE-TRAP HILL PSD, PHASE I**

<u>PROJECT COST</u>	<u>RUS LOAN</u>	<u>RUS GRANT</u>	<u>TOTAL</u>
CONSTRUCTION	\$ 1,724,700	\$ 1,004,200	\$ 2,728,900
CONST. CONTINGENCY	\$ 147,600	\$ 85,900	\$ 233,500
LAND & RIGHTS	\$ 12,600	\$ 7,400	\$ 20,000
LEGAL FEES	\$ 17,300	\$ 10,000	\$ 27,300
BOND COUNSEL	\$ 12,600	\$ 7,400	\$ 20,000
ACCOUNTING	\$ 2,200	\$ 1,300	\$ 3,500
ENGINEERING FEES	\$ 258,200	\$ 150,400	\$ 408,600
Basic - 204,300			
Insp. - 175,100			
Special - 29,200			
INTEREST		\$ 213,655	\$ 213,655
EQUIPMENT	\$ 22,100	\$ 12,900	\$ 35,000
PROJECT CONTG.	\$ 51,700	\$ 6,845	\$ 58,545
TOTAL	\$ 2,249,000	\$ 1,500,000	\$ 3,749,000

Rate Schedule 1

Available for general domestic, commercial and industrial service.

First 2000 gals. @ \$ 7.27 per M gals.
 Next 48,000 gals. @ \$ 5.44 per M gals.
 Over 50,000 gals. @ \$ 3.88 per M gals.

Rate Schedule 2

Retail Service-- \$ 2.81 per 1,000 gallons

Minimum Charge

No bill shall be rendered for less than the following amounts according to the size of meter installed.

5/8" x 3/4" meter \$14.54 per month
 3/4" meter \$ 21.81 per month
 1" meter \$ 36.35 per month
 1 1/2" meter \$ 72.70 per month
 2" meter \$116.32 per month
 3" meter \$218.10 per month
 4" meter \$363.50 per month
 6" meter \$727.00 per month

Minimum Monthly Bill \$ 14.54 for 2,000 gallons

Delayed Payment Penalty

The above tariff is net. On all accounts not paid in full within twenty (20) days of date of bill, ten percent (10%) will be added to net amount shown.

If any bill is not paid within sixty (60) days after date, water service to the customer will be discontinued. Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a reconnection charge have been paid.

Connection Charge

Prior to Construction - \$ 100.00

After the start of construction, there shall be a charge of \$ 200.00 for connection to the system.

Reconnection Charge

\$20.00

Leak adjustment Rate

\$ 1.84 per 1000 gallons. To be used when the bill reflects unusual consumption which can be attributed to eligible leakage on the customers side of the meter. This rate is to be applied to the excess consumption above the customers' historical average usage.

Use and Income Analysis - See Attached.

Cash Flow Analysis – See Attached.

(Revised 10/01)

GLEN WHITE-TRAP HILL PSD
OPERATING BUDGET

OPERATING INCOME

Metered Sales	\$	975,239	
Penalties	\$	13,628	
Other Income			
Reconnect Fees			
TOTAL OPERATING INCOME			<u>\$ 988,867</u>

NON OPERATING INCOME

Interest income	\$	8,680	
TOTAL NON OPERATING INCOME			<u>\$ 8,680</u>

TOTAL INCOME

\$ 997,547

EXPENSES

O & M	\$	733,765	
Taxes	\$	20,887	
TOTAL EXPENSES			<u>\$ 754,652</u>

INCOME AVAILABLE FOR D/S (A)

\$ 242,895

DEBT SERVICE

Existing Bond P & I (B)	\$	74,208	
Proposed Bond P & I (B)	\$	128,196	
EXISTING LONG TERM(EQUIPMENT)	\$	7,709	
TOTAL DEBT SERVICE			<u>\$ 210,113</u>

DEBT SERVICE RESERVE

Debt Service Reserve*	\$	12,820	
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TOTAL DEBT SERVICE RESERVE

\$ 12,820

SURPLUS (DEFICIT)

\$ 19,962

DEBT COVERAGE (A/B)

\$ 1.16

**GLEN WHITE-TRAP HILL PSD
USE AND INCOME ANALYSIS
EXISTING SYSTEM**

Blocking	Cust.	Gal/ Mo.	Minimum Bills	First	Next	Over	TOTAL REVENUE
0 - 2000	580	562.5	580				
2001-50,000	1248	6,593.75		2496	4097.75		
> 50,000	10	1625.25		20	480	1125.25	

Monthly Total 1838 8781.5 580 2516 4577.75 1125.25

Proposed Rates \$ 14.54 \$ 7.27 \$ 5.44 \$ 3.88

Monthly Revenues \$ 8,433.20 \$ 18,291.32 \$ 24,902.96 \$ 4,365.97 \$ 55,993.45

Annual Revenues \$ 101,198.40 \$ 219,495.84 \$ 298,835.52 \$ 52,391.64 \$ 671,921.40

GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT
USE AND INCOME ANALYSIS
"IDENTIFIED EXTENSION AREAS"

Blocking	Cust.	Gal/ Mo.	Minimum Bills	FIRST 2,000	NEXT 48,000	OVER 50,000	TOTAL REVENUE
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0 - 2000	18	36	18				
2001-50000	5	26.5		10	16.5		
> 50000							
Monthly Total	23	62.5	18	10	16.5	0	

Proposed Rates			\$ 14.54	\$ 7.27	\$ 5.44	\$ 3.88	
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Monthly Revenues			\$ 261.72	\$ 72.70	\$ 89.76		\$ 424.18
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Annual Revenues			\$ 3,140.64	\$ 872.40	\$ 1,077.12		\$ 5,090.16
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GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT
USE AND INCOME ANALYSIS
RETAIL SERVICES

Blocking	Cust.	Gal/ Mo.	Minimum Bills	TOTAL REVENUE
TOWN of LESTER	1	2057.08	2057.08	
RALEIGH COUNTY PSD(ARNETT)	1	6787.16	6787.16	
Monthly Total	2	8844.24	8844.24	
Proposed Rates			<u>\$ 2.81</u>	
Monthly Revenues			<u>\$ 24,852.31</u>	<u>\$ 24,852.31</u>
Annual Revenues			<u>\$ 298,227.77</u>	<u>\$ 298,227.77</u>

**UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE
Water and Waste Processing Checklist**

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
SF 424.2	Application for Federal Assistance	3	1780.31(b)	Applicant		HAVE	3
	Public Notice of Intent to File App./ Env. Notice	3	1780.19(a) 1794	Applicant		HAVE	3
Bulletin 1780-22	Applicant Eligibility Certification/ Other Credit Certification	1	1780.33(d)	Applicant		HAVE	3
	Bond Ordn. or Resol. On Outstanding Debts	1	1780.33(e)	Applicant/ Attorney		HAVE	5
	Bonds or Notes Outstanding Debt	1	1780.33(e)	Applicant/ Attorney		HAVE	5
	Audit for last year of operation	1	1780.33(e)	Applicant/ Accountant		HAVE	1
	Staff Review Financial Statements	1	S.I. 1780.2	RUS			1
EJCDC No. 1910-1-FA	Agreement between Owner & Engineer	3	1780.39(b)	Applicant/ Engineer			6
Bulletin 1780-7 or other approved	Legal Services Agreement with Local Attorney	3	1780.39 (b)(2)	Applicant/ Attorney			5

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
(NPA's Only)	Organizational Documents	1	1780.33(e)	Applicant/ Attorney		N/A	5
	Site Visit		S.I. 1780-2	RUS			3
	Processing Conference	1	1780.39(a)	RUS			3
	Environmental Report	2	1794	Applicant		HAVE	3
	Environmental Assessment	2	1794	RUS/ Engineer		HAVE	3
	FONSI/ Evidence of Publication	1	Exhibit 1 RUS 1794 News Ad	RUS/ Applicant		<i>Have</i>	3
Bulletins 1780-2 1780-3	Preliminary Engineering Report	2	1780.33(c)	Engineer		HAVE	6
	Staff Engineer PER Review	1	1780.33(c)	RUS		HAVE	3
	Bill Analysis for existing system(s)	2	1780.33(c)	Applicant/ Engineer		HAVE	8
	Projected Bill Analysis for New Users	2	1780.33(c)	Applicant/ Engineer		HAVE	8
	Statement reporting the <u>total</u> number of <u>potential</u> users		1780.33(c)	Applicant/ Engineer		HAVE	8

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Copy of Existing Rate Tariff	2	1780.33	Applicant		HAVE	8
	Applicant's IRS Tax Number(TIN)	1	1780.33(g)	Applicant		HAVE	3
	Agency Determination on the Availability of "Other Credit" with Documentation	1	1780.7(d)	RUS		HAVE	3
	Documentation on Service Area	1	1780.11	RUS		HAVE	3
Bulletin 1780-1	Project Selection Criteria	2	1780.17	RUS		HAVE	1
Automated Form	Grant Determination	3	1780.35(b)	RUS		HAVE	2
	Letter of Conditions	7	1780.41 (a)(5)	RUS		HAVE	3
AD 1049	Certification Regarding Drug-Free Workplace	1	1780.33(h)	Applicant		HAVE	5
	Minutes Adopting Drug-Free Workplace Program	1	LOC	Applicant			5

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
Exhibit A / A-1	Certifications Regarding Lobbying	2	1780.33(h)	Applicant		HAVE	2
RD 1942-45	Project Summary	3	1780.41(a)	RUS		HAVE	1
RD 442-7	Operating Budget	3	1780.33(h)	Applicant		HAVE	3
RD 1942-14	Project Fund Analysis	3	1780.41(a)	RUS		HAVE	2
RD 1940-1	Request for Obligation of Funds	4	1780.41(a)	RUS/ Applicant		HAVE	2
Bulletin 1780-12	Association Water or Sewer System Grant Agreement	2	1780.45(c)	RUS/ Applicant		HAVE	2
RD 1942-46	Letter of Intent to Meet Conditions	2	1780.41 (a)(6)	Applicant		HAVE	3
AD 1047	Certification Regarding Debarment (Primary)	1	1780.33(h)	Applicant		HAVE	5
	Relationships/ Associations with Agency Employees	1	1780.1(f)	RUS		HAVE	3
RD 1910-11	Applicant Certification, Federal Collect- ion Policies	1	1780.33(h)	Applicant		HAVE	3
Bulletin 1780-27	Loan Resolution	1	1780.45 (a)(2)	Applicant		HAVE	5

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
RD 1942-8	Resolution of Members or Stockholders	1	1780.39(f)	Applicant		N/A	5
RD 440-22	Promissory Note	3	1780.45 (a)(1)	RUS		N/A	2
RD 400-1	Equal Opportunity Agreement	1	1901-E	Applicant		HAVE	6
RD 400-4	Assurance Agreement	1	1901-E	Applicant		HAVE	3
	Legal Services Agreement with Bond Counsel	1	1780.39 (b)(3)	Applicant/ Bond Counsel			5
	Agreement for Accounting Services	1	1780.39 (b)(2)	Applicant/ Accountant			5
	Water Users Agreement (Copy)	1	1780.39 (c)(3)	Applicant			5
	Evidence of Users:						
	1. Map of Users with each identified by number	1	LOC	Applicant			Separate File
	2. List of Signed Users Numbered to Map	1	LOC	Applicant			5

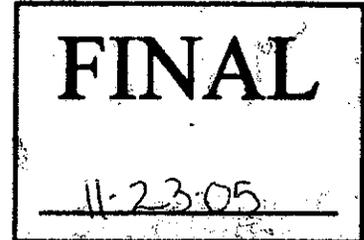
Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	3. List of Declination Statements Numbered to Map	1	LOC	Applicant			5
	4. Evidence of Tap Fees Being Paid	1	LOC	Applicant			5
	5. Having Users Agreements and Declination Statements Available		LOC	Applicant			
	6. Certification Relative to Existing Users	1	LOC	Applicant			5
	Verification of Users	1	1780.44(b)	RUS			3
RD 442-30	Water Purchase Contract	1	1780.62/ 1780.63	Applicant/ Attorney/ RUS			5
	Sewer Treatment Contract	1	1780.62/ 1780.63	Applicant/ Attorney/ RUS		N/A	5
	Accountant's Certification	1	LOC	Applicant/ Accountant			6
	RUS Review of Accounting Records	1	S.I. 1780-4 (1)(ii)	RUS			3
	Copy of PSC Rule 42 Exhibit	1	State	Attorney/ Accountant			3
Lender Agreement/ Bulletin 1780-10/ 1780-10a	Interim Financing Documentation	1	1780.39(d)	Applicant/ RUS			1

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
	DOH Permit	1	1780.15(d)	Applicant			6
	Railroad Permit	1	1780.15(d)	Applicant			6
	Public Land Corp. Permit	1	1780.15(d)	Applicant			6
	Corps of Engineers Permit	1	1780.15(d)	Applicant			6
	Dept. of Health Approval	1	1780.15(d)	Engineer			6
	Dept. of Environmental Protection Permit	1	1780.15(d)	Engineer			6
	Contract Documents, Plans & Specifications	2	1780.61(a)	Engineer			Separate File
	Agency Determination on Procurement	1	1780.70(d)	RUS			6
	Preliminary Bond Transcript Documents w/o Defeasance Provisions	2	1780.83	Bond Counsel			5
	Right-of-Way Map	1	1780.44(g)	Engineer			Separate File
	Deeds and/or Options		1780.44.(g)	Applicant/ Attorney			5
RD 1927-9	Preliminary Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5
	Narrative Opinion from Attorney	1	1780.44(g)	Attorney			5

<u>Form Number</u>	<u>Document or Action</u>	<u>Number Needed</u>	<u>Procedure Reference</u>	<u>Provided By</u>	<u>Target Date</u>	<u>Date Received</u>	<u>File Position</u>
	Waiver of Title Defects Letter	1	1780.44(g)	RUS			5
RD 442-22	Opinion of Counsel Relative to R/Ways		1780.44 (g)(1)	Attorney			5
	Review of Outstanding Judgment	1	1780.7(g)	RUS/ Attorney			3
	Evidence of "Other Funds"	1	1780.44(f)	Applicant		N/A	2
SF 3881	Electronic Funds Transfer Payment Enrollment Form	1	31 CFR 208	Applicant/ Financial Institution			2
	Positive Program to Encourage Connections when Completed	1	1780.39 (c)(5)	Applicant			5
	PSC Approval	1	1780.15(b)	Applicant/ Attorney			5

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Bid Tabulation	1	1780.61(b)	Engineer			6
	OGC Closing Instructions	1	1780.44(h)	RUS			5
	S/O Closing Instructions	1	1780.44(h)	RUS			5
RD 1927-10	Final Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5
	Bond Transcript Documents w/o Defeasance Provisions	3	1780.83	Bond Counsel			Separate File
RD 400-8	Compliance Review	1	1780.44(c)	RUS			5
	Liability Insurance	1	1780.39(g)	Applicant			7
	Workers' Compensation Certificate	1	1780.39(g)	Applicant			7
	Flood Insurance Policy	1	1780.39(g)	Applicant			7
440-24	Fidelity Bond	1	1780.39(g)	Applicant			7
1924-16	Record of Pre-Construction Conference	1	1780.76(a)	RUS/ Engineer			6
AD 1048	Certification Regarding Debarment (Contractor)	1 each	1780.33(h)	All Appropriate Vendors			5
	OGC Final Opinion	1	1780.45(g)	RUS			5



PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTONEntered: November 3, 2005

CASE NO. 05-0481-PWD-CN

GLEN WHITE-TRAP HILL PUBLIC SERVICE
DISTRICTApplication for a certificate of convenience
and necessity to construct water system
improvements and water system extensions.RECOMMENDED DECISION

On April 8, 2005, Glen White-Trap Hill Public Service District (District) filed an application for a certificate of convenience and necessity to construct various improvements to its existing water distribution system.¹ The project will also include a small line extension which will serve about twenty-eight (28) potential new customers in the community of Lilly Mountain. The proposed extension for Lilly Mountain will also enable the District to serve the area to the east of Lake Stephens, which has a potential for growth and development as a consequence of the recreational opportunities associated with Lake Stephens. The project will also provide improved service to the existing recreational facilities located on the western side of Lake Stephens through the construction of a new storage tank, pressure control system and associated facilities (the Project). The estimated cost of the Project was \$3,749,000, and was to be financed by a USDA Rural Utilities Service (RUS) loan in the amount of \$2,249,000 and an RUS grant in the amount of \$1,500,000. The RUS loan will be scheduled for repayment over a period of 40 years, at an interest rate of 4.75%. The payments due the first 24 months will consist of interest only with equal monthly payments of \$10,683 for the remaining 456 months. The proposed increased project-related rates and charges would produce approximately \$199,703 annually in additional revenue, an increase of approximately 20%. The requested increased rates and charges were only a proposal and were subject to change (increases or decreases) by the Commission in its review. Various financial, legal and engineering documents were attached to the certificate application.

¹Pursuant to West Virginia Code §24-2-11, the District had filed Form No. 13, Notice of Pre-Filing, together with a Rule 42 Exhibit on July 30, 2004. On November 5, 2004, the District filed an affidavit of publication reflecting that the Notice of Pre-Filing was published on July 21 and 28, 2004, in The Register-Herald, a newspaper, duly qualified by the Secretary of State published and of general circulation in Raleigh County, West Virginia.

The District is a Class B water utility serving approximately 2,000 customers, including two (2) resale customers, in the central portion of Raleigh County, south and west of the City of Beckley. The District's two (2) resale customers, i.e., the Town of Lester and the Raleigh County Public Service District, serve approximately 1,600 additional residential and commercial customers. The District purchases all of its water from Beckley Water Company.

By Order dated April 11, 2005, the District was directed to provide notice of the filing of the application by publishing a copy of said Order once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Raleigh County, West Virginia, making due return to this Commission of proper certification of publication immediately after publication. The Notice directed that anyone desiring to make objection to the certificate application had to do so, in writing, within thirty (30) days after publication of said Notice. It was further provided that failure to timely protest or intervene could affect one's right to protest, including any associated rate increase, or to participate in future proceedings. The Notice also stated that the proposed rate increases, as set forth in the Notice, were based on averages of all customers in the indicated class. Individual customers might receive increases that are greater or less than average. Furthermore, the requested rates and charges were only proposals and were subject to change, increases or decreases, by the Public Service Commission in its review of the certificate application filed in this proceeding. The Notice further provided that, if no protests were received within the thirty-day period, the Commission could waive formal hearing and grant the certificate application, based upon the evidence submitted in the application and the Commission's review thereof.

On April 25, 2005, Staff Attorney Cecelia Gail Jarrell filed an Initial Joint Staff Memorandum to which was attached an Initial Internal Memorandum prepared by Steve Wilson, Utilities Analyst II, Water and Wastewater Division, and Jonathan M. Fowler, P.E., Engineering Division. Commission Staff reported that it was continuing its investigation into the District's certificate application and would file its final recommendation herein in a timely manner. Commission Legal Staff also reminded the District that Rule 10.3.d. of the Commission's Rules of Practice and Procedure (Procedural Rules) required the District to provide separate notices to each of its customers concerning the project and the associated rate increases. Commission Staff also recommended that this matter be referred to the Division of Administrative Law Judges for further disposition.

On April 29, 2005, the District filed an affidavit of publication reflecting that, in compliance with the Commission's April 11, 2005 Order, the Notice of Filing was published on April 20, 2005, in The Register-Herald, a newspaper duly qualified by the Secretary of State, published and of general circulation in Raleigh County.

By Order dated May 4, 2005, the Commission referred this matter to the Division of Administrative Law Judges for further disposition, with a decision due date of on or before November 4, 2005.

On July 21, 2005, Ms. Jarrell filed a Further Joint Staff Memorandum stating that Commission Technical Staff was still in the process of completing its final recommendation in this matter. It was expected that Staff's final recommendation would be ready for filing during the week of July 25 through 29, 2005.

On August 12, 2005, Ms. Jarrell filed a Further Joint Staff Memorandum to which was attached a Further Internal Memorandum dated August 8, 2005, prepared by Mr. Wilson and Mr. Fowler. Commission Staff requested that the District provide the following information and/or documentation, to-wit:

1. A current, detailed construct cost estimate, including all estimated quantities, item descriptions, the units of measurement and the estimated unit costs used in preparing this estimate. Estimated costs for any lump sum items and/or similar fixed-price pay items were also to be included; and
2. A current, detailed project cost estimate. The project cost estimate was to be provided in equivalent detail and of a format similar to either the WVIJDC "Schedule B" or the current USDA-RUS "Letter of Conditions" format or other format providing equivalent detail and acceptable to Staff.

Also on August 12, 2005, Ms. Jarrell filed Commission Staff's First Set of Interrogatories, Data Requests or Requests for Information. The District was requested to provide the information and/or documentation specified in Staff's August 8, 2005 Further Internal Memorandum within twenty (20) days following service upon it of the First Set of Interrogatories, Data Requests or Requests for Information.

On August 29, 2005, the District filed the information and documentation specified in Staff's August 8, 2005 Further Internal Memorandum and August 12, 2005 First Set of Interrogatories, Data Requests or Requests for Information.

On September 13, 2005, Ms. Jarrell filed a Final Joint Staff Memorandum to which was attached a Final Internal Memorandum dated September 6, 2005, prepared by Mr. Wilson and Mr. Fowler. According to Commission Staff, the District provides water service to approximately 2,000 customers, including two (2) resale customers, in the central portion of Raleigh County, south and west of the City of Beckley. The District purchases all of its water from Beckley Water Company with total water purchases reported in the District's Annual Report for the year ended June 30, 2004, being 307,074,000 gallons. Total sales of water amounted to 208,896,000 gallons with unaccounted-for water amounting to 98,178,000 gallons, or 31%. This water loss is unacceptably high, being more than double the Commission-accepted maximum of 15% unaccounted-for water.

The proposed project will also provide for various improvements to the existing water distribution system and will also include a small extension which will serve about twenty-eight (28) potential new customers in the Raleigh County community of Lilly Mountain. The proposed extension for Lilly Mountain will also enable the District to

serve the area to the east of Lake Stephens, which has a potential for growth and development as a consequence of the recreational opportunities associated with Lake Stephens. The project will also provide improved service to the existing recreational facilities located on the western side of Lake Stephens through the construction of a new storage tank, pressure control system and associated facilities.

The project will consist of three (3) separate construction contracts which consist of the following key items or components:

Contract 1:

1. Approximately 21,300 feet of new 12" water mains of various types;
2. Approximately 700 feet of 2", 6" and 8" water lines of various types;
3. Fifteen new water line valves of various sizes (2" through 12");
4. Twelve new fire hydrants;
5. Three pressure reducing stations;
6. Approximately 2,600 feet of new water service lines and the reconnection of approximately 120 existing customer services to new facilities;
7. Various connections and tie-ins between new lines and existing lines;
8. New tank level and pump control telemetry systems;
9. Two new leak detection meters, sampling stations and test taps; and
10. Various appurtenances, repaving, reseeding and necessary items to furnish a complete system.

Contract No. 2:

1. Approximately 30,000 feet of new 6" water lines. (Lilly Mountain extension);
2. Approximately 1,000 feet of new 2" water lines;
3. Thirteen 2" and 6" main line valves;
4. Nine new fire hydrants;
5. Approximately 1,100 feet of new customer service lines;
6. Twenty-eight new meter settings;

7. One new pressure reducing station;
8. One new leak detection meter, sampling station and test tap; and
9. Various appurtenances, repaving, reseeding and necessary items to furnish a complete system.

Contract No. 3:

1. One new water tank at Fairdale (496,000 gallons);
2. One new water tank at Lilly Mountain (109,000 gallons);
3. Access roads, fencing and necessary accessories; and
4. One additional tank would be built at Fairdale (496,000 gallons) as an "Additive Alternate" if funds are available following bidding.

The present estimated cost of this project is \$3,749,000 and the estimated construction cost is \$2,851,450. These estimates are based upon the latest cost revisions provided by the project's engineer in response to Commission Staff's August 8, 2005 Further Internal Memorandum and August 12, 2005 First Set of Interrogatories, Data Requests or Requests for Information. A summary of the estimated project costs is as follows, to-wit:

Construction	\$2,851,450
Construction Contingency	110,550
Lands and Rights-of-Way	20,000
Legal Fees	27,300
Bond Counsel	20,000
Accounting	3,500
Technical (Engineering & Inspection)	408,600
Capitalized Interest	213,655
Equipment	35,000
Project Contingency	<u>58,545</u>
Total	\$3,749,000

Staff noted that the above project budget is based upon estimated construction costs and that this project has not yet been bid. Thus, the actual construction cost and, consequently, the final total project cost will most certainly vary, depending upon the actual as-bid costs for the proposed construction. Staff further cautioned that construction costs for this type of public utility work have been escalating rapidly for the previous several years and, thus, the actual cost may exceed the available funding once the project is actually bid. The District was advised to explore additional funding sources and to consider appropriate cost saving measures, such as limited scope reductions, selective revisions in materials specifications, etc., prior to bidding the project. The District was further advised that, in order to avoid long-term service or maintenance problems, all cost-saving measures which may impact the quality of the constructed project must be considered

carefully and only implemented after consultation with and the concurrence of the District's consulting engineer.

The engineering services agreement associated with this project was approved by the Commission in Case No. 00-1573-PWD-PC (Final January 30, 2001). Engineering fees total \$204,300 for project design services, \$175,100 for construction period (inspection) services and \$39,200 for additional services. The total engineering fees (\$408,600) make up approximately 10.9% of the total project costs or about 15% of the estimated construction costs. Staff was of the opinion that these fees are within the customary range of fees for these engineering services.

A review of the construction plans, technical specifications and contract documents furnished with the application revealed no apparent conflicts with the applicable Commission rules. The review undertaken by Technical Staff of the plans and specifications for the proposed project was not intended to be, and does not constitute, a comprehensive engineering review. Thus, Staff approval of the project was not to be deemed or construed as specific approval of the actual plans and specifications of the project.

Based upon projections provided by the consulting engineer, the District requested an increase in operations and maintenance expenses for the proposed project of \$33,153. No details concerning the methods used by the District in arriving at this figure were provided. Technical Staff reviewed the project and the available data in an effort to verify the proposed operation and maintenance increases and, based upon its analysis, found the proposed O&M expenses increase to be excessive in light of the adjustments previously made by Staff in the District's most recent rate case. See, Case No. 04-1519-PWD-19A. Staff noted that the proposed project should actually result in a decrease in maintenance costs, since a large quantity of older line, which is subject to excess leakage, will be replaced as part of the project. Further, the very small number of new customers being added as a result of this project will produce no significant increase in power consumption nor pumping equipment maintenance. Based upon its analysis, Commission Technical Staff recommended an increase of \$2,495 in order to cover the increase in purchased water costs due to the addition of the 28 potential new residential customers added by the project. In addition, Commission Technical Staff recommended that meter reading expenses be increased by \$2,940 to account for the need to read the new meters based upon 7 man-hours/month, and to allow \$243 for increased transportation expenses, estimated at 50 miles per month, associated with such meter reading.

Based upon the current status of the proposed project and Staff's knowledge of the permitting process involved, Commission Technical Staff believed that the District has obtained, or will be able to obtain, the key permits and approvals needed for the project. Thus, Commission Technical Staff recommended that the certificate application be approved, contingent upon the District's receipt of all necessary federal, state and local permits and approvals for the proposed construction. Copies of these permits and approvals should be forwarded to the Commission immediately upon the District's receipt of such documents and construction should not begin until such time as all permits and approvals have been issued. Further, the District should be directed to

file a copy of the certificate of substantial completion for each contract associated with the project within thirty (30) days of the issuance of such certificate(s).

Since the system upgrade portion of the overall project involves only internal improvements to an existing distribution system, no alternatives were evaluated. The consequences of not completing this project would include steadily worsening pressure problems, shortages of potable water and, ultimately, a loss of service within certain portions of the distribution system. This project will reduce or alleviate these potential failures and provide the first step toward a planned, controlled program of distribution system enhancements. Commission Technical Staff was of the opinion that the implementation of a series of improvement projects is an efficient and cost-effective means of increasing system capacity and improving reliability, while simultaneously minimizing the impact of increasing rates.

Regarding the system extensions, Commission Technical Staff noted that the general availability of groundwater in the area of the Lilly Mountain extension is marginally suitable for residential consumption. However, the quality of this groundwater is often quite poor with excessive amounts of iron, manganese, hardness and similar contaminants being found in the groundwater throughout the project area. Based upon Technical Staff's knowledge of the project area and the water supply available in the area, it was Staff's opinion that the need for this project has been amply demonstrated.

Commission Financial Staff reported that the project is to be financed with an RUS loan in the amount of \$2,249,000 and an RUS grant in the amount of \$1,500,000. The RUS loan for \$2,249,000 will be scheduled for repayment over 40 years. The lender has instructed that, for planning purposes, a 4.75% interest rate is to be used, which would generate an annual debt service of \$128,196. A debt service reserve account must be established which equals 10% of the annual debt service until the equivalent of one annual installment is funded. Funding is also provided for a renewal and replacement reserve of 2.5% of the total operating revenue.

Commission Financial Staff went on to report that, in Case No. 04-1519-PWD-19A (Final April 14, 2005), the District was granted a rate increase. A class cost of service study (CCSS) was conducted in Case No. 04-1519-PWD-19A to make sure the different classes of customers were being equitably charged for their water consumption and to evaluate the rate structure of the District's water tariff. As a result of that CCSS, the District's tariff was restructured and now contains additional blocks of usage with the appropriate charges applied to those blocks. Since the rate case and CCSS were completed subsequent to the filing of the District's certificate application, much of the data supplied by the District in this case had to be modified by Commission Staff. A Staff cash flow analysis is attached to Staff's memorandum as Attachment 1, which shows the results of the recent rate case and the adjustments to those numbers as a result of the proposed project. The project-related rate increase originally requested by the District in its certificate application now has little, if any, applicability in this proceeding in light of the results in Case No. 04-1519-PWD-19A.

Based upon the billing analysis contained in Case No. 04-1519-PWD-19A, Commission Staff recommended an across-the-board increase of 16% to the District's current water rates and charges to support this project. The Staff-recommended rates are attached to Staff's memorandum as Attachment 4. These rates will provide for a minimum bill of \$16.24 per month. Staff's cash flow analysis, Attachment 1, reveals that Staff's recommended rates should generate a cash flow surplus of \$18,707, with a debt service coverage factor of 132.73%. Since a portion of the O&M expense increase is attributable to purchased water, Staff also recalculated the District's incremental cost of water produced and included the change in its recommended tariff. The District's annual costs for purchased water and pumping power are \$478,868 and \$660, respectively. This combined cost of \$479,528 was divided by the District's estimated annual M gallons sold of 208,896 to arrive at the recalculated incremental cost of \$2.30 per M gallons.

In summary, Commission Financial Staff recommended, in conjunction with Commission Engineering Staff's recommendations, that:

1. The District's certificate application to construct the specified water system improvements and water system extensions be approved, contingent upon receipt of all outstanding permits;
2. Project funding, consisting of a grant from RUS in the amount of \$1,500,000 and a loan from RUS in the amount of \$2,249,000, scheduled for repayment over 40 years at an interest rate of 4.75%, be approved;
3. Staff's recommended rates and charges, as contained in Attachment 4 to Staff's Final Internal Memorandum, be approved;
4. Staff's accounting adjustments and level of operations as reflected on Staff's Cash Flow Analysis be approved;
5. The rates set forth in Attachment 4 to Staff's Final Internal Memorandum be published since they differ from those published by the District at the initiation of this proceeding; and
6. If there is any change in the plans, scope or financing for the project, the District should notify the Commission and request a reopening of the certificate case for adjustments and approval.

On November 3, 2005, the District filed documentation demonstrating its compliance with the additional individual and resale customer notification requirements of Procedural Rule 10.3.d.

DISCUSSION

The need for this project is more than evident when one looks at the District's unaccounted-for water of 98,178,000 gallons. One of the proposed project's two (2) goals is to replace aging, deteriorated or

undersized water mains. These improvements will serve to alleviate maintenance problems, enhance the overall operation of the system, reduce unaccounted-for water losses and reduce long-term operation and maintenance costs. As stated by Commission Engineering Staff, failure to initiate and complete a project such as is now proposed by the District will lead to worsening pressure problems, shortages of potable water and, ultimately, a loss of service within certain portions of the District's distribution system. This project will provide an efficient and cost-effective means of increasing system capacity and improving reliability while simultaneously minimizing the impact of increased rates. The extension of water service to the Lilly Mountain and eastern Lake Stephens areas will serve to provide safe potable water to areas where the existing groundwater is marginally suitable for residential consumption.

Publication of a revised notice of filing containing the rates recommended by Commission Staff is unnecessary. The original Notice of Filing published by the District on April 20, 2005, specifically provided that "the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing." The rates originally proposed by the District are only slightly lower than those recommended by Commission Staff and that slight difference is not sufficient to warrant additional publication.

FINDINGS OF FACT

1. Glen White-Trap Hill Public Service District filed an application for a certificate of convenience and necessity to construct certain improvements to its existing water distribution system which will also include a small extension to serve about 28 potential new customers in the community of Lilly Mountain. The proposed extension for Lilly Mountain will also enable the District to serve the area to the east of Lake Stephens, which has a potential for growth and development as a consequence of the recreational opportunities associated with Lake Stephens. The project will also provide improved service to the existing recreational facilities located on the western side of Lake Stephens through the construction of a new storage tank, pressure control system and associated facilities. Lines to be replaced include those existing lines which are known to have high water losses as well as those sections of the system which restrict the hydraulic capacity of the system, the so-called bottlenecks. (See, April 8, 2005 filing).

2. The District proposed increased project-related rates and charges which would produce approximately \$199,703 annually in additional revenue, an increase of approximately 20%. (See, April 8, 2005 filing).

3. The present estimated cost of the project is \$3,749,000 and the estimated construction cost is \$2,852,450. Funding for the project consists of a USDA Rural Utilities Service loan in the amount of \$2,249,000 and an RUS grant in the amount of \$1,500,000. The RUS loan for \$2,249,000 will be scheduled for repayment over 40 years, at 4.75% interest, which will require an annual debt service of \$128,196. (See,

April 8, 2005 filing; Final Joint Staff Memorandum and attachment filed September 13, 2005).

4. The District purchases all of its water from the Beckley Water Company. Total water purchases reported in the District's Annual Report for the year ended June 30, 2004, were 307,074,000 gallons, with total sales of water amounting to 208,896,000 gallons. Unaccounted-for water amounted to 98,178,000 gallons, or 31%, which is unacceptably high, being more than double the Commission's accepted maximum of 15% unaccounted-for water. (See, Final Joint Staff Memorandum and attachment filed September 13, 2005).

5. The District filed an Affidavit of Publication reflecting that the Notice of Filing of the certificate application was published on April 20, 2005, in The Register-Herald, a newspaper, duly qualified by the Secretary of State, published and of general circulation in Raleigh County, West Virginia. (See, Affidavit of Publication filed April 29, 2005).

6. No protests or objections were filed to the District's certificate application within the thirty-day response period, which expired on May 20, 2005, or as of the date of this Order. (See, case file generally).

7. Commission Staff recommended an across-the-board increase of 16% which will produce a projected cash flow surplus of \$18,707 and a debt service coverage ratio of 132.73%. Commission Staff's recommended increase in rates will increase annual revenues by \$151,170, from \$940,475 per year to \$1,091,645 per year. Commission Staff's estimated annual O&M expenses will increase \$5,678 to \$813,003 per year. (See, Final Joint Staff Memorandum and attachment filed September 13, 2005).

8. The District experienced a 31% unaccounted-for water loss for the fiscal year ended June 30, 2004, and needs to replace existing lines which are known to have high losses, as well as replace those sections of its system which restrict the hydraulic capacity of the system and enlarge the system's storage capacity. (See, Final Joint Staff Memorandum and attachment filed September 13, 2005).

9. The general availability of groundwater in the area of the proposed Lilly Mountain extension is only marginally suitable for residential consumption since it often contains excessive amounts of iron, manganese and similar contaminants and residents of that area are in need of an efficient and reliable source of safe, potable water. (See, Final Joint Staff Memorandum and attachment filed September 13, 2005).

10. Commission Staff is of the opinion that the District's proposed project is necessary to alleviate maintenance problems, enhance the overall operation of the system, reduce unaccounted-for water losses, reduce long-term operation and maintenance costs and provide safe, potable water to customers in the Lilly Mountain area; is financially feasible; and should be approved, together with the Staff-recommended tariff, which incorporates the Staff-recommended across-the-board rate increase. (See, Final Joint Staff Memorandum and attachment filed September 13, 2005).

11. The District did not file any objection to the Staff recommendations despite being given the opportunity to do so. (See, September 13, 2005 Executive Secretary's letter; case file generally).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the issuance of a certificate of convenience and necessity to the Glen White-Trap Hill Public Service District to construct certain additions and improvements to its water system in Raleigh County, West Virginia, as are more particularly set forth and described in the certificate application filed herein on April 8, 2005.

2. It is reasonable to approve the financing of the project certificated herein, which consists of a USDA Rural Utilities Service loan in the amount of \$2,249,000 for a term of forty (40) years, at 4.75% interest, and an RUS grant in the amount of \$1,500,000.

3. The project is economically feasible in that it is fully funded and the proposed and Staff-recommended rates are sufficient, but not more than sufficient, to cover the District's reasonable operation and maintenance expenses and debt service.

4. It is reasonable to approve the Staff-recommended rates and charges as are more particularly set forth in Appendix A, attached hereto, to become effective for all services rendered by the District on and after the date the subject project is substantially completed.

ORDER

IT IS, THEREFORE, ORDERED that the application filed herein on April 8, 2005, by the Glen White-Trap Hill Public Service District for a certificate of convenience and necessity to construct certain additions and improvements to its water system in Raleigh County, West Virginia, and as are more particularly set forth and described in said certificate application, be, and hereby is, granted, without need for a formal hearing.

IT IS FURTHER ORDERED that the financing of the project, consisting of a USDA Rural Utilities Service loan in the amount of \$2,249,000, for a term of forty (40) years at 4.75% interest, and an RUS grant in the amount of \$1,500,000, be, and hereby is, approved.

IT IS FURTHER ORDERED that the Staff-recommended rates and charges, attached hereto as Appendix A, be, and hereby are, approved for use by the District to become effective for all service rendered by the District on and after the date the project is certified as substantially completed.

IT IS FURTHER ORDERED that Glen White-Trap Hill Public Service District shall file an original and at least five (5) copies of a tariff setting forth the rates and charges approved herein, within thirty (30)

days from the date that the project is certified as substantially completed.

IT IS FURTHER ORDERED that, if this project requires the use of Division of Highways' rights-of-way, the Glen White-Trap Hill Public Service District comply with all rules and regulations of the Division of Highways regarding the use of those rights-of-way.

IT IS FURTHER ORDERED that the Glen White-Trap Hill Public Service District be, and hereby is, directed to submit a certificate of substantial completion for the project from its engineer as soon as it becomes available.

IT IS FURTHER ORDERED that the Glen White-Trap Hill Public Service District be, and hereby is, directed to file a copy of the engineer's certified tabulation of bids for the project within ten (10) days of the opening date.

IT IS FURTHER ORDERED that, if there are any changes in the plans, scope or financing of the project, the Glen White-Trap Hill Public Service District shall obtain Commission approval of such changes prior to commencing construction.

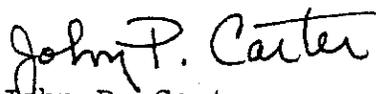
IT IS FURTHER ORDERED that this matter be, and hereby is, removed from the Commission's docket of open cases.

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

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

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

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


John P. Carter
Administrative Law Judge

JPC:mal
050481a.wpd

GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT
CASE NO. 05-0481-PWD-CN
APPROVED RATES

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

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

RATES (customers with metered water supply)

First	2,000 gallons used per month	\$8.12 per M gallons
Next	8,000 gallons used per month	\$6.29 per M gallons
Next	20,000 gallons used per month	\$5.16 per M gallons
Next	20,000 gallons used per month	\$3.67 per M gallons
All Over	50,000 gallons used per month	\$2.96 per M gallons

MINIMUM CHARGE

No minimum bill will be rendered for less than \$16.24 per month, which is the equivalent of 2,000 gallons or

5/8-inch meter	\$ 16.24 per month
3/4-inch meter	\$ 24.36 per month
1-inch meter	\$ 40.60 per month
1-1/2-inch meter	\$ 81.20 per month
2-inch meter	\$ 129.92 per month
3-inch meter	\$ 243.60 per month
4-inch meter	\$ 406.00 per month
6-inch meter	\$ 812.00 per month
8-inch meter	\$1,299.20 per month

RESALE RATE

All water for resale to City of Lester and Raleigh County Public Service District will be billed in accordance with the approved rate of \$2.93 per 1,000 gallons used per month.

DELAYED PAYMENT PENALTY

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

RECONNECTION - \$10.00

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

TAP FEE

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

A tap fee of \$200.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the service.

LEAK ADJUSTMENT

\$2.30 per 1,000 gallons is to be used when a bill reflects unusual water consumption which can be attributed to eligible water leakage on customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

RETURNED CHECK CHARGE

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

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 13th day of July, 2007.

CASE NO. 07-0862-PWD-30B

GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT,
a public utility, Fairdale, Raleigh County.

Rule 30-B application to increase rates to offset the increased costs of purchased water from the Beckley Water Company.

COMMISSION ORDER

On May 15, 2007, the Glen White-Trap Hill Public Service District (District) filed with the Commission a request to increase its water rates and charges pursuant to Rule 30-B of the Commission's *Rules for the Construction and Filing of Tariffs (Tariff Rules)*, 150 C.S.R. Series 2. The District is seeking an increase in its rates to offset an increase in the rates for purchased water provided by the Beckley Water Company (Company). The Company charges the District through its declining block rate structure. The Company increased its resale water rates by approximately 1.0% per 1000 gallons of metered water usage. The Company's increase became effective on January 19, 2007.

Commission Staff, at the utility's request, developed amended tariff sheets reflecting these increased costs.

On July 9, 2007, Commission Staff (Staff) filed an Initial and Final Joint Staff Memorandum recommending that the District's rates be increased by \$0.12 per thousand gallons of metered water usage, to be effective upon the date of the Commission's order. Staff further recommended the District's leak adjustment rate be decreased on an interim basis to \$1.76.

Pursuant to *Tariff Rule* 13.1.c, the Commission may order interim rates as soon as possible after the filing of amended tariff sheets by either the utility or Staff by requiring the utility to provide notice by publishing one time in a newspaper of general circulation in each county where the utility provides service. Such rates take effect immediately, on an interim basis, subject to refund. The rule also states that if substantial protests are received, and the Commission finds upon further review that interim rates are not justified, refunds will be

ordered. Staff has recommended that the Commission order interim rates based upon the facts and circumstances of this case.

UPON CONSIDERATION WHEREOF, the Commission concludes that Staff's recommendation accurately reflects the District's increased cost of water provided by the Company. The Commission also concludes that Staff's proposed adjusted incremental leak adjustment rate is reasonable.

Therefore, the Commission finds it reasonable and appropriate to approve on an interim basis the proposed increase of \$0.12 per thousand gallons of metered water usage to be added to the District's rates to offset its cost of water provided by the Company. Furthermore, the Commission finds it reasonable and appropriate to approve, on an interim basis, Staff's proposed adjusted incremental leak adjustment rate of \$1.76 per thousand gallons of metered water usage. The Commission will approve the rates attached hereto as Attachment B for use by the District on an interim basis for all bills rendered on and after the date of this Order. The District will be required to publish a notice of the interim rates, attached hereto as Attachment A. Those interim rates are subject to refund if the Commission finds upon further review that the interim rates are determined to not be cost supported. Following expiration of the protest period provided in the notice, and in the absence of substantial protest evidencing that the interim rates are not cost supported, the Commission will issue a further order finally adopting the interim rates.

ORDER

IT IS THEREFORE ORDERED that Glen White-Trap Hill Public Service District shall, as soon as possible, publish the notice of filing attached hereto as Attachment A as a Class I legal publication in a newspaper published and of general circulation in Raleigh County.

IT IS FURTHER ORDERED that Glen White-Trap Hill Public Service District file affidavits of publication evidencing publication as ordered herein within ten days of the publication date.

IT IS FURTHER ORDERED that the Staff recommended rates, attached hereto as Attachment B, are hereby approved for use by Glen White-Trap Hill Public Service District on an interim basis on all bills rendered on and after the date of this Order.

IT IS FURTHER ORDERED that the interim rates are approved subject to refund if, upon further review, the interim rates are determined to not be cost supported.

IT IS FURTHER ORDERED that within thirty (30) days of the date of this Order Glen White-Trap Hill Public Service District shall file with the Commission a revised tariff setting forth the new rates and charges.

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

A True Copy, Teste:


Sandra Squire
Executive Secretary

LHG/s
070862c.wpd

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

CASE NO. 07-0862-PWD-30B

GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT,
a public utility, Fairdale, Raleigh County.

Rule 30-B application to increase rates to offset the increased
costs of purchased water from the Beckley Water Company.

NOTICE OF FILING

NOTICE is hereby given that Glen White-Trap Hill Public Service District (District), a public utility, has filed with the Public Service Commission of West Virginia, an application to increase its rates and charges for furnishing water service to 1,943 residential and commercial customers in Raleigh County.

Commission Staff has reviewed the District's application and recommended that the District be permitted to raise its rates and charges to recover increased costs of purchased water it pays to Beckley Water Company. The Commission has approved Staff's recommended rates on an interim basis, that increase rates by \$0.12 per thousand gallons of metered water usage. The Commission also approved, on an interim basis, Staff's proposed incremental leak adjustment rate of \$1.76 per thousand gallons of metered water usage. The average monthly residential bill will increase by 1.96%.

Resale customers of the District include the City of Lester and the Raleigh County Public Service District.

The 30-B procedure is designed to provide for a change in rates and charges in order to produce additional revenue sufficient, but no more than sufficient, to offset increased cost for gas, water, sewage treatment, or electricity or for transportation of the same to utilities. Consequently, protest should be limited to the reasonableness of the cost offset and the method by which it is calculated. Anyone desiring to protest or intervene should file a written protest or notice of intervention within twenty (20) days following the date of this publication unless otherwise modified by Commission order. Failure to timely intervene can affect your rights to protest any rate increases and to participate in future proceedings. Requests to intervene must comply with the Commission's rules on intervention. All protests and interventions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, P.O. Box 812, Charleston, WV 25323.

GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT
CASE NO. 07-0862-PSD-30B

STAFF RECOMMENDED TARIFF

APPLICABILITY

Applicable within entire territory served.

AVAILABILITY

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

(I) RATES (customers with metered water supply)

First	2,000 gallons used per month	\$7.12 per 1,000 gallons
Next	8,000 gallons used per month	\$5.54 per 1,000 gallons
Next	20,000 gallons used per month	\$4.57 per 1,000 gallons
Next	20,000 gallons used per month	\$3.28 per 1,000 gallons
All Over	50,000 gallons used per month	\$2.67 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than the following based on meter size:

5/8	inch meter	\$ 14.00 per month
3/4	inch meter	\$ 21.00 per month
1	inch meter	\$ 35.00 per month
1- 1/2	inch meter	\$ 70.00 per month
2	inch meter	\$ 112.00 per month
3	inch meter	\$ 210.00 per month
4	inch meter	\$ 350.00 per month
6	inch meter	\$ 700.00 per month
8	inch meter	\$1,120.00 per month

(N) The above minimum charge is subject to an additional \$0.12 per 1,000 gallons of water used per month.

(I) RESALE RATE

All water for resale to the City of Lester and Raleigh County Public Service District will be billed in accordance with the approved rate of \$2.64 per 1,000 gallons used per month.

DELAYED PAYMENT PENALTY

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

RECONNECTION \$ 10.00

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

(C) TAP FEE

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

A tap fee of \$200.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

(D) LEAK ADJUSTMENT

\$1.76 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average.

RETURNED CHECK CHARGE

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

- (C) Indicates change in text
- (D) Indicates decrease
- (I) Indicates increase
- (N) Indicates new

GLEN WHITE TRAP HILL PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2007 A
(United States Department of Agriculture)

RECEIPT FOR SERIES 2007 A BONDS

The undersigned, authorized representative of the United States Department of Agriculture, Rural Utilities Service, for and on behalf of the United States of America (the "Purchaser"), hereby certifies this 26th day of September, 2007 as follows:

1. On the 26th day of September, 2007, at Fairdale, West Virginia, the undersigned received for the Purchaser the Glen White Trap Hill Public Service District Water Revenue Bonds, Series 2007 A (United States Department of Agriculture), No. AR-1 (the "Series 2007 A Bonds"), issued as a single, fully registered Bond, in the principal amount of \$2,249,000, dated the date hereof, bearing interest at the rate of 4.25% per annum, payable in monthly installments as stated in the Bond. The Series 2007 A Bonds represent the entire above captioned Bond issue.

2. At the time of such receipt, the Series 2007 A Bonds had been executed and sealed by the designated officials of the Public Service Board of Glen White Trap Hill Public Service District (the "Issuer").

3. At the time of such receipt, there was paid to the Issuer the sum of \$265,693, being a portion of the principal amount of the Series 2007 A Bonds. The balance of the principal amount of the Series 2007 A Bonds will be advanced by the Purchaser to the Issuer as acquisition and construction of the Project progresses.

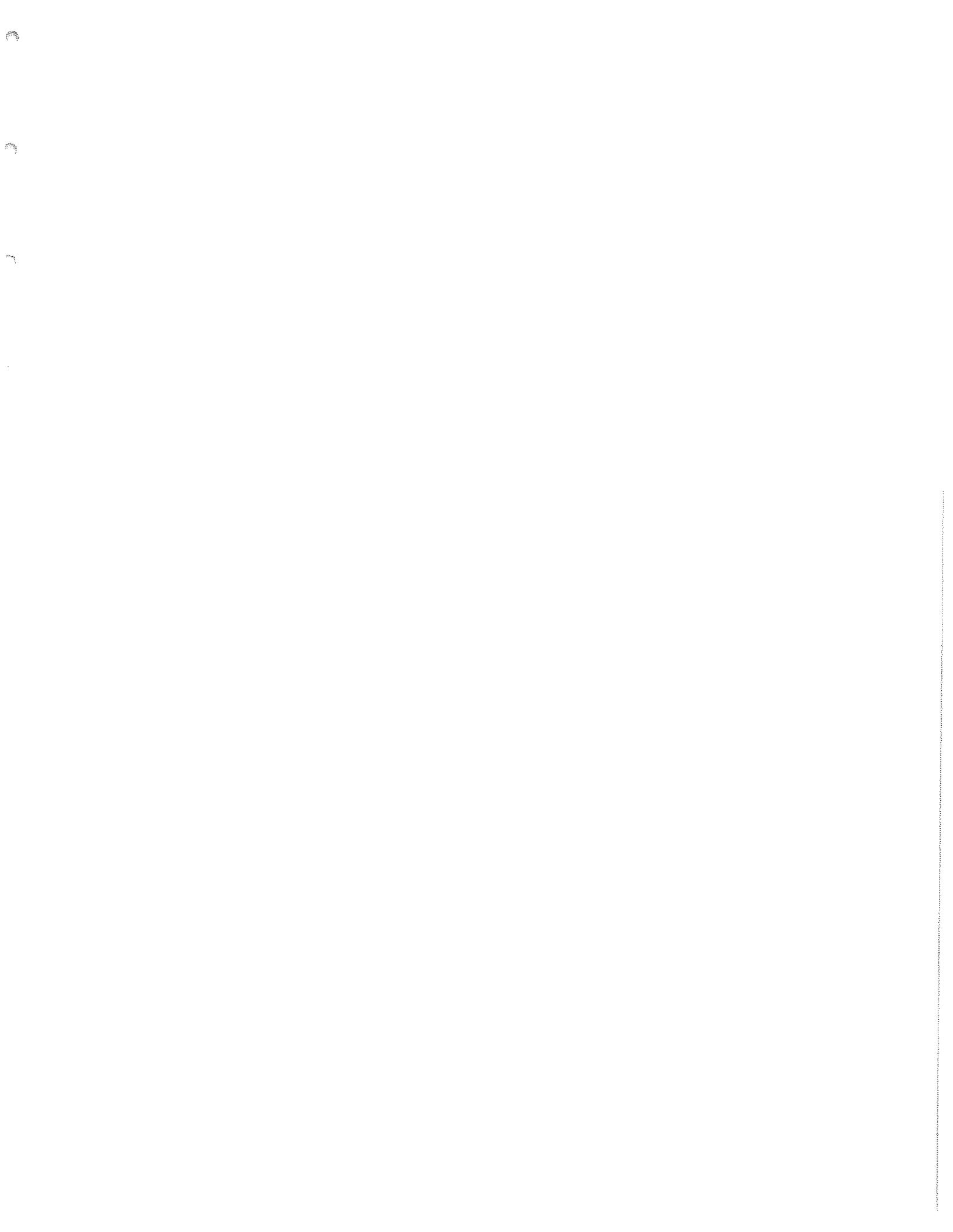
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WITNESS my signature the day and year first written above.

James A. Miller
Authorized Representative

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SPECIMEN

UNITED STATES OF AMERICA
GLEN WHITE TRAP HILL PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2007 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$2,249,000

No. AR-1

Date: September 26, 2007

FOR VALUE RECEIVED, GLEN WHITE TRAP HILL PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of TWO MILLION TWO HUNDRED FORTY NINE THOUSAND DOLLARS (\$2,249,000), plus interest on the unpaid principal balance at the rate of 4.25% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and \$9,964, 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 hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

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

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of additions, extensions and improvements to the waterworks system (the "System") of the Borrower, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Resolutions and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized

denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions 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, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13A of the West Virginia Code, as amended (the "Act"), and a Resolution of the Borrower duly adopted September 24, 2007, authorizing issuance of this Bond (the "Resolution").

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

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S (I) WATER REVENUE BONDS, SERIES 1974 (GENERAL MOTORS ACCEPTANCE CORPORATION), DATED JUNE 26, 1974, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$830,000 (THE "SERIES 1974 BONDS"); AND (II) WATER REVENUE BONDS, SERIES 1975 B (GENERAL MOTORS ACCEPTANCE CORPORATION), DATED AUGUST 5, 1975 ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$425,000 (THE "SERIES 1975 B BONDS" AND TOGETHER WITH THE SERIES 1974 BONDS, THE "PRIOR BONDS").

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

IN WITNESS WHEREOF, GLEN WHITE TRAP HILL PUBLIC SERVICE DISTRICT has caused this Bond to be executed by its Chairman and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Secretary, all as of the date hereinabove written.

GLEN WHITE TRAP HILL PUBLIC SERVICE DISTRICT

[CORPORATE SEAL]

[Handwritten Signature]

Chairman

SPECIMEN

ATTEST:

[Handwritten Signature]

Secretary

SPECIMEN

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$ 265,693	September 26, 2007	(19) \$	
(2) \$		(20) \$	
(3) \$		(21) \$	
(4) \$		(22) \$	
(5) \$		(23) \$	
(6) \$		(24) \$	
(7) \$		(25) \$	
(8) \$		(26) \$	
(9) \$		(27) \$	
(10) \$		(28) \$	
(11) \$		(29) \$	
(12) \$		(30) \$	
(13) \$		(31) \$	
(14) \$		(32) \$	
(15) \$		(33) \$	
(16) \$		(34) \$	
(17) \$		(35) \$	
(18) \$		(36) \$	

TOTAL \$ _____

(Form of Assignment)

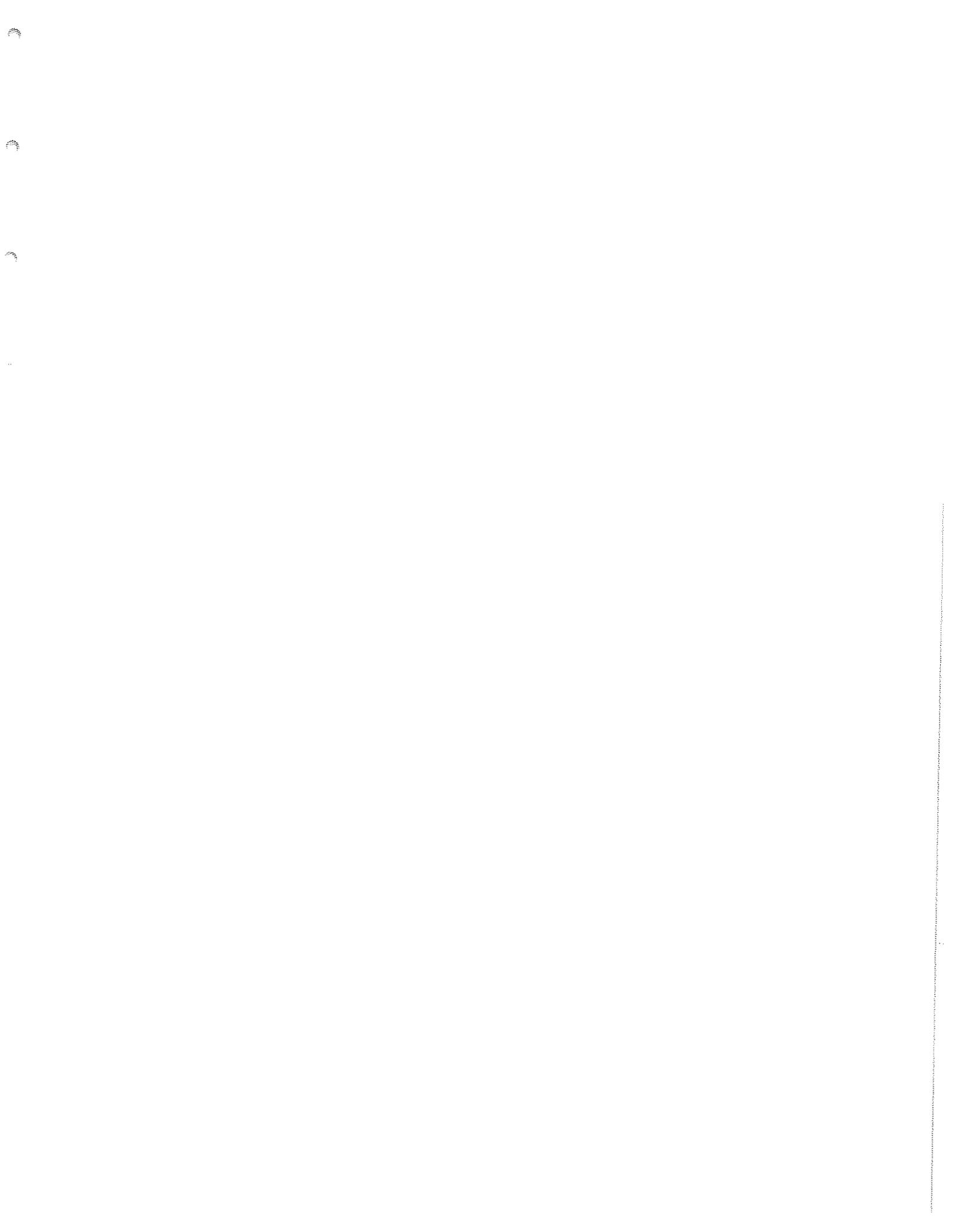
ASSIGNMENT

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

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

Dated: _____, 20__.

In the presence of:



GLEN WHITE TRAP HILL PUBLIC SERVICE DISTRICT

WATER REVENUE BONDS, SERIES 2007 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$2,249,000

REGISTRATION BOOKS

(No writing on these Books except by the Issuer as Registrar)

<u>Bond No.</u>	<u>Date of Registration</u>	<u>In Whose Name Registered</u>	<u>Signature of Secretary of Registrar</u>
<u>AR-1</u>	<u>September 26, 2007</u>	<u>United States Department of Agriculture</u>	<u>Okey C Hawkey</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
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September 26, 2007

Glen White Trap Hill Public Service District
Water Revenue Bonds, Series 2007 A
(United States Department of Agriculture)

Glen White Trap Hill Public Service District
Fairdale, West Virginia

United States Department of Agriculture
Elkins, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Glen White Trap Hill Public Service District in Raleigh County, West Virginia (the "Issuer"), of its \$2,249,000 Water Revenue Bonds, Series 2007 A (United States Department of Agriculture) dated the date hereof (the "Bonds"), pursuant to Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), a Bond Resolution duly adopted by the Issuer on September 24, 2007, (the "Bond Legislation"). We have examined the law and such certified copies of proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the representations of the Issuer contained in the Bond Legislation and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Issuer is duly created and validly existing as a public service district and as a public corporation and a political subdivision of the State of West Virginia with full power to adopt and enact the Bond Legislation, perform the agreements on its part contained therein and issue and sell the Bonds, all under the Act and other applicable provisions of law.
2. The Bond Legislation has been duly and effectively adopted and enacted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.
3. Pursuant to the Act, the Bond Legislation creates a valid lien on the funds pledged by the Bond Legislation for the security of the Bonds, junior and subordinate to the Issuer's: (i) Water Revenue Bonds, Series 1974 (General Motors Acceptance Corporation), dated June 26, 1974, issued in the original aggregate principal amount of \$830,000 (the "Series 1974 Bonds"); and (ii) Water Revenue Bonds, Series 1975 B (General Motors Acceptance Corporation), dated August 5, 1975, issued in the original aggregate principal amount of \$425,000 (the "Series 1975 B Bonds") (collectively, the "Prior Bonds").

4. The Bonds have been duly authorized, executed and delivered by the Issuer and are valid and binding special obligations of the Issuer, payable solely from the sources provided therefor in the Bond Legislation.

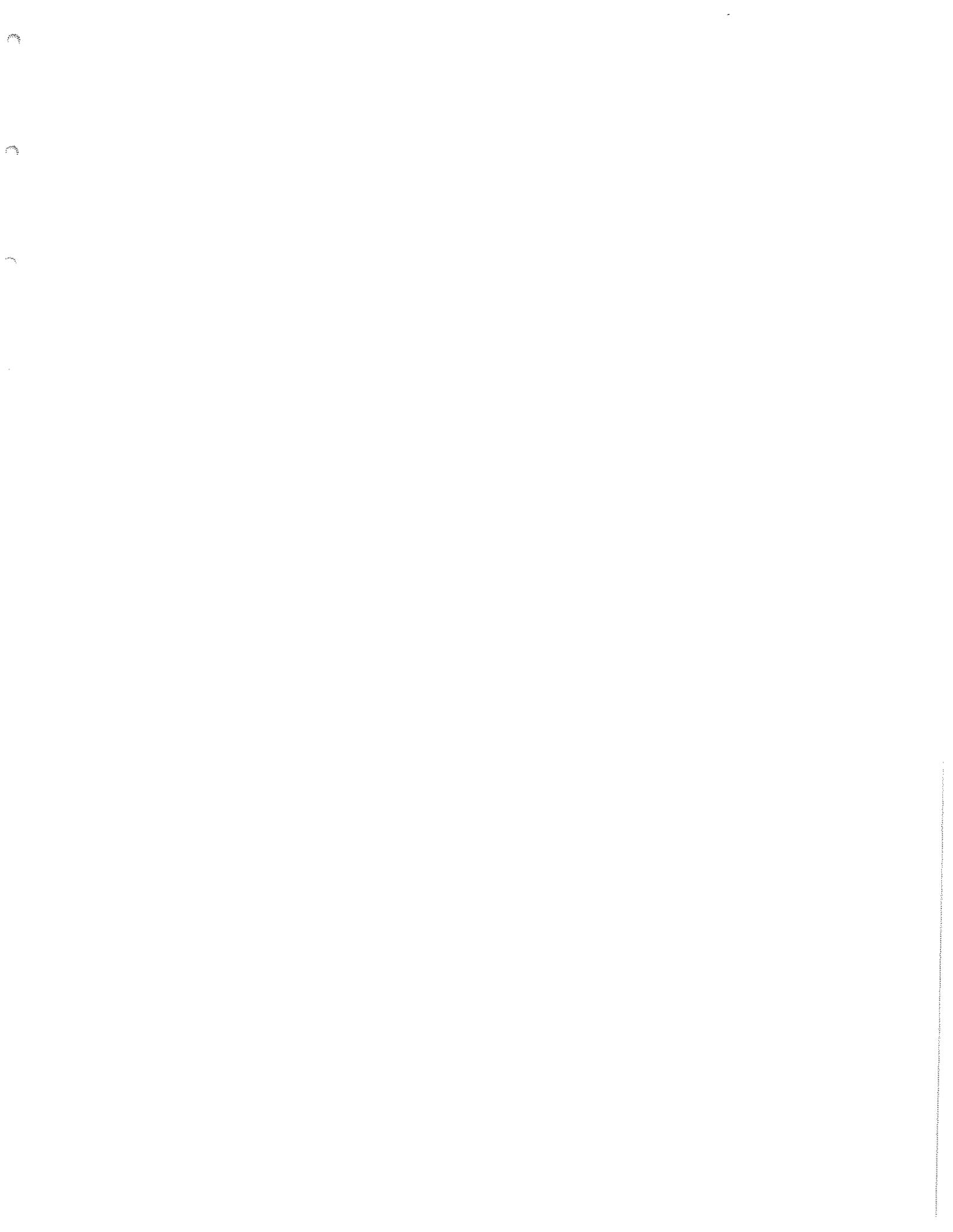
5. The Bonds have not been issued on the basis that the interest, if any, thereon is or will be excluded from the gross income of the owners thereof for federal income tax purposes. We express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal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

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

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

Very truly yours,


STEPTOE & JOHNSON PLLC



LAW OFFICES
WILLIAM S. WINFREY, II.

W. Va. State Bar 4093
1608 West Main Street
Post Office Box 1159
Princeton, West Virginia 24740
bill@winfreylaw.com

Telephone (304)487-1887

Facsimile: (304)425-7340

September 26, 2007

Glen White Trap Hill Public Service District
Water Revenue Bonds, Series 2007 A
(United States Department of Agriculture)

Glen White Trap Hill Public Service District
Fairdale, West Virginia

United States Department of Agriculture
Elkins, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to Glen White Trap Hill Public Service District, a public service district in Raleigh County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson, as bond counsel, a resolution of the Issuer duly adopted September 24, 2007 (the "Resolution"), other documents and papers relating to the Issuer and the above-captioned Bonds of the Issuer (the "Bonds") and documents and orders of The County Commission of Raleigh County relating to the creation of the Issuer and the appointment of members of the Public Service Board of the Issuer. All capitalized terms used in the Resolution and not otherwise defined herein shall have the same meanings as defined in the Resolution when used herein.

I am of the opinion that:

1. The Issuer is duly created and validly existing as a public service district and as a public corporation and political subdivision of the State of West Virginia.
2. The members and officers of the Public Service Board of the Issuer have been duly, lawfully and properly appointed and elected, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.

3. The Resolution has been duly adopted by the Issuer and is in full force and effect.

4. The execution and delivery of the Bonds and the consummation of the transactions contemplated by the Bonds and the Resolution, and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any agreement, document or instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, rule, order or decree to which the Issuer is subject.

5. All permits, licenses, approvals, consents, certificates, orders, exemptions and authorizations necessary for the due creation and valid existence of the Issuer, the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges have been entered and/or received, including, without limitation, all requisite orders, certificates, consents and approvals from The County Commission of Raleigh County and the Public Service Commission of West Virginia, and the Issuer has taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges. The Issuer has duly published a notice of the acquisition and construction of the Project, the issuance of the Bonds and related matters, as required under Chapter 16, Article 13A, Section 25 of the West Virginia Code of 1931, as amended, and has duly complied with the provisions thereof.

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

Very truly yours,



William S. Winfrey, II

issuance of the Series 2007 A Bonds (the "Resolution" or "Bond Resolution"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning as defined in the Bond Resolution when used herein. The Series 2007 A Bonds are being issued on this date to finance a portion of the cost of the acquisition and construction of the Project, herein defined and described, located within the boundaries of the Issuer.

2. NO LITIGATION: No controversy or litigation of any nature is now pending, or, to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting in any manner the issuance and delivery of the Series 2007 A Bonds or receipt of any grant monies, if any, committed for the System, hereinafter defined; nor questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Series 2007 A Bonds; nor in any way questioning or affecting the validity of the grants, if any, committed for the System or the validity of the Series 2007 A Bonds or any provisions made or authorized for the payment thereof, including, without limitation, the pledge or application of any monies or security therefor; nor questioning the existence, powers or proceedings of the Issuer or its Public Service Board (the "Governing Body") or the title of the members and officers thereof to their respective offices; nor questioning the operation of the System or the acquisition and construction of the Project, a portion of the cost of which is being financed out of the proceeds of sale of the Series 2007 A Bonds; nor questioning the rates and charges provided for services of the System.

3. GOVERNMENTAL APPROVALS: All applicable and necessary approvals, permits, authorizations, registrations, exemptions, consents and certificates required by law for the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2007 A Bonds have been duly and timely obtained and remain in full force and effect. Competitive bids for the acquisition and construction of the Project were solicited in accordance with Chapter 5, Article 22, Section 1 of the Official West Virginia Code of 1931, as amended, which bids remain in full force and effect.

The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia dated November 3, 2005, in Case No. 05-0481-PWD-CN, granting to the Issuer a certificate of public convenience and necessity for the Project, approving the financing for the Project and Commission Order dated July 13, 2007 in Case No. 07-0862-PWD-30B, approving rates for the Project. The time for appeal of such Recommended Decision has expired prior to the date hereof. Such Order remains in full force and effect.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the approval by the Purchaser of a loan to assist in the acquisition and construction of the Project.

There are outstanding obligations of the Issuer which will rank senior and prior to the Series 2007 A Bonds as to liens, pledge and source of and security for payment,

and in all respects, being the Issuer's (i) Water Revenue Bonds, Series 1974 (General Motors Acceptance Corporation), dated June 26, 1974, issued in the original aggregate principal amount of \$830,000 (the "Series 1974 Bonds"); (ii) Water Revenue Bonds, Series 1975 B (General Motors Acceptance Corporation), dated August 5, 1975, issued in the original aggregate principal amount of \$425,000 (the "Series 1975 B Bonds") (collectively, the "Prior Bonds"). Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

5. SIGNATURES, ETC.: The undersigned Chairman and Secretary did, for the Issuer on the date hereof, officially execute and seal the Series 2007 A Bonds with the official corporate seal of the Issuer, an impression of which seal is on this certificate above our signatures and said officers are the duly elected or appointed (as applicable), qualified and serving officers as indicated by the official titles opposite their signatures below, and are duly authorized to execute and seal the Series 2007 A Bonds for the Issuer.

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

Bond Resolution

1974 Bond Resolution

1975 B Bond Resolution

USDA Letter of Conditions, with all amendments

Public Service Commission Order(s)

County Commission Orders on Creation of District

County Commission Orders of Appointment of Current Board Members

Oaths of Office of Current Board Members

Rules of Procedure

Minutes of Current Year Organizational Meeting

Affidavit of Publication of Notice of Filing

Minutes on Adoption of Bond Resolution

Bureau for Public Health Permit

United States Department of Agriculture Loan Agreement

United States Department of Agriculture Grant Agreement

7. INCUMBENCY AND OFFICIAL NAME, ETC.: The proper corporate title of the Issuer is "Glen White Trap Hill Public Service District" and its principal office and place of business are in Raleigh County, West Virginia. The Issuer is a public service district and public corporation and political subdivision of the State of West Virginia. The governing body of the Issuer is its Public Service Board consisting of three duly appointed, qualified and acting members, whose names and dates of commencement and termination of current terms of office are as follows:

<u>Name</u>	<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
Lee Milam	January 3,2006	December 31, 2011
Okey Harvey	January 6,2004	December 31, 2008
Danny Tolley	February 21,2006	December 31, 2007

The names of the duly elected, appointed, qualified and acting officers of said Public Service Board of said Issuer for the calendar year 2007 are as follows:

Chairman	-	Lee Milam
Secretary	-	Okey Harvey
Treasurer	-	Danny Tolley

The duly appointed and acting Attorney for the Issuer is William S. Winfrey, II, Princeton, West Virginia. The duly appointed General Manager for the Issuer is Cheryl Brendle.

8. DELIVERY AND PAYMENT AND USE OF PROCEEDS: On the date hereof, the Series 2007 A Bonds were delivered to the Purchaser at Fairdale, West Virginia, by the undersigned Chairman for the purposes set forth herein, and at the time of such delivery, the Series 2007 A Bonds have been duly and fully executed and sealed on behalf of the Issuer in accordance with the Resolution.

At the time of delivery of the Series 2007 A Bonds, the undersigned Chairman received \$265,693, being a portion of the principal amount of the Series 2007 A Bonds.

Further advances of the balance of the principal amount of the Series 2007 A Bonds will be paid to the Issuer as acquisition and construction of the Project progresses.

The Series 2007 A Bonds are dated the date hereof, and interest on advances of the principal thereof at the rate of 4.25% per annum is payable from the date of each respective advance.

The Series 2007 A Bonds and the entire proceeds thereof will be used for the purposes herein set forth and for no other purposes.

9. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the acquisition, construction, operation and maintenance of the Project and the System have been acquired or can and will be acquired by purchase, or if necessary, by condemnation by the Issuer and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties which may have to be acquired by condemnation, are, in the opinion of all the undersigned, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Series 2007 A Bonds.

10. MEETINGS; PUBLICATION AND POSTING OF NOTICES, ETC.: All actions, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the acquisition, construction, operation and financing of the Project and the System were authorized or adopted at meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including particularly and without limitation, Chapter 6, Article 9A of the official West Virginia Code of 1931, as amended, and a quorum of duly elected or appointed (as applicable), qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

11. CONTRACTORS' INSURANCE, ETC.: All contractors will be required to maintain Workers' Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Letter of Conditions and Commitment of the Purchaser, as amended, and the Resolution.

12. CONNECTIONS, ETC.: The Issuer will serve at least 1,861 bona fide users with the System upon the completion of the Project, in full compliance with the requirements and conditions of the Purchaser.

13. MANAGEMENT: The Issuer has heretofore delivered to the Purchaser a plan concerning operation and management of the System, which plan was found to be acceptable by the Purchaser.

14. GRANT: As of the date hereof, the grant from the Purchaser in the amount of \$1,500,000 is committed and in full force and effect.

15. CONFLICT OF INTEREST: No member, officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Series 2007 A Bonds, the Bond Resolution and/or the Project, including, without limitation, with respect to the Depository Bank, as defined in the Bond Resolution. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

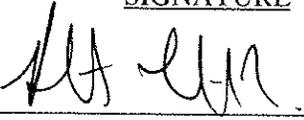
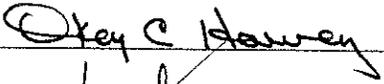
16. PROCUREMENT OF ENGINEERING SERVICES: The Issuer has complied in all respects with the requirements of Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended, in the procurement of engineering services to be paid from proceeds of the Bonds.

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

[Remainder of Page Intentionally Left Blank]

WITNESS our signatures and the official corporate seal of GLEN WHITE TRAP HILL PUBLIC SERVICE DISTRICT on the day and year first written above.

[CORPORATE SEAL]

<u>SIGNATURE</u>	<u>OFFICIAL TITLE</u>
 _____	Chairman
 _____	Secretary
 _____	Attorney for Issuer

333370.00001



GLEN WHITE TRAP HILL PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2007 A
(United States Department of Agriculture)

ENGINEER'S CERTIFICATE

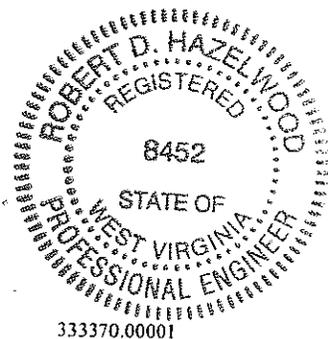
I, Robert D. Hazelwood, Registered Professional Engineer, West Virginia License No. 8452, of Pentree, Incorporated, Princeton, West Virginia, hereby certify that my firm is the engineer for the acquisition and construction of certain additions, improvements and extensions (the "Project") to the existing waterworks system (the "System") of Glen White Trap Hill Public Service District (the "Issuer"), to be acquired and constructed in Raleigh County, West Virginia, which acquisition and construction are being financed in whole or in part by the above-captioned bonds of the Issuer.

I further certify that the Project will, to the best of my knowledge, be constructed in accordance with plans and specifications prepared by my firm and that the System and the Project are situate wholly or chiefly within the boundaries of the Issuer.

I further certify that the Project is adequate for the purpose for which it was designed and that all necessary governmental approvals, consents, authorizations, certificates and permits for the acquisition and construction thereof have been obtained or can and will be obtained.

WITNESS my signature on this 26th day of September, 2007.

PENTREE, INCORPORATED



Robert D. Hazelwood
Robert D. Hazelwood, P.E.
West Virginia License No. 8452



RESERVE

IN THE COUNTY COURT OF RALEIGH COUNTY, WEST VIRGINIA

IN RE: GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT (ENLARGEMENT)

O R D E R

This the 17th day of October, 1974, came Robert B. Parker, Chairman, Glen White-Trap Hill Public Service District and others and by Leo Bridi and Paul R. Hutchinson, Jr., their Counsel, and request and ask of the Court by its own motion and order to enlarge Glen White-Trap Hill Public Service District within what was formerly a part of the Trap Hill District, Raleigh County, West Virginia and now a part of District I, and a territory to be embraced therein and to be bounded and described as follows:

BEGINNING at the western most point in existing Public Service District boundary thence proceeding in a southwesterly direction along the existing boundary line between magisterial districts Marsh Fork and Trap Hill, crossing West Virginia Route 99 and continuing to intersection with common boundary between Raleigh County and Wyoming County, thence along the county line in a southeasterly direction to intersection with West Virginia Route 15, thence continuing along the common boundary between Wyoming and Raleigh Counties, thence in an easterly direction along a line 2,000 feet to the right of and parallel to West Virginia Routes 15 and 99 to the intersection with existing Public Service District boundary line, thence along the existing Public Service District boundary line to the point of Beginning. The herein described boundary revision contains 4,600 acres, more or less, as shown on a plat dated November 30, 1972 and revised September 18, 1974 as prepared by Gates Engineering Company, Scale 1" = 2,000' filed herewith and marked for identification as "Exhibit A";

that said enlargement of the public service district shall also be named "Glen White-Trap Hill Public Service District"; that a date of hearing on the enlargement of said public service district be fixed and set by this Court of not more than forty days nor less than twenty days from the date hereof; that notice of such hearing and the time and place thereof, setting forth a description of all of the territory proposed to be included therein be given by publication at least once in a newspaper of general circulation published in Raleigh County, West Virginia,

notices containing the same information as is contained in the published notice, and the five posted notices shall be posted not less than ten days before said hearing; that a hearing be held thereon and such further action be taken and rendered as required by law; that it be determined that the construction or acquisition by purchase or otherwise, and maintenance, operation, improvements, and extension of public service properties supplying water or sewerage services, or both, within such enlarged territory by the public service district will be conducive to the preservation of public health, comfort and convenience of such area; that an order be entered enlarging said public service district; subject to a public hearing and as a result of enlargement, district and board be vested with all the powers and authority for the construction, or acquisition by purchase or otherwise and the maintenance, operation, improvement and extension of properties supplying water or sewerage, or both, within said territory, as set forth and provided in the provisions of Chapter 16, Article 13A, Section 1, et seq., of the Code of West Virginia.

No objection being made thereto, and the Court perceiving no objection, it is hereby RESOLVED and ORDERED that the Court on its motion and exhibit filed therewith, be, and the same is now here filed and approved.

Thereupon, this proceeding and cause came on this day to be heard; upon evidence of witnesses adduced before this Court; and, upon the argument of counsel.

It is, therefore, RESOLVED and ORDERED by the Court of Raleigh County, West Virginia, that the Court having determined that the construction or acquisition by purchase or otherwise, and maintenance, operation, improvement, extension and enlargement of public service properties supplying water or sewerage services, or both, within such territory by such public service district

within what was formerly a part of the Trap Hill District, Raleigh County, West Virginia, and now a part of District I, as requested is proposed to be created as follows:

1. The name and corporate title of the said enlarged area shall be named the "Glen White-Trap Hill Public Service District";
2. The territory to be embraced in the public service district shall be as follows:

BEGINNING at the western most point in existing Public Service District boundary thence proceeding in a southwesterly direction along the existing boundary line between magisterial districts Marsh Fork and Trap Hill, crossing West Virginia Route 99 and continuing to intersection with common boundary between Raleigh County and Wyoming County, thence along the county line in a southeasterly direction to intersection with West Virginia Route 15, thence continuing along the common boundary between Wyoming and Raleigh Counties, thence in an easterly direction along a line 2,000 feet to the right of and parallel to West Virginia Routes 15 and 99 to the intersection with existing Public Service District boundary line, thence along the existing Public Service District boundary line to the point of Beginning. The herein described boundary revision contains 4,600 acres, more or less, as shown on a plat dated November 30, 1972 and revised September 18, 1974 as prepared by Gates Engineering Company, Scale 1" = 2,000' filed herewith and marked for identification as "Exhibit A".

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

A date of hearing on the enlargement of the public service district shall be held on the 8th day of November, 1974, before the County Court of Raleigh County, West Virginia, in the Courthouse at Beckley, West Virginia, at 10:00 o'clock A.M., for the purpose of conducting a public hearing on said enlargement of the public service district, at which time and place all persons residing in or owning or having any interest in property in such enlarged public service district shall have an opportunity to be heard for and against the said enlargement of said public service district; and, at such hearing, the County

Upon the payment of the costs and expenses of publishing the hearing notice, being indemnified by the district, the Clerk of this Court is hereby authorized and directed to cause notice of such hearing and the time and place thereof, and setting forth a description of all of the territory proposed to be included therein to be given by publication at least once in the Raleigh Register, a newspaper of general circulation published in Raleigh County, West Virginia, at least ten days prior to such hearing, and in addition to the publication in the Raleigh Register there shall also be posted in at least five (5) conspicuous places in the proposed public service district five notices containing the same information as is contained in the published notice, and the five posted notices shall be posted not less than ten days before said hearing, which said publication and notices shall be in form and effect as follows:

"NOTICE OF PUBLIC HEARING ON ENLARGEMENT"

GLEN WHITE - TRAP HILL PUBLIC SERVICE DISTRICT

Notice is hereby given that by virtue of an order entered and signed by the County Court of Raleigh County, West Virginia, on the 17th day of October, 1974, as required by law, enlarging the Glen White-Trap Hill Public Service District for the construction or acquisition by purchase or otherwise and the maintenance, operation, improvement and extension of properties supplying water or sewerage services, or both, within what was a part of Trap Hill District, Raleigh County, West Virginia, and now a part of District I, said area also be named "Glen White-Trap Hill Public Service District", and the territory to be embraced therein bounded and described as follows, to-wit:

Located in what was formerly a part of Trap Hill District, Raleigh County, West Virginia, and now a part of District I, and being further described as follows:

BEGINNING at the western most point in existing Public Service District boundary thence proceeding in a southwesterly direction along the existing boundary line between magisterial districts Marsh Fork and Trap Hill, crossing West Virginia Route 99 and continuing to intersection with common boundary between Raleigh County and Wyoming County, thence along the county line in a southeasterly direction to intersection with West Virginia Route 15, thence continuing along the common boundary between Wyoming and Raleigh Counties, thence in an easterly direction along a line 2,000 feet to

All persons residing in or owning or having any interest in property in said proposed public service district are hereby notified that the County Court of Raleigh County, West Virginia, will conduct a public hearing on the 8th day of November, 1974, at 10:00 o'clock A.M., in the Courthouse of Raleigh County at Beckley, West Virginia, at which time and place all interested persons for and against the enlargement of the public service district, and at which time and place the County Court shall consider and determine the feasibility of the enlargement of the proposed public service district.

By order of the County Court of Raleigh County, West Virginia, this the 17th day of October, 1974."

ENTERED:

Walter James

President

"NOTICE OF PUBLIC HEARING ON ENLARGEMENT"

GLEN WHITE - TRAP HILL PUBLIC SERVICE DISTRICT

Notice is hereby given that by virtue of an order entered and signed by the County Court of Raleigh County, West Virginia, on the 17th day of October, 1974, as required by law, enlarging the Glen White - Trap Hill Public Service District for the construction or acquisition by purchase or otherwise and the maintenance, operation, improvement and extension of properties supplying water or sewerage services, or both, within what was a part of Trap Hill District, Raleigh County, West Virginia, and now a part of District I, said area also to be named "Glen White - Trap Hill Public Service District", and the territory to be embraced therein bounded and described as follows, to-wit:

Located in what was formerly a part of Trap Hill District, Raleigh County, West Virginia, and now a part of District I, and being further described as follows:

BEGINNING at the western most point in existing Public Service District boundary thence proceeding in a southwesterly direction along the existing boundary line between magisterial districts Marsh Fork and Trap Hill, crossing West Virginia Route 99 and continuing to intersection with common boundary between Raleigh County and Wyoming County, thence along the county line in a southeasterly direction to intersection with West Virginia Route 15, thence continuing along the common boundary between Wyoming and Raleigh Counties, thence in an easterly direction along a line 2,000 feet to the right of and parallel to West Virginia Routes 15 and 99 to the intersection with existing Public Service District boundary line to the point of Beginning. The herein described boundary revision contains 4,600 acres, more or less, as shown on plat dated November 30, 1972 and revised September 18, 1974, as prepared by Gates Engineering Company. Scale 1" = 2000' filed herewith and marked for identification as "Exhibit A".

All persons residing in or owning or having any interest in property in said proposed public service district are hereby notified that the County Court of Raleigh County, West Virginia, will conduct a public hearing on the 8th day of November, 1974, at 10:00 o'clock a.m., in the Courthouse of Raleigh County at Beckley, West Virginia, at which time and place all interested persons for and against the enlargement of the public service district, and at which time and place the County Court shall consider and determine the feasibility of the enlargement of the proposed public service district.

By order of the County Court of Raleigh County, West Virginia, this the 17th day of October, 1974."

FRED T. STACY, Clerk
Raleigh County Court

STATE OF WEST VIRGINIA

COUNTY OF RALEIGH, SS:

I, FRED T. STACY, Clerk of the County Court of Raleigh County,
do hereby certify that the foregoing is a true and correct copy from
the records of my office as the same exists therein.

IN TESTIMONY WHEREOF, I hereunto place my hand and affix
the official seal of this Court, at Beckley this the 2 day
of February, 1974

Fred T. Stacy
Clerk

IN THE COUNTY COURT OF RALEIGH COUNTY, WEST VIRGINIA

IN RE: GLEN WHITE - TRAD HILL PUBLIC SERVICE DISTRICT

O R D E R

This the 10th day of April, 1973, at 10:00 o'clock A.M., in the Court House of Beckley, Raleigh County, West Virginia, this cause came on to be heard before the County Court of Raleigh County, West Virginia, pursuant to the order heretofore entered in this cause on the 15th day of March, 1973, setting this date and time for a public hearing on the petition filed in this cause; thereupon, came Robert E. Parker, and others, Petitioners, in person, and by Leo Dridi, their counsel, and tendered and asked leave to file the Publisher's Certificate of the Beckley Post-Merald, a newspaper of general circulation published in Raleigh County, West Virginia, certifying the publication of the notice of this public hearing as required by the aforesaid order, which said Publisher's Certificate being inspected and examined by the County Court is herewith ordered filed as a part of this proceeding.

Thereupon the petitioners presented Robert E. Parker as a witness to be heard in this matter, the said Robert E. Parker being duly sworn testified that in accordance with the order entered in this matter on the 15th day of March, 1973, he personally posted eight (8) notices, which eight notices contained the same information as was contained in the published notice, which has been heretofore ordered filed in this matter, and which said eight (8) notices were posted on the 15th day of March, 1973, and which notices were posted in the following places, all of said places being within the limits of the public service district herein being created, to-wit:

Ray Morris' store - Glen White
Daniels' store - Glen White
Dale Covey's store - Fairdale
Post Office - Fairdale
Buddy's Picketts - On Route 3 near Stover
Bill's Fresh Produce & Grocery Store - Glen Daniel
Post Office - Glen Daniel
Charley's Picketts - Located at the Hill store between
Lester and Glen White,

and all eight (8) notices were posted in conspicuous places.

public service district; and as a matter of fact the
of corporations for boundaries of the Town of Luster and all the territory within
the Town of Luster were expressly excluded from the public service district
to be created; and, that a public service district, to be, and is hereby created as
follows:

1. The name and corporate title of said public service district shall
be the "Glen White - Trap Hill Public Service District";

2. The territory to be embraced in the public service district shall
be as follows:

Located in what was formerly a part of Town District
and a part of Trap Hill District, Raleigh County, West Virginia,
and now a part of District 1, and being further described as
follows:

BEGINNING at the intersection of the center lines of
Appalachian Power Company's Transmission Line easement and
State Route Nos. 54 about 1.5 miles in a westerly direction
from the intersection of State Route Nos. 54 and 16,

thence in a northeasterly direction along a line to
a point 2,000 feet perpendicular to State Route No. 54,

thence following a random line parallel to and 2,000
feet from State Route Nos. 54, 17 and 3 to a point which
intersects the former Trap Hill-Clear Fork District Line,

thence following in a westerly direction along the
former Clear Fork-Trap Hill District Line and continuing
along the former Marsh Fork-Trap Hill Line crossing State
Route No. 13 to a point 2,000 feet perpendicular to and in
a westerly direction from State Route No. 13,

thence following a random line parallel to and 2,000
feet from State Route Nos. 13, 99, 15/3, 28 and 54 to a point
2,000 feet perpendicular to and in a southerly direction from
State Route No. 54 and the point of beginning, thence along a
line 2,000 feet to the point of beginning.

All of the area within the present public service
district above described that is in the present corporation
boundaries of the Town of Luster is excluded from the above
described public service district.

The above described parcel containing an area of
22.9 square miles, more or less, as the same is
shown and designated on that certain map or plat entitled
"GLEN WHITE - TRAP HILL PUBLIC SERVICE DISTRICT BOUNDARY
LINES" GAT'S ENGINEERING COMPANY, BECKLEY, WEST VIRGINIA
DATE NOV. 30, 72 SCALE 1" = 2000', filed with said
petition and marked for identification "Exhibit A".

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

4. A public service board of the Glen White - Trap Hill Public Service
District consisting of five members, who are persons residing within the district,
is hereby appointed as follows:

JAMES A. LILLY, whose term of office shall be for a period
of two (2) years from the 1st day of April, 1973; and

G. C. STOLLINGS, whose term of office shall be for a period
of two (2) years from the 1st day of April, 1973; and

CLAUDE A. WALKER, JR., whose term of office shall be for a
period of four (4) years from the 1st day of April, 1973; and

Resigned

Resigned
RICHARD V. STUFFER, whose term of office shall be for a period of four (4) years from the 1st day of April, 1973; and

ROBERT B. PARKER, whose term of office shall be for a period of six (6) years from the 1st day of April, 1973;

who shall qualify by taking an oath of office as required by law;

5. The Glen White - Trap Hill Public Service District and Board be, and hereby are vested with all the powers and authority for the construction or acquisition by purchase or otherwise, and the maintenance, operation, improvement and extension of properties supplying water or sewerage, or both, within said territory, as set forth and provided in the provisions of Chapter 16, Article 13, Section 1, et seq., of the Code of West Virginia, and amendments thereto.

ORDER:

ENTER:

Walter Farley
PR. CLERK

AFFIDAVIT OF PUBLICATION

BECKLEY NEWSPAPERS CORP.
BECKLEY, WEST VIRGINIA 25801

March 16 1973

STATE OF WEST VIRGINIA,
COUNTY OF RALEIGH, to wit:

I, Palmer Farley, being first duly sworn

upon my oath, do depose and say that I am Adv. Mgr. of Beckley Newspapers Corp., a corporation, publisher of the newspaper entitled Beckley Post-Herald, a Republican newspaper; that I have been duly authorized by the board of directors of such corporation to execute this affidavit of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below; that such newspaper is regularly published daily, except Sunday, for at least fifty weeks during the calendar year, in the Municipality of Beckley, Raleigh County, West Virginia; that such newspaper is a newspaper of "general circulation," as that term is defined in article three, chapter fifty-nine of the Code of West Virginia, 1931, as amended, within the publication area or areas of the aforesaid municipality and county; that such newspaper averages in length four or more pages, exclusive of any cover, per issue; that such newspaper is circulated to the general public at a definite price or consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matters, advertisements and other notices; that the annexed notice

NOTICE OF PUBLIC HEARING

(Description of notice)

of NOTICE OF PUBLIC HEARING
(Description of notice)
was duly published in said newspaper once a week for one successive week (Class I), commencing with the issue of the 16th day of March, 1973, and ending with the issue of the 16th day of March, 1973, (and was posted at the _____ on the _____ day of _____, 19____); that said annexed notice was published on the following dates: March 16 and that the cost of publishing said annexed notice as aforesaid was \$ 42.00

Signed Palmer Farley

Taken, subscribed and sworn to before me in my said county this _____ day of _____, 19____

COPY OF PUBLICATION

"NOTICE OF PUBLIC HEARING ON CREATION OF GLEN WHITE - TRAP HILL PUBLIC SERVICE DISTRICT"

Notice is hereby given that by virtue of a petition in writing signed and duly verified by the oath of one hundred or more legal voters (resident within and owning real property within the limits of the proposed public service district hereinafter described and set forth, filed in the County Court of Raleigh County, West Virginia, on the 14th day of March, 1973, as required by law, praying for the creation of a public service district for the construction or acquisition by purchase or otherwise and the maintenance, operation, improvement and extension of properties supplying water or sewerage, or both, within what was formerly a part of Town District and a part of Trap Hill District, Raleigh County, West Virginia, and now a part of District 1, to be named "Glen White - Trap Hill Public Service District" and the territory to be embraced therein bounded and described as follows, to-wit:

Located in what was formerly a part of Town District and a part of Trap Hill District, Raleigh County, West Virginia, and now a part of District 1, and being further described as follows:

BEGINNING at the intersection of the center lines of Appalachian Power Company's Transmission Line easement and State Route No. 54 about 1.5 miles in a westerly direction from the intersection of State Route Nos. 54 and 10;

thence in a northeasterly direction along a line to a point 2,000 feet perpendicular to State Route No. 54;

thence following a random line parallel to and 2,000 feet from State Route Nos. 54, 10 and 3 to a point which intersects the former Trap Hill-Clear Fork District Line;

thence following in a westerly direction along the former Clear Fork-Trap Hill District Line and terminating along the former Marsh Fork-Trap Hill Line crossing State Route No. 12 to a point 200 feet perpendicular to and in a westerly direction from State Route No. 12;

thence following a random line parallel to and 2,000 feet from State Route Nos. 12, 10, 54, 28 and 54 to a point 2,000 feet perpendicular to and in a southerly direction from State Route No. 54 and the point of beginning, thence along a line 2,000 feet to the point of beginning.

All of the area within the present public service district above described that is in the present corporation boundaries of the Town of 12-12 is excluded from the above-described public service district.

The above described parcel containing an area of 225 square miles, more or less, as the same is shown and delineated on that certain map or plat captioned "GLEN WHITE - TRAP HILL PUBLIC SERVICE DISTRICT"

Taken, subscribed and sworn to before me in my said county
this 16th day of March 1972

My commission expires March 1, 1981

Martha E. Dickerson

P.H

Notary public of Raleigh County,
West Virginia

The above described parcel containing an area of 20.0 square miles, more or less, as the same is shown and delineated on that certain map or plan entitled "TRAP HILL PUBLIC SERVICE DISTRICT BOUNDARY LINES" DATED NOV. 30, 1967, SCALE 1" equals 2000', filed with said petition and marked for identification "Exhibit A".

All persons residing in or owning or having any interest in property in said proposed public service district are hereby notified that the County Court of Raleigh County, West Virginia, will conduct a public hearing on the 10th day of April, 1972, at 10:00 o'clock A.M. in the Courthouse of Raleigh County at Beckley, West Virginia, at which time and place all interested persons may appear before the County Court and shall have an opportunity to be heard for and against the creation of the proposed public service district, and at which time and place the County Court shall consider and determine the feasibility of the creation of the proposed public service district.

By order of the County Court of Raleigh County, West Virginia, this 15th day of March, 1972.
2-16-P-1-PH

IN THE COUNTY COURT OF RALEIGH COUNTY, WEST VIRGINIA

IN RE: GLEN WHITE - TRAP HILL PUBLIC SERVICE DISTRICT

O R D E R

This the 15th day of March, 1973, came Robert B. Parker, and others, petitioners, in person, and by Leo Bridi, their counsel, and tendered to the Court, and asked leave to file their petition in writing, duly verified by the oath of the said Petitioners, together with the exhibit marked "Exhibit A", praying, for the reasons therein set out, permission and authority for the creation of a public service district within what was formerly a part of Town District and a part of Trap Hill District, Raleigh County, West Virginia, and now a part of District I, and the territory to be embraced therein to be bounded and described as follows, to-wit:

Located in what was formerly a part of Town District and a part of Trap Hill District, Raleigh County, West Virginia, and now a part of District I, and being further described as follows:

BEGINNING at the intersection of the center lines of Appalachian Power Company's Transmission Line easement and State Route No. 54 about 1.5 miles in a westerly direction from the intersection of State Route Nos. 54 and 16,

thence in a northeasterly direction along a line to a point 2,000 feet perpendicular to State Route No. 54,

thence following a random line parallel to and 2,000 feet from State Route Nos. 54, 17 and 3 to a point which intersects the former Trap Hill-Clear Fork District Line,

thence following in a westerly direction along the former Clear Fork-Trap Hill District Line and continuing along the former Marsh Fork-Trap Hill Line crossing State Route No. 13 to a point 2,000 feet perpendicular to and in a westerly direction from State Route No. 13,

thence following a random line parallel to and 2,000 feet from State Route Nos. 13, 99, 15/3, 28 and 54 to a point 2,000 feet perpendicular to and in a southerly direction from State Route No. 54 and the point of beginning, thence along a line 2,000 feet to the point of beginning.

All of the area within the present public service district above described that is in the present corporation boundaries of the Town of Lester is excluded from the above-described public service district.

224 The above described parcel containing an area of _____ square miles, more or less, as the same is

shown and designated on that certain map or plot entitled "GLEN WHITE - TRAP HILL PUBLIC SERVICE DISTRICT BOUNDARY LINES GAT'S ENGINEERING COMPANY BUCKLEY, WEST VIRGINIA DATE NOV. 30, 72 SCALE 1" = 2000", filed herewith as a part of said petition and marked for identification as "Exhibit A";

that said public service district be named "Glen White - Trap Hill Public Service District"; that a date of hearing on the creation of said proposed public service district be fixed and set by this Court of not more than forty days nor less than twenty days from the date hereof; that notice of such hearing and the time and place thereof, setting forth a description of all of the territory proposed to be included therein, be given by publication of notice in the _____

places in the proposed public service district five notices containing the same information as is contained in the published notice, and the five posted notices shall be posted not less than ten days before said hearing; that a hearing be held thereon and such further action be taken and rendered as required by law; that it be determined that the construction or acquisition by purchase or otherwise, and maintenance, operation, improvements, and extension of public service properties supplying water or sewerage services, or both, within such territory by such public service district will be conducive to the preservation of public health, comfort and convenience of such area; that an order be entered creating said public service district; that a public service board consisting of not less than three members, who shall be persons residing within the district, be appointed by this Court, whose terms of office be fixed as equally divided as may be, that is approximately one third of the members for a term of two years, a like number for a term of four years, and the term of the remaining member or members for six years, from the first day of the month during which such appointments are made, who shall qualify by taking an oath of office as required by law; and, that said public service board and public service district be vested with all the powers and authority for the construction, or acquisition by purchase or otherwise and the maintenance, operation, improvement and extension of properties supplying water or sewerage, or both, within said territory, as set forth and provided in the provisions of Chapter 16, Article 13A, Section 1, et seq., of the Code of West Virginia.

- 2 -

No objection being made thereto, and the Court perceiving no objection to the filing thereof, it is hereby RESOLVED and ORDERED that the said petition and exhibit filed therewith, be, and the same are now here filed.

Thereupon, this proceeding and cause came on this day to be heard upon the said petition and exhibit filed therewith; upon evidence of witnesses adduced before this Court; and, upon the argument of counsel.

Upon due consideration of all of which, the Court being of the opinion that it is clearly shown by the said petition, exhibit, and evidence adduced before this Court, the County Court of Raleigh County, West Virginia, doth find and accordingly doth RESOLVE and ORDER that said petition herein made and filed is signed and duly verified by the oath of one hundred or more legal voters resident within and owning real property within the limits of the proposed public service district therein described and set forth, as required by law, according to the provisions of Chapter 16, Article 13A, Section 1, et seq., of the Code of West Virginia; that no territory of a municipal corporation or other public service district is included in the territory herein proposed to be created as a public service district; that it will be conducive to the preservation of the public health, comfort and convenience of the area therein set forth and described, for

The construction or acquisition by purchase or otherwise and the maintenance, operation, improvement and extension of properties supplying water or sewerage services, or both, within said territory.

It is, therefore, RESOLVED and ORDERED by the Court of Raleigh County, West Virginia, that the Court having determined that the construction or acquisition by purchase or otherwise, and maintenance, operation, improvement and extension of public service properties supplying water or sewerage services, or both, within such territory by such public service district will be conducive to the preservation of public health, comfort and convenience of such area, and pursuant to the provisions of Chapter 16, Article 13A, Section 1, et seq., of the Code of West Virginia, a public service district within what was formerly a part of Town District and a part of Trap Hill District, Raleigh County, West Virginia, and now a part of District 1, as prayed for in said petition filed herein, is proposed to be created as follows:

- 3 -

1. The name and corporate title of said public service district shall be the "Glen White - Trap Hill Public Service District";

2. The territory to be embraced in the public service district shall be as follows:

Located in what was formerly a part of Town District and a part of Trap Hill District, Raleigh County, West Virginia, and now a part of District 1, and being further described as follows:

BEGINNING at the intersection of the center lines of Appalachian Power Company's Transmission Line easement and State Route No. 54 about 1.5 miles in a westerly direction from the intersection of State Route Nos. 54 and 16,

thence in a northeasterly direction along a line to a point 2,000 feet perpendicular to State Route No. 54,

thence following a random line parallel to and 2,000 feet from State Route Nos. 54, 17 and 3 to a point which intersects the former Trap Hill-Clear Fork District Line,

thence following in a westerly direction along the former Clear Fork-Trap Hill District Line and continuing along the former Marsh Fork-Trap Hill Line crossing State Route No. 13 to a point 2,000 feet perpendicular to and in a westerly direction from State Route No. 13,

thence following a random line parallel to and 2,000 feet from State Route Nos. 13, 99, 15/3, 28 and 54 to a point 2,000 feet perpendicular to and in a southerly direction from State Route No. 54 and the point of beginning, thence along a line 2,000 feet to the point of beginning.

All of the area within the present public service district above described that is in the present corporation boundaries of the Town of Lester is excluded from the above-described public service district.

The above described parcel containing an area of 2.24 square miles, more or less, as the same is shown and designated on that certain map or plat entitled "GLEN WHITE - TRAP HILL PUBLIC SERVICE DISTRICT BOUNDARY LINE" GATES ENGINEERING COMPANY HICKLEY, WEST VIRGINIA, DATE NOV. 30, 1972, SCALE 1" = 2000', filed herewith as a part of said petition and marked for identification as "Exhibit A".

construction or acquisition by purchase or otherwise, and maintenance, operation, improvement, and extension of public service properties supplying water or sewerage services, or both, within such territory.

A date of hearing on said petition on the creation of the proposed public service district shall be held on the 10th day of April, 1973

before the County Court of Raleigh County, West Virginia, in the Courthouse at Beckley, West Virginia, at 10:00 o'clock, A.M., for the purpose of conducting a public hearing on said petition on the creation of the proposed public service district, at which time and place all persons residing in or owning or having any interest in property in such proposed public service district shall have an opportunity to be heard for and against the creation of said public service district; and, at such hearing, the County Court shall consider and determine the feasibility of the creation of the proposed public service district.

Upon the payment of the costs and expenses of publishing the hearing notice, the Clerk of this Court is hereby authorized and directed to cause notice of such hearing and the time and place thereof, and setting forth a description of all of the territory proposed to be included therein to be given by publication at least once in the Raleigh Register, a newspaper of general circulation published in Raleigh County, West Virginia, at least ten days prior to such hearing, and in addition to the publication in the Raleigh Register there shall also be posted in at least five (5) conspicuous places in the proposed public service district five notices containing the same information as is contained in the published notice, and the five posted notices shall be posted not less than ten days before said hearing, which said publication and notices shall be in form and effect as follows:

"NOTICE OF PUBLIC HEARING ON CREATION
OF
GLEN WHITE - TRAP HILL PUBLIC SERVICE DISTRICT

Notice is hereby given that by virtue of a petition in writing signed and duly verified by the oath of one hundred or more legal voters resident within and owning real property within the limits of the proposed public service district hereinafter described and set forth, filed in the County Court of Raleigh County, West Virginia, on the 15th day of March, 1973, as required by law, praying for the creation of a public service district for the construction or acquisition by purchase or otherwise and the maintenance, operation, improvement and extension of properties supplying water or sewerage services, or both, within what was formerly a part of Town District and a part of Trap Hill District, Raleigh County, West Virginia, and now a part of District 1, to be named "Glen White - Trap Hill Public Service District", and the territory to be embraced therein bounded and described as follows, to-wit:

Located in what was formerly a part of Town District and a part of Trap Hill District, Raleigh County, West Virginia, and now a part of District 1, and being further described as follows:

BEGINNING at the intersection of the center lines of Appalachian Power Company's Transmission Line easement and State Route No. 54 about 1.5 miles in a westerly direction from the intersection of State Route Nos. 54 and 16,

thence in a northeasterly direction along a line to a point 2,000 feet perpendicular to State Route No. 54,

thence following a random line parallel to and 2,000 feet from State Route Nos. 54, 17 and 3 to a point which intersects the former Trap Hill-Clear Fork District Line,

thence following in a westerly direction along the former Clear Fork-Trap Hill District Line and continuing along the former Marsh Fork-Trap Hill Line crossing State Route No. 13 to a point 2,000 feet perpendicular to and in a westerly direction from State Route No. 13,

thence following a random line parallel to and 2,000 feet from State Route Nos. 13, 99, 15/3, 2B and 54 to a point 2,000 feet perpendicular to and in a southerly direction from State Route No. 54 and the point of beginning, thence along a line 2,000 feet to the point of beginning.

All of the area within the present public service district above described that is in the present corporation boundaries of the Town of Lester is excluded from the above-described public service district.

The above described parcel containing an area of 22.4 square miles, more or less, as the same is shown and designated on that certain map or plat entitled "GLENN WHITE - TRAP HILL PUBLIC SERVICE DISTRICT BOUNDARY LINES GATES ENGINEERING COMPANY BECKLEY, WEST VIRGINIA DATE NOV. 30, 72 SCALE 1" = 2000'," filed with said petition and marked for identification "Exhibit A".

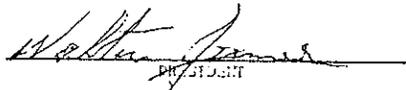
All persons residing in or owning or having any interest in property in said proposed public service district are hereby notified that the County Court of Raleigh County, West Virginia, will conduct a public hearing on the first day of April, 1973, at 10:00 o'clock A.M., in the Courthouse of Raleigh County at Beckley, West Virginia, at which time and place all interested persons may appear before the County Court and shall have an opportunity to be heard for and against the creation of the proposed public service district, and at which time and place the County Court shall consider and determine the feasibility of the creation of the proposed public service district.

By order of the County Court of Raleigh County, West Virginia, this 15-14 day of March, 1973."

And this cause is hereby continued.

ORDER:

ENTER:


Walter J. Jones
PROCLAMANT

STATE OF WEST VIRGINIA

COUNTY OF RALEIGH, SS:

I, FRED T. STACY, Clerk of the County Court of Raleigh County,
do hereby certify that the foregoing is a true and correct copy from
the records of my office as the same exists therein.

IN TESTIMONY WHEREOF, I hereunto place my hand and affix
the official seal of this Court, at Beckley this the 22 day
of February, 1974

Fred T. Stacy
Clerk

IN THE COUNTY COURT OF RALEIGH COUNTY, WEST VIRGINIA

IN RE: GLEN DANIEL - TOMP HILL PUBLIC SERVICE DISTRICT

O R D E R

This the 10th day of April, 1973, at 10:00 o'clock A.M., in the Court House at Beckley, Raleigh County, West Virginia, this cause came on to be heard before the County Court of Raleigh County, West Virginia, pursuant to the order heretofore entered in this cause on the 15th day of March, 1973, setting this date and time for a public hearing on the petition filed in this cause; thereupon, came Robert B. Parker, and others, Petitioners, in person, and by Leo Bridi, the counsel, and tendered and asked leave to file the Publisher's Certificate of the Beckley Post-Herald, a newspaper of general circulation published in Raleigh County, West Virginia, certifying the publication of the notice of this public hearing as required by the aforesaid order, which said Publisher's Certificate was inspected and examined by the County Court is herewith ordered filed as a part of this proceeding.

Thereupon the petitioners presented Robert B. Parker as a witness to be heard in this matter, the said Robert B. Parker being duly sworn testified that in accordance with the order entered in this matter on the 15th day of March, 1973, he personally posted eight (8) notices, which eight notices contained the same information as was contained in the published notice, which has been heretofore ordered filed in this matter, and which said eight (8) notices were posted on the 15th day of March, 1973, and which notices were posted in the following places, all of said places being within the limits of the public service district herein being created, to-wit:

- Ray Morris' store - Glen White
- Daniels' store - Glen White
- Dale Cowey's store - Fairdale
- Post Office - Fairdale
- Buddy's Pickette - On Route 3 near Stover
- Hill's Fresh Produce & Grocery Store - Glen Daniel
- Post Office - Glen Daniel
- Charley's Pickette - Located at the Hill store between Lester and Glen White,

and all eight (8) notices were posted in conspicuous places.

Upon due consideration of all of which, the Court being of the opinion, doth find and accordingly doth REJECT and ORDER that notice of this public hearing and the time and place thereof, and setting forth a description of all of the territory proposed to be included therein was given by publication on the 14th day of March, 1973, in the Beckley Post-Herald, a newspaper of general circulation published in Raleigh County, West Virginia, and being a period of at least ten (10) days prior to the date of this public hearing as required by law and said Court being further of the opinion, doth find and accordingly doth REJECT and ORDER that notice of this public hearing and the time and place thereof, and setting forth a description of all of the territory proposed to be included therein was given by posting in eight (8) conspicuous places, and all of the places where said notices were posted being within the limits of the public service district herein being created, to-wit:

- Ray Morris' store - Glen White
- Frank's store - Glen White
- Joe Gwyn's store - Fairfax
- Post Office - Fairdale
- Luddy's Truckstop - On Route 3 near Glover
- Hill's Fresh Produce & Grocery Store - Glen White
- Post Office - Glen White
- Chapman's Truckstop - Located at the Hill Store between Fairfax and Glen White.

Notice of matters were posted on the 15th day of March, 1973, and being a period of at least ten (10) days prior to the date of this public hearing as required by law.

Therefore, this proceeding and cause came on this day to be heard at public hearing upon the said petition and exhibit filed herein, and the order of the Court was read in this cause on the 15th day of March, 1973, and the County Clerk of Raleigh County, West Virginia, the complainant, the evidence and testimony of all persons present for and against the creation of said public service district.

Upon due consideration of all of which, the Court being of the opinion, doth find and accordingly doth REJECT and ORDER that notice of this public hearing and the time and place thereof, and setting forth a description of all of the territory proposed to be included therein was given by publication on the 14th day of March, 1973, in the Beckley Post-Herald, a newspaper of general circulation published in Raleigh County, West Virginia, and being a period of at least ten (10) days prior to the date of this public hearing as required by law and said Court being further of the opinion, doth find and accordingly doth REJECT and ORDER that notice of this public hearing and the time and place thereof, and setting forth a description of all of the territory proposed to be included therein was given by posting in eight (8) conspicuous places, and all of the places where said notices were posted being within the limits of the public service district herein being created, to-wit:

- Ray Morris' store - Glen White
- Frank's store - Glen White
- Joe Gwyn's store - Fairfax
- Post Office - Fairdale
- Luddy's Truckstop - On Route 3 near Glover
- Hill's Fresh Produce & Grocery Store - Glen White
- Post Office - Glen White
- Chapman's Truckstop - Located at the Hill Store between Fairfax and Glen White.

Notice of matters were posted on the 15th day of March, 1973, and being a period of at least ten (10) days prior to the date of this public hearing as required by law.

The Town of Lester were expressly excluded from the public service district to be created; and, that a public service district, be, and is hereby created as follows:

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

Located in what was formerly a part of Town District and a part of Trap Hill District, Raleigh County, West Virginia, and now a part of District 1, and being further described as follows:

BEGINNING at the intersection of the center lines of Appalachian Power Company's Transmission Line easement and State Route No. 54 about 1.5 miles in a westerly direction from the intersection of State Route Nos. 54 and 16,

thence in a northeasterly direction along a line to a point 2,000 feet perpendicular to State Route No. 54,

thence following a random line parallel to and 2,000 feet from State Route Nos. 54, 17 and 3 to a point which intersects the former Trap Hill-Clear Fork District Line,

thence following in a westerly direction along the former Clear Fork-Trap Hill District Line and continuing along the former Marsh Fork-Trap Hill Line crossing State Route No. 13 to a point 2,000 feet perpendicular to and in a westerly direction from State Route No. 13,

thence following a random line parallel to and 2,000 feet from State Route Nos. 13, 99, 15/3, 28 and 54 to a point 2,000 feet perpendicular to and in a southerly direction from State Route No. 54 and the point of beginning, thence along a line 2,000 feet to the point of beginning.

All of the area within the present public service district above described that is in the present corporation boundaries of the Town of Lester is excluded from the above-described public service district.

The above described parcel containing an area of 22.9 square miles, more or less, as the same is shown and designated on that certain map or plat entitled "CLEAR FORK - TRAP HILL PUBLIC SERVICE DISTRICT BOUNDARY LINE'S GAINS ENGINEERING COMPANY, BUCKLEY, WEST VIRGINIA DATE NOV. 30, 72 SCALE 1" = 2000'." filed with said petition and marked for identification "Exhibit A".

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

4. A public service board of the Clear Fork - Trap Hill Public Service District consisting of five members, who are persons residing within the District, is hereby appointed as follows:

JAMES A. LILLY, whose term of office shall be for a period of two (2) years from the 1st day of April, 1973; and

G. C. STOLLINGS, whose term of office shall be for a period of two (2) years from the 1st day of April, 1973; and

CLAUDE A. WALKER, JR., whose term of office shall be for a period of four (4) years from the 1st day of April, 1973; and

RICHARD V. STAFFER, whose term of office shall be for a period of four (4) years from the 1st day of April, 1973; and

ROBERT D. PARKER, whose term of office shall be for a period of six (6) years from the 1st day of April, 1973;

who shall qualify by taking an oath of office as required by law;

5. The Glen White - Trap Hill Public Service District and Board be, and hereby are vested with all the powers and authority for the construction or acquisition by purchase or otherwise, and the maintenance, operation, improvement and extension of properties supplying water or sewerage, or both, within said territory, as set forth and provided in the provisions of Chapter 16, Article 13, Section 1, et seq., of the Code of West Virginia, and amendments thereto.

ORDER:

ENTER:

Walter James
PR. JUDGE

AFFIDAVIT OF PUBLICATION

BECKLEY NEWSPAPERS CORP.
BECKLEY, WEST VIRGINIA 25801

March 16 1973

STATE OF WEST VIRGINIA,

COUNTY OF RALEIGH, to wit:

I, Palmer Farley, being first duly sworn

upon my oath, do depose and say that I am Adv. Mgr. of Beckley Newspapers Corp., a corporation, publisher of the newspaper entitled Beckley Post-Herald, a Republican newspaper; that I have been duly authorized by the board of directors of such corporation to execute this affidavit of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below; that such newspaper is regularly published daily, except Sunday, for at least fifty weeks during the calendar year, in the Municipality of Beckley, Raleigh County, West Virginia; that such newspaper is a newspaper of "general circulation," as that term is defined in article three, chapter fifty-nine of the Code of West Virginia, 1931, as amended, within the publication area or areas of the aforesaid municipality and county; that such newspaper averages in length four or more pages, exclusive of any cover, per issue; that such newspaper is circulated to the general public at a definite price or consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matters, advertisements and other notices; that the annexed notice

of NOTICE OF PUBLIC HEARING
(Description of notice)

was duly published in said newspaper once a week for

one successive week (Class I), commencing

with the issue of the 16th day of March, 1973,

and ending with the issue of the 16th day of March, 1973.

[and was posted at the _____

on the _____ day of _____, 19____; that said annexed

notice was published on the following dates: _____

March 16 and that the

cost of publishing said annexed notice as aforesaid was \$ 47.00

Signed Palmer Farley

Taken, subscribed and sworn to before me in my said county

this 16th day of March, 19 73

COPY OF PUBLICATION

"NOTICE OF PUBLIC HEARING
ON CREATION OF GLEN WHITE
- TRAP HILL PUBLIC SERVICE
DISTRICT"

Notice is hereby given that by virtue of a petition in writing signed and duly verified by the oath of one hundred or more legal voters resident within and owning real property within the limits of the proposed public service district hereinafter described and set forth filed in the County Court of Raleigh County, West Virginia, on the 15th day of March, 1973, as required by law, praying for the creation of a public service district for the construction or acquisition by purchase or otherwise and the maintenance, operation, improvement and extension of properties supplying water or sewerage services, or both, within what was formerly a part of Town District and a part of Trap Hill District, Raleigh County, West Virginia, and now a part of District 1, to be named "Glen White - Trap Hill Public Service District", and the territory to be embraced therein bounded and described as follows, to-wit:

Located in what was formerly a part of Town District and a part of Trap Hill District, Raleigh County, West Virginia, and now a part of District 1, and being further described as follows:

BEGINNING at the intersection of the center lines of Appalachian Power Company's Transmission Line easement and State Route No. 54 about 1.5 miles in a westerly direction from the intersection of State Route Nos. 54 and 16.

Thence in a northeasterly direction along a line to a point 2,000 feet perpendicular to State Route No. 54.

Thence following a random line parallel to and 2,000 feet from State Route Nos. 54, 17 and 3 to a point which intersects the former Trap Hill-Clear Fork District Line.

Thence following in a westerly direction along the former Clear Fork-Trap Hill District Line and continuing along the former Marsh Fork-Trap Hill Line crossing State Route No. 13 to a point 200 feet perpendicular to and in a westerly direction from State Route No. 13.

Thence following a random line parallel to and 2,000 feet from State Route Nos. 13, 99, 133, 28 and 54 to a point 200 feet perpendicular to and in a southerly direction from State Route No. 51 and the point of beginning, thence along a line 2,000 feet to the point of beginning.

All of the area within the present public service district above described that is in the present corporation boundaries of the Town of Luster is excluded from the above-described public service district.

The above described parcel containing an area of 29.9 square miles, more or less, as the same is shown and delineated on that certain map or plat entitled "GLEN WHITE - TRAP HILL PUBLIC SERVICE DISTRICT"

this 16th day of March, 1922

My commission expires March 1, 1931
Martha E. Dickerson

Notary public of Raleigh County,
West Virginia

P-H

Containing an area of 22.9 square miles, more or less, as the same is shown and described on that certain map or plat entitled "CITY WHITE TRACT, HILL PUBLIC SERVICE DISTRICT BOUNDARY INDEX, GATES ENGINEERING COMPANY, DECKLEY, WEST VIRGINIA, DATED NOV. 20, 1917, SCALE 1" equals 2000'." filed with said petition and marked for identification "Exhibit A".

All persons residing in or owning or having any interest in property in said proposed public service district are hereby notified that the County Court of Raleigh County, West Virginia, will conduct a public hearing on the 10th day of April, 1922, at 10:00 o'clock A.M., in the Courthouse of Raleigh County at Deckley, West Virginia, at which time and place all interested persons may appear before the County Court and shall have an opportunity to be heard for and against the creation of the proposed public service district, and at which time and place the County Court shall consider and determine the feasibility of the creation of the proposed public service district.

By order of the County Court of Raleigh County, West Virginia, this 14th day of March, 1922.
3-14-22-PH



WEST VIRGINIA:

At a regular meeting of the Raleigh County Commission held on the 3rd day of January, 2006 in the Commission Courtroom thereof:

PRESENT: John Aliff, President
Pat Reed, Commissioner
John Humphrey, Commissioner

IN RE: BILLS, COMMUNICATIONS AND APPOINTMENTS

Commissioner Humphrey approved the appointments of Pat Reed and William Baker to the RALEIGH COUNTY ARMORY BOARD. The motion was seconded by President Aliff and motion carried.

Commissioner Reed moved to approve the reappointment of Jack Pedro to the RALEIGH COUNTY BUILDING CODE APPEALS BOARD. Seconded by Commissioner Humphrey and motion carried.

A motion was made by Commissioner Reed and seconded by Commissioner Humphrey to approve the appointments of Jeanne Richmond and C Berkley Lilly to the RALEIGH COUNTY LANDMARKS COMMISSION. Motion carried.

Commissioner Reed moved to approve the appointments of James White and Lee Milam to the GLEN-WHITE-TRAP HILL PUBLIC SERVICE DISTRICT. The motion was seconded by Commissioner Humphrey and carried. ✓

A motion was made by Commissioner Reed to approve the appointment of Paul Flanagan to the RALEIGH COUNTY PUBLIC SERVICE DISTRICT. Seconded by Commissioner Humphrey and motion carried.

A motion was made by Commissioner Reed to approve the appointment of Ronnie Barker to the SHADY SPRING PUBLIC SERVICE DISTRICT. The motion was seconded by Commissioner Humphrey and carried.

-0-

I, BETTY RIFFE, Clerk of the County Commission of Raleigh County, West Virginia, hereby certify that the foregoing is a true copy from the records of my office.

In Testimony Whereof, I hereunto place my hand and affix my seal of said Commission this the 21 day of July, 06

BETTY RIFFE, Clerk

By Sherris Sisk, Deputy

WEST VIRGINIA:

At a regular meeting of the Raleigh County Commission held on the 6th day of January 2004 in the Commission Courtroom thereof:

PRESENT: John Humphrey, President
John Aliff, Commissioner
Pat Reed, Commissioner

.....

IN RE: BOARD APPOINTMENTS

Coal Heritage Trail Associations	Jim Holhaus
Raleigh County Board of Zoning Appeals	Donald Bare and Russell Manns
Raleigh County Building Code Appeals Board	John Sadowski
Glen White Trap Hill PSD	Okey C Harvey ✓
North Beckley PSD	John DeClaro
Raleigh County PSD	Steve Zilinski

Commissioner Aliff moved to approve the appointments and the second was made by Commissioner Pat Reed. Motion carried.

-0-

I, BETTY RIFFE, Clerk of the County Commission of Raleigh County, West Virginia, hereby certify that the foregoing is a true copy from the records of my office.

In Testimony Whereof, I hereunto place my hand and affix my seal of said Commission this the 21 day of July, 06

BETTY RIFFE, Clerk

By Shirley Sisk, Deputy

WEST VIRGINIA:

At a regular meeting of the Raleigh County Commission held on the 21st day of February, 2006 in the Commission Courtroom thereof:

PRESENT: John Aliff, President
Pat Reed, Commissioner
John Humphrey, Commissioner

.....

IN RE: BILLS, COMMUNICATIONS AND APPOINTMENTS

Commissioner Reed moved to approve the appointment of Danny Tolley to the GLEN-WHITE-TRAP HILL PUBLIC SERVICE DISTRICT. The motion was seconded by Commissioner Humphrey and carried. ✓

-0-

I, BETTY RIFFE, Clerk of the County Commission of Raleigh County, West Virginia, hereby certify that the foregoing is a true copy from the records of my office.
In Testimony Whereof, I hereunto place my hand and affix my seal of said Commission this the 21 day of July, 06
BETTY RIFFE, Clerk
By Sherril Sisk, Deputy

GLEN WHITE/TRAP HILL PUBLIC SERVICE DISTRICT

PO Box 100
Fairdale, WV 25839
934-6234

	<u>Appt. Date</u>	<u>Expir. Date</u>
Mr. Danny Tolley PO Box 623 Glen Daniel, WV 25844 923-5858 home 854-4571 x-323 work	02-21-06	12-31-07
Mr. Lee Milam ** PO Box 542 Glen Daniel, WV 25844 854-1271 – Work	01-03-06	12-31-11
Mr. Okey C. Harvey 1506 Old Bryson Road Lester, WV 25856 934-6363	01-06-04	12-31-09

Manager

6 year term



County Commission of Raleigh County

P O BOX 2518
116 1/2 NORTH HEBER STREET
BECKLEY, WEST VIRGINIA 25802-2518

February 28, 2006

Mr. Danny Tolley
P O Box 623
Glen Daniel, WV 25844

Dear Mr. Tolley:

We are pleased to inform you that on February 21, 2006, in a regular meeting, the Raleigh County Commission appointed you to the Glen White - Trap Hill Public Service District to fill a vacancy. The appointment is effective immediately and your term will expire December 31, 2007.

Please stop by the County Clerk's office at your earliest convenience to take the oath of office.

We appreciate your willingness to serve the citizens of Raleigh County in this manner.

Respectfully,

Handwritten signature of John L. Aliff in cursive script.

John L. Aliff, President

Handwritten signature of Pat Reed in cursive script.

Pat Reed, Commissioner

Handwritten signature of John D. Humphrey in cursive script.

John D. Humphrey, Commissioner

cc: Glen White - Trap Hill Public Service District

Phone (304) 255-9146

Fax (304) 255-9166

ralcom@raleighcounty.com



County Commission of Raleigh County

P O BOX 2518
116 1/2 NORTH HEBER STREET
BECKLEY, WEST VIRGINIA 25802-2518

January 3, 2006

Mr. Lee Milam
P O Box 542
Glen Daniel, WV 25844

Dear Mr. Milam:

We are pleased to inform you that the County Commission, at their meeting on January 3, 2006, reappointed you to the Glen White/Trap Hill Public Service District and your new term will expire December 31, 2011.

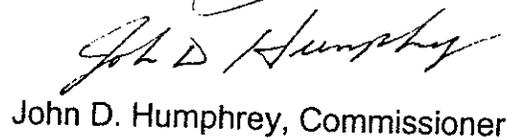
Please stop by the County Clerk's office at your earliest convenience to take the oath of office.

We appreciate your past service and continued willingness to serve the citizens of Raleigh County in this manner.

Respectfully,


John L. Aliff, President


Pat Reed, Commissioner


John D. Humphrey, Commissioner

cc: Glen White/Trap Hill Public Service District



County Commission of Raleigh County

P O BOX 2518
116 1/2 NORTH HEBER STREET
BECKLEY, WEST VIRGINIA 25802-2518

January 6, 2004

Mr. Okey C. Harvey
1506 Old Bryson Road
Lester, WV 25856

Dear Mr. Harvey:

We are pleased to inform you that the County Commission, at their meeting on January 6, 2004, reappointed you to the Glen White-Trap Hill Public Service District and your new term will expire December 31, 2008.

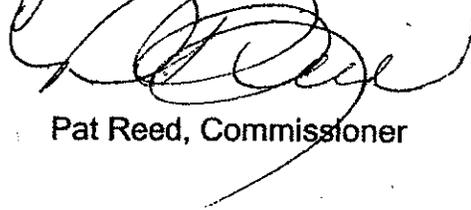
Please stop by the County Clerk's office at your earliest convenience to take the oath of office.

We appreciate your past service and continued willingness to serve the citizens of Raleigh County in this manner.

Respectfully,


John D. Humphrey, President


John L. Aliff, Commissioner


Pat Reed, Commissioner

cc: Glen White-Trap Hill Public Service District



OATH

STATE OF WEST VIRGINIA }
COUNTY OF RALEIGH } ss.

I, OKEY C HARVEY, do solemnly swear that I will support the constitution of the United States and the constitution of this State and that I will faithfully discharge the duties of my office of GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT

to the best of my skill and judgment, so help me God.

/S/ OKEY HARVEY

Subscribed and sworn to before the undersigned, this the 28 day of JANUARY, XX 2004.

Betty Riffe, Clerk
Clerk County Commission, Raleigh County, W. Va.

OATH

STATE OF WEST VIRGINIA }
COUNTY OF RALEIGH } ss.

I, LEE MILAM, do solemnly swear that I will support the constitution of the United States and the constitution of this State and that I will faithfully discharge the duties of my office of GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT

to the best of my skill and judgment, so help me God.

/S/ LEE MILAM

Subscribed and sworn to before the undersigned, this the 17 day of JANUARY, XX 2006.

Betty Riffe, Clerk
Clerk County Commission, Raleigh County, W. Va.

OATH

STATE OF WEST VIRGINIA }
COUNTY OF RALEIGH } ss.

I, DANNY TOLLEY, do solemnly swear that I will support the constitution of the United States and the constitution of this State and that I will faithfully discharge the duties of my office of GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT

to the best of my skill and judgment, so help me God.

/S/ DANNY TOLLEY

Subscribed and sworn to before the undersigned, this the 3 day of MARCH, XX 2006.

Betty Riffe, Clerk
Clerk County Commission, Raleigh County, W. Va.



RULES OF PROCEDURE

GLEN WHITE TRAP HILL PUBLIC SERVICE DISTRICT

ARTICLE I

NAME AND PLACE OF BUSINESS

Section 1. Name: GLEN WHITE TRAP HILL PUBLIC SERVICE DISTRICT.

Section 2. The principal office of this Public Service District will be located on 100 Brunty Hollow Road, Fairdale, Raleigh County, West Virginia.

Section 3. The Common Seal of the District shall consist of two concentric circles between which circles shall be inscribed Glen White Trap Hill Public Service District, and in the center shall be inscribed the Corporate Seal.

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

ARTICLE II

PURPOSE

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

ARTICLE III

MEMBERSHIP

Section 1. The members of the Public Service Board of this District shall be those persons appointed by The County Commission of Raleigh County, West Virginia, or otherwise appointed pursuant to the Act, who shall serve for such terms as may be specified in the order of the County Commission or otherwise.

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

ARTICLE IV

MEETINGS OF THE PUBLIC SERVICE BOARD

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

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

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

PUBLIC NOTICE OF MEETINGS

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

A. Regular Meetings. A notice shall be posted and maintained by the Secretary of the Public Service Board of the Public Service District at the front door or bulletin board of the Raleigh County Courthouse and at the front door or bulletin board of the place fixed for regular meetings of the Public Service Board of the date, time and place fixed and entered of record by the Public Service Board for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same locations by the Secretary of the Public Service Board not less than 72 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is cancelled or postponed, a notice of such cancellation or postponement shall be posted at the same locations as soon as feasible after such cancellation or postponement has been determined.

B. Special Meetings. A notice shall be posted by the Secretary of the Public Service Board at the front door or bulletin board of the Raleigh County Courthouse and at the front door or bulletin board of the place fixed for the regular meetings of the Public Service Board not less than 72 hours before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is

cancelled, a notice of such cancellation shall be posted at the same locations as soon as feasible after such cancellation has been determined.

ARTICLE V

OFFICERS

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

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

ARTICLE VI

DUTIES OF OFFICERS

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

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

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

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

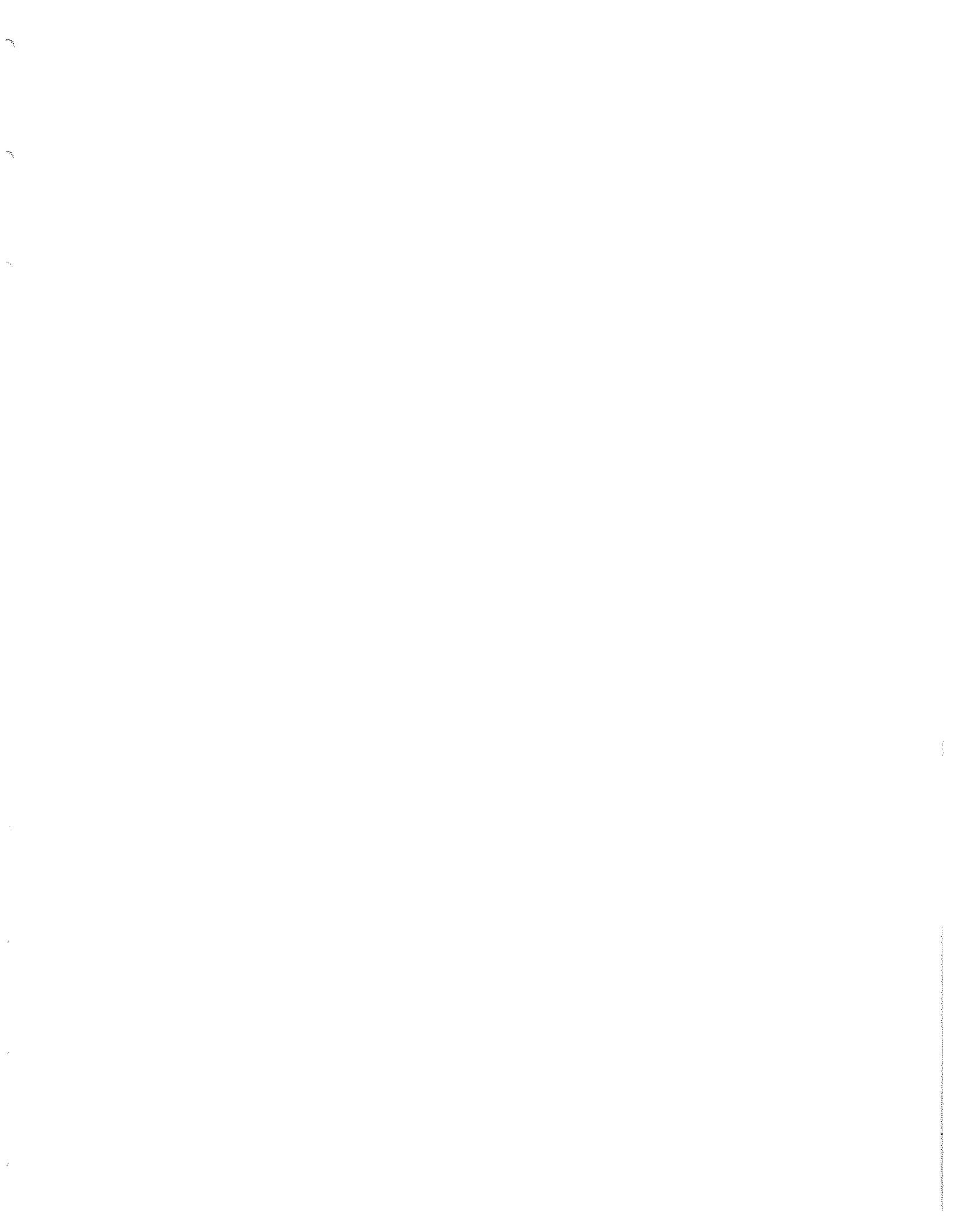
ARTICLE VII

AMENDMENTS TO RULES OF PROCEDURE

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

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

Adopted this 18 day of July, 2006.



GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT

REGULAR MONTHLY MEETING

FEBRUARY 13, 2007

THE REGULAR MONTHLY MEETING OF THE GLEN WHITE-TRAP HILL P.S.D. WAS HELD ON TUESDAY, FEBRUARY 13, 2007 AT 8:00 AM AT THE OFFICE IN FAIRDALE, WV.

IN ATTENDANCE WERE P.S.D. BOARD MEMBERS LEE MILAM, OKEY HARVEY AND DANNY TOLLEY. ALSO PRESENT WERE EMPLOYEES CHERYL BRENDLE AND RONALD DILLON.

LEE MILAM CALLED THE MEETING TO ORDER AT 8:00 AM CHERYL BRENDLE READ THE MINUTES FROM THE JANUARY 16, 2007 MEETING. MINUTES WERE APPROVED AS READ ON MOTION FROM OKEY HARVEY, MOTION SECOND BY DANNY TOLLEY. MOTION CARRIED.

CHAIRMAN LEE MILAM OPENED SEALED BIDS FOR ONE- TON DUMP TRUCK,
SEE ATTACHED SHEET FOR LIST OF BIDS.

CHAIRMAN LEE MILAM OPENED SEALED BIDS FOR JOHN DEERE 310B BACKHOE. SEE ATTACHED SHEET FOR LIST OF BIDS.

CHAIRMAN LEE MILAM OPENED SEALED BIDS FOR HYDRAULIC HAMMER. SEE ATTACHED SHEET FOR LIST OF BIDS.

CHAIRMAN LEE MILAM OPENED SEALED BIDS FOR 1999 JEEP CHEROKEE. SEE ATTACHED SHEET FOR LIST OF BIDS.

RICHARD HENDERSON AND GARY MILES FROM I.C.G .COAL COMPANY ADDRESSED THE BOARD CONCERNING LILLY MOUNTAIN WATER DEPLETION AND NEED FOR WATER SERVICE AT MINE SITE. MR.HENDERSON WAS VERY CO-OPERATIVE AND EXPRESSED INTEREST IN HELPING P.S.D. IN ANY WAY POSSIBLE

MR. AND MRS. FRENCH ACORD WAS PRESENT AND SIGNED THE DEED AND EASEMENTS FOR THE WATER TANK SITE AT BRUNTY HOLLOW.

MANAGER CHERYL BRENDLE PRESENTED FINANCIAL REPORT (COPY ATTACHED). MOTION MADE BY LEE MILAM TO ACCEPT FINANCIAL REPORT AS PRESENTED. MOTION SECOND BY OKEY HARVEY. MOTION CARRIED.

CHERYL BRENDLE PRESENTED MANAGERS REPORT (COPY ATTACHED). MOTION MADE BY LEE MILAM TO ACCEPT MANAGERS REPORT AS PRESENTED. MOTION SECOND BY OKEY HARVEY. MOTION CARRIED.

THE BOARD IS IN RECEIPT OF BECKLEY WATER COMPANY/GLEN WHITE TRAP HILL P.S.D. WATER CONTRACT.

RALEIGH COUNTY COMMISSION ADVISES THE P.S.D. OF UPCOMING MEETING REGARDING PROJECT REVIEWS. THE DISTRICT PLANS ON ATTENDING THIS MEETING.

BOARD MEMBERS APPROVED CHERYL BRENDLE AND PAM GRAVELY ATTENDANCE AT CAREER-TRACK SEMINAR ON APRIL 12, 2007.

✓ THE BOARD OF DIRECTORS ELECTED OFFICERS FOR THE COMING YEAR:

LEE MILAM, PRESIDENT
DANNY TOLLEY, TREASURE
OKEY HARVEY, SECRETARY

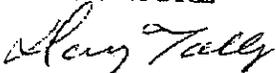
MOTION MADE BY LEE MILAM. MOTION SECOND BY DANNY TOLLEY. MOTION CARRIED.

THERE BEING NO FURTHER BUSINESS TO DISCUSSED THE MEETING WAS ADJOURNED AT 9:30 AM.


LEE MILAM
PRESIDENT

OKEY HARVEY
SECRETARY

DANNY TOLLEY
TREASURE



GLEN WHITE TRAP HILL PUBLIC SERVICE DISTRICT
Water Revenue Bonds, Series 2007 A
(United States Department of Agriculture)

MINUTES ON ADOPTION OF BOND RESOLUTION

The undersigned Secretary of the Public Service Board of Glen White Trap Hill Public Service District, hereby certifies that the following is a true and correct excerpt of the minutes of a special meeting of the said Public Service Board:

The Public Service Board of Glen White Trap Hill Public Service District met in special session, pursuant to notice duly given, on the 24th day of September, 2007, at the District's office in Fairdale, West Virginia, at the hour of 10:00 a.m., prevailing time.

PRESENT:	Chairman	-	Lee Milam
	Secretary	-	Okey Harvey
	Treasurer	-	Danny Tolley

ABSENT: None

Lee Milam, Chairman, presided, and Okey Harvey acted as Secretary. Mr. Milam announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the Chairman presented a proposed Bond Resolution in writing entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC SERVICE PROPERTIES CONSISTING OF ADDITIONS, IMPROVEMENTS AND EXTENSIONS TO THE EXISTING WATERWORKS SYSTEM OF GLEN WHITE TRAP HILL PUBLIC SERVICE DISTRICT, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$2,249,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2007 A

(UNITED STATES DEPARTMENT OF AGRICULTURE);
DEFINING AND PRESCRIBING THE TERMS AND
PROVISIONS OF THE BONDS; PROVIDING GENERALLY
FOR THE RIGHTS AND REMEDIES OF AND SECURITY
FOR THE HOLDER OF THE BONDS; AND PROVIDING
WHEN THIS RESOLUTION SHALL TAKE EFFECT

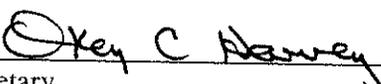
and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Okey Harvey and seconded by Danny Tolley, it was unanimously ordered that the said Bond Resolution be adopted and be in full force and effect on and from the date hereof.

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

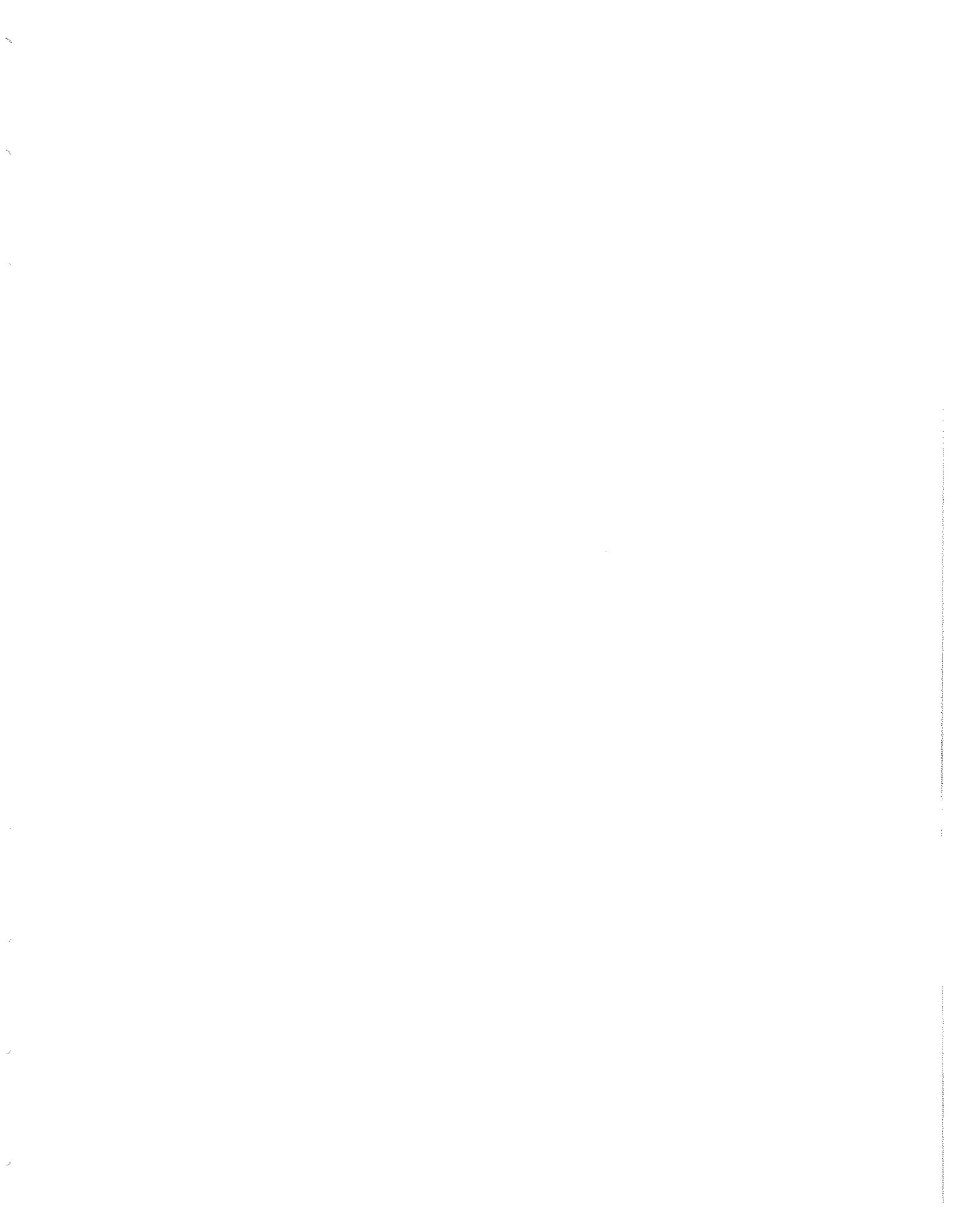
CERTIFICATION

I further hereby certify that the foregoing action of said Public Service Board remains in full force and effect and has not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 26th day of September, 2007.


Secretary

09.18.07
333370.00001



Date of Report: September 26, 2007

ISSUE: Glen White Trap Hill Public Service District, Water Revenue Bonds, Series 2007 A
(United States Department of Agriculture)

ADDRESS: Post Office Box 100, Fairdale, West Virginia 25839 COUNTY: Raleigh

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

ISSUE DATE: September 26, 2007 CLOSING DATE: September 26, 2007

ISSUE AMOUNT: \$ 2,249,000 RATE: 4.25%

1ST DEBT SERVICE DUE: N/A 1ST PRINCIPAL DUE: N/A

1ST DEBT SERVICE AMOUNT: \$ NA PAYING AGENT: Issuer

BOND COUNSEL: Steptoe & Johnson PLLC
 Contact Person: John C. Stump, Esq.
 Phone: 304.353.8196

UNDERWRITERS COUNSEL: _____
 Contact Person: _____
 Phone: _____

CLOSING BANK: City National Bank.
 Contact Person: Tammy Casto
 Phone: 304.769.1153

ESCROW TRUSTEE: _____
 Contact Person: _____
 Phone: _____

KNOWLEDGEABLE ISSUER CONTACT
 Contact Person: Cheryl Brendle
 Position: General Manager
 Phone: 304.934.6234

OTHER:
 Contact Person: Teresa Miller
 Function: Rural Development Specialist
 Phone: 304.252.8644

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

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

NOTES: Monthly debt service payments will be made by the District directly to the National Finance Office. The Municipal Bond Commission will hold the Series 2007 A Bonds Reserve Account. Payments to the Series 2007 A Bonds Reserve Account will commence within 24 months of closing date.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
 DOCUMENTS REQUIRED: _____
 TRANSFERS REQUIRED: _____

The purpose of the NEW ISSUE REPORT FORM is to provide the WV Municipal Bond Commission with an early warning of three basic facts no later than the day of closing on any issue for which the Commission is to act as fiscal agent. These are:

1. Formal notification that a new issue is outstanding.
2. Date of first action or debt service.
3. Contact people should we lack documents, information, or funds needed to administer the issue by the date of the first action or debt service.

The commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specified by the West Virginia Code 13-3-8. This notice is not intended to provide all the information needed to administer an issue, but to alert the Commission and ensure that no debt service payments are missed due to delays in assembling bond transcripts. If, at the time of closing, documents such as the ordinance and all supplements, debt service schedules, and a specimen bond or photostat are available and submitted with this form, it will greatly aid the Commission in the performance of its duties. These documents are needed to set up the proper accounts and to advise the issuer of monthly deposit requirements as far in advance of the first debt service as possible.

It is not necessary to complete all items if they are not pertinent to your issue. Indicate the County of the issuer. With PSDs that overlap more than one county, indicate the county of their business office. Complete "Rate" only if the issue has only one rate. Please complete a separate form for each series of an issue. Other important information can be recorded under "Notes."

Again, please submit this form on each new issue on the day of closing. If fund transfers into or out of the Commission at closing are required, please submit this form before closing. If no significant facts change by closing, no resubmission at closing is required. If, however, there are changes, please submit an updated form, with changes noted, at closing.

If you should have any questions concerning this form, please call the Commission.

09.18.07
333370.00001

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

CAPITOL AND WASHINGTON STREETS, 1 DAVIS SQUARE, SUITE 200
TELEPHONE 304-558-2981

CHARLESTON, WEST VIRGINIA 25301

PERMIT

PROJECT: (Water)
Water System Upgrades and
Lilly Mountain Water Line Extension

PERMIT NO.: 16,460

LOCATION: Trap Hill COUNTY: Raleigh DATE: 4/6/2005

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

**Glen White-Trap Hill Public Service District
P. O. Box 100
Fairdale, West Virginia 25839**

is hereby granted approval to: Contract #1: install approximately 31,000 LF of 12", 140 LF of 8", 100 LF of 6" and 375 LF of 2" water lines; three (3) pressure reducing stations; telemetry and all necessary valves and appurtenances. Contract #2: install approximately 30,200 LF of 6" and 930 LF of 2" water line; one (1) pressure reducing station; and all necessary valves, controls and appurtenances. Contract #3: install one (1) 109,000 gallon water storage tank and two (2) 496,000 gallon water storage tanks; and all necessary valves, controls and appurtenances.

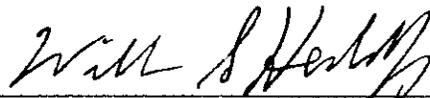
Facilities are to serve 40 new customers in the Lilly Mountain area and 1,380 existing customers in the Glen White-Trap Hill Public Service District and 1,573 existing customers in the Raleigh County Public Service District.

NOTE: This permit is contingent upon: 1) All new water line and water storage tanks being disinfected, flushed and bacteriologically tested, prior to use; 2) Maintaining a minimum ten (10) feet horizontal separation between sewer and water lines, and a minimum 18" vertical separation between crossing sewer and water lines, with the water line to be above the sewer line; and 3) Enclosing the proposed water storage tanks with a minimum six (6) feet high fence with a locking gate.

The Environmental Engineering Division of the Beckley District Office (304) 256-6666 is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

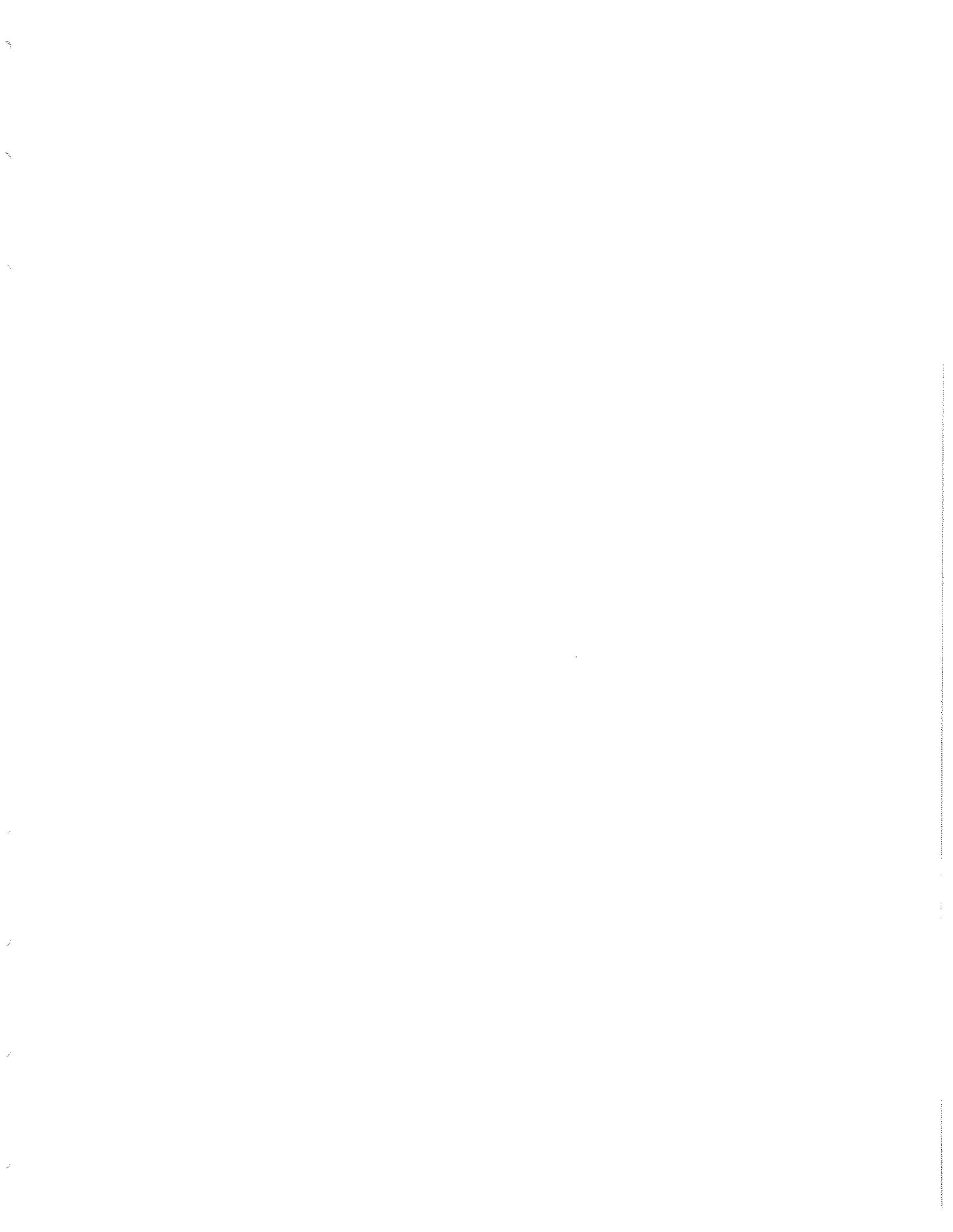
FOR THE DIRECTOR



William S. Herold, Jr., P.E., Assistant Manager
Infrastructure and Capacity Development
Environmental Engineering Division

WSH:nlh

c: Pentree, Inc.
Raleigh County PSD
James W. Ellars, P.E., PSC-Engineering Division
Amy Swann, PSC-Water and Wastewater Division
Raleigh County Health Department
OEHS-EED Beckley District Office



LOAN RESOLUTION
(Public Bodies)

A RESOLUTION OF THE Board of Directors
OF THE Glen White-Trap Hill Public Service District
AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A
PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS
Water System
FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the Glen White-Trap Hill Public Service District
(Public Body)
(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of
TWO MILLION TWO HUNDRED FORTY-NINE THOUSAND AND XX / 100

pursuant to the provisions of Chapter 16, Article 13A, West Virginia Code ; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legally permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as Secretary of the Glen White-Trap Hill Public Service District

hereby certify that the Board of Directors of such Association is composed of

3 members, of whom 2 constituting a quorum, were present at a meeting thereof duly called and

held on the 19th day of April, 2002; and that the foregoing resolution was adopted at such meeting

by the vote shown above, I further certify that as of September 26, 2007, the date of closing of the loan from the United States Department of Agriculture, said resolution remains in effect and has not been rescinded or amended in any way.

Dated, this 26th day of September, 2007

Okey C Howey
Title Secretary



WATER OR WASTE SYSTEM GRANT AGREEMENT
UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

THIS AGREEMENT dated April 19, 2002 between
Glen White-Trap Hill Public Service District

a public corporation organized and operating under _____

Chapter 16, Article 13A, West Virginia Code

(Authorizing Statute)

herein called "Grantee," and the United States of America acting through the Rural Utilities Service, Department of Agriculture, herein called "Grantor," WITNESSETH:

WHEREAS

Grantee has determined to undertake a project of acquisition, construction, enlargement, or capital improvement of a (water) (sewer) system to serve the area under jurisdiction at an estimated cost of \$ 3,749,000.00 and has duly authorized the undertaking of such project.

Grantee is able to finance not more than \$ 2,249,000.00 of the development cost through revenues, charges, taxes or assessments, or funds otherwise available to Grantee resulting in a reasonable user charge.

Said sum of \$ 2,249,000.00 has been committed to and by Grantee for such project development costs.

Grantor has agreed to grant the Grantee a sum not to exceed \$ 1,500,000.00 or 45% percent of said development costs, whichever is the lesser, subject to the terms and conditions established by the Grantor. Provided, however, that the proportionate share of any grant funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the conditions of the grant.

As a condition of this grant agreement, the Grantee assures and certifies that it is in compliance with and will comply in the course of the agreement with all applicable laws, regulations, Executive orders and other generally applicable requirements, including those set out in 7 CFR 3015.205(b), which hereby are incorporated into this agreement by reference, and such other statutory provisions as are specifically set forth herein.

NOW, THEREFORE, In consideration of said grant by Grantor to Grantee, to be made pursuant to Section 306 (a) of the Consolidated Farm and Rural Development Act the purpose only of defraying a part not to exceed 40.0% percent of the development costs, as defined by applicable Rural Utilities Service Instructions.

GRANTEE AGREES THAT GRANTEE WILL:

A. Cause said project to be constructed within the total sums available to it, including said grant, in accordance with the project plans and specifications and any modifications thereof prepared by Grantee and approved by Grantor.

B. Permit periodic inspection of the construction by a representative of Grantor during construction.

C. Manage, operate and maintain the system, including this project if less than the whole of said system, continuously in an efficient and economical manner.

D. Make the services of said system available within its capacity to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical or mental handicap (possess capacity to enter into legal contract for services) at reasonable charges, including assessments, taxes, or fees in accordance with a schedule of such charges, whether for one or more classes of service, ~~as approved by the West Virginia Public Service Commission, adopted by resolution dated xxxxxxxxxxxxxxxxxxxxxxxxx~~, as may be modified from time to time by Grantee. The initial rate schedule must be approved by Grantor. Thereafter, Grantee may make such modifications to the rate system as long as the rate schedule remains reasonable and nondiscriminatory.

E. Adjust its operating costs and service charges from time to time to provide for adequate operation and maintenance, emergency repair reserves, obsolescence reserves, debt service and debt service reserves.

F. Expand its system from time to time to meet reasonably anticipated growth or service requirements in the area within its jurisdiction.

G. Provide Grantor with such periodic reports as it may require and permit periodic inspection of its operations by a representative of the Grantor.

H. To execute any agreements required by Grantor which Grantee is legally authorized to execute. If any such agreement has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, another agreement of the same type need not be executed in connection with this grant.

I. Upon any default under its representations or agreements set forth in this instrument, Grantee, at the option and demand of Grantor, will repay to Grantor forthwith the original principal amount of the grant stated herein above with the interest at the rate of 5 percentum per annum from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Grant Agreement may be enforced by Grantor, at its option and without regard to prior waivers by it previous defaults of Grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulations under which this grant is made.

J. Return immediately to Grantor, as required by the regulations of Grantor, any grant funds actually advanced and not needed by Grantee for approved purposes.

K. Use the real property including land, land improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed.

1. Title to real property shall vest in the recipient subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant as long as needed.

2. The Grantee shall obtain approval by the Grantor agency for the use of the real property in other projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Grantor.

3. When the real property is no longer needed as provided in 1 and 2 above, the Grantee shall request disposition instructions from the Grantor agency or its successor Federal agency. The Grantor agency shall observe the following rules in the disposition instructions:

(a) The Grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original project to the fair market value of the property.

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor agency. When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

[Revision 1, 04/17/1998]

(c) The Grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee's percentage of participation in the cost of the program or project to the current fair market value of the property.

This Grant Agreement covers the following described real property (use continuation sheets as necessary).

Approximately 21,160 feet of 12" water mains and related appurtenances to upgrade the existing water distribution system; approximately 27,700 feet of 6" water mains and related appurtenances to provide water service to approximately 28 households in the Lilly Mountain area; two 500,000 gallon water tanks and one 100,000 gallon water tank.

L. Abide by the following conditions pertaining to equipment which is furnished by the Grantor or acquired wholly or in part with grant funds. Equipment means tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A Grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.

[Revision 1, 04/17/1998]

1. Use of equipment.

(a) The Grantee shall use the equipment in the project for which it was acquired as long as needed. When no longer needed for the original project, the Grantee shall use the equipment in connection with its other Federally sponsored activities, if any, in the following order of priority:

(1) Activities sponsored by the Grantor.

(2) Activities sponsored by other Federal agencies.

(b) During the time that equipment is held for use on the project for which it was acquired, the Grantee shall make it available for use on other projects if such other use will not interfere with the work on the project for which the equipment was originally acquired. First preference for such other use shall be given to Grantor sponsored projects. Second preference will be given to other Federally sponsored projects.

2. Disposition of equipment. When the Grantee no longer needs the equipment as provided in paragraph (a) above, the equipment may be used for other activities in accordance with the following standards:

(a) Equipment with a current per unit fair market value of less than \$5,000. The Grantee may use the equipment for other activities without reimbursement to the Federal Government or sell the equipment and retain the proceeds.

(b) Equipment with a current per unit fair market value of \$5,000 or more. The Grantee may retain the equipment for other uses provided that compensation is made to the original Grantor agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value or proceeds from sale of the equipment. If the Grantee has no need for the equipment and the equipment has further use value, the Grantee shall request disposition instructions from the original Grantor agency.

The Grantor agency shall determine whether the equipment can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the equipment shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR), to the General Services Administration by the Grantor agency to determine whether a requirement for the equipment exists in other Federal agencies. The Grantor agency shall issue instructions to the Grantee no later than 120 days after the Grantee requests and the following procedures shall govern:

(1) If so instructed or if disposition instructions are not issued within 120 calendar days after the Grantee's request, the Grantee shall sell the equipment and reimburse the Grantor agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the Grantee shall be permitted to deduct and retain from the Federal share ten percent of the proceeds, for Grantee's selling and handling expenses.

(2) If the Grantee is instructed to ship the equipment elsewhere the Grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the Grantee participation in the cost of the original grant project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.

(3) If the Grantee is instructed to otherwise dispose of the equipment, the Grantee shall be reimbursed by the Grantor agency for such costs incurred in its disposition.

3. The Grantee's property management standards for equipment shall also include:

(a) Records which accurately provide for: a description of the equipment; manufacturer's serial number or other identification number; acquisition date and cost; source of the equipment; percentage (at the end of budget year) of Federal participation in the cost of the project for which the equipment was acquired; location, use and condition of the equipment and the date the information was reported; and ultimate disposition data including sales price or the method used to determine current fair market value if the Grantee reimburses the Grantor for its share.

(b) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years to verify the existence, current utilization, and continued need for the equipment.

(c) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented.

(d) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(e) Proper sales procedures shall be established for unneeded equipment which would provide for competition to the extent practicable and result in the highest possible return.

This Grant Agreement covers the following described equipment (use continuation sheets as necessary).

None

M. Provide Financial Management Systems which will include:

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.
2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.
3. Effective control over and accountability for all funds, property and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.
4. Accounting records supported by source documentation.

N. Retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least three years after grant closing except that the records shall be retained beyond the three-year period if audit findings have not been resolved. Microfilm or photo copies or similar methods may be substituted in lieu of original records. The Grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Grantee's government which are pertinent to the specific grant program for the purpose of making audits, examinations, excerpts and transcripts.

O. Provide information as requested by the Grantor to determine the need for and complete any necessary Environmental Impact Statements.

P. Provide an audit report prepared in accordance with Grantor regulations to allow the Grantor to determine that funds have been used in compliance with the proposal, any applicable laws and regulations and this Agreement.

Q. Agree to account for and to return to Grantor interest earned on grant funds pending their disbursement for program purposes when the Grantee is a unit of local government. States and agencies or instrumentality's of states shall not be held accountable for interest earned on grant funds pending their disbursement.

Termination of This Agreement

This Agreement may be terminated for cause in the event of default on the part of the Grantee as provided in paragraph I above or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the project will not produce beneficial results commensurate with the further expenditure of funds.

In witness whereof Grantee on the date first above written has caused these presence to be executed by its duly authorized

and attested and its corporate seal affixed by its duly authorized

Attest:

Glen White Trap Hill Public Service District

By

LEE MILAM

(Title) Chairman

By

E. K. Cuthers

(Title) _____

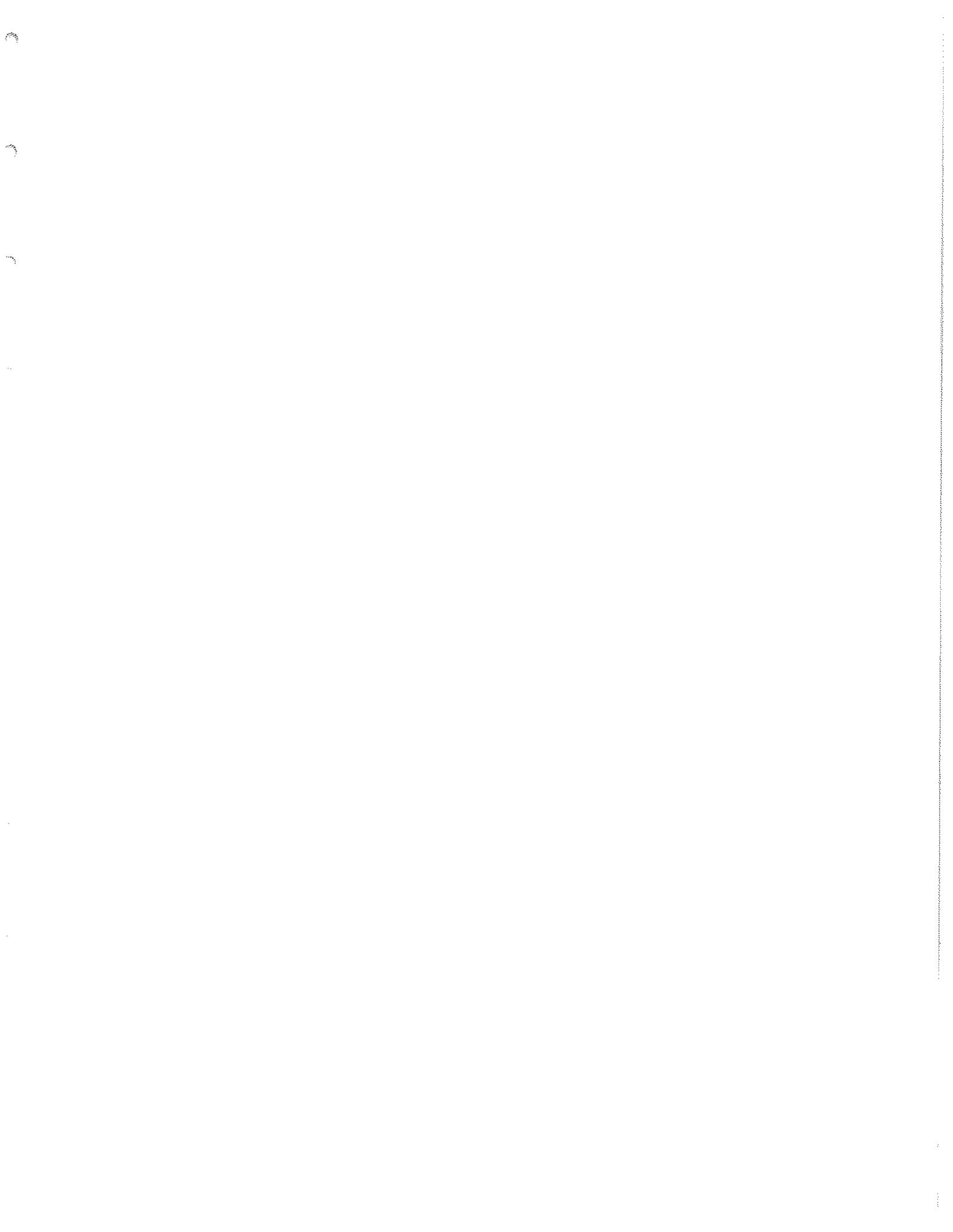
UNITED STATES OF AMERICA

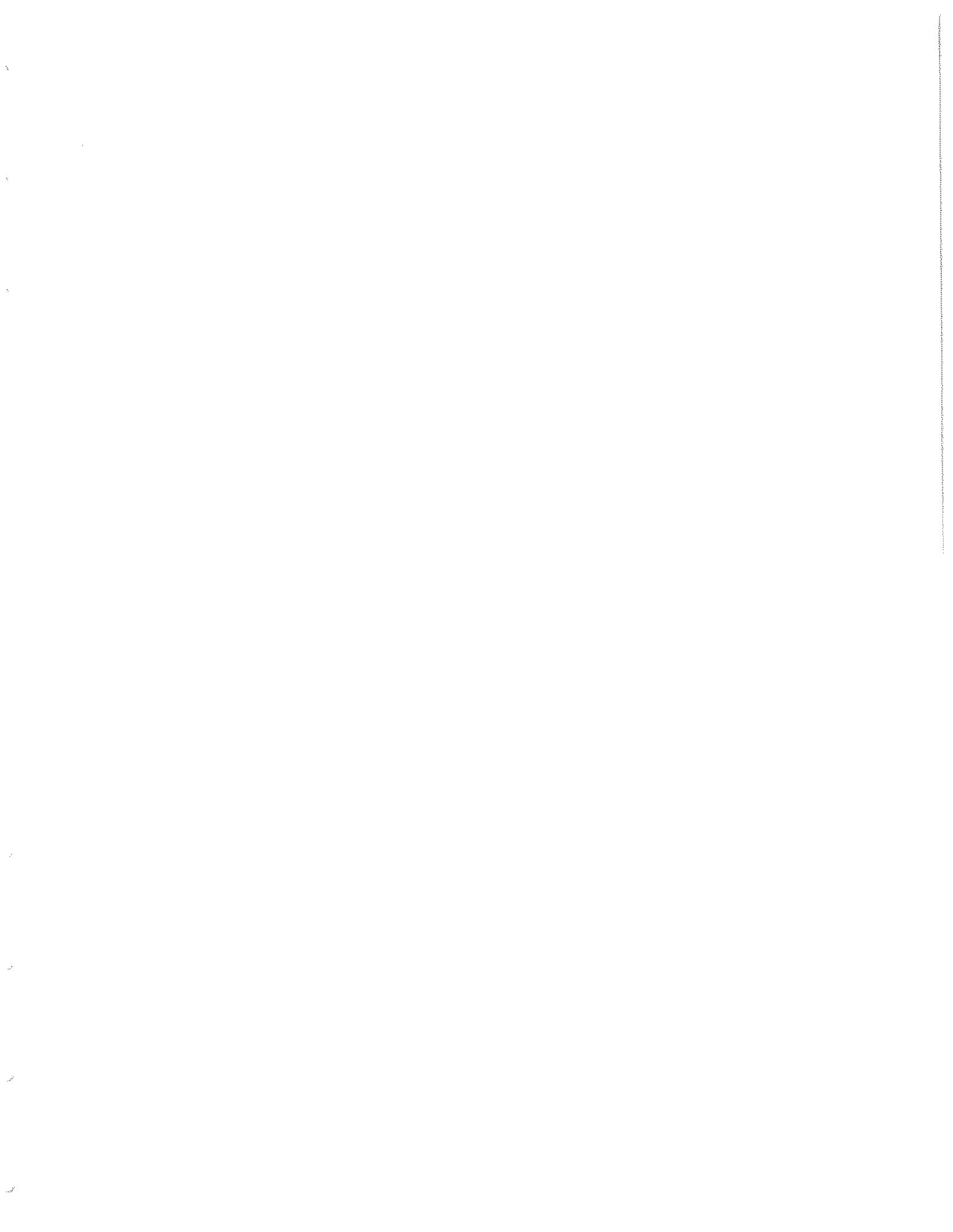
RURAL UTILITIES SERVICE

By

TERESA A. MILLER

(Title) Rural Development Specialist





PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST

VIRGINIA, at the Capitol in the City of Charleston on the 26th day of April, 1974.

CASE NO. 7688

GLEN WHITE-TRAP HILL PUBLIC SERVICE
DISTRICT, a public corporation.

Joint application for a certificate of
convenience and necessity to construct
and operate a water supply system.

WHEREAS, on November 23, 1973, the Glen White-Trap Hill

Public Service District, a public corporation, was granted a certificate of public
convenience and necessity to construct, operate and maintain a water distribution
system to serve Glen White in Town District and a part of Trap Hill District, all
within Mingo County, subject to the submission and approval of a contract with
Beckley Water Company for the sale and purchase of water; and

WHEREAS, a copy of an executed water purchase contract dated

1974, between the Beckley Water Company and the Glen White-Trap Hill
Public Service District was submitted to the Commission on April 22, 1974; and

WHEREAS, the contract, as submitted, provides that the "rates
charged are determined by the said Public Service Commission of West Virginia";
and

WHEREAS, the rates currently being charged by the Beckley Water
Company are in effect under bond subject to refund effective February 1, 1974, pur-
suant to an order of the Commission dated January 18, 1974, in Case No. 7714.

It is, therefore, ordered that the contract dated April 10, 1974,
between the Beckley Water Company and the Glen White-Trap Hill Public Service
District is hereby approved, subject to the provision that the rates charged there-
under are to be rates approved by the Public Service Commission and if such rates
are in effect under bond subject to refund, such refunds are to be made to the

White-Trap Hill Public Service District in accordance with the Commission's
Order of January 18, 1974, in Case No. 7714.

Teste:



S. Grover Smith, Jr.
Secretary

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the 10th day of April,
19 74, between the Beckley Water Company
119 S. Heber Street, Beckley, W. Va. 25801
(Address)
hereinafter referred to as the "Seller" and the Glen White-Trap Hill Public Service District
Glen White, West Virginia
(Address)
hereinafter referred to as the "Purchaser",

WITNESSETH:

Whereas the Purchaser is organized and established under the provisions of _____ of the
Code of _____ for the purpose of constructing and operating a water supply distribution
system serving water users within the area described in plans now on file in the office of the Purchaser and to accomplish
this purpose, the Purchaser will require a supply of treated water, and

Whereas, the Seller owns and operates a water supply distribution system with a capacity currently capable of serving the
~~present customers of the Seller's system and the estimated number of water users to be served by the said Purchaser as shown~~
~~in the plans of the system now on file in the office of the Purchaser, and~~

Whereas, by _____ No. _____ enacted on the _____ day
of _____, 19 _____, by the Seller, the sale of water to the Purchaser in accordance
with the provisions of the said _____ was approved, and the execution of this contract
on behalf of the said _____ by the _____
and attested by the Secretary, was duly authorized, and

Whereas, by _____ of the _____
of the Purchaser, enacted on the _____ day of _____, 19 _____,
the purchase of water from the Seller in accordance with the terms set forth in the said _____
was approved and the execution of this contract by the _____ and
attested by the Secretary was duly authorized;

Now, therefore, in consideration of the foregoing and the mutual agreements hereinafter set forth,

A. The Seller Agrees:

1. (Quality and Quantity) To furnish the Purchaser at the point of delivery hereinafter specified, during the term of
this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the _____
State Health Department of the State of West Virginia
in such quantity as may be required by the Purchaser not to exceed 4,000,000 gallons per month.

7

2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure calculated at 80 PSI from an existing (12) Twelve inch main supply at a point located _____

If a greater pressure than that normally available at the point of delivery is required by the Purchaser, the cost of providing such greater pressure shall be borne by the Purchaser. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

3. (Metering Equipment) To furnish, install, operate, and maintain at its own expense at point of delivery, the necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring the quantity of water delivered to the Purchaser; and to calibrate such metering equipment whenever requested by the Purchaser but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the _____ months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless Seller and Purchaser shall agree upon a different amount. The metering equipment shall be read on _____ and their rules and regulations shall govern said meter testing. An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings.

4. (Billing Procedure) To furnish the Purchaser at the above address not later than the 25th day of each month, with an itemized statement of the amount of water furnished the Purchaser during the preceding month.

B. The Purchaser Agrees:

1. (Rates and Payment Date) To pay the Seller, not later than the _____ day of each month, for water delivered in accordance with the following schedule of rates:

- a. \$ _____ for the first _____ gallons, which amount shall also be the minimum rate per month.
- b. \$ _____ cents per 1000 gallons for water in excess of _____ gallons but less than _____ gallons.
- c. \$ _____ cents per 1000 gallons for water in excess of _____ gallons.

All matters mentioned above are covered by the Rules and Regulations for the Government of Water Utilities by the Public Service Commission of West Virginia. And said rules and regulations, and the tariffs for rates charged are determined by the said Public service commission of W. Va.

2. (Connection Fee) To pay as an agreed cost, a connection fee to connect the Seller's system with the system of the Purchaser, the sum of 10000 dollars which shall cover any and all costs of the Seller for installation of the metering equipment and _____

In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in Two counterparts, each of which shall constitute an original.

Seller: Becklin Water Co
By: Richard A. Bentley
Title: President

Attest: M. F. Z. Potts
Secretary

Purchaser: Shelbourn Trust Co. Ltd 4/11/7
By: R. B. Parker
Title: Chairman

Attest: Pat. Smith
Secretary

This contract is approved on behalf of the Farmers Home Administration this _____ day of _____,

19 _____
7
By _____
Title _____

12/74 2-7HA =
spec to Gates
1 for Contractor
1 to Atty. Hutchinson

C. It is further mutually agreed between the Seller and the Purchaser as follows: 7

1. (Term of Contract) That this contract shall extend for a term of 5 years years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.

2. (Delivery of Water) That 30 days prior to the estimated date of completion of construction of the Purchaser's water supply distribution system, the Purchaser will notify the Seller in writing the date for the initial delivery of water.

3. (Water for Testing) When requested by the Purchaser the Seller will make available to the contractor at the point of delivery, or other point reasonably close thereto, water sufficient for testing, flushing, and trench filling the system of the Purchaser during construction, irrespective of whether the metering equipment has been installed at that time, at a flat charge of \$ 500.00 which will be paid by the contractor or, on his failure to pay, by the Purchaser.

4. (Failure to Deliver) That the Seller will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the Purchaser with quantities of water required by the Purchaser. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply of water to Purchaser's consumers shall be reduced or diminished in the same ratio or proportion as the supply to Seller's consumers is reduced or diminished.

5. (Modification of Contract) That the provisions of this contract pertaining to the schedule of rates to be paid by the Purchaser for water delivered are subject to modification at the end of every year year period. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of performance hereunder, but both costs shall not include increased capitalization of the Seller's system. Other provisions of this contract may be modified or altered by mutual agreement.

6. (Regulatory Agencies) That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

7. (Miscellaneous) That the construction of the water supply distribution system by the Purchaser is being financed by a loan made or insured by, and/or a grant from, the United States of America, acting through the Farmers Home Administration of the United States Department of Agriculture, and the provisions hereof pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing, of the State Director of the Farmers Home Administration.

8. (Successor to the Purchaser) That in the event of any occurrence rendering the Purchaser incapable of performing under this contract, any successor of the Purchaser, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder.

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the 10th day of April,
19 74, between the Beckley Water Company
119 S. Heber Street, Beckley, W. Va. 25801
(Address)
hereinafter referred to as the "Seller" and the Glen White-Trap Hill Public Service District
Glen White, West Virginia
(Address)
hereinafter referred to as the "Purchaser",

WITNESSETH:

Whereas, the Purchaser is organized and established under the provisions of _____ of the
Code of _____, for the purpose of constructing and operating a water supply distribution
system serving water users within the area described in plans now on file in the office of the Purchaser and to accomplish
this purpose, the Purchaser will require a supply of treated water, and

Whereas, the Seller owns and operates a water supply distribution system with a capacity currently capable of serving the
~~present customers of the Seller's system and the estimated number of water users to be served by the said Purchaser as shown~~
~~in the plans of the system now on file in the office of the Purchaser, and~~

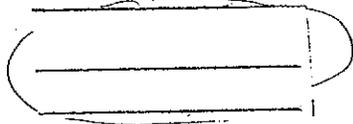
Whereas, by _____ No. _____ enacted on the _____ day
of _____, 19 _____, by the Seller, the sale of water to the Purchaser in accordance
with the provisions of the said _____ was approved, and the execution of this contract
carrying out the said _____ by the _____,
and attested by the Secretary, was duly authorized, and

Whereas, by _____ of the _____
of the Purchaser, enacted on the _____ day of _____, 19 _____,
the purchase of water from the Seller in accordance with the terms set forth in the said _____
was approved, and the execution of this contract by the _____, and
attested by the Secretary was duly authorized;

Now, therefore, in consideration of the foregoing and the mutual agreements hereinafter set forth,

A. The Seller Agrees:

1. (Quality and Quantity) To furnish the Purchaser at the point of delivery hereinafter specified, during the term of
this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the _____
State Health Department of the State of West Virginia
in such quantity as may be required by the Purchaser not to exceed 4,000,000 gallons per month.



2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure calculated at 80 PSI from an existing (12) Twelve inch main supply at a point located _____

If a greater pressure than that normally available at the point of delivery is required by the Purchaser, the cost of providing such greater pressure shall be borne by the Purchaser. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

3. (Metering Equipment) To furnish, install, operate, and maintain at its own expense at point of delivery, the necessary metering equipment, including a meter, hose, or pit, and required devices of standard type for properly measuring the quantity of water delivered to the Purchaser and to calibrate such metering equipment whenever requested by the Purchaser but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by meter to be inaccurate

Public Service Commission of West Virginia, Rule 34 covers the testing of meters shall be corrected for the _____ months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless Seller and Purchaser shall agree upon a different amount. The metering equipment shall be read on _____ An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings.

4. (Billing Procedure) To furnish the Purchaser at the above address not later than the 20th day of each month, with an itemized statement of the amount of water furnished the Purchaser during the preceding month.

B. The Purchaser Agrees:

1. (Rates and Payment Date) To pay the Seller, not later than the _____ day of each month, for water delivered in accordance with the following schedule of rates:

- a. \$ _____ for the first _____ gallons, which amount shall also be the minimum rate per month.
- b. \$ _____ cents per 1000 gallons for water in excess of _____ gallons but less than _____ gallons.
- c. \$ _____ cents per 1000 gallons for water in excess of _____ gallons.

All matters mentioned above are covered by the Rules and Regulations for the Government of Water Utilities by the Public Service Commission of West Virginia. And said rules and regulations, and the tariffs for rates charged are determined by the said Public service commission of W. Va.

2. (Connection Fee) To pay as an agreed cost, a connection fee to connect the Seller's system with the system of the Purchaser, the sum of None dollars which shall cover any and all costs of the Seller for installation of the metering equipment and _____

In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in Two counterparts, each of which shall constitute an original.

Seller: Beckham Water Co
By: W. B. Beckham
Title: President

Attest: Mrs. F. L. Bates
Secretary

Purchaser: St. Albans, Mont. Hill, P.S.D. 4/1/74
By: R. B. Parker
Title: Chairman

Attest: Pat. Smith
Secretary

This contract is approved on behalf of the Farmers Home Administration this _____ day of _____

19 _____
7
By _____
Title _____

4/12/74 2-7116
Copies to Gates
1 for Contractor
1 to Atty. Kitchman

C. It is further mutually agreed between the Seller and the Purchaser as follows: 7

1. (Term of Contract) That this contract shall extend for a term of 5 YEARS years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.

2. (Delivery of Water) That 30 days prior to the estimated date of completion of construction of the Purchaser's water supply distribution system, the Purchaser will notify the Seller in writing the date for the initial delivery of water.

3. (Water for Testing) When requested by the Purchaser the Seller will make available to the contractor at the point of delivery, or other point reasonably close thereto, water sufficient for testing, flushing, and trench filling the system of the Purchaser during construction, irrespective of whether the metering equipment has been installed at that time, at a

flat charge of \$ 500.00 which will be paid by the contractor or, on his failure to pay, by the Purchaser.

4. (Failure to Deliver) That the Seller will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the Purchaser with quantities of water required by the Purchaser. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply of water to Purchaser's consumers shall be reduced or diminished in the same ratio or proportion as the supply to Seller's consumers is reduced or diminished.

5. (Modification of Contract) That the provisions of this contract pertaining to the schedule of rates to be paid by the Purchaser for water delivered are subject to modification at the end of every one year period. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the cost of performance hereunder, but such costs shall not include increased capitalization of the Seller's system. Other provisions of this contract may be modified or altered by mutual agreement.

6. (Regulatory Agencies) That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

7. (Miscellaneous) That the construction of the water supply distribution system by the Purchaser is being financed by a loan made or insured by, and/or a grant from, the United States of America, acting through the Farmers Home Administration of the United States Department of Agriculture, and the provisions hereof pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing, of the State Director of the Farmers Home Administration.

8. (Successor to the Purchaser) That in the event of any occurrence rendering the Purchaser incapable of performing under this contract, any successor of the Purchaser, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder.

THIS CONTRACT, made this 7th day of April, 1981, by and between BECKLEY WATER COMPANY, a corporation, hereinafter referred to as "Beckley", and THE GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT, hereinafter referred to as "Glen White",

WHEREAS, Beckley has entered into a separate Agreement, dated this day, with The Raleigh County Public Service District, hereinafter referred to as "Raleigh" for the furnishing by Beckley under certain circumstances set forth therein of water to serve customers of the Arnett Water System of Raleigh, not to exceed 4,000,000 gallons per month without approval of Beckley; and

WHEREAS, the parties hereto on May 12, 1980 entered into a Contract relating to the foregoing which is superseded and replaced in all respects by this Contract.

NOW, THEREFORE, THIS CONTRACT WITNESSETH: That for and in consideration of the following mutual covenants and promises it is mutually agreed as follows:

1. Beckley agrees that in addition to furnishing water for the customers of Glen White, Beckley will furnish to Glen White for resale to Raleigh sufficient water to supply customers of Arnett Water System of Raleigh, but not to exceed 4,000,000 gallons per month without approval of Beckley.
2. Beckley agrees to continue to furnish said water for a period of forty (40) years from the date hereof.
3. Glen White agrees to pay Beckley such rates and charges as may be approved by the Public Service

STATE OF WEST VIRGINIA,
COUNTY OF RALEIGH, TO WIT:

I, Ginger Cole, a Notary Public of the said County of Raleigh, in and for the County and State aforesaid, do hereby certify that Wilmer A Stanley whose name is signed to the foregoing writing, bearing date the 13th day of April, 1981 as Secretary of BECKLEY WATER COMPANY, a corporation has this day before me in my said County and State acknowledged the same to be the act and deed of said corporation.

Given under my hand this 13th day of April, 1981.

Ginger Cole
NOTARY PUBLIC

My commission expires: February 28, 1989

STATE OF WEST VIRGINIA,
COUNTY OF RALEIGH, TO WIT:

I, David PARKS, a Notary Public of the said County of Raleigh, in and for the County and State aforesaid, do hereby certify that Clavite Walker Jr. whose name is signed to the foregoing writing, bearing date the 7 day of April, 1981 as Chairman of GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT, has this day before me in my said County and State acknowledged the same to be the act and deed of said corporation.

Given under my hand this 7 day of April, 1981.

David Parks
NOTARY PUBLIC

My commission expires: April 24, 1990

This instrument prepared by W. H. File, Jr.,
Attorney at Law, Beckley, WVA 25801

CERTIFICATE OF RESOLUTION

I, THEODORE M. LACY, JR. do certify that:

(1). I am the duly elected and qualified Secretary of the Public Service Board of the Glen White-Trap Hill Public Service District;

(2). At a meeting of the Public Service Board of the Glen White-Trap Hill Public Service District, properly called and held on the 6th day of April, 1981, the following resolution was adopted:

R E S O L V E D

Whereas, the Raleigh County Public Service District is installing a new water system to be known as the Arnett Water System, and the Glen White-Trap Hill Public Service District is the best available source of water for the said Arnett water system; and

Whereas, the source of water of the Glen White-Trap Hill Public Service District is the Beckley Water Company; and

Whereas, the Glen White-Trap Hill Public Service District is agreeable to selling to the Raleigh County Public Service District water for the said Arnett water system, provided that the Beckley Water Company will sell to the Glen White-Trap Hill Public Service District for resale to the Raleigh County Public Service District sufficient water to supply the Arnett water system; and

Whereas, negotiations between the Beckley Water Company, the Glen White-Trap Hill Public Service District and the Raleigh County Public Service District have resulted in a contract between the Beckley Water Company, the Glen White-Trap Hill Public Service District, and the Raleigh County Public Service District dated the 7th day of APRIL, 1981 (hereinafter "contract").

Now, therefore, be it resolved, that the contracts, as submitted to this meeting and included in these minutes and made a part of this resolution as though set forth in full herein, be and the same is hereby approved. The Chairman and the Secretary of the Public Service Board are hereby authorized and directed to execute and deliver said contract.

Be it further resolved, that the Chairman, Secretary, and any other proper officer of the Glen White-Trap Hill Public Service District are hereby authorized and directed to execute and deliver any and all papers and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transaction contemplated by the contract.

WITNESSETH my hand and seal of the Glen White-Trap Hill Public Service District this 6 day of APRIL, 1981.

Theodore M. Lacy, Jr.
SECRETARY, PUBLIC SERVICE BOARD,
GLEN WHITE-TRAP HILL PUBLIC SERVICE
DISTRICT