

GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT

**Water Revenue Bonds, Series 2012 A; and
Water Revenue Bonds, Series 2012 B
(United States Department of Agriculture)**

BOND TRANSCRIPT

Closing Date: April 13, 2012

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GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT

**Water Revenue Bonds, Series 2012 A; and
Water Revenue Bonds, Series 2012 B
(United States Department of Agriculture)**

BOND RESOLUTION

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GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT

BOND RESOLUTION

RESOLUTION AUTHORIZING THE REFUNDING OF THE SERIES 1974 BONDS AND SERIES 1975 BONDS, 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 \$200,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 A (UNITED STATES DEPARTMENT OF AGRICULTURE) AND OF NOT MORE THAN \$2,300,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 B (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 water system improvements including installation of 12 inch, 6 inch and 2 inch water line, and one pressure reducing station to provide service to approximately 60 new customers in the Posey-Saxon areas of Raleigh County known as "Cove Creek Project" (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 Issuer has heretofore issued its Water Revenue Bonds, Series 1974, dated June 26, 1974 in the original aggregate principal amount of \$830,000 (the "Series 1974 Bonds") and its Water Revenue Bonds, Series 1975, dated August 5, 1974, issued in the original aggregate principal amount of \$425,000 (the "Series 1975 Bonds"). The Series 1974 Bonds and the Series 1975 Bonds are currently held by Capmark Finance, Inc.

E. It is in the best interest of the Issuer that the Series 1974 Bonds and the Series 1975 Bonds be refunded in order to allow the Issuer to avoid an overly burdensome parity test.

f. It is necessary for the Issuer to issue its Water Revenue Bonds, Series 2012 A (United States Department of Agriculture) and Water Revenue Bonds, Series 2012 B (United States Department of Agriculture), in the respective aggregate principal amounts of \$200,000 and \$2,300,000 (collectively, the "Series 2012 Bonds"), to pay the Series 1974 Bonds and Series 1975 Bonds and 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 2012 Bonds; 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.

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

I. Upon payment of the Series 1974 Bonds and Series 1975 Bonds, there are outstanding obligations of the Issuer which will rank on a parity with the Series 2012 Bonds as to liens, pledge and source of and security for payment being the Issuer's Water Revenue Bonds, Series 2007 A (United States Department of Agriculture), dated September 26, 2007, issued in the original aggregate principal amount of \$2,249,000 (the "Series 2007 A Bonds") (the "Prior Bonds"). 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 2009 Bonds as to liens, pledge and/or source of and security for payment.

Prior to the issuance of the Series 2012 Bonds, the Issuer will obtain the written consents of the Holders of the Prior Bonds to the issuance of the Series 2012 Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

The Issuer is not in default under the terms of the Prior Bonds, or the resolutions authorizing issuance of the Prior Bonds or any document in connection therewith, and has complied with all requirements of all the foregoing with respect to the issuance of parity bonds or has obtained a sufficient and valid consent or waiver thereof.

J. It is in the best interest of the Issuer that the Series 2012 Bonds be sold to the Purchaser, pursuant to the terms and provisions of the Letters of Conditions, dated July 8, 2002, and all amendments thereto, if any (collectively, the "Letter of Conditions").

K. 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 2012 Bonds, or will have so complied prior to issuance of the Series 2012 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 2012 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 2012 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 2012 Bonds and the Prior Bonds.

“Chairman” means the Chairman of the Governing Body.

“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, Inc., 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 (D) 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.

“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 July 8, 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 2012 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.

“Prior Bonds” means, collectively, the Series 1993 Bonds and the Series 2002 A 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.

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

“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, dated June 26, 1974, issued in the original aggregate principal amount of \$830,000.

“Series 1975 Bonds” means the Issuer’s Water Revenue Bonds, Series 1974, dated August 5, 1975, issued in the original aggregate principal amount of \$425,000.

“Series 1974 Bonds Resolution” means the resolution of the Issuer authorizing the Series 1974 Bonds.

“Series 1975 Bonds Resolution” means the resolution of the Issuer authorizing the Series 1975 Bonds.

“Series 2007 A Bonds” means the Water Revenue Bonds, Series 2007 A (United States Department of Agriculture), dated September 26, 2007, issued in the original aggregate principal amount of \$2,249,000.

“Series 2012 Bonds” means collectively the Series 2012 A Bonds and the Series 2012 B Bonds.

“Series 2012 A Bonds” means the Water Revenue Bonds, Series 2012 A (United States Department of Agriculture), authorized hereby to be issued pursuant to this Bond Legislation.

“Series 2012 B Bonds” means the Water Revenue Bonds, Series 2012 B (United States Department of Agriculture), authorized hereby to be issued pursuant to this Bond Legislation.

“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 AND REFUNDING OF THE SERIES 1974 BONDS AND SERIES 1975 BONDS

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 \$4,506,543, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body.

The estimated maximum cost of the acquisition and construction of the Project is \$4,506,543 of which \$200,000 will be obtained from the proceeds of sale of the Series 2012 A Bonds herein authorized; \$2,300,000 will be obtained from the proceeds of sale of the Series 2012 B Bonds herein authorized; \$371,400 will be obtained from a grant from the United States Department of Agriculture; \$1,000,000 will be obtained from a Appalachian Regional Commission grant; and \$635,143 will be obtained from an Abandoned Mine Lands grant.

Section 2.02. Authorization of Payment of the Series 1974 Bonds and Series 1975 Bonds.

A. The Series 1974 Bonds outstanding as of the date of issuance of the Series 2012 Bonds are hereby ordered to be paid in full, and the pledge of assets, if any, in favor of the Holders of the Series 1974 Bonds, and the monies in the funds and accounts created under the Series 1974 Bonds Resolution pledged to payment of the Series 1974 Bonds and any other funds pledged to pay the Series 1974 Bonds are hereby ordered terminated, discharged and released upon the payment to the Holder of the Series 1974 Bonds from the proceeds of the Series 2012 A Bonds and from other monies available therefore, an amount which will provide for the payment of all fees and charges, payment of the entire

outstanding principal of and the payment of all interest on the Series 1974 Bonds, plus the premium, if any, on the Closing Date.

B. The Series 1975 Bonds outstanding as of the date of issuance of the Series 2012 Bonds are hereby ordered to be paid in full, and the pledge of assets, if any, in favor of the Holders of the Series 1975 Bonds, and the monies in the funds and accounts created under the Series 1975 Bonds Resolution pledged to payment of the Series 1975 Bonds and any other funds pledged to pay the Series 1975 Bonds are hereby ordered terminated, discharged and released upon the payment to the Holder of the Series 1975 Bonds from the proceeds of the Series 2012 A Bonds and from other monies available therefore, an amount which will provide for the payment of all fees and charges, payment of the entire outstanding principal of and the payment of all interest on the Series 1975 Bonds, plus the premium, if any, on the Closing Date.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS

Section 3.01. Authorization of Bonds.

A. Subject and pursuant to the provisions of the Bond Legislation, the Series 2012 A Bonds of the Issuer, to be known as "Water Revenue Bonds, Series 2012 A (United States Department of Agriculture)", are hereby authorized to be issued in the aggregate principal amount of \$200,000, for the purpose of financing a portion of the cost of the acquisition and construction of the Project.

B. Subject and pursuant to the provisions of the Bond Legislation, the Series 2012 B Bonds of the Issuer, to be known as "Water Revenue Bonds, Series 2012 B (United States Department of Agriculture)", are hereby authorized to be issued in the aggregate principal amount of \$2,300,000, for the purpose of paying the Series 1974 Bonds and Series 1975 Bonds and financing a portion of the cost of the acquisition and construction of the Project.

Section 3.02. Description of Bonds.

A. The Series 2012 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 2012 A Bonds shall bear interest from the date of delivery, payable monthly at the rate of 3.375% per annum, and shall be sold for the par value thereof. 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 \$780, 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.

The Series 2012 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.

B. The Series 2012 B Bonds shall be issued in single form, numbered BR-1, only as a fully registered Bond, and shall be dated the date of delivery thereof. The Series 2012 B Bonds shall bear interest from the date of delivery, payable monthly at the rate of 2.75% per annum, and shall be sold for the par value thereof. 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 \$8,142, 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.

The Series 2012 B 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 2012 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 2012 Bonds, and the right to principal of and stated interest on the Series 2012 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 2012 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 2012 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 2012 Bonds shall be permitted to be made after the 15th day next preceding any installment payment date on the Series 2012 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 2012 Bonds, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Series 2012 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 2012 Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2012 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 2012 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 2012 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 2012 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 2012 Bonds shall cease to be such officer of the Issuer before the Series 2012 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 2012 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 2012 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 2012 Bonds so surrendered shall be canceled and held for the account of the Issuer. If the Series 2012 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. The payment of the debt service of the Series 2012 Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System, on a parity with the Prior Bonds. The Net Revenues derived from the System in an amount sufficient to pay the principal of and interest on the Series 2012 Bonds and the Prior Bonds, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2012 Bonds and the Prior Bonds as the same become due.

Section 3.08. Form of Bonds. Subject to the provisions hereof, the text of the Series 2012 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:

[Remainder of Page Intentionally Blank]

(FORM OF BOND)

UNITED STATES OF AMERICA
GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2012 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$200,000

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 HUNDRED THOUSAND DOLLARS (\$200,000), plus interest on the unpaid principal balance at the rate of 3.375% 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 \$780, 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 is issued (i) to pay the Series 1974 Bonds; (ii) to pay the Series 1975 Bonds; (iii) to pay a portion of the costs of acquisition and construction of the Project; and (iv) to pay certain costs of issuance and related costs. 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 _____, 2012, 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 ON A PARITY, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE BORROWER'S (I) WATER REVENUE BONDS, SERIES 2007 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED SEPTEMBER 26, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,249,000 (THE "SERIES 2007 A BONDS" OR THE "PRIOR BONDS"); AND (II) WATER REVENUE BONDS, SERIES 2012 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED _____, 2012, ISSUED CONCURRENTLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,300,000 (THE "SERIES 2012 B 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.

[Remainder of Page Intentionally Blank]

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, Public Service Board

ATTEST:

Secretary, Public Service Board

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL \$ _____

(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:

(FORM OF BOND)

UNITED STATES OF AMERICA
GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2012 B
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$2,300,000

No. BR-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 THREE HUNDRED THOUSAND DOLLARS (\$2,300,000), plus interest on the unpaid principal balance at the rate of 2.75% 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 \$8,142, 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 is issued (i) to pay a portion of the costs of acquisition and construction of the Project; and (ii) to pay certain costs of issuance and related costs. 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 _____, 2012, 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 ON A PARITY, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE BORROWER'S (I) WATER REVENUE BONDS, SERIES 2007 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED SEPTEMBER 26, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,249,000 (THE "SERIES 2007 A BONDS" OR THE "PRIOR BONDS"); AND (II) WATER REVENUE BONDS, SERIES 2012 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED _____, 2012, ISSUED CONCURRENTLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$200,000 (THE "SERIES 2012 A 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.

[Remainder of Page Intentionally Blank]

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, Public Service Board

ATTEST:

Secretary, Public Service Board

EXHIBIT A
RECORD OF ADVANCES

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

TOTAL \$ _____

(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 (or continued is previously established by Prior Resolution) 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) Operation and Maintenance Fund (established by Prior Resolutions);
- (2) Revenue Fund (established by Prior Resolutions);
- (3) Renewal and Replacement Fund (established by Prior Resolution as Depreciation Reserve and hereby renamed and continued); and
- (4) Series 2012 Bonds Project Construction Account.

B. Establishment of Funds and Accounts with Commission. The following special funds or accounts are created (or continued is previously established by Prior Resolution) with and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission and from each other:

- (1) Series 2007 A Bonds Reserve Account (established by Prior Resolution);
- (2) Series 2012 A Bonds Reserve Account; and
- (3) Series 2012 B Bonds Reserve Account.

Section 4.02 Bond Proceeds; Project Construction Account. The proceeds of the sale of the Series 2012 Bonds shall be deposited upon receipt by the Issuer in the Series 2012 Bonds Project Construction Account. The monies in the Series 2012 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 2012 Bonds Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Monies in the Series 2012 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 2012 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 2012 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 2012 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 2012 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 2012 Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2012 A Bonds Reserve Account and the Series 2012 B Bonds Reserve Account, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2012 A Bonds and Series 2012 B Bonds respectively remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the Holders of the Series 2012 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 simultaneously remit (i) to the National Finance Office the amount required by the Prior Resolutions to pay the interest on the Prior Bonds; (ii) to the National Finance Office the amount required to pay interest on the Series 2012 A Bonds; and (iii) to the National Finance Office the amount required to pay interest on the Series 2012 B Bonds.

(3) The Issuer shall next, each month, transfer from the Revenue Fund and simultaneously, (i) on or before the due date thereof, remit to the National Finance Office the amount required by the Prior Resolutions to pay the principal of the Prior Bonds; (ii) on or before the due date thereof, remit

to the National Finance Office, commencing 24 months following the date of delivery of the Series 2012 A Bonds, the amount required to amortize the principal of the Series 2012 A Bonds over the life of the bond; and (iii) on or before the due date thereof, remit to the National Finance Office, commencing 24 months following the date of delivery of the Series 2012 B Bonds, the amount required to amortize the principal of the Series 2012 B Bonds over the life of the bond.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Commission the amounts required by the Prior Resolutions to be deposited in the Reserve Account for the Prior Bonds; (ii) 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 2012 A Bonds Reserve Account, an amount equal to 10% of the monthly payment amount, until the amount in the Series 2012 A Bonds Reserve Account equals the Series 2012 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2012 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 2012 A Bonds Reserve Requirement; and (iii) 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 2012 B Bonds Reserve Account, an amount equal to 10% of the monthly payment amount, until the amount in the Series 2012 B Bonds Reserve Account equals the Series 2012 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2012 B 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 2012 B Bonds Reserve Requirement.

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

maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Whenever the money in the Series 2012 A Bonds Reserve Account shall be sufficient to prepay the Series 2012 A Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2012 A Bonds at the earliest practical date and in accordance with applicable provisions hereof.

Whenever the money in the Series 2012 B Bonds Reserve Account shall be sufficient to prepay the Series 2012 B Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2012 B 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 2012 A Bonds Reserve Account. All amounts required for the Series 2012 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 Commission is hereby designated as the Fiscal Agent for the administration of the Series 2012 B Bonds Reserve Account. All amounts required for the Series 2012 B 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 2012 Bonds and the interest thereon, on a parity with the Prior Bonds.

The Series 2012 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 2012 A Bonds and the interest thereon.

The Series 2012 B 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 2012 B 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 parity and pro rata, with respect to the Series 2012 Bonds and the Prior Bonds, in accordance with the respective principal amounts then Outstanding.

Subject to the Prior Resolutions, the Commission shall keep the monies in the Series 2012 A Bonds Reserve Account and Series 2012 B 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 2012 A Bonds Reserve Account and Series 2012 B 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 2012 Bonds, provide evidence that there will be 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 2012 Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2012 Bonds Reserve Account, sums sufficient to prepay the entire principal of the Series 2012 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 2012 Bonds.

Section 5.02. Rates. So long as the Prior Bonds are outstanding, the Issuer will maintain rates as required in the Prior Resolutions. 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 2012 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 2012 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. No additional Parity Bonds or obligations payable out of any of the Revenues of the System shall be issued, except with the prior written consent of the Purchaser. No Parity Bonds shall be issued after issuance of the Series 2012 Bonds unless the provisions contained in the Prior Resolution respecting issuance of Parity Bonds have been satisfied.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2012 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 2012 Bonds and the Prior Bonds are Outstanding, no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a

written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

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

The foregoing limitation may be waived or modified by the written consent of the Holders of the Prior Bonds, representing 75% of the then-outstanding principal indebtedness.

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 2012 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 2012 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 2012 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 2012 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 2012 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 2012 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, on a parity with 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 2012 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 2012 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 2012 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 2012 Bonds.

Section 5.09. Fiscal Year; Budget. While the Series 2012 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 2012 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 Recommended Decision of the Public Service Commission of West Virginia entered April 20, 2011, which became a Final Order on May 10, 2011 in Case No. 10-1900-PWD-CN and are 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 2012 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 2012 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 2012 Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Except through such direct payment to the Holder of the Series 2012 Bonds, the Issuer may not defease the Series 2012 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 2012 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 2012 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 Date. This Resolution shall take effect immediately upon its adoption.

[Remainder of Page Intentionally Blank]

Adopted this 11th day of April, 2012.

GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT

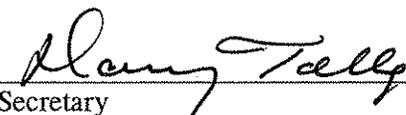
By: 
Its: Chairman

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 11th day of April, 2012.

Dated: April 13, 2012.

[SEAL]


Secretary

333370.00002



**United States Department of Agriculture
Rural Development
West Virginia State Office**

April 11, 2012

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

**RE: Amendment No. 2 to
Letter of Conditions**

Dear Mr. Milam:

This letter, with Attachment No. 1 amends the letter of conditions dated July 8, 2002 and the amended letter of conditions dated August 1, 2008 and further 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 by the State and Area staff of USDA, Rural Development.

The docket may be completed on the basis of an initial RD loan in the amount of \$200,000, a subsequent RD loan in the amount of \$2,300,000, an initial RD grant in the amount of \$176,000, a subsequent RD grant in the amount of \$195,400, and other funding in the amount of \$1,635,143, for a total project cost of \$4,506,543. The other funding is planned in the form of a grant from the Appalachian Regional Commission in the amount of \$1,000,000 and a grant from the WV Department of Environmental Protection – Abandoned Mine Lands Program in the amount of \$635,143.

Subject to the requirements noted herein, all of the conditions of the July 8, 2002 and August 1, 2008 letter of conditions remain in effect and must be satisfied prior to loan and grant 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)

1550 Earl Core Road • Suite 101 • Morgantown, WV 26505
Phone: (304) 284-4860 OR 1-800-295-8228 • Fax: (304) 284-4893 • TDD: (304) 284-4836
Web: <http://www.rurdev.usda.gov/wv>

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W.,
Washington, DC 20250-9410 or call (800)795-3272 (voice) or (202) 720-6382 (TDD).

The conditions referred to above are as follows:

1. Loan Repayment – The loans will be scheduled for repayment over a period of 40 years. The payments due the first 24 months will consist of interest only. The remaining 456 months will be equal amortized monthly installments. The monthly payment for the initial \$200,000 loan will be \$780.00 per month with a 3.375% interest rate and the monthly payment for the subsequent \$2,300,000 loan will be \$8,142 per month with a 2.75% interest rate for a total monthly payment of \$8,922.
2. Public Service Commission Approval - You must obtain PSC approval of the project's proposed financing and user rates as may result from this amendment to the letter of conditions.

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,



BOBBY LEWIS
State Director

Enclosures

cc: Stephen Wetherbee, Area Director
ATTN: Teresa Miller, Area Specialist

Michael D. Griffith, CPA
950 Little Coal River Road
Alum Creek, WV 25003

William S. Winfrey II, Esquire
P. O. Box 1159
Princeton, WV 24740

Pentree, Inc.
P. O. Box 1309
Princeton, WV 24740

Steptoe & Johnson
Attorneys at Law
P. O. Box 1588
Charleston, WV 25326

Attachment No. 1 to Letter of Conditions
 For: Glen White-Trap Hill PSD
 Date: April 11, 2012

Project Construction Budget

<u>PROJECT COST</u>	<u>ARC GRANT</u>	<u>AML GRANT</u>	<u>TOTAL RUS GRANT</u>	<u>TOTAL RUS LOAN</u>	<u>TOTAL</u>
CONSTRUCTION	\$ 1,000,000	\$ 635,143		\$ 1,510,162	\$ 3,145,305
CONST. CONTINGENCY			\$ 220,170	\$ 34,708	\$ 254,878
LAND & RIGHTS				\$ 27,000	\$ 27,000
LEGAL FEES			\$ 3,600	\$ 14,400	\$ 18,000
BOND COUNSEL				\$ 25,000	\$ 25,000
ACCOUNTING				\$ 12,000	\$ 12,000
ENGINEERING FEES			\$ 53,270	\$ 382,730	\$ 436,000
Basic - \$ 236,000					
Insp. - \$ 180,000					
Special - \$ 20,000					
INTEREST				\$ 140,000	\$ 140,000
EQUIPMENT				\$ 25,000	\$ 25,000
GMAC LOAN				\$ 193,000	\$ 193,000
PROJECT CONTG.			\$ 94,360	\$ 136,000	\$ 230,360
TOTAL	\$ 1,000,000	\$ 635,143	\$ 371,400	\$ 2,500,000	\$ 4,506,543



United States Department of Agriculture
Rural Development
Beckley Area Office

March 27, 2012

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

Dear Mr. Milam:

The pre-closing date for the PSD's Phase II water system upgrade and extension project has been established as April 11, 2012. The pre-closing will begin at 10:00 a.m. at the PSD office.

Reference is made to our Letter of Conditions dated July 8, 2002, Amended Letter of Conditions dated August 1, 2008 and April 11, 2012. All of the requirements of those letters must be met.

Many of the aforementioned items have already been addressed. Those remaining items to be satisfied prior to loan closing include:

1. The PSD's attorney must furnish Form RD 442-22, "Opinion of Counsel Relative to Rights of Way," showing no exceptions. This form should be dated April 13, 2012.
2. The PSD's attorney must furnish Form RD 1927-10, "Final Title Opinion," on all land(s) being acquired. In addition, the attorney must provide a separate Final Title Opinion(s) covering all existing property owned by the PSD. The opinion(s) should be dated April 13, 2012.
3. The PSD's attorney must furnish an updated narrative opinion addressing all permits, certifications and other items necessary to show that all legal requirements can be met and stating how they will be met. The narrative should also identify any condemnation proceedings that are anticipated and state how they will be handled. The opinion should be dated April 13, 2012.

481 Ragland Rd. • Beckley, WV 25801
Phone: (304) 253-9597 • Toll Free: (800) 295-8228 • Fax: (304) 252-5809 • TDD: (304) 284-4836 • Web: <http://www.rurdev.usda.gov/wv>

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).

4. The permit from the West Virginia Department of Highways must be on hand at the closing. The PSD should proceed to obtain necessary bond and forward same to the WVDOH requesting the permit be issued.
5. The PSD must provide evidence that it has acquired insurance and bond coverage in accordance with item 11 of the Letter of Conditions.
6. The PSD must furnish evidence that it provides State Workers' Compensation Insurance.

If you have any questions regarding these or any other matters pertaining to your loan, please contact this office.

Sincerely,

TERESA A. MILLER
Rural Development Specialist

Enclosures

cc: State Director, Rural Development, Morgantown, WV
Pentree, Inc., Princeton, WV
William S. Winfrey II, Attorney at Law, Princeton, WV
John Stump, Steptoe & Johnson Bond Counsel, Charleston, WV
Michael D. Griffith, CPA, Alum Creek, WV
WVDEP- Abandoned Mine Lands & Reclamation, Charleston, WV

Engineer



United States Department of Agriculture
Rural Development
West Virginia State Office

August 1, 2008

RECEIVED

AUG 12 '08

Pentree, Inc.

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

RE: Amendment No. 1 to
Letter of Conditions

Dear Mr. Milam:

This letter, with Attachment No. 1 amends the letter of conditions dated July 8, 2002 and further 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 initial RUS loan in the amount of \$200,000, a subsequent RUS loan in the amount of \$2,300,000, an initial RUS grant in the amount of \$176,000, a subsequent RUS grant in the amount of \$195,400, and other funding in the amount of \$1,000,000, for a total project cost of \$3,871,400. The other funding is planned in the form of a grant from the Appalachian Regional Commission.

Subject to the requirements noted herein, all of the conditions of the July 8, 2002 letter of conditions remain in effect and must be satisfied prior to loan and grant 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.

The conditions referred to above are as follows:

1. The project construction budget, use and income analysis, and projected cash flow have been amended to reflect the revised funding scenario and additional borrowing. (Attachment No. 1).
2. Fund Usage – Funds obligated under the terms of this letter of conditions are committed on the basis that your project will proceed to the construction stage in an expedient manner. In accordance with RUS Staff Instruction 1782-1, Section 1782.20(u)(5), any funds not disbursed within 60 months from the date of obligation will be de-obligated and

Federal Building • 75 High Street • Suite 320 • Morgantown, WV 26705-7500
Phone: (304) 284-4860 OR 1-800-295-8228 • Fax: (304) 284-4893 • TDD: (304) 284-4836
Web: <http://www.rurdev.usda.gov/wv>

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W.,
Washington, DC 20250-9410 or call (800)795-3272 (voice) or (202) 720-6382 (TDD).

returned to the Department of Treasury for further disposition to other RUS project applicants. In the event that USDA determines that your project has not progressed within the five (5) year timeline and that funds will be recaptured, you will be given appeal rights and due process to document reasons why you believe the decision to de-obligate your project funds is not justified.

3. Loan Repayment – The subsequent loan will be scheduled for repayment over a period of 40 years. The payments due the first 24 months will consist of interest only. The remaining 456 months will be equal amortized monthly installments. For planning purposes, use a 3.625% interest rate and monthly amortization factor of .00405 which provides for a monthly payment of \$9,315.00 on the subsequent loan. The monthly payment for the initial \$200,000 loan is \$950.00 and the monthly payment for the subsequent \$2,300,000 loan is \$9,315.00, for a total loan of \$2,500,000 and a total monthly payment of \$10,265.

The bond for the \$2,300,000 subsequent loan will need to be a separate bond and it will include the interest rate determined applicable prior to loan closing. It will be satisfactory for the subsequent loan bond to be described in the same loan resolution as the \$200,000 initial loan and for all other information and items of the loan resolution and bond transcript to reflect a \$2,500,000 total issue consisting of two or more bonds. A copy of this letter should be provided to your bond counsel immediately.

4. Users – The conditional commitment is based upon the PSD providing evidence that there will be at least 2,224 bona fide users on the water system when the extension has been completed and is placed in operation. This evidence will consist of 48 signed user agreements and a certification from the PSD that identifies and attests to the number of users actually connected to the PSD's water system at the time you request authorization to advertise the project for construction bids.
5. Public Service Commission Approval - You must obtain PSC approval of the project's proposed financing and user rates as may result from this amendment to the letter of conditions.
6. Vulnerability Assessments (VA) and Emergency Response Plans (ERP) –

Congress enacted the Public Health Security and Bioterrorism Preparedness Response Act of 2002, Public Law 107-188 (Bioterrorism Act). The Bioterrorism Act amended the Safe Drinking Water (SDWA) to require all medium and large sized community water systems (serving populations greater than 3,300) to assess vulnerability to terrorist attack and develop emergency plans for response to such an attack. Medium and large community water systems are being monitored by the U.S. EPA for completion of VA's and ERP's.

Rural Development requires all financed water and wastewater systems to have a vulnerability assessment (VA) and an emergency response plan (ERP) in place. New water or wastewater systems must provide a certification that an ERP is complete prior to the start of operations. A certification that a VA is complete must be submitted within one year of the start of operations. All other borrowers must provide a certification that a VA and ERP are complete prior to bid authorization.

Rural Development does not need or want a copy of the VA or ERP. The requested certification will be sufficient to meet our needs. Technical assistance providers are available to provide you with on site assistance if desired.

7. At a properly called meeting, you must adopt and properly execute the following forms, and minutes showing the adoption must be provided (you must also provide us with a copy of the minutes showing the adoption of the forms associated with the original letter of conditions):

RUS Bulletin 1780-12 - "Water or Waste System Grant Agreement"
Form 1940-1 - "Request for Obligation of Funds"
RUS Bulletin 1780-27 - "Loan Resolution"
Form RD 1942-46 - "Letter of Intent to Meet Conditions"

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 PSD 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,



RICKIE E. RICE
State Director

Enclosures

cc: Area Director, Beckley
ATTN: RUS Specialist

Griffith and Associates
950 Little Coal River Road
Alum Creek, WV 25003

William S. Winfrey II, Esquire
P.O. Box 1159
Princeton, WV 24740

Step toe and Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326

✓ Pentree, Inc.
P.O. Box 1309
Princeton, WV 24740

David Cole, Executive Director
Region I Planning and
Development Council
1439 East Main Street, Suite 5
Princeton, WV 24740

Project Construction Budget

<u>PROJECT COST</u>	<u>ARC</u>	<u>Initial RUS GRANT</u>	<u>Initial RUS LOAN</u>	<u>Subsequent RUS GRANT</u>	<u>Subsequent RUS LOAN</u>	<u>TOTAL</u>
CONSTRUCTION	\$ 746,100	\$ 131,300	\$ 200,000	\$ 153,000	\$ 1,290,000	\$ 2,492,000
CONST. CONTINGENCY	\$ 52,400	\$ 9,200		\$ 8,800	\$ 104,600	\$ 175,000
LAND & RIGHTS	\$ 8,100	\$ 1,400		\$ 1,400	\$ 16,100	\$ 27,000
LEGAL FEES	\$ 5,400	\$ 900		\$ 900	\$ 10,800	\$ 18,000 ✓
BOND COUNSEL	\$ 7,500	\$ 1,300		\$ 1,300	\$ 14,900	\$ 25,000 ✓
ACCOUNTING	\$ 3,600	\$ 600		\$ 600	\$ 7,200	\$ 12,000
ENGINEERING FEES	\$ 130,500	\$ 23,000		\$ 21,800	\$ 260,700	\$ 436,000
Basic - \$236000						
Insp. - \$180000						
Special - \$20,000						
INTEREST					\$ 91,000	\$ 91,000
GMAC REFINANCING					\$ 412,000	\$ 412,000
EQUIPMENT	\$ 4,500	\$ 800		\$ 700	\$ 9,000	\$ 15,000
TECHNICAL SERVICES	\$ 12,000	\$ 2,100		\$ 2,000	\$ 23,900	\$ 40,000
PROJECT CONTG.	\$ 29,900	\$ 5,400		\$ 4,900	\$ 59,800	\$ 128,400
TOTAL	\$ 1,000,000	\$ 176,000	\$ 200,000	\$ 195,400	\$ 2,300,000	\$ 3,871,400

Applicability

Applicable within the entire territory served.

Availability

Available for residential, commercial, non-contract industrial and non-contract resale water service.

Rates

Customers with metered water supply

Fl	3,000	gallons @	\$10.00	per M gallons
Ne	7,000	gallons @	\$8.00	per M gallons
Ne	20,000	gallons @	\$6.00	per M gallons
Ne	20,000	gallons @	\$4.00	per M gallons
Or	50,000	gallons @	\$3.00	per M gallons

Minimum Charge

Each customer shall pay a minimum charge equivalent to 2,500 gallons of water usage

5/8"	\$ 25.00	per month
3/4"	\$ 37.50	per month
1"	\$ 62.50	per month
1 1/2"	\$ 125.00	per month
2"	\$ 200.00	per month
3"	\$ 375.00	per month
4"	\$ 625.00	per month
6"	\$ 1,250.00	per month
8"	\$ 2,000.00	per month

Flat-Rate Charge

Customers with non-metered water supply shall pay a minimum charge of \$41.00 equivalent to 4,500 gallons

of water usage per month.

Delayed Payment Penalty

The above schedule is net. On all current usage billings 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 once for each bill where it is appropriate.

Water Service Connection Charge

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

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

A tap fee of \$350.00, or the actual cost of the connection (determined by District), whichever is greater, 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.

Returned Check Charge

A service charge of \$25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

Disconnect Charge/Reconnection Charge/Administrative Fee

Water service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge of \$25.00 have been paid.

There shall be a \$25.00 reconnection charge paid prior to restoration of water service which had been previously disconnected for any reason.

In the event that District staff or agents collect money at the customer's residence in order to stop disconnection, an administrative fee of \$25.00 shall be paid in addition to other charges to prevent disconnection.

Incremental Costs

An amount not to exceed \$5.00 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 usage. The District shall establish a non-discriminatory policy regarding this provision for leak adjustments.

EFT, Credit Card and Drop Box Payments

A service charge will be imposed on EFT, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

Resale Rate

\$4.00 per 1,000 gallons of water

Use and Income Analysis - See Attached

Cash Flow Analysis - See Attached

Attachment No. 1 to Letter of Conditions
 For: Glen White-Trap Hill PSD
 Date: August 1, 2008

**GLEN WHITE-TRAP HILL PSD
 PROFORMA USE AND INCOME ANALYSIS
 ALL CUSTOMERS EXCEPT RESALE**

Blocking	Bills	MGal/ Mo.	Rate	Minimum Bills Revenue	FIRST 3,000	NEXT 7,000	NEXT 20,000	Next 20,000	Over 50,000	TOTAL REVENUE
5/8" Meter	2889	3837.5	\$ 25.00	\$ 72,225.00						
3/4" Meter			\$ 37.50							
1" Meter			\$ 62.50							
1 1/2" Meter			\$ 125.00							
2" Meter	7	8.9	\$ 200.00	\$ 1,400.00						
3" Meter			\$ 375.00							
4" Meter	7	248.9	\$ 625.00	\$ 4,375.00						
6" Meter	2	152	\$ 1,250.00	\$ 2,500.00						
8" Meter			\$ 2,000.00							
2.5 - 3,000	686	1932.2			1932.2					
3.1 - 10,000	4,960	23777.8			9920	13857.8				
10.1 - 30,000	306	4261.9			612	2448	1201.9			
30.1 - 50,000	18	705			36	144	360	165		
Over 50,000	28	2564.9			56	224	560	560	1164.9	
4 Month Sample	8,903	37489.1		\$ 80,500.00	12556.2	16673.8	2121.9	725	1164.9	

Proposed Rates	4 Month Sample	Monthly	Annual
	8,903	2225.75	9972.275
	37489.1	9372.275	37489.1
	\$ 10.00	\$ 8.00	\$ 6.00
	\$ 80,500.00	\$ 20,125.00	\$ 80,500.00
	\$ 125,562.00	\$ 31,390.50	\$ 125,562.00
	\$ 133,390.40	\$ 33,347.60	\$ 133,390.40
	\$ 12,731.40	\$ 3,182.85	\$ 12,731.40
	\$ 2,900.00	\$ 725.00	\$ 2,900.00
	\$ 3,494.70	\$ 873.68	\$ 3,494.70
	\$ 358,578.50	\$ 89,644.63	\$ 358,578.50
	\$ 241,500.00	\$ 376,686.00	\$ 241,500.00
	\$ 400,171.20	\$ 38,194.20	\$ 400,171.20
	\$ 8,700.00	\$ 10,484.10	\$ 8,700.00
	\$ 1,075,735.50		\$ 1,075,735.50
	Adjustment Factor	0.970000	
	Projected Annual Revenues		\$1,043,463

Attachment No. 1 to Letter of Conditions

For: Glen White-Trap Hill PSD

Date: August 1, 2008

**GLEN WHITE-TRAP HILL PSD
PROFORMA USE AND INCOME ANALYSIS
RESALE CUSTOMERS**

Blocking	Bills	MGal/ Mo.	Rate	Minimum Bills Revenue	FIRST 3,000	NEXT 7,000	NEXT 20,000	NEXT 20,000	Next 20,000	Over 50,000	TOTAL REVENUE		
5/8" Meter			\$ 25.00	\$ -									
3/4" Meter			\$ 37.50										
1" Meter			\$ 62.50										
1 1/2" Meter			\$ 125.00										
2" Meter			\$ 200.00										
3" Meter			\$ 375.00										
4" Meter			\$ 625.00										
6" Meter			\$ 1,250.00										
8" Meter			\$ 2,000.00										
Resale/M gallons	44	88326.6	\$ 4.00	\$ 353,306.40									
<hr/>													
	44	88326.6		\$ 353,306.40	0	0	0	0	0	0	0		
<hr/>													
Proposed Rates				\$	12.00	\$	8.00	\$	7.00	\$	6.00	\$	4.00
	44	88326.6		\$ 353,306.40	\$	\$	\$	\$	\$	\$	\$	\$	\$ 353,306.40

Adjustment Factor 1.090909
Projected Annual Revenues \$385,425

GLEN WHITE-TRAP HILL PSD
CASH FLOW ANALYSIS

OPERATING INCOME	
Metered Sales	\$ 1,043,463
Sale for Resale	\$ 385,425
Other Revenue	\$ 534
TOTAL OPERATING INCOME	\$ 1,429,422
NON OPERATING INCOME	
Interest income	\$ 1,000
Misc.	\$ 5,000
TOTAL NON OPERATING INCOME	\$ 6,000
TOTAL INCOME	\$ 1,435,422
EXPENSES	
O & M	\$ 1,012,064
Taxes	\$ 23,100
TOTAL EXPENSES	\$ 1,035,164
INCOME AVAILABLE FOR D/S (A)	\$ 400,258
DEBT SERVICE	
Existing Bond P&I USDA (2007)	\$ 119,568
Proposed Bond P & I (Initial)	\$ 11,400
Proposed Bond P & I (Subsequent)	\$ 111,780
TOTAL DEBT SERVICE (B)	\$ 242,748
DEBT SERVICE RESERVE	
Debt Service Reserve	\$ 24,107
Depreciation Reserve (2.5% metered sales)	\$ 35,886
V/E Reserve	\$ 25,000
TOTAL RESERVE	\$ 84,993
Capital Additions	\$ 24,000
SURPLUS (DEFICIT)	\$ 48,517
DEBT COVERAGE (A/B)	164.89%



United States
Department of
Agriculture

Rural
Development

5.0.
Rural Building
High Street, Room 320
Morgantown, WV 26505-7500
Phone (304) 284-4888
FAX (304) 284-4892
TTY/TDD (304) 284-4836

July 8, 2002

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

Dear Mr. Milam:

This letter, with Attachments 1 through 15 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 \$200,000, an RUS grant in the amount of \$176,000, and other funding in the amount of \$1,000,000, for a total project cost of \$1,376,000. The other funding is planned in the form of a grant from the Appalachian Regional Commission.

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 - Labor Standards Provisions (Engineer Copy)
- Attachment No. 14 - Sample Credit Agreement (Applicant Copy)
- Attachment No. 15 - 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 \$950. 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 1,909 bona fide users on the proposed system when it has been completed and is placed in operation. This evidence will consist of 48 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).

(3) "Labor Standards Provisions" – Title 29, Subtitle A, Part 5, Section 5.5, Contract Provisions and Related Matters. One copy of this item is attached hereto (Attachment No. 13). Additional copies must be reproduced by the engineer.

- 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,



JN 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

Attachment No. 1 to Letter of Conditions
 For: Glen White-Trap Hill PSD, Phase II
 Date: July 8, 2002

Project Construction Budget

<u>PROJECT COST</u>	<u>ARC GRANT</u>	<u>RUS GRANT</u>	<u>RUS LOAN</u>	<u>TOTAL</u>
CONSTRUCTION	\$ 1,000,000	\$ 26,000	\$ 24,400	\$ 1,050,400
CONST. CONTINGENCY		\$ 43,300	\$ 40,700	\$ 84,000
LAND & RIGHTS		\$ 5,200	\$ 4,800	\$ 10,000
LEGAL FEES		\$ 5,400	\$ 5,100	\$ 10,500
BOND COUNSEL		\$ 5,200	\$ 4,800	\$ 10,000
ACCOUNTING		\$ 1,800	\$ 1,700	\$ 3,500
ENGINEERING FEES		\$ 75,900	\$ 71,100	\$ 147,000
Basic - 73,500				
Insp. - 63,000				
Special - 10,500				
INTEREST			\$ 35,000	\$ 35,000
EQUIPMENT		\$ 2,600	\$ 2,400	\$ 5,000
PROJECT CONTG.		\$ 10,600	\$ 10,000	\$ 20,600
TOTAL	\$ 1,000,000	\$ 176,000	\$ 200,000	\$ 1,376,000

Rate Schedule 1

Available for general domestic, commercial and industrial service.

First 2000 gals.	@ \$ 7.56 per M gals.
Next 48,000 gals.	@ \$ 5.66 per M gals.
Over 50,000 gals.	@ \$ 4.04 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	\$15.12 per month
3/4" meter	\$22.68 per month
1" meter	\$37.80 per month
1 1/2" meter	\$75.60 per month
2" meter	\$120.96 per month
3" meter	\$226.80 per month
4" meter	\$378.00 per month
6" meter	\$756.00 per month

Minimum Monthly Bill - \$ 15.12 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

\$20.00

Leak Adjustment Rate

\$1.84 per 1,000 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 customer's historical average usage.

Use and Income Analysis - See Attached

Cash Flow Analysis - See Attached

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

Blocking	Cust.	Gal/ Mo.	Minimum Bills	First 2,000	Next 48,000	Over 50,000	TOTAL REVENUE
0 - 2000	598	598.5	598				
2001-50,000	1253	6,620.25		2506	4114.25		
> 50,000	10	1625.25		20	480	1125.25	
Monthly Total	1861	8844	598	2526	4594.25	1125.25	
Proposed Rates							
			\$ 15.12	\$ 7.56	\$ 5.66	\$ 4.04	
Monthly Revenues			\$ 9,041.76	\$ 19,096.56	\$ 26,003.46	\$ 4,546.01	\$ 58,687.79
Annual Revenues			\$ 108,501.12	\$ 229,158.72	\$ 312,041.46	\$ 54,552.12	\$ 704,253.42

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

Blocking	Cust.	Gal/ Mo.	Minimum Bills	FIRST 2,000	NEXT 48,000	OVER 50,000	TOTAL REVENUE
0 - 2000	38	76	38				
2001-50000	10	53		20	33		
> 50000							
Monthly Total	48	129	38	20	33	0	
Proposed Rates			\$ 15.12	\$ 7.56	\$ 5.66	\$ 4.04	
Monthly Revenues			\$ 574.56	\$ 151.20	\$ 186.78	\$ 912.54	
Annual Revenues			\$ 6,894.72	\$ 1,814.40	\$ 2,241.36	\$ 10,950.48	

**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			\$ 2.81	
Monthly Revenues			\$ 24,852.31	\$ 24,852.31
Annual Revenues			\$ 298,227.77	\$ 298,227.77

**GLEN WHITE-TRAP HILL PSD
OPERATING BUDGET**

OPERATING INCOME		
Metered Sales	\$	1,013,432
Penalties	\$	13,628
Other Income		
Tap Fees	\$	8,000
TOTAL OPERATING INCOME		<u>\$ 1,035,060</u>
NON OPERATING INCOME		
Interest Income	\$	8,680
TOTAL NON OPERATING INCOME		<u>\$ 8,680</u>
TOTAL INCOME		<u>\$ 1,043,740</u>
EXPENSES		
O & M	\$	745,252
Plant Additions (1)	\$	20,583
Taxes	\$	21,247
TOTAL EXPENSES		<u>\$ 787,082</u>
INCOME AVAILABLE FOR D/S (A)		<u>\$ 256,658</u>
DEBT SERVICE		
Existing Bond P & I (B)	\$	202,404
Proposed Bond P & I (B) (2)	\$	11,400
Existing Long Term(Equipment)(B)	\$	7,709
TOTAL DEBT SERVICE		<u>\$ 221,513</u>
DEBT SERVICE RESERVE		
Debt Service Reserve* (3)	\$	21,381
TOTAL DEBT SERVICE RESERVE		<u>\$ 21,381</u>
SURPLUS (DEFICIT)		<u>\$ 13,764</u>
DEBT COVERAGE (A/B)		\$ 1.16

(1) Based on historical data as provided by Consulting Eng.

(2) Based on a RUS loan of \$200,000 @ 4.75% for 38 Years; a RUS grant of \$176,000; an ARC grant of \$1,000,000: **TOTAL PROJECT COST OF \$1,376,000.**

(3) Based on existing reserve (20,241) plus proposed reserve(1140)

Attachment No. 2 to Letter of Conditions
 For: GLEN WHITE-TRAP HILL PSD
 Date: July 8, 2002

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

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
SF 424.2	Application for Federal Assistance	3	1780.31(b)	Applicant		HAVE	3
Bulletin 1780-22	Public Notice of Intent to File App./ Env. Notice Applicant Eligibility Certification/ Other Credit Certification	3	1780.19(a) 1794	Applicant		HAVE	3
	Bond Ordn. or Resol. On Outstanding Debts	1	1780.33(d)	Applicant		HAVE	3
	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		HAVE	6
Bulletin 1780-7 or other approved	Legal Services Agreement with Local Attorney	3	1780.39 (b)(2)	Applicant/ Attorney		HAVE	5

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	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		HAVE	3
Bulletins 1780-2 1780-3	Preliminary Engineering Report	2	1780.33(c)	Engineer		HAVE	6
	Staff Engineer PER Review	1	1780.33(c)	RUS		HAVE	3
	Bill Analysis for existing system(s)	2	1780.33(c)	Applicant/ Engineer		HAVE	8
	Projected Bill Analysis for New Users	2	1780.33(c)	Applicant/ Engineer		HAVE	8
	Statement reporting the <u>total</u> number of <u>potential</u> users		1780.33(c)	Applicant/ Engineer		HAVE	8
	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 Det- ermination on the Availability of "Other Credit" with Docu- mentation	1	1780.7(d)	RUS		HAVE	3
	Documentation on Service Area	1	1780.11	RUS		HAVE	3

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
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
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

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	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
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
	3. List of Declination Statements Numbered to Map	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>
	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		N/A	5
	Accountant's Certification	1	LOC	Applicant/ Accountant			3
	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
	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

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	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
	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			2

<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 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
	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

<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>
AD 1048	Certification Regarding Debarment (Contractor)	1 each	1780.33(h)	All Appropriate Vendors			5
	OGC Final Opinion	1	1780.45(g)	RUS			5

West Virginia Infrastructure & Jobs Development Council

Public Members:

Mark Prince
Hurricane
Dwight Calhoun
Petersburg
Tim Stranko
Morgantown
C.R. "Rennie" Hill, III
Beckley

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

Katy Mallory, PE
Executive Secretary

Katy.Mallory@verizon.net

September 20, 2005

Mike Kessinger
Glen White Trap Hill Public Service District
P.O. Box 100
Fairdale, West Virginia 25839

Re: Glen White Trap Hill Public Service District
Water Project 2001 W-613

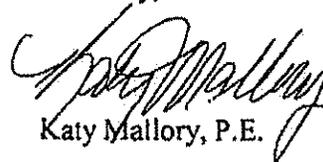
Dear Mr. Kessinger:

On May 2, 2001 the West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") reviewed the preliminary application for the Glen White Trap Hill Public Service District's (the "District") proposed \$5,315,000 project to extend water to approximately 99 customers in Clay Branch, Cove Creek, Webb Fork and Lilly Mountain areas. Taking into consideration the rising trend in materials and other project costs and this application was made in 2001, the Infrastructure Council requests that if the District is still interested in pursuing this Project, the District should submit a revised application. Until such application is received, the Infrastructure Council will consider this application as "INACTIVE".

In preparing an updated application, please use the latest application form. The Infrastructure Council also requests that in light of recent price increases that the project application contain at least a 10% contingency on the updated costs. Five copies of the requested information should be submitted to the Infrastructure Council at 300 Summers Street, Suite 980, Charleston, WV 25301. Once received, the information will be forwarded to the Technical Review Committee for review.

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

Sincerely,



Katy Mallory, P.E.

cc: Mike Johnson, P.E., DEP
Pat Taylor, P.E., BPH
Pentree, Inc
Region I Planning and Development Council

West Virginia Infrastructure & Jobs Development Council

Public Members:

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

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

Katy Mallory, PE
Executive Secretary

KMallory@ezwv.com

May 2, 2001

Mike Kessinger, General Manager
Glen White-Trap Hill Public Service District
P.O. Box 100
Fairdale, West Virginia 25839

Re: Glen White-Trap Hill Public Service District
Water Extension Project 2001 W-613

Dear Mr. Kessinger:

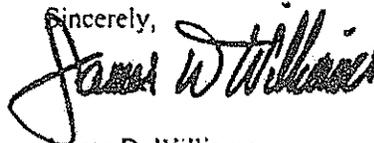
The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") has reviewed the Glen White-Trap Hill Public Service District's (the "District") preliminary application regarding its proposed project to extend water lines to serve 99 new customers in Clay Branch, Cove Creek, Webb Fork and Lilly Mountain areas of Raleigh County and Lake Stephens Park. (the "Project").

Based on the findings of the Water Technical Review Committee, the Infrastructure Council has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The District should carefully review the enclosed comments of the Water Technical Review Committee as the District may need to address certain issues raised in said comments as it proceeds with the Project. Please note that the District may be eligible for Abandoned Mine Lands (AML) assistance. The District will need to address inadequate coverage shown on cash flow before it proceeds with the Project.

Upon consideration of the preliminary application, the Infrastructure Council recommends that the District utilize \$168,000 committed from the Raleigh County Commission, utilize \$22,000 of the District's funds and pursue Rural Utilities Service (RUS) assistance of \$4,125,000 and an ARC grant of \$1,000,000 to finance this \$5,315,000 project. Please contact the regional RUS office at 252-8644 and the WV Development Office at 558-4010 for specific information on the steps the District needs to follow to apply for these funds. Please note that this letter does not constitute funding approval from these agencies.

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

Sincerely,



James D. Williams

Enclosure
JDW/km

cc: Walt Ivey, BPH (w/o enclosure)
Debbie Legg, WVDO (w/o enclosure)
Randy Plum, RUS
Pentree, Incorporated
Region I Planning & Development Council

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: April 20, 2011

FINAL

5/10/2011

CASE NO. 10-1900-PWD-CN

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

Application for a certificate of convenience
and necessity to construct a water system
improvement (Cove Creek Project) at Posey-Saxon
in Raleigh County, West Virginia.

RECOMMENDED DECISION

On December 16, 2010, the Glen White-Trap Hill Public Service District (District) filed an application for a certificate of convenience and necessity to construct a water system improvement at Posey-Saxon, Raleigh County, known as the Cove Creek Project. The estimated cost of the project is \$3,871,400.00, and is to be financed with an ARC grant in the amount of \$1,000,000.00; two (2) USDA-RUS grants in the amount of \$371,400.00; a USDA-RUS loan in the amount of \$200,000.00 at 4.75% interest for a term of 38 years; and a USDA-RUS loan in the amount of \$2,300,000.00 at 3.625% interest for a term of 38 years. The District proposed no rate increase.

By Commission Order dated December 23, 2010, the District was required to publish a copy of the Notice of Filing once in a qualified newspaper, as provided in W. Va. Code §59-3-1, et seq., published and of general circulation in Raleigh County, making due return to the Commission of proper certification of publication immediately after publication.

On January 24, 2011, Staff Attorney Lisa L. Wansley filed the Initial Joint Staff Memorandum to which was attached the January 18, 2011 Utilities and Engineering Divisions Initial Memorandum prepared by Karen L. Buckley, Utilities Analyst II, Utilities Division, and Jim Spurlock, Technical Analyst II, Engineering Division. Staff noted that, although the Notice of Filing indicates there is no rate increase associated with the project, the District proposed to charge its customers a minimum bill of \$20.16 based upon 2,000 gallons, which varies from the District's most recent tariff on file, which shows a minimum bill of \$16.24 based on 2,000 gallons. Staff also found deficiencies with the District's Rule 42 exhibit. Staff indicated that additional information was needed.

By Referral Order dated February 1, 2011, the proceeding was referred to the Division of Administrative Law Judges with a decision due date of on or before June 6, 2011.

On February 4, 2011, the District filed an Amended Notice of Filing and a revised Rule 42 dated January 25, 2011, which reflected a rate increase.

By Commission Order dated February 16, 2011, the District was required to publish a copy of the Amended Notice of Filing once in a qualified newspaper, as provided in W. Va. Code §59-3-1, et seq., published and of general circulation in Raleigh County, making due return to the Commission of proper certification of publication immediately after publication. Additionally, the District was required, within thirty (30) days of the date of the Order, to have completed the mailing of separate notices to each of its customers and to have separately mailed the notice to each of its resale customers, via certified mail, return receipt requested.

On March 2, 2011, the District filed the Affidavit of Publication from The Register-Herald which indicated that the Amended Notice of Filing had been published on February 24, 2011.

On March 23, 2011, Staff Attorney Wansley filed the Further Joint Staff Memorandum. Ms. Wansley indicated that Staff was contacting the District to clarify the funding and scope of the project. Staff proposed to file its final recommendation no later than thirty (30) days from March 23, 2011.

On March 24, 2011, the District's engineers filed a letter which indicated additional grant monies were available for the project. The District requested that the AML grant be considered in the instant project without revising the current Rule 42.

By Procedural Order dated March 29, 2011, Staff was required to file its final substantive recommendations on or before April 5, 2011, and to file a response to the District's request to include additional AML grant funding in the application without revising the current Rule 42 Exhibit. The District was required to file a completed Tariff Form No. 6-B.

On April 5, 2011, Staff Attorney Wansley filed the Final Joint Staff Memorandum to which was attached the April 5, 2011 Utilities and Engineering Divisions' Final Memorandum. Engineering Staff reported that the project would consist of 26,110 feet of 12-inch, 30,581 feet of 6-inch and 5,787 feet of 2-inch water lines and one (1) pressure-reducing station. The purpose of the project is to provide water service to 32 potential new customers and to upgrade portions of the existing system. The total project cost is \$4,671,400 which is \$800,000 higher than the project cost of \$3,871,400, as stated in the certificate application. The certificate application did not take into account an AML grant in the amount of \$800,000 and a corresponding increased project scope as presented in the final engineering report. The increased project scope did not increase the number of new customers, nor did it increase the proposed level of operation and maintenance expenses.

The cost per new customer for the portions of the project involving the extension of service is approximately \$62,813, which Engineering Staff opined is extremely high. The cost per customer is approximately \$21,538 in borrowed funds. The cost per customer for the project's entire customer base is \$2,342.

Engineering fees for the project are \$572,000, which is 17.9% of the construction cost of \$3,190,000. Operation and maintenance expenses are expected to increase annually by \$9,158.

The State Office of Environmental Health Services issued Permit No. 18,323 for the project. Staff's review of the plans and specifications did not reveal any conflicts with the Commission's Rules and Regulations.

Financial Staff reported that the District's Notice of Filing estimated that construction would cost \$3,871,400 and would be financed as follows: an Appalachian Regional Commission (ARC) grant in the amount of \$1,000,000; two (2) United States Department of Agriculture Rural Utilities Service (RUS) grants totaling \$371,400; an RUS loan in the amount of \$200,000 at 4.75% interest for 40 years with annual interest and principal payments of \$11,400; and a subsequent RUS loan in the amount of \$2,300,000 at 3.65% interest for 40 years with annual interest and principal payments of \$11,780. The funding commitments from all sources were submitted with the application. Financial Staff indicated that the District had also received a grant from the Department of Environmental Protection's Abandoned Mine Lands (AML) program and the cost of the project had increased to \$4,671,400, or an increase of \$800,000 over the cost disclosed in the Notice of Filing. AML is to fund 50% of Contract 1 which is now estimated to be \$1,657,907. With the AML funding, the project is now overfunded by \$28,953.

Staff recommended that the increase in O&M due to the project be \$9,158. This project will also pay off the District's 1974 RUS loan which will reduce debt service by \$74,208.

The District proposed to increase rates by 20% to cover the project operating expenses and debt service payments. Since Staff did not include an OPEB adjustment, Staff recommended an increase of 16% in the District's rates and charges to support the project. Under the Staff-recommended increase, the minimum bill will be \$19.49 based on 2,000 gallons.

Staff recommended that the District's proposal to add a bank charge to its tariff be denied. Staff also did not include an increased reconnect fee in the Staff-recommended tariff.

Staff recalculated the District's leak adjustment rate to be \$2.57 per M gallons. The Staff-recommended rates will provide the District with \$31,861 in total surplus including the renewal and replacement reserve and 118.73% debt coverage at the completion of the project.

Staff recommended, pursuant to West Virginia Code §§16-13A-25 and 24-2-11, that the District's application for a certificate of convenience and necessity to construct a water system improvement at Posey-Saxon in Raleigh County, West Virginia, known as the Cove Creek Project, in the

amount of \$4,671,400, be approved with approval including the following project funding:

Rural Utilities Service Loan (4.75%, 40 years)	\$ 200,000
Rural Utilities Service Loan (3.625%, 40 years)	\$2,300,000
Rural Utilities Service Grant	\$ 371,400
Appalachian Regional Grant	\$1,000,000
DEP AML grant	<u>\$ 828,953</u>
Total	\$4,700,353

On April 6, 2011, the District filed a completed Tariff Form No. 6-B which reflected *inter alia* that, on February 17, 2011, the District separately mailed the Amended Notice of Filing to each of its resale customers, via certified mail. Also, on February 17, 2011, the District completed the mailing of separate notices to each of its non-resale customers.

As of the date of this Order, no protests have been filed in this proceeding. Additionally, the District has not objected to Staff's final recommendations.

FINDINGS OF FACT

1. On December 16, 2010, the Glen White-Trap Hill Public Service District filed an application with the Commission for a certificate of public convenience and necessity to construct a water system improvement at Posey-Saxon, Raleigh County, known as the Cove Creek Project. The project is to provide water service to 32 potential new customers and to upgrade portions of the existing system. The total cost of the project is \$4,671,400 and will be funded with an Appalachian Regional Commission (ARC) grant in the amount of \$1,000,000; two (2) United States Department of Agriculture Rural Utilities Service (RUS) grants totaling \$371,400; an RUS loan in the amount of \$200,000 at 4.75% interest for 40 years; an RUS loan in the amount of \$2,300,000 at 3.65% interest for 40 years; and a grant from the Department of Environmental Protection's Abandoned Mine Lands (AML) program in the amount of \$800,000. The District proposed to increase rates by 20% to cover costs associated with the project. (See, filing dated December 16, 2010; filing dated February 4, 2011; and Final Joint Staff Memorandum with attachments filed April 5, 2011).

2. The District submitted the certificate of publication reflecting that the Amended Notice of filing had been published on February 24, 2011, in The Register Herald, a qualified newspaper, published and of general circulation in Raleigh County. (See, filing dated March 2, 2011).

3. The separate mailing requirement to non-resale customers was completed with the February 17, 2011 billing. (See, filing dated April 6, 2011).

4. The separate mailing requirement to resale customers was completed by certified mail on February 17, 2011. (See, filing dated April 6, 2011).

5. As of the date of this Order, no protests have been filed. (See, case file generally).

6. The proposed improvements to the existing system will upgrade portions of the system which have been plagued by leaks and operational problems. The extension portion of the project will provide potable water service to 32 potential customers who currently do not have access to treated water. The area is in danger of losing population if adequate water service cannot be extended to the Posey-Saxon area. (See, application filed December 23, 2010; Final Joint Staff Memorandum and attachment filed April 15, 2011).

7. Commission Staff recommended that the District's application for a certificate of convenience and necessity to construct a water system improvement at Posey-Saxon in Raleigh County, West Virginia, known as the Cove Creek Project, in the amount of \$4,671,400, be approved with approval including the following project funding: Rural Utilities Service Loan in the amount of \$200,000 at 4.75% interest for 40 years; Rural Utilities Service Loan in the amount of \$2,300,000 at 3.625% interest for 40 years; Rural Utilities Service Grants in the amount of \$371,400; an Appalachian Regional Commission grant in the amount of \$1,000,000; and a DEP AML grant in the amount of \$828,953 for total project financing in the amount of \$4,700,353. (See, Final Joint Staff Memorandum with attachment filed April 5, 2011).

8. Commission Staff recommended a rate increase of 16% which results in \$31,861 in total cash surplus including the renewal and replacement reserve and 118.73% debt coverage at the completion of the project. (See, Final Joint Staff Memorandum with attachment filed April 5, 2011).

9. Under the Staff-recommended rates, the minimum bill will be \$19.49 based on 2,000 gallons. (See, Final Joint Staff Memorandum with attachment filed April 5, 2011).

10. Under the Staff-recommended rates, the average monthly residential bill will increase from \$28.86 to \$33.47, an increase of \$4.62, or 16%; the average monthly commercial bill will increase from \$65.79 to \$76.32, an increase of \$10.53, or 16%; the Public Authority average monthly bill will increase from \$182.42 to \$211.61, an increase of \$29.19, or 16%; and the average monthly resale bill will increase from \$7,449.49 to \$8,633.06, an increase of \$1,183.56, or 15.89%. (See, Final Joint Staff Memorandum with attachment filed April 5, 2011).

11. As of the date of this Order, the District has not filed a written objection to Staff's final recommendations. (See, 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 water system improvements at Posey-Saxon, Raleigh County, known as the Cove Creek Project. Approval is contingent upon the filing of any outstanding permits and clearances.

2. It is reasonable to approve the financing for the project, which consists of a USDA RUS loan in the amount of \$200,000 for 40 years at 4.75% interest; a USDA RUS loan in the amount of \$2,300,000 for 40

years at 3.625% interest; USDA RUS grants in the amount of \$371,400; an Appalachian Regional Commission grant in the amount of \$1,000,000; and a DEP AML grant in the amount of \$828,953.

3. The Staff-recommended rates, attached hereto as Appendix A, are sufficient, but not more than sufficient, to cover the District's operation and maintenance expenses, taxes other than income taxes, debt service requirements and routine capital additions, including the additional expenses and debt service requirements generated by the project certificated herein. Accordingly, the Staff-recommended rates should be approved to become effective for all service rendered by the District on and after the date of substantial completion of the project certificated herein.

ORDER

IT IS, THEREFORE, ORDERED that the application for a certificate of convenience and necessity filed herein on December 16, 2010, by the Glen White-Trap Hill Public Service District to construct water system improvements at Posey-Saxon, Raleigh County, West Virginia, known as the Cove Creek Project, be, and hereby is, granted.

IT IS FURTHER ORDERED that the proposed financing for the project, consisting of a \$200,000 loan for 40 years at 4.75% interest from USDA RUS, a \$2,300,000 loan for 40 years at 3.65% interest from USDA RUS, \$371,400 in grants from USDA RUS, a \$1,000,000 grant from the Appalachian Regional Commission and a \$828,953 grant from the DEP AML, be, and it hereby is, approved.

IT IS FURTHER ORDERED that the Staff-recommended rates and charges attached as Appendix A be, and hereby are, approved for use by the Glen White-Trap Hill Public Service District for all service rendered on and after the date of the substantial completion of the project certificated herein.

IT IS FURTHER ORDERED that, within thirty (30) days of filing the certificate of substantial completion for the project, Glen White-Trap Hill Public Service District file an original and at least five (5) copies of a proper tariff setting forth the rates and charges hereby approved.

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

IT IS FURTHER ORDERED that, if there are any changes in project costs which do not affect rates, Glen White-Trap Hill Public Service District file herein an affidavit duly executed by a certified public accountant verifying that the District's rates and charges are not affected.

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

IT IS FURTHER ORDERED that Glen White-Public Service District submit to the Commission the project engineer's certificate of substantial completion and inspection of the project as soon as it is received.

IT IS FURTHER ORDERED that, if this project requires the use of Division of Highways' rights-of-way, 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 Glen White-Trap Hill Public Service District submit all permits as soon as they are issued by governmental agencies prior to commencing construction.

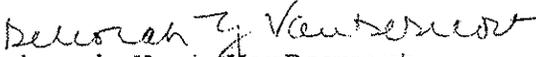
IT IS FURTHER ORDERED that this matter be, and hereby is, removed from the Commission's docket of open cases.

The Executive Secretary is hereby ordered to serve a copy of this order upon the Commission by hand delivery, and by electronic service upon all parties of record who have filed an e-service agreement with the Commission and by United States Certified Mail, return receipt requested, upon all parties of record who have not filed an e-service agreement with the Commission.

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.


Deborah Yost VanDervort
Administrative Law Judge

DYV:s:cdk
101900aa.wpd

GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT
CASE NO. 10-1900-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	\$9.74 per 1,000 gallons
Next	8,000 gallons used per month	\$7.62 per 1,000 gallons
Next	20,000 gallons used per month	\$6.31 per 1,000 gallons
Next	20,000 gallons used per month	\$4.58 per 1,000 gallons
All Over	50,000 gallons used per month	\$3.76 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than \$19.49 per month which is the equivalent of 2,000 gallons or

5/8-inch meter	\$ 19.49 per month
3/4-inch meter	\$ 29.23 per month
1-inch meter	\$ 48.72 per month
1-1/2-inch meter	\$ 97.44 per month
2-inch meter	\$ 155.90 per month
3-inch meter	\$ 292.32 per month
4-inch meter	\$ 487.20 per month
6-inch meter	\$ 974.40 per month
8-inch meter	\$1,559.04 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 \$3.72 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 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 charges are to be made whenever the utility installs a new tap to serve an applicant:

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

A tap fee of \$350.00, or the actual cost of the connection (solely determined by the District), whichever is greater, will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

LEAK ADJUSTMENT

\$2.57 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

RETURNED CHECK CHARGE

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

SECURITY DEPOSIT

Not to exceed two-twelfths (2/12) of the average annual usage of the applicant's specific customer class, whichever is greater. This fee may be changed by applicable statutory provisions.

GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2012 A; and
Water Revenue Bonds, Series 2012 B
(United States Department of Agriculture)

RECEIPT FOR SERIES 2012 A BONDS AND SERIES 2012 B 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 13th day of April, 2012, as follows:

1. On the 13th day of April, 2012, at Fairdale, West Virginia, the undersigned received for the Purchaser the Glen White-Trap Hill Public Service District Water Revenue Bonds, Series 2012 A (United States Department of Agriculture), No. AR-1 (the "Series 2012 A Bonds"), issued as a single, fully registered Bond, in the principal amount of \$200,000, dated the date hereof, bearing interest at the rate of 3.375% per annum, payable in monthly installments as stated in the Bond and Water Revenue Bonds, Series 2012 B (United States Department of Agriculture), No. BR-1 (the "Series 2012 B Bonds"), issued as a single, fully registered Bond, in the principal amount of \$2,300,000, dated the date hereof, bearing interest at the rate of 2.75% per annum, payable in monthly installments as stated in the Bond.

2. At the time of such receipt, the Series 2012 A Bonds and the Series 2012 B 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 \$200,000, being the entire principal amount of the Series 2012 A Bonds and \$249,617.98, being a portion of the principal amount of the Series 2012 B Bonds. The balance of the principal amount of the Series 2012 B 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 on this the day and year first written above.

Teresa A. Miller

Authorized Representative

SPECIMEN

UNITED STATES OF AMERICA
GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2012 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$200,000

No. AR-1

Date: April 13, 2012

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 HUNDRED THOUSAND DOLLARS (\$200,000), plus interest on the unpaid principal balance at the rate of 3.375% 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 \$780, 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 is issued (i) to pay the Series 1974 Bonds; (ii) to pay the Series 1975 Bonds; (iii) to pay a portion of the costs of acquisition and construction of the Project; and (iv) to pay certain costs of issuance and related costs. 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 April 11, 2012, 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 ON A PARITY, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE BORROWER'S (I) WATER REVENUE BONDS, SERIES 2007 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED SEPTEMBER 26, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,249,000 (THE "SERIES 2007 A BONDS" OR THE "PRIOR BONDS"); AND (II) WATER REVENUE BONDS, SERIES 2012 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED APRIL 13, 2012, ISSUED CONCURRENTLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,300,000 (THE "SERIES 2012 B 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.

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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, Public Service Board

SPECIMEN

ATTEST:



Secretary, Public Service Board

SPECIMEN

EXHIBIT A
RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$200,000	April 13, 2012	(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 \$ _____

SPECIMEN

UNITED STATES OF AMERICA
GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2012 B
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$2,300,000

No. BR-1

Date: April 13, 2012

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 THREE HUNDRED THOUSAND DOLLARS (\$2,300,000), plus interest on the unpaid principal balance at the rate of 2.75% 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 \$8,142, 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 is issued (i) to pay a portion of the costs of acquisition and construction of the Project; and (ii) to pay certain costs of issuance and related costs. 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 April 11, 2012, 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 ON A PARITY, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE BORROWER'S (I) WATER REVENUE BONDS, SERIES 2007 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED SEPTEMBER 26, 2007, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,249,000 (THE "SERIES 2007 A BONDS" OR THE "PRIOR BONDS"); AND (II) WATER REVENUE BONDS, SERIES 2012 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED APRIL 13, 2012, ISSUED CONCURRENTLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$200,000 (THE "SERIES 2012 A BONDS").

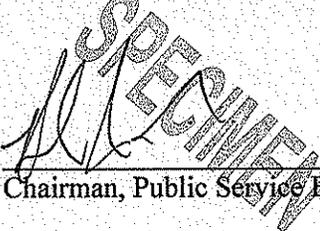
In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

[Remainder of Page Intentionally Blank]

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, Public Service Board

ATTEST:



Secretary, Public Service Board

EXHIBIT A
RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$249,617.98	April 13, 2012	(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:

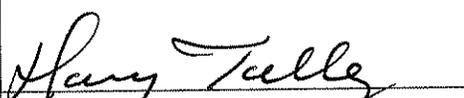
GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT

WATER REVENUE BONDS, SERIES 2012 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$200,000

REGISTRATION BOOKS

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

Bond No.	Date of Registration	In Whose Name Registered	Signature of Secretary of Registrar
AR-1	April 13, 2012	United States Department of Agriculture	

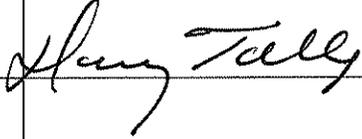
GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT

WATER REVENUE BONDS, SERIES 2012 B
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$2,300,000

REGISTRATION BOOKS

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

Bond No.	Date of Registration	In Whose Name Registered	Signature of Secretary of Registrar
BR-1	April 13, 2012	United States Department of Agriculture	



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

Writer's Contact Information

April 13, 2012

Glen White-Trap Hill Public Service District
Water Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

Glen White-Trap Hill Public Service District
Fairdale, West Virginia

United States Department of Agriculture
Beckley, 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 \$200,000 Water Revenue Bonds, Series 2012 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 April 11, 2012, (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.

The Bonds are issued for the purposes of (i) paying a portion of the acquisition and construction of the Project; and (ii) paying certain costs of issuance and related costs.

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, on a parity with the Issuer's: (1) Water Revenue Bonds, Series 2007 A, dated September 26, 2007, issued in the original aggregate principal amount of \$2,249,000; and (2) Water Revenue Bonds, Series 2012 B (United States Department of Agriculture), dated April 13, 2012 issued concurrently herewith in the original aggregate principal amount of \$2,300,000.

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,


STEPH & JOHNSON PLLC



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

Writer's Contact Information

April 13, 2012

Glenn White-Trap Hill Public Service District
Water Revenue Bonds, Series 2012 B
(United States Department of Agriculture)

Glenn White-Trap Hill Public Service District
Fairdale, West Virginia

United States Department of Agriculture
Beckley, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Glenn White-Trap Hill Public Service District in Raleigh County, West Virginia (the "Issuer"), of its \$2,300,000 Water Revenue Bonds, Series 2012 B (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 April 11, 2012 (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.

The Bonds are issued to (i) pay a portion of the acquisition and construction of the Project; (ii) paying the Series 1974 Bonds and Series 1975 Bonds; and (iii) pay certain costs of issuance and related costs.

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, on a parity with the Issuer's: (1) Water Revenue Bonds, Series 2007 A, dated September 26, 2007, issued in the original aggregate principal amount of \$2,249,000, and (2) Water Revenue Bonds, Series 2012 A (United States Department of Agriculture), dated April 13, 2012 issued concurrently herewith in the original aggregate principal amount of \$200,000.

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,


STEPHEN & 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

April 13, 2012

Facsimile: (304)425-7340
File No. 09-207

Glen White-Trap Hill Public Service District
Water Revenue Bonds, Series 2012 A; and
Water Revenue Bonds, Series 2012 B
(United States Department of Agriculture)

Glen White-Trap Hill Public Service District
Fairdale, West Virginia

United States Department of Agriculture
Beckley, 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 PLLC, as bond counsel, a Bond Resolution duly adopted by the Issuer on April 11, 2012 (the "Bond Legislation"), 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 and expansion of the Issuer and the appointment of members of the Public Service Board of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation when used herein.

I am of the opinion that:

1. The Issuer is a duly created and validly existing public service district and 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 elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.

3. The Bond Legislation 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 Bond Legislation, and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any 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 duly 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 time for appeal of which has expired prior to the date hereof without appeal.

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 and the Bond Legislation, the acquisition and construction of the Project, the operation of the System, the validity of the Bonds or the collection or pledge of the Net Revenues therefor.

7. The Issuer has received all orders and approvals from the Public Service Commission of West Virginia, including the Recommended Decision of the Public Service Commission of West Virginia entered on April 20, 2011, which became Final Order on May 10, 2011 in Case No. 10-1900-PWD-CN, among other things, granted to the Issuer a certificate of public convenience and necessity for the Project, approved the rates and charges of the System, and approved the financing for the Project. The time for appeal of the Order has expired prior to the date hereof without any appeal. Such Order remains in full force and effect.

Glen White-Trap Hill Public Service District
United States Department of Agriculture
Steptoe & Johnson PLLC
Page -3-
April 13, 2012

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

Sincerely,

A handwritten signature in black ink, appearing to be 'WS' or similar initials, written in a cursive style.

William S. Winfrey, II

GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2012 A; and
Water Revenue Bonds, Series 2012 B
(United States Department of Agriculture)

COMBINED CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. AUTHORIZATION AND AWARD OF BONDS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. SIGNATURES, ETC.
6. CERTIFICATION OF COPIES OF DOCUMENTS
7. INCUMBENCY AND OFFICIAL NAME, ETC.
8. DELIVERY AND PAYMENT
9. USE OF PROCEEDS
10. LAND AND RIGHTS-OF-WAY
11. MEETINGS; PUBLICATION AND POSTING OF NOTICES,
ETC.
12. CONTRACTORS' INSURANCE, ETC.
13. CONNECTIONS, ETC.
14. MANAGEMENT
15. GRANTS
16. CONFLICT OF INTEREST
17. PROCUREMENT OF ENGINEERING SERVICES
18. EXECUTION OF COUNTERPARTS

We, the undersigned CHAIRMAN and SECRETARY of the Public Service Board of Glen White-Trap Hill Public Service District, in Raleigh County, West Virginia (the "Issuer"), and the undersigned COUNSEL for the Issuer, acting for the Issuer and in its name, hereby state and certify on this the 13th day of April, 2012, in connection with the Glen White-Trap Hill Public Service District Water Revenue Bonds, Series 2012 A (United States Department of Agriculture), No. AR-1, dated the date hereof, fully registered, in the principal amount of \$200,000 (the "Series 2012 A Bonds") and Water Revenue Bonds, Series 2012 B (United States Department of Agriculture), No. BR-1, dated the date hereof, fully registered, in the principal amount of \$2,300,000 (the "Series 2012 B Bonds"), as follows:

1. AUTHORIZATION AND AWARD OF BONDS: The undersigned are authorized to execute this certificate on behalf of the Issuer and are knowledgeable with respect to the matters set forth herein. The entire issue of the Series 2012 A Bonds and the Series 2012 B Bonds have been duly awarded to the United States of America, acting by the United States Department of Agriculture, Rural Utilities Service (the "Purchaser"), pursuant to a Letter of Conditions from the Purchaser, dated July 8, 2002, and all amendments thereto, and as appears in Section 7.03 of the Resolution of the Issuer duly adopted on April 11, 2012, authorizing issuance of the Series 2012 A and Series 2012 B 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 2012 A and Series 2012 B 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 2012 A and Series 2012 B 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 2012 A and Series 2012 B 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 2012 A and Series 2012 B 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 2012 A and Series 2012 B 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 2012 A and Series 2012 B 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 entered on April 20, 2012, which became Final Order on May 10, 2012, in Case No. 10-1900-PWD-CN, granting to the Issuer a certificate of public convenience and necessity for the Project approving rates for the system and approving the financing for the Project. The time for appeal has expired prior to the date hereof without any appeal. 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.

Upon payment of the Series 1974 Bonds and Series 1975 Bonds there are outstanding obligations of the Issuer which will rank on a parity with the Series 2012 A Bonds and Series 2012 B Bonds as to liens, pledge and source of and security for payment, and in all respects, being the Issuer's Water Revenue Bonds, Series 2007 A (United States Department of Agriculture), dated September 26, 2007, issued in the original aggregate principal amount of \$2,249,000 (the "Series 2007 A Bonds") or (the "Prior Bonds"). 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 2012 A and Series 2012 B Bonds as to liens, pledge and/or service of and security for payment.

Prior to the issuance of the Series 2012 Bonds, the Issuer will obtain the written consent of the Holders of the Prior Bonds to the issuance of the Series 2012 Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

The Issuer is not in default under the terms of the Prior Bonds or the resolutions authorizing issuance of the Prior Bonds or any document in connection therewith, and has complied with all requirements of all the foregoing with respect to the issuance of Parity Bonds or has obtained a sufficient and valid consent or waiver thereof.

5. SIGNATURES, ETC.: The undersigned Chairman and Secretary did, for the Issuer on the date hereof, officially execute and seal the Series 2012 A and Series 2012 B 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 2012 A and Series 2012 B 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
- Prior Bond Resolutions
- Consent of USDA to Issuance of Parity Bonds
- USDA Letter of Conditions, with all amendments
- Public Service Commission Order
- 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
- Affidavit of Publication of Notice of Filing
- Minutes of Current Year Organizational Meeting
- Minutes on Adoption of Bond Resolution
- Bureau for Public Health Permit
- United States Department of Agriculture Loan Agreements
- United States Department of Agriculture Grant Agreements
- Evidence of Appalachian Regional Commission Grant

Evidence of Abandoned Mine Lands Grant

Receipt and Release of Series 1974 Bonds and Series 1975 Bonds

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 3 duly appointed, qualified and acting members whose names and dates of commencement and termination of current terms of office are as follows:

<u>Name</u>	<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
Robert Milam	01/17/2006	01/17/2012
Danny Tolley	01/08/2008	01/08/2014
Richard Jarrell	04/17/2012	04/17/2018

The names of the duly elected, appointed, qualified and acting officers of said Public Service Board of said Issuer for the calendar year 2012 are as follows:

Chairman	-	Robert Milam
Secretary/Treasurer	-	Danny Tolley

The duly appointed and acting Attorney for the Issuer is William S. Winfrey, III, of Princeton, West Virginia.

8. DELIVERY AND PAYMENT: On the date hereof, the Series 2012 A and Series 2012 B Bonds were delivered to the Purchaser at Fairdale, West Virginia, by the undersigned Chairman for the purposes of (i) paying the Series 1974 Bonds; (ii) paying the Series 1975 Bonds; (iii) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (iv) paying certain costs of issuance of the Bonds and related costs, and at the time of such delivery, the Series 2012 A and Series 2012 B Bonds have been duly and fully executed and sealed on behalf of the Issuer in accordance with the Resolution.

The Series 2012 A Bonds are dated the date hereof, and interest on advances of the principal thereof at the rate of 3.375% per annum is payable from the date of each respective advance.

The Series 2012 B Bonds are dated the date hereof, and interest on advances of the principal thereof at the rate of 2.75% per annum is payable from the date of each respective advance.

The Series 2012 A and Series 2012 B Bonds and the entire proceeds thereof will be used for the purposes herein set forth and for no other purposes.

At the time of delivery of the Series 2012 A Bonds and Series 2012 B Bonds, the undersigned Chairman received \$200,000, being the entire principal amount of the Series 2012 A Bonds and \$249,617.98, being a portion of the principal amount of the Series 2012 B Bonds. Further advances

of the balance of the principal amount of the Series 2012 A Bonds and Series 2012 B Bonds will be paid to the Issuer as acquisition and construction of the Project progresses.

9. **USE OF PROCEEDS:** The total cost of the Project is estimated at \$4,506,543. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 2012 A Bonds	\$ 200,000.00
Proceeds of the Series 2012 B Bonds	\$2,300,000.00
Proceeds of the Grant from the USDA	\$ 371,400.00
Proceeds of the ARC Grant	\$1,000,000.00
Proceeds of the AML Grant	\$ 635,143.00

Total Sources \$4,506,543.00

USES

Costs of Acquisition and Construction	\$4,289,803.66
Payment of 1974 & 1975 Bonds	\$ 191,739.84
Costs of Issuance	\$ 25,000.00

Total Uses \$4,506,543.00

10. **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 2012 A and Series 2012 B Bonds.

11. **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.

12. **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.

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

14. 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.

15. GRANTS: As of the date hereof, (i) the grants from the United States Department of Agriculture in the amount of \$371,400; (ii) the \$1,000,000 grant from the Appalachian Regional Commission; and (iii) the \$635,143 grant from the Abandoned Mine Lands are all committed and in full force and effect.

16. 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 2012 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.

17. 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.

18. 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]

SIGNATURE






OFFICIAL TITLE

Chairman

Secretary

Attorney for Issuer

GLENN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2012 A; and
Water Revenue Bonds, Series 2012 B
(United States Department of Agriculture)

ENGINEER'S CERTIFICATE

I, Robert Hazelwood, Registered Professional Engineer, West Virginia License No. 8452 of Pentree, Inc., Princeton, West Virginia, hereby certify this 13th day of April, 2012 that my firm is the engineer for the acquisition and construction of certain additions, improvements and extensions (the "Project") to the existing water 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.

1. The Bonds are being issued (i) to pay the costs of acquisition and construction of the Project; and (ii) to pay certain costs of issuance and related costs.

2. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the Bureau for Public Health; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 40 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents and the bid forms provided to the bidders contain the critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; and (vii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the construction of the Project and operation of the System.

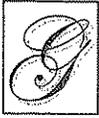
WITNESS my signature on the day and year first written above.



PENTREE, INC.

Robert Hazelwood

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



April 13, 2012

Glen White-Trap Hill Public Service District
Water Revenue Bonds, Series 2012 A; and
Water Revenue Bonds, Series 2012 B
(United States Department of Agriculture)

United States Department of Agriculture
Beckley, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the water rates and charges as set forth in the Recommended Decision dated April 20, 2011 which became a Final Order on May 1, 2011, in Case No. 10-1900-PWD-CN and projected operation and maintenance expenses and anticipated customer usage as furnished to us by the Issuer, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewer system of the Issuer (the "System"), will pay all repair, operation and maintenance expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Water Revenue Bonds, Series 2012 A (United States Department of Agriculture), issued in the principal amount of \$200,000; and Water Revenue Bonds, Series 2012 B (United States Department of Agriculture), issued in the principal amount of \$2,300,000 (collectively, the "Series 2012 Bonds"), to be issued on the date hereof, and all other obligations secured by or payable from the revenues of the System, specifically including the Water Revenue Bonds, Series 2007 A (United States Department of Agriculture), dated September 26, 2007, issued in the original aggregate principal amount of \$2,249,000 (the "Prior Bonds").

It is our further opinion that the Net Revenues for the Fiscal Year following the year in which the Series 2012 A Bonds are issued will be at least 115% of the average annual debt service on the Series 2012 Bonds and the Prior Bonds.

Sincerely,

Michael D. Griffith, CPA, AFI
Griffith & Associates, PLLC

MDG/dk

Glen White-Trap Hill Public Service District

- 03/15/1973 Raleigh County order proposing creation of Glen White-Trap Hill Public Service District.
- 04/10/1973 Raleigh County Order creating Glen White-Trap Hill Public Service District.
- 10/17/1974 Raleigh County order proposing enlargement of Glen White-Trap Hill Public Service District.

March 15, 1973

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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.

The above described parcel containing an area of 224 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 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 at least once in each week for

to such hearing; that there shall also be posted 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; 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.

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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 I, as prayed for in said petition filed herein, is proposed to be created as follows:

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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 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.

The above described parcel containing an area of 2.2 1/2 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" DATED BEHINDING COMPANY B. C. C. & CO., WEST VIRGINIA DATE NOV. 30, 72 (SCALE 1" = 2000'), filed herewith as a part of said petition and marked for identification as "Exhibit A".

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

A 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 Buckhley, 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 I, 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 I, and being further described as
follows:

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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 22.4 square miles, more or less, as the same is shown and designated on that certain map or plat entitled "GLIN 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".

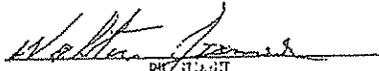
All persons residing in or owning or having any interest in property in said proposed public service district are hereby notified that the County Court of Raleigh County, West Virginia, will conduct a public hearing on the 16th day of April, 1973, at 10:00 o'clock A.M., in the Courthouse of Raleigh County 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 15th day of March, 1973.

And this cause is hereby continued.

ORDER:

ENTER:


Walter J. Jones
DEPUTY CLERK

April 10, 1973

IN THE COUNTY COURT OF RALEIGH COUNTY, WEST VIRGINIA

IN RE: GLEN WHITE - TRAP HILL PUBLIC SERVICE DISTRICT

ORDER

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 having been 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:

- Roy Morris' store - Glen White
- Daniel's store - Glen White
- Dale Covey's store - Fairdale
- Post Office - Fairdale
- Buddy's Pickett - On Route 3 near Stover
- Hill's Fresh Produce & Grocery Store - Glen Daniel
- Post Office - Glen Daniel
- Charley's Pickett - 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 RESOLVE 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 15th day of March, 1973, in the Beckley Post-Herald, a newspaper of general circulation published in Raleigh County, West Virginia, and being printed of 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 RESOLVE 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
Lester's store - Glen White
John Coway's store - Fairdale
Post Office - Fairdale
Luddy's Lickety - On Route 3 near Stever
Hill's Fresh Produce & Grocery Store - Glen White
Post Office - Glen White
Christy's Lickety - Located at the Hill Store between
Lester and Glen White,

and that said notices were posted on the 15th day of March, 1973, and being printed of least ten (10) days prior to the date of this public hearing as required by law.

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1
Thereupon, this proceeding and cause came on this day as required at public hearing upon the said petition and exhibit filed herein, and the order of the Court was read in this case on the 15th day of March, 1973, and the County Clerk of Raleigh County, West Virginia, thereupon read 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 RESOLVE and ORDER that the petition, exhibit, publisher's Certificate of Publication filed in this case, is printed as law, and the Court being of the opinion, doth find and accordingly doth RESOLVE and ORDER that the Court doth find and accordingly doth RESOLVE and ORDER that the territory proposed to be included therein was given by publication on the 15th day of March, 1973, in the Beckley Post-Herald, a newspaper of general circulation published in Raleigh County, West Virginia, and being printed of 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 RESOLVE 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:

public service district, and as a matter of fact the present corporation boundaries of the Town of Luster and all the territory within the Town of Luster were expressly excluded from the public service district now to be created; and, that a public service district, to be created, 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 line 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 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 LINE" CUM'S ENGINEERING COMPANY, BEDFORD, 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

Assigned

Revised

RICHARD V. SAFFER, 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 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, 1961, 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 matter, 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 _____, 1973; that said annexed notice was published on the following date:

March 16 and that the cost of publishing said annexed notice as aforesaid was \$112.00

Signed Palmer Farley

Taken, subscribed and sworn to before me in my said county

this 16th day of March, 1973.

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 coming from property within the limits of the proposed public service district territorially described and set forth filed in the County Court of Raleigh County, West Virginia on the 12th 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 1 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 1 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 line of Appalachian Power Company 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 18, thence in a northeasterly direction

thence in a northeasterly direction thence in a westerly direction to and in a westerly direction from State Route No. 18, thence following a random line parallel to and 2,000 feet from State Route Nos. 54, 17 and 2 in a point which intersects the former Trap Hill-Clement Fork District Line.

Thence following in a westerly direction along the Inman Creek Fork-Trap Hill District Line and continuing along the former Marsh Fork-Trap Hill Line crossing State Route No. 12 to a point 2,000 feet perpendicular to and in a westerly direction from State Route No. 18, thence following a random line parallel to and 2,000 feet from State Route Nos. 18, 20, 22, 24 and 26 in a point 2,000 feet perpendicular to and in a westerly direction from State Route No. 24 and the point of beginning, thence along a line 2,000 feet in the point of beginning.

All of the area within the present public service district above described that is in the present incorporation boundaries of the Town of Farley is excluded from the above-described public service district.

The above described parcel containing an area of 1729 square meters, more or less, as the same is shown and described on that certain map or plat entitled "GLEN WHITE"

Taken, subscribed and sworn to before me in my said county
this 16th day of March, 1927
My commission expires March 1, 1931
Mathias E. Dickerson
Notary public of Raleigh County,
West Virginia

P.H.

The above described parcel containing an area of 22.2 square miles, more or less, as the same is shown and delineated on that certain map or plan entitled "LITTON WHITE - TR. & P. H. L. PUBLIC SERVICE DISTRICT - INDEPENDENT LIGHTS ENGINEERING COMPANY INCORPORATED, WEST VIRGINIA" DATE NOV. 20, 1926 SCALE 1" equals 2000' filed with said Notary and marked for identification "Subst. A".

All persons residing in or owning or having any interest in property in this proposed public service district are hereby notified that the County Court of Raleigh County, West Virginia, will conduct a public hearing on the 15th day of April, 1927, at 10:00 o'clock A.M. in the Courtroom of Raleigh County at Berkeley, 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, 1927.

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OCT 17, 1974

OCT. 17, 1974

IN THE COUNTY COURT OF RALEIGH COUNTY, WEST VIRGINIA

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

ORDER

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

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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 12 day
of February, 1974.

Fred Stacy
Clerk

Glen White-Trap Hill Public Service District

- 03/15/1973 Raleigh County order proposing creation of Glen White-Trap Hill Public Service District.
- 04/10/1973 Raleigh County Order creating Glen White-Trap Hill Public Service District.
- 10/17/1974 Raleigh County order proposing enlargement of Glen White-Trap Hill Public Service District.

March 15, 1973

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IN THE COUNTY COURT OF RALEIGH COUNTY, WEST VIRGINIA

IN RE: GLEN WHITE - TRAP HILL PUBLIC SERVICE DISTRICT

ORDER

This the 15th day of March, 1973, came Robert B. Parker, and others, petitioners, in person, and by Leo Bridl, 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 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 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 100' x 100' in _____

to such hearing; that there shall also be posted 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; 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.

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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

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the construction or acquisition by purchase or otherwise and the maintenance, operation, improvement and extension of properties supplying water or sewerage services, on 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 I, as prayed for in said petition filed herein, is proposed to be created as follows:

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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 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 Routes 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'S GATIS SURVEYING COMPANY H. C. CLEGG, WEST VIRGINIA DATE NOV. 30, 72 SCALE 1" = 2000'", filed herewith as a part of said petition and marked for identification as "Exhibit A".

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

A 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 I, 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 I, and being further described as
follows:

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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 22.4 square miles, more or less, as the same is shown and designated on that certain map or plat entitled "GLYN WHITE - TRAP HILL PUBLIC SERVICE DISTRICT BOUNDARY LINES GAYLES 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 14th 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 15th day of March, 1973."

And this cause is hereby continued.

ORDER:

CERTIFICATE:

Walter J. ...
DEPUTY CLERK

April 10, 1973

IN THE COUNTY COURT OF RALEIGH COUNTY, WEST VIRGINIA

IN RE: GLEN WHITE - TRAP HILL PUBLIC SERVICE DISTRICT

ORDER

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 day 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, their 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 having been inspected and examined by the County Court is herewith so certified 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
Dunnick's store - Glen White
Dale Covey's store - Fairdale
Post Office - Fairdale
Buddy's Lockett - On Route 3 near Stover
Hill's Fresh Produce & Grocery Store - Glen Daniel
Post Office - Glen Daniel
Charley's Lockett - 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 RESOLVE 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 15th day of March, 1973, in the Beckley Post-Herald, a newspaper of general circulation published in Raleigh County, West Virginia, and being printed 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 RESOLVE 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
- Landis' store - Glen White
- McCoy's store - Fairdale
- Post Office - Fairdale
- Luddy's Bookstore - On Route 3 near Glover
- Hull's Fresh Produce & Grocery Store - Glen White
- Post Office - Glen White
- Christy's Bookstore - Located at the Hill Store between Laster and Glen White.

Said notices 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.

7
 Upon this proceeding and cause came on this day to be heard at public hearing at the said petition and exhibit filed herein, and the order entered and set in this cause on the 15th day of March, 1973, and the County Clerk of Raleigh County, West Virginia, the upon heard 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 RESOLVE and ORDER that it is clearly shown by the said petition, exhibit, testimony and affidavits.

7
 Upon this proceeding and cause came on this day to be heard at public hearing at the said petition and exhibit filed herein, and the order entered and set in this cause on the 15th day of March, 1973, and the County Clerk of Raleigh County, West Virginia, the upon heard the evidence and testimony of all persons present for and against the creation of said public service district.

7
 Upon this proceeding and cause came on this day to be heard at public hearing at the said petition and exhibit filed herein, and the order entered and set in this cause on the 15th day of March, 1973, and the County Clerk of Raleigh County, West Virginia, the upon heard the evidence and testimony of all persons present for and against the creation of said public service district.

public service district, and is a matter of fact the present corporate boundaries of the Town of Lester and all the territory within the Town of Lester were expressly excluded from the public service district now 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 No. 54 about 1.5 miles in a westerly direction from the intersection of State Route Nos. 54 and 16,

thence in a north-easterly 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 "GLEN WHITE - TRAP HILL PUBLIC SERVICE DISTRICT BOUNDARY LINE" CLEVAH ENGINEERING COMPANY, SECURITY, WEST VIRGINIA D.T. 18V. 32, 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
RICHARD V. STAUFFER, 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 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, 1961, 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 _____
_____ day of _____, 1973]; that said annexed notice was published on the following dates:

March 16 and that the cost of publishing said annexed notice as aforesaid was \$112.00.

Signed Palmer Farley
Taken, subscribed and sworn to before me in my said county this 16th day of March, 1973.

COPY OF PUBLICATION

"NOTICE OF PUBLIC HEARING
ON CREATION OF GLEN WHITE
- TRAP HILL PUBLIC SERVICE DISTRICT"

DISTRICT

Notice is hereby given that by virtue of a petition in writing signed and duly verified by the said persons hundred or more legal voters resident within and coming next properly 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 16th 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 service, of both, within what was formerly a part of Trap Hill 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 Trap Hill 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 line of Appalachian Power Company's Transmission Line easement and State Route No. 24 about 1.5 miles in a westerly direction from the intersection of State Route Nos. 24 and 16, thence in a northerly direction about a line to a point 2,000 feet perpendicular to State Route No. 24.

Thence following a random line parallel to and 2,000 feet from State Route No. 24, to a point which intersects the center Trap Hill-Trap Hill District Line.

Thence following a westerly direction along the center Glen White-Trap Hill District Line and continuing along the center Trap Hill-Trap Hill Line creating State Route No. 12 to a point 2,000 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 No. 12, to a point 2,000 feet perpendicular to and in a southerly direction from State Route No. 24 and the point of beginning, thence about a line 2,000 feet in 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 Lecher is excluded from the above-described public service district.

The above described parcel contains an area of 529 square miles, more or less, as the same is shown and delineated on the plan and map for that entitled "GLEN WHITE"

Taken, subscribed and sworn to before me in my said county
this 16th day of March, 1922
My commission expires March 1, 1923
Martha E. Dickman
Notary public of Raleigh County,
West Virginia

P.H.

The above described parcel containing an area of 22.9 square miles, more or less, as the same is shown and designated on the certain map or plan entitled "CLASS WIRZ - TRAIL, HILL, PUBLIC SERVICE DISTRICT, RAINBOW, LAWRENCE, GATTS ENGINEERING COMPANY, DEPARTMENT, WEST VIRGINIA, DATED 1922, S. 22 N. 10 W. 1 E. 22.9 sq. miles" filed with said Notary Public and marked for identification "Parcel 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 15th day of April, 1922, at 12:00 o'clock A.M. in the Courtroom 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 by 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, 1922.

OCT 17, 1974

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OCT. 17, 1974

IN THE COUNTY COURT OF RALEIGH COUNTY, WEST VIRGINIA

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

ORDER

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 be 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

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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 Jones

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

4-10-73

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 12 day
of February, 1974.

Fred Stacy
Clerk

WEST VIRGINIA:

At the 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: EXONERATIONS

Commissioner Reed moved to approve 1 cancellation for real property and 5 exonerations and 2 cancellations for personal property. Seconded by Commissioner Humphrey and motion carried.

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IN RE: BRAKE SUPPLY COMPANY ROAD CLOSING PUBLIC HEARING

President Aliff declared the public hearing open. Attorney Roop stated proper documentation has been received. Commissioner Reed moved to approve the Brake Supply Company Road Closing as presented by Attorney Pat Fragile. Mr. Fragile will prepare an Order to submit to Attorney Roop for signatures. Seconded by Commissioner Humphrey and motion carried. Refer to Book 5022 Page 0416 in the office of the County Clerk.

-0-

IN RE: ESTATE OF FRED SHAWVER – WAIVER OF FINAL SETTLEMENT

Commissioner Reed moved to approve the appointment of Charles Hamilton as Administrator DBN for the estate of Fred Shawver to file the Waiver of Final Settlement. Seconded by Commissioner Humphrey and motion carried. The appointment is recorded in Book 5021 Page 1826 and the Waiver of Final Settlement in Book 5021 Page 1828.

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IN RE: INTERGOVERNMENTAL AGREEMENT – RALEIGH COUNTY COMMISSION, CITY OF BECKLEY AND RALEIGH COUNTY SOLID WASTE AUTHORITY

A motion was made by Commissioner Reed to approve the Agreement. Seconded by Commissioner Humphrey and motion carried. (see document exhibit A – page 561)

-0-

IN RE: AUDIT LETTER OF UNDERSTANDING

Commissioner Reed moved to authorize President Aliff to sign the Letter of Understanding for the State Auditor's Office. The motion was seconded by Commissioner Humphrey and motion carried. (See document exhibit B–page 564)

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IN RE: CLEAR CREEK WATER PROJECT DRAWDOWN

Drawdown #17 in the amount of \$1072.30 requires the signature of President Aliff (see document exhibit C – page 567)

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IN RE: HARPER HEIGHTS WASTEWATER DRAWDOWN

Drawdown #5 in the amount of \$5785.00 requires the signature of President Aliff (see document exhibit D – page 569)

-0-

IN RE: PINE HAVEN HOMELESS SHELTER DRAWDOWN

Drawdown #8 in the amount of \$11,121.34 requires the signature of President Aliff (see document exhibit E – page 571)

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 18 day of May, 2012

BETTY RIFFE, Clerk

By Deborah Ellis, Deputy

IN RE: WEST VIRGINIA CELTIC GAMES - RESOLUTION

Commissioner Reed moved to approve the Resolutions supporting the West Virginia Celtic Games to be held in August. Seconded by Commissioner Humphrey and motion carried.
(see document exhibit F - page 571)

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IN RE: VACATION ORDERS

A motion was made by Commissioner Reed to approve the Vacation Orders from December 20, 2005 to December 30, inclusive. Seconded by Commissioner Humphrey and motion carried.
(see document exhibit G - page 572)

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IN RE: FINAL ACCOUNTINGS AND FINAL SETTLEMENTS

The following Final Accountings and Waivers of Final Settlements were read into the minutes and approved:

Ballew, Alfreda Toney	Link, Howard John
Carden, Hazel	Persinger, Virgil Ray
Collins, Donald Ray	Lafferty, Howard
Conard, Ruth Henry	Snuffer, Donald B
Foster, Louise Torrence	Starr, Richard G.
Halstead, Daisy Pearl	Thomasson, Betty Jane
Hatcher, Ora Mae	Stiltner, Gladys
Kincaid, Velma Kay	Zsoldos, Irene
Lewis, James	West, Ozie, Sr.

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IN RE: BOARD APPOINTMENTS

Commissioner Reed moved and Commissioner Humphrey seconded the motion to approve the following Board appointments:

Raleigh County Armory Board - Pat Reed and William Baker
 Raleigh County Building Code Appeals Board - Jack Pedro (reappointed) and C Berkley Lilly
 Raleigh County Landmarks Commission - Jeanne Richmond
 Glen White - Trap Hill PSD - James White and Lee Milam
 Raleigh County PSD - Paul Flanagan
 Shady Spring PSD - Ronnie Barker

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There being no further business the meeting was adjourned until January 17, 2006.

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s/s John Aliff
PRESIDENT

-000-

WEST VIRGINIA:

At a regular meeting of the Raleigh County Commission held on the 18th day of December 2007 in the Commission Courtroom thereof:

PRESENT: Pat Reed, President
John Humphrey, Commissioner
John Aliff, Commissioner

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IN RE: EXONERATIONS

Commissioner Humphrey moved to approve 2 exonerations and 4 cancellations for personal property and 0 exonerations and 0 cancellations and 2 letters of correction for real property. Seconded by Commissioner Aliff and motion carried. (SEE EXHIBIT A)

-0-

IN RE: EOC – NEW STREETS AND CHANGES

Commissioner Humphrey moved to approve seven (7) new street additions and one (1) change to the EOC system as presented by Jack Bowden, E911 Director. Motion seconded by Commissioner Aliff. Motion carried. (SEE EXHIBIT B)

Tudor Lane off Hot Coal Road, Sophia (Previously the end of E. Railroad Avenue)
Hopper Court off Stanford Road, Piney View
Tom Cooper Farm Road off W. Whitby Road, Whitby
Molly Cooper Farm Road off Tom Cooper Farm Road in Whitby
Cool Lane off Beaver Street Cool Ridge
Candace Court off Circleview Drive, Harper Heights
Charis Drive off Hedgecock Lane, Fiardale
Ellison Avenue off Davis Cemetery Road, Maple Fork

-0-

IN RE: WHITESVILLE AMBULANCE – REQUEST FOR FUNDING

David Hodges, Operations Manager, for Whitesville Ambulance requests any financial assistance toward the purchase of a new Ambulance. They receive their primary funding from Boone County, however they do serve the Clear Fork and Marsh Fork Areas of Raleigh County. President Reed states commissioners of appreciative of the service given and of the good job they do. Commissioner Humphrey makes a motion to approve \$10,000. toward the purchase of the Ambulance, Motion seconded by Commissioner Aliff. Motion carried.

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IN RE: HOMELAND SECURITY MASS MIGRATION REPORT

Drawdown (\$5,166.97) 11/13/2007 thru 12/12/2007. Requires signature of president. (SEE EXHIBIT C)

Jack Bowden stated to the commission that Jack McVey is doing a good job. A nine county plan should be available by April or May, 2008 and submitted to Commission in June.

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IN RE: ABANDONED BUILDING ORDER AB205

Order AB205, Commissioner Humphrey made a motion to notify the owners, Estate of Cosby Onion, C/o Gwendolyn Ridgley that they have 90 days to demolish the building and remove the resulting debris and the trash from the property and dispose of it in a lawful manner. Motion seconded by Commissioner Aliff. Motion carried. (SEE EXHIBIT D)

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IN RE: EMERGENCY SHELTER GRANT DRAWDOWN

Drawdown #7 (\$4,037.68) requires signature of president. (SEE EXHIBIT E)

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IN RE: BECKLEY-RALEIGH COUNTY YMCA DRAWDOWN

Drawdown #7 (\$52,526.43) requires signature of the president. (SEE EXHIBIT F)

-0-

IN RE: HOME CONFINEMENT – NEW EMPLOYEES

Dennis Sizemore, County Administrator presented James Chapman, Keith Honaker and Cassandra Janney to the Commission; Chapman and Honaker would be the Home Confinement Officers and Cassandra Janney will transfer from the Sheriff's Office as the Home Confinement Secretary. On the motion of Mr. Humphrey, motion is made to approve their hiring and seconded by Commissioner Aliff. Motion carried. (SEE EXHIBIT G)

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IN RE: OLD BUSINESS

NONE

-0-

IN RE: PUBLIC PARTICIPATION

Commissioner Reed extended an invitation to all to the Christmas Party.

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IN RE: APPROVAL OF MINUTES

A motion was made to approve the minutes for the December 4, 2007 meeting by Commissioner Humphrey. Motion was seconded by Commissioner Aliff and motion carried.

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IN RE: VACATION ORDERS

Commissioner Humphrey moved to approve the Vacation Orders from December 4, 2007 to December 17, 2007, inclusive. Seconded by Commissioner Aliff and motion carried. (SEE EXHIBIT H)

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IN RE: FINAL ACCOUNTINGS AND WAIVERS OF FINAL SETTLEMENT

The following Final Accountings and Waivers of Final Settlement were read into the minutes and approved:
(SEE EXHIBIT I)

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IN RE: APPOINTMENTS – RALEIGH COUNTY BUILDING CODE APPEALS BOARD

On the motion of John Humphrey, Lloyd Crook is appointed to the Raleigh County Building Code Appeals Board. Motion seconded by Commissioner Aliff. Motion carried. (SEE EXHIBIT J)

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IN RE: APPOINTMENTS – RALEIGH COUNTY LANDMARKS

On the motion of John Humphrey, David Sibray and Lois McLean are appointed to the Raleigh County Landmarks Commission. Motion is seconded by Commissioner Aliff. Motion carried. (SEE EXHIBIT K)

IN RE: APPOINTMENTS – RALEIGH COUNTY PUBLIC DEFENDERS

On the motion of John Humphrey, Harriett Jones is appointed to the Raleigh County Public Defenders Corporation. Motion seconded by Commissioner Aliff. Motion carried. (SEE EXHIBIT L)

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IN RE: APPOINTMENTS – GLEN WHITE-TRAP HILL PSD

On the motion of John Humphrey, Danny Tolley is appointed to the Glen White-Trap Hill PSD. Motion is seconded by Commissioner Aliff. Motion carried. (SEE EXHIBIT M)

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IN RE: APPOINTMENTS – NORTH BECKLEY PSD

On the motion of John Humphrey, John White is appointed to the North Beckley PSD. Motion is seconded by Commissioner Aliff. Motion carried. (SEE EXHIBIT N)

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IN RE: APPOINTMENTS – RALEIGH COUNTY PSD

On the motion of John Humphrey, Jack Keen is appointed to the Raleigh County PSD. Motion is seconded by Commissioner Aliff. Motion carried. (SEE EXHIBIT O)

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IN RE: APPOINTMENTS – SHADY SPRING PSD

On the motion of John Humphrey, Jim Wood is appointed to the Shady Spring PSD. Motion is seconded by Commissioner Aliff. Motion carried. (SEE EXHIBIT P)

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IN RE: CHRISTMAS AND NEW YEARS HOLIDAYS

Dennis Sizemore, County Administrator recommended that the County Commission follow the lead of the Governor in regards to closing for the Holidays. The Governor has approved closing all state offices for Christmas Eve and New Years Eve.

John Humphrey made a motion to close all County Offices, all day Christmas Eve, Christmas Day; New Years Eve and New Years Day. Motion seconded by Commissioner Aliff. Motion carried.

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Adjourned until next Regular Meeting, January 8, 2008 at 10:00 am.

s/s Pat Reed
PRESIDENT

-000-

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 1st day of May, 2012

BETTY RIFFE, Clerk

By Stephanee Ellison, Deputy

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 special meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is

cancelled, a notice of such cancellation shall be posted at the same locations as soon as feasible after such cancellation has been determined.

ARTICLE V

OFFICERS

Section 1. The officers of the Public Service Board shall be a Chairman, a Secretary and a Treasurer. The Chairman shall be elected from the members of the Public Service Board. The Secretary and Treasurer need not be members of the Public Service Board, and may be the same person.

Section 2. The officers of the Public Service Board shall be elected each year by the members at the first meeting held in such year. The officers so elected shall serve until the next annual election by the membership and until their successors are duly elected and qualified. Any vacancy occurring among the officers shall be filled by the members of the Public Service Board at a regular or special meeting. Persons selected to fill vacancies shall serve until the following January meeting of the Board when their successors shall be elected hereinabove provided.

ARTICLE VI

DUTIES OF OFFICERS

Section 1. When present, the Chairman shall preside as Chairman at all meetings of the Public Service Board. The Chairman shall, together with the Secretary, sign the minutes of all meetings at which he or she shall preside. The Chairman shall attend generally to the executive business of the Board and exercise such powers as may be conferred by the Board, by these Rules of Procedure, or as prescribed by law. The Chairman shall execute, and if necessary, acknowledge for record, any deeds, deeds of trust, contracts, notes, bonds, agreements or other papers necessary, requisite, proper or convenient to be executed by or on behalf of the Board when and if directed by the members of the Board.

Section 2. The Secretary shall keep a record of all proceedings of the Board which shall be available for inspection as other public records. The Secretary shall, together with the Chairman, sign the minutes of the meetings at which he or she is present. The Secretary shall have charge of the minute book, be the custodian of the Common Seal of the District and all deeds and other writings and papers of the Board. The Secretary shall also perform such other duties as he or she may have under law by virtue of the office or as may be conferred from time to time by the members of the Board, these Rules of Procedure or as prescribed by law.

Section 3. The Treasurer shall be the lawful custodian of all funds of the District and shall disburse funds of the District on orders authorized or approved by the Board. The Treasurer shall keep or cause to be kept proper and accurate books of accounts and proper receipts and vouchers for all disbursements made by or through him and shall prepare and submit such reports and statements of the financial condition of the Board as the members may from time to time prescribe. He shall perform such other duties as may be required of him by law or as may be conferred upon him by the members of the Board, these Rules of Procedure or as prescribed by law.

Section 4. If the Chairman, Secretary or Treasurer is absent from any meeting, the remaining members of the Board shall select a temporary chairman, secretary or treasurer, as necessary, who shall have all of the powers of the absent officer during such period of absence.

ARTICLE VII

AMENDMENTS TO RULES OF PROCEDURE

These Rules of Procedure may be altered, changed, amended, repealed or added to at any regular or special meeting of the Board by a majority vote of the entire Board, or at any regular or special meeting of the members when a quorum is present in person and a majority of those present vote for the amendment; but no such change, alteration, amendment, repeal or addition shall be made at any special meeting unless notice of the intention to propose such change, alteration, amendment, repeal or addition and a clear statement of the substance thereof be included in the written notice calling such meeting.

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

Adopted this 18 day of July, 2006.

10-1900-PWD-CW

RECEIVED AFFIDAVIT OF PUBLICATION BECKLEY NEWSPAPERS BECKLEY, WEST VIRGINIA 25801

2011 MAR 2 AM 8 26

W.V.A PUBLIC SERVICE COMMISSION STATE OF WEST VIRGINIA COUNTY OF RALEIGH, to wit:

I, Tara Meyer, being duly sworn upon my oath, do depose and say that I am Legal Advertising Clerk for Beckley Newspapers, a corporation, publisher of the newspaper entitled The Register-Herald, an Independent 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 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 of 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 of 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 matter, advertisements and other notices; that the annexed notice

of AMENDED NOTICE OF FILING (Description of notice)

was duly published in said newspaper once a week for 1 successive weeks (Class 1), commencing with the issue of 02/24/2011 and ending with the issue of 02/24/2011, that said annexed notice was published on the following dates: 02/24/2011, and that the cost of publishing said annexed notice as aforesaid was \$ 416.52

Signed Tara Meyer Tara Meyer Legal Advertising Clerk Beckley Newspapers

Taken, subscribed and sworn to before me in my said county this day: 02/24/2011

My commission expires March 27, 2011

Notary Public of Raleigh County, West Virginia. OFFICIAL SEAL NOTARY PUBLIC STATE OF WEST VIRGINIA DIANA L. SLONE BECKLEY NEWSPAPERS P. O. BOX 2398 BECKLEY, WV 25802 My commission expires March 27, 2011

THE REGISTER-HERALD... 000 LEGALS... 000 LEG... Pursuant to Chapter 21 - Article 11 of the "West Virginia Contractor Licensing Act" of 1991, all Contractors doing business in West Virginia must be licensed to perform work in the State; the Contractors WV License Number must be affixed to all submitted construction bids and fully executed and binding construction Contracts or Agreements. After the scheduled closing time of receipt bids, no bid may be withdrawn for a period of sixty days. All bidders are required to furnish a satisfactory Bid Bond in the amount of five percent (5%) of the bid price if bid is over \$25,000.00. The successful Bidder will be required to furnish satisfactory Performance and Labor Bonds in the amount if the contract price is over \$25,000.00. The Fayette County Board of Education does not discriminate on the basis of race, color, national origin, sex, disability, or age in its procurement policies, practices or procedures. The Fayette County Board of Education or designee reserves the right to reject any and all bids, and to make such selection by item or total bid amount as deemed to be in the best interest of Fayette County Schools.

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
CHARLESTON

RECEIVED

2011 MAR 2 AM 8 26

W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

CASE NO. 10-1990-PWD-CN

NAME OF APPLICANT: Glen White - Trap Hill Public Service District
Application for a Certificate of Convenience and Necessity to construct a water system improvement at Posey-Saxon in the County of Raleigh, West Virginia (known as the "Cove Creek Project")

AMENDED NOTICE OF FILING

On December 23, 2010, the Glen White - Trap Hill Public Service District filed an application, duly verified, for a Certificate to construct a water system improvement at Posey-Saxon in the County of Raleigh, West Virginia (known as the "Cove Creek Project"). The application is on file with and available for public inspection at the Public Service Commission, 201 Brook Street, in Charleston, West Virginia.

The District estimates that the construction will cost approximately \$3,871,400.00. It is proposed that the construction will be financed as follows:

ARC Grant	\$1,000,000.00
USDA-RUS Grants (2)	\$371,400.00
USDA-RUS Loan	\$200,000.00 (4.75% for 38 years)
USDA-RUS Loan	\$2,300,000.00 (3.625% for 38 years)

The utility anticipates charging the following water rates for its customers:

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	\$10.08 per 1,000 gallons
Next 8,000 gallons used per month	\$7.88 per 1,000 gallons
Next 20,000 gallons used per month	\$6.53 per 1,000 gallons
Next 20,000 gallons used per month	\$4.74 per 1,000 gallons
All over 50,000 gallons used per month	\$3.89 per 1,000 gallons

(C) MINIMUM CHARGE

No minimum bill will be rendered for less than \$20.16 per month which is the equivalent to 2,000 gallons or:

		<u>EQUIVALENT GALLONS</u>
5/8 Inch Meter	\$20.16 per month	2,000
3/4 Inch Meter	\$30.24 per month	3,279
1 Inch Meter	\$50.40 per month	5,838
1 1/2 Inch Meter	\$100.80 per month	12,695
2 Inch Meter	\$161.28 per month	21,957
3 Inch Meter	\$302.40 per month	48,692
4 Inch Meter	\$504.00 per month	100,231
6 Inch Meter	\$1,008.00 per month	229,794
8 Inch Meter	\$1,612.80 per month	395,270

(N) UNMETERED RATE

\$39.86 per month

In the event the water supply (residential) is unmetered or otherwise unmeasurable by the District, the unmetered rate shall be charged. (Based on 4,500 gallons used per month).

DELAYED PAYMENT PENALTY

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

(C, I) SERVICE CONNECTION CHARGE

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

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

A tap fee of \$350.00, or the actual cost of the connection (solely determined by the District), whichever is greater, 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.

(C, I) RESALE RATE

\$3.85 per 1,000 gallons used per month.

(C, I) WATER DISCONNECT - RECONNECT - ADMINISTRATIVE FEES

Whenever water service has been disconnected for non-payment of water bills, a disconnection fee of \$25.00 shall be charged; or in the event the delinquent water bill is collected by the District in the field, an administrative fee of \$25.00 shall be charged. A \$25.00 reconnection fee will be assessed for each occurrence where water service to sewer customers is restored, after water service has been terminated for non-payment of water bills.

(C) RETURNED CHECK CHARGE

A service charge of \$25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

RECEIVED

2011 MAR 2 AM 8 27

W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

(C, I) INCREMENTAL COSTS

An amount not to exceed \$4.00 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 usage. The District shall establish a non-discriminatory policy regarding this provision for leak adjustments.

(N) EFT, CREDIT CARD, ACH AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, Credit Card, ACH or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment.

I - Indicates Increase

C - Indicates Change

N - Indicates New

These rates represent the following project-related increases:

	PROPOSED RATES	PRESENT RATES	DIFFERENCE	PERCENTAGE DIFFERENCE
RESIDENTIAL				
Minimum Bill (2,000 Gallons)	\$20.16	\$16.80	\$3.36	20.0%
3,800 Gallons (Average)	\$34.34	\$28.63	\$5.71	19.9%
4,000 Gallons	\$35.92	\$29.94	\$5.98	20.0%
4,500 Gallons	\$39.86	\$33.23	\$6.63	20.0%
10,000 Gallons	\$83.20	\$69.36	\$13.84	20.0%
COMMERCIAL				
Minimum Bill (2,000 Gallons)	\$20.16	\$16.80	\$3.36	20.0%
4,000 Gallons	\$35.92	\$29.94	\$5.98	20.0%
4,500 Gallons	\$39.86	\$33.23	\$6.63	20.0%
9,500 Gallons (Average)	\$79.26	\$66.08	\$13.18	19.9%
10,000 Gallons	\$83.20	\$69.36	\$13.84	20.0%
PUBLIC AUTHORITY				
Minimum Bill (2,000 Gallons)	\$20.16	\$16.80	\$3.36	20.0%
4,000 Gallons	\$35.92	\$29.94	\$5.98	20.0%
4,500 Gallons	\$39.86	\$33.23	\$6.63	20.0%
10,000 Gallons	\$83.20	\$69.36	\$13.84	20.0%
31,100 Gallons (Average)	\$155.68	\$129.74	\$25.94	20.0%
RESALE				
2,370,700 Gallons (Average)	\$3.85/MGal	\$3.21 MGal	\$0.64	19.9%

The above rates represent the project-related increases to become effective upon substantial completion of the project unless otherwise ordered.

There are two (2) resale customers: Raleigh County Public Service District and the Town of Lester.

The proposed increased rates and charges related to the project will produce approximately \$239,554.00 annually in additional revenue, an increase of 21.2%. The total increase granted will not exceed this estimate unless further notice is provided.

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges among the various classes of customers are only a proposals and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing.

Anyone desiring to protest or intervene should file a written protest or request to intervene within thirty (30) days following the date of this publication unless otherwise modified by Commission order. Failure to timely protest or request to intervene can affect your right to protest aspects of this certificate case, including any associated rate increases, or to participate in future proceedings. All protests or requests to intervene should briefly state the reason for the protest or request to intervene. Requests to intervene must comply with the rules on intervention set forth in the Commission's Rules of Practice and Procedure. All protests and requests to intervene should be addressed to Sandra Squire, Executive Secretary, P.O. Box 812, Charleston, West Virginia 25323.

In the absence of substantial protest received within thirty (30) days of this publication, the Commission may waive formal hearing and grant the application based on the Commission's review of the evidence submitted with the application.

GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

EXCERPT OF MINUTES ON ELECTION OF OFFICERS,
ADOPTION OF BOND RESOLUTION AND DRAW
RESOLUTION

The undersigned SECRETARY 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 District:

Glen White-Trap Hill Public Service District met in special session, pursuant to notice duly posted, on the 23rd day of February, 2012, in Fairdale, West Virginia, at the hour of 10:00 am.

PRESENT: Robert Milam, Board Member
 Danny Tolley, Board Member
 Rick Jarrell
 John Stump, Steptoe & Johnson
 Teresa Miller, USDA
 Bill Winfrey

Robert Milam, Chairman, presided and announced that a quorum of members was present and that the meeting was open for any business properly before it.

Robert Milam was nominated as Chairman for calendar year 2012. It was unanimously voted that Robert Milam act as Chairman for calendar year 2012.

Danny Tolley was nominated as Secretary for calendar year 2012. It was unanimously voted that Danny Tolley act as Secretary for calendar year 2012.

Next, the Chairman presented a proposed Bond Resolution in writing entitled:

RESOLUTION AUTHORIZING THE REFUNDING OF THE SERIES 1974 BONDS AND SERIES 1975 BONDS, 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 \$200,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 A (UNITED STATES DEPARTMENT OF AGRICULTURE) AND OF NOT MORE THAN \$2,300,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 B (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, on motion duly made by Robert Milam and seconded by Troy Varney, it was unanimously ordered that the said Bond Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Chairman presented a proposed Draw Resolution for the approval of invoices. Thereupon, on motion duly made by Danny Tolley and seconded by Robert Milam, it was unanimously ordered that the said Draw Resolution be adopted.

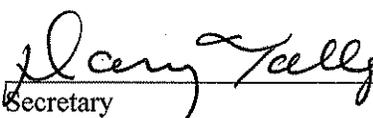
There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

[Remainder of Page Intentionally Blank]

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of Glen White-Trap Hill Public Service District and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 13th day of April, 2012.


Secretary

GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

EXCERPT OF MINUTES ON ELECTION OF OFFICERS,
ADOPTION OF BOND RESOLUTION AND DRAW
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WITNESS my signature on this 13th day of April, 2012.


Secretary

WV MUNICIPAL BOND COMMISSION
 1207 Quarrier Street
 Suite 401
 Charleston, WV 25301
 (304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: April 13, 2012

ISSUE: Glen White-Trap Hill Public Service District
Water Refunding Revenue Bonds, Series 2012 A (United States Department of Agriculture)

ADDRESS: P.O. Box 100, Fairdale, West Virginia 25839 COUNTY: Raleigh

PURPOSE OF ISSUE:

New Money: x
 Refunding: x

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 13-Apr-12

CLOSING DATE: April 13, 2012

ISSUE AMOUNT: \$200,000

RATE: 3.375%

1ST DEBT SERVICE DUE: NA

1ST PRINCIPAL DUE NA

1ST DEBT SERVICE AMOUNT NA

PAYING AGENT: Issuer

BOND COUNSEL:

Firm: Stephoe & Johnson PLLC
 Contact: John Stump, Esquire
 Phone: (304) 353.8196

UNDERWRITERS COUNSEL

Firm: _____
 Contact: _____
 Phone: _____

CLOSING BANK:

Bank: _____
 Contact: _____
 Phone: _____

ESCROW TRUSTEE:

Firm: _____
 Contact: _____
 Phone: _____

KNOWLEDGEABLE ISSUER CONTACT

Contact: Robert Milam
 Position: Chairman
 Phone: 304.934.6234

OTHER:

Agency: United States Department of Agriculture
 Contact: Teresa Miller
 Position: Rural Development Specialist
 Phone: 304-252-8644 x 163

DEPOSITS TO MBC AT CLOSE

By: _____	Wire _____	Accrued Interest: _____	\$ _____
_____	Check _____	Capitalized Interest: _____	\$ _____
_____	_____	Reserve Account: _____	\$ _____
_____	_____	Other: _____	\$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE

By: _____	Wire _____	To Escrow Trustee _____	\$ _____
_____	Check _____	To Issuer _____	\$ _____
_____	IGT _____	To Cons. Invest. Fun _____	\$ _____
_____	_____	To Other: _____	\$ _____

NOTES: Monthly debt service payments will be made by the District directly to the National Finance Office.
The Municipal Bond Commission will only hold the Series 2012 A Reserve Account. The first payment into the Reserve Account will commence 24 months following the date hereof.

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: _____
 TRANSFERS REQUIRED: _____

WV MUNICIPAL BOND COMMISSION

1207 Quarrier Street
Suite 401
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: April 13, 2012

ISSUE: Glen White-Trap Hill Public Service District
Water Revenue Bonds, Series 2012 B (United States Department of Agriculture)

ADDRESS: P.O. Box 100, Fairdale, West Virginia 25839 COUNTY: Raleigh

PURPOSE OF ISSUE:

New Money: x

Refunding: _____

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 13-Apr-12

CLOSING DATE: April 13, 2012

ISSUE AMOUNT: \$2,300,000

RATE: 2.75%

1ST DEBT SERVICE DUE: NA

1ST PRINCIPAL DUE NA

1ST DEBT SERVICE AMOUNT NA

PAYING AGENT: Issuer

BOND COUNSEL:

Firm: Stephoe & Johnson PLLC

Contact: John Stump, Esquire

Phone: (304) 353.8196

UNDERWRITERS COUNSEL

Firm: _____

Contact: _____

Phone: _____

CLOSING BANK:

Bank: _____

Contact: _____

Phone: _____

ESCROW TRUSTEE:

Firm: _____

Contact: _____

Phone: _____

KNOWLEDGEABLE ISSUER CONTACT

Contact: Robert Milam

Position: Chairman

Phone: 304.934.6234

OTHER:

Agency: United States Department of Agriculture

Contact: Teresa Miller

Position: Rural Development Specialist

Phone: 304-252-8644 x 163

DEPOSITS TO MBC AT CLOSE

By: _____ Wire
_____ Check

Accrued Interest: \$ _____

Capitalized Interest: \$ _____

Reserve Account: \$ _____

Other: \$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE

By: _____ Wire
_____ Check
_____ IGT

To Escrow Trustee \$ _____

To Issuer \$ _____

To Cons. Invest. Fund \$ _____

To Other: \$ _____

NOTES: Monthly debt service payments will be made by the District directly to the National Finance Office.
The Municipal Bond Commission will only hold the Series 2012 B Reserve Account. The first payment into
the Reserve Account will commence 24 months following the date hereof.

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: _____

TRANSFERS REQUIRED: _____

State of West Virginia *10-1900-PLD-CN*

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

CAPITOL & WASHINGTON STREETS 1 DAVIS SQUARE, SUITE 200 CHARLESTON, WV 25301
Telephone (304) 558-2981

PERMIT

PROJECT: (Water) Phase 2 Water Extension & Upgrades **PERMIT NO.:** 18,323
LOCATION: Lester, Surveyor, Posey and Saxon **COUNTY:** Raleigh **DATE:** 6-2-2009

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: install approximately 26,110 LF of 12", 30,581 LF of 6" and 5,787 LF of 2" water line; one (1) 2"/6" pressure reducing station; and all necessary valves, controls and appurtenances.

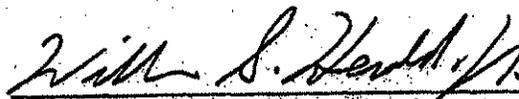
Facilities are to upgrade the existing water distribution system in the Lester and Surveyor areas and to extend water service to 60 new customers in the Posey and Saxon areas.

NOTE: This permit is contingent upon all new water line being disinfected, flushed, and bacteriologically tested; prior to use.

The Environmental Engineering Division of the OEHS 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:cls
pc: *[initials]* Pentree, Inc.
James W. Ellars, P.E., PSC-Engineering Division
Amy Swann, PSC-Water and Wastewater Division
Raleigh County Health Department
OEHS-EED Beckley DO

*** AMENDED ***
LOAN RESOLUTION
(Public Bodies)A RESOLUTION OF THE Board of DirectorsOF THE Glen White-Trap Hill Public Service DistrictAUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS Water

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO

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 FIVE HUNDRED THOUSAND AND XX / 100 DOLLARS (2,500,000.00)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.

11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities, and replacement of short lived assets.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed \$371,400.00

under the terms offered by the Government; that Chairman

and Secretary of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

Yeas 3 Nays 0 Absent 0

IN WITNESS WHEREOF, the Board of Directors of the

Glen White-Trap Hill Public Service District has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this 1st day of August, 2008

(SEAL)

Attest:

Okey Harvey
Okey Harvey
 Title Secretary

Glen White-Trap Hill Public Service District

By [Signature]
Robert L. Milam, Jr.
 Title Chairman

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 1st day of August, 2008; and that the foregoing resolution was adopted at such meeting

by the vote shown above, I further certify that as of April 13, 2012, 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 13th day of April, 2012



Title Secretary



Water and Waste System Grant Agreement

United States Department of Agriculture

Rural Utilities Service

THIS AGREEMENT dated July 8, 2002, between

GLEN WHITE-TRAP HILL PUBLIC SERVICE DISTRICT
a public corporation organized and operating under

Chapter 16 of the 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 system to serve the area under its jurisdiction at an estimated cost of \$ 1,376,000 and has duly authorized the undertaking of such project.

Grantee is able to finance not more than \$ 376,000 of the development costs through revenues, charges, taxes or assessments, or funds otherwise available to Grantee resulting in a reasonable user charge.

Said sum of \$ 376,000 has been committed to and by Grantee for such project development costs.

Grantor has agreed to grant the Grantee a sum not to exceed \$1,000,000 or 80 percent of said project 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 The Appalachian Regional Development Act of 1965, as amended, for the purpose only of defraying a part not to exceed 80 percent of the project 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, approved by the Public Service Commission of West Virginia. 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).

The proposed water system consists of approximately 33,900 feet of 4" water mains, 9200 feet of 2" water mains, and related appurtenances to provide approximately 48 additional households in the Saxon area of Raleigh County, West Virginia.

(e) 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]

(e) Use of equipment.

(e) 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:

(e) Activities sponsored by the Grantor.

(e) Activities sponsored by other Federal agencies.

(e) During the time that equipment is held for use on the property 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.

(e) 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:

- (e) 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.
- (e) 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:

- (e) 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.
- (e) 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.
- (e) 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.

(e) The Grantee's property management standards for equipment shall also include:

- (e) 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.
- (e) 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.

- (e) ©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.
- (e) 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).

N/A

M. Provide Financial Management Systems which will include:

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.
2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.
3. Effective control over and accountability for all funds, property and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.
4. Accounting records supported by source documentation.

N. Retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least three years after grant closing except that the records shall be retained beyond the three-year period if audit findings have not been resolved. Microfilm or photo copies or similar methods may be substituted in lieu of original records. The Grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Grantee's government which are pertinent to the specific grant program for the purpose of making audits, examinations, excerpts and transcripts.

O. Provide information as requested by the Grantor to determine the need for and complete any necessary Environmental Impact Statements.

P. Provide an audit report prepared in accordance with Grantor regulations to allow the Grantor to determine that funds have been used in compliance with the proposal, any applicable laws and regulations and this Agreement.

Q. Agree to account for and to return to Grantor interest earned on grant funds pending their disbursement for program purposes when the Grantee is a unit of local government. States and agencies or instrumentality's of states shall not be held accountable for interest earned on grant funds pending their disbursement.

R. Not encumber, transfer or dispose of the property or any part thereof, furnished by the Grantor or acquired wholly or in part with Grantor funds without the written consent of the Grantor except as provided in item K above.

S. To include in all contracts for construction or repair a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR, Part 3). The Grantee shall report all suspected or reported violations to the Grantor.

T. To include in all contracts in excess of \$100,000 a provision that the contractor agrees to comply with all the requirements of the Clean Air Act (42 U.S.C. §7414) and Section 308 of the Water Pollution Control Act (33 U.S.C. §1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 of the Clean Air Act and Section 308 of the Water Pollution Control Act and all regulations and guidelines issued thereunder after the award of the contract. In so doing the Contractor further agrees:

[Revision 1, 11/20/1997]

1. As a condition for the award of contract, to notify the Owner of the receipt of any communication from the Environmental Protection Agency (EPA) indicating that a facility to be utilized in the performance of the contract is under consideration to be listed on the EPA list of Violating Facilities. Prompt notification is required prior to contract award.

2. To certify that any facility to be utilized in the performance of any nonexempt contractor subcontract is not listed on the EPA list of Violating Facilities pursuant to 40 CFR Part 32 as of the date of contract award.

[Revision 1, 11/20/1997]

3. To include or cause to be included the above criteria and the requirements in every nonexempt subcontract and that the Contractor will take such action as the Government may direct as a means of enforcing such provisions.

As used in these paragraphs the term "facility" means any building, plan, installation, structure, mine, vessel or other floating craft, location, or site of operations, owned, leased, or supervised by a Grantee, cooperator, contractor, or subcontractor, to be utilized in the performance of a grant, agreement, contract, subgrant, or subcontract. Where a location or site of operation contains or includes more than one building, plant, installation, or structure, the entire location shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are co-located in one geographical area.

Grantor Agrees That It:

A. Will make available to Grantee for the purpose of this Agreement not to exceed \$ 1,000,000 which it will advance to Grantee to meet not to exceed 80 percent of the project development costs of the project in accordance with the actual needs of Grantee as determined by Grantor.

B. Will assist Grantee, within available appropriations, with such technical assistance as Grantor deems appropriate in planning the project and coordinating the plan with local official comprehensive plans for sewer and water and with any State or area plans for the area in which the project is located.

C. At its sole discretion and at any time may give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (1) advisable to further the purpose of the grant or to protect Grantor's financial interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.

Termination of This Agreement

This Agreement may be terminated for cause in the event of default on the part of the Grantee as provided in paragraph I above or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the project will not produce beneficial results commensurate with the further expenditure of funds.

In witness whereof Grantee on the date first above written has caused these presence to be executed by its duly authorized

Chairman

attested and its corporate seal affixed by its duly authorized

Secretary

Attest: Glen White-Trap Hill Public Service District

By

LEE MILAM

(Title)

Chairman

By

E. K. CANTLEY

(Title)

Secretary

UNITED STATES OF AMERICA

RURAL UTILITIES SERVICE

By

TERESA A. MILLER

(Title)

Rural Development Specialist

*** AMENDED ***

WATER OR WASTE SYSTEM GRANT AGREEMENT
UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

THIS AGREEMENT dated August 1, 2008 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 \$ 3,871,400 and has duly authorized the undertaking of such project.

Grantee is able to finance not more than \$ 2,500,000 of the development cost through revenues, charges, taxes or assessments, or funds otherwise available to Grantee resulting in a reasonable user charge.

Said sum of \$ 2,500,000 has been committed to and by Grantee for such project development costs.

Grantor has agreed to grant the Grantee a sum not to exceed \$ 371,400 or 9.59% 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 35.42% 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.

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).

All that real property and appurtenances associated with the Glen White-Trap Hill water system.

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 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).

N/A

M. Provide Financial Management Systems which will include:

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.
2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.
3. Effective control over and accountability for all funds, property and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.
4. Accounting records supported by source documentation.

N. Retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least three years after grant closing except that the records shall be retained beyond the three-year period if audit findings have not been resolved. Microfilm or photo copies or similar methods may be substituted in lieu of original records. The Grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Grantee's government which are pertinent to the specific grant program for the purpose of making audits, examinations, excerpts and transcripts.

O. Provide information as requested by the Grantor to determine the need for and complete any necessary Environmental Impact Statements.

P. Provide an audit report prepared in accordance with Grantor regulations to allow the Grantor to determine that funds have been used in compliance with the proposal, any applicable laws and regulations and this Agreement.

Q. Agree to account for and to return to Grantor interest earned on grant funds pending their disbursement for program purposes when the Grantee is a unit of local government. States and agencies or instrumentality's of states shall not be held accountable for interest earned on grant funds pending their disbursement.

R. Not encumber, transfer or dispose of the property or any part thereof, furnished by the Grantor or acquired wholly or in part with Grantor funds without the written consent of the Grantor except as provided in item K above.

S. To include in all contracts for construction or repair a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR, Part 3). The Grantee shall report all suspected or reported violations to the Grantor.

T. To include in all contracts in excess of \$100,000 a provision that the contractor agrees to comply with all the requirements of the Clean Air Act (42 U.S.C. §7414) and Section 308 of the Water Pollution Control Act (33 U.S.C. §1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 of the Clean Air Act and Section 308 of the Water Pollution Control Act and all regulations and guidelines issued thereunder after the award of the contract. In so doing the Contractor further agrees:

[Revision 1. 11/20/1997]

1. As a condition for the award of contract, to notify the Owner of the receipt of any communication from the Environmental Protection Agency (EPA) indicating that a facility to be utilized in the performance of the contract is under consideration to be listed on the EPA list of Violating Facilities. Prompt notification is required prior to contract award.

2. To certify that any facility to be utilized in the performance of any nonexempt contractor subcontract is not listed on the EPA list of Violating Facilities pursuant to 40 CFR Part 32 as of the date of contract award.

[Revision 1, 11/20/97]

3. To include or cause to be included the above criteria and the requirements in every nonexempt subcontract and that the Contractor will take such action as the Government may direct as a means of enforcing such provisions.

As used in these paragraphs the term "facility" means any building, plan, installation, structure, mine, vessel or other floating craft, location, or site of operations, owned, leased, or supervised by a Grantee, cooperator, contractor, or subcontractor, to be utilized in the performance of a grant, agreement, contract, subgrant, or subcontract. Where a location or site of operation contains or includes more than one building, plant, installation, or structure, the entire location shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are co-located in one geographical area.

Grantor Agrees That It:

A. Will make available to Grantee for the purpose of this Agreement not to exceed \$ 371,400.00, which it will advance to Grantee to meet not to exceed 9.59% percent of the project development costs of the project in accordance with the actual needs of Grantee as determined by Grantor.

B. Will assist Grantee, within available appropriations, with such technical assistance as Grantor deems appropriate in planning the project and coordinating the plan with local official comprehensive plans for sewer and water and with any State or area plans for the area in which the project is located.

C. At its sole discretion and at any time may give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (1) advisable to further the purpose of the grant or to protect Grantor's financial interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.

Termination of This Agreement

This Agreement may be terminated for cause in the event of default on the part of the Grantee as provided in paragraph I above or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the project will not produce beneficial results commensurate with the further expenditure of funds.

In witness whereof Grantee on the date first above written has caused these presence to be executed by its duly authorized

Chairman

and attested and its corporate seal affixed by its duly authorized

Secretary

Attest:

By: Okey Harvey
Okey Harvey

(Title) Secretary

By: Robert L. Milam, Jr.

Robert L. Milam, Jr.

(Title) Chairman

UNITED STATES OF AMERICA

RURAL UTILITIES SERVICE

By: Teresa A. Miller

TERESA A. MILLER

Rural Development Specialist

(Title)

12:34 PM DEC 22 2010 PSC EXEC SEC DIV



10-1900-PWD-CN

May 13, 2003

RECEIVED
MAY 15 2003

Lee Milam, Chairman
Glen White/Trap Hill Public Service District
Post Office Box 100
Fairdale, West Virginia 25839

BY:.....

Dear Mr. Milam:

Congratulations on the approval of an Appalachian Regional Commission (ARC) grant of \$1,000,000 for the Glen White/Trap Hill Public Service District (PSD) Water Upgrade & Extensions project submitted by the PSD. A copy of the approval letter and official ARC project description are enclosed. Please note that the U. S. Department of Agriculture/Rural Utilities Service (USDA/RUS) is responsible for the management of the grant. You must wait for their approval prior to initiating this project. Please keep this information with your project files.

Should there be a need for any changes in the scope of the project or project funding, a request should be made to the West Virginia Development Office.

Please be aware that ARC funds are considered to be the last source of funding committed to a project. Should there be a cost underrun, the funds not used are considered ARC funds and would be returned to the Commission.

If you should have any questions, please feel free to contact me at 304-558-2001.

Sincerely,

A handwritten signature in cursive script that reads 'Thomas J. Saunders'.

Tom Saunders
ARC Representative

TJS:th
Enclosures
cc: ✓ Bob Hazlewood
Rose Mary Christian, USDA/RD
Region I PDC



Notice to Obligate

To: Hilda G. Legg, Administrator
Rural Utilities Service
U.S. Department of Agriculture
South Building, Room 5014
14th & Independence Avenue, SW
Washington, DC 20250
Attn: Robin Pulkkinen STOP Code 1570

cc: Mary Vance
Financial Accounting Branch - St. Louis
Rural Development
FC-361
POB 200011
St. Louis, MO 63120-0011

Pursuant to the Appalachian Regional Development Act of 1965, as amended, the Appalachian Regional Commission has approved the referenced project under appropriation 46X0200. Rural Development has agreed to obligate and administer the grant under the Memorandum of Agreement between ARC and USDA.

ARC Project Number: WV-14461-03-I-214

Project Title: Glen White/Trap Hill PSD Water Upgrade and Extensions

Grantee: Glen White/Trap Hill Public Service District
(Raleigh County, WV)

Approved Funding:

Table with 3 columns: Funding Source, Amount, and Percentage. Rows include ARC Section 214, RD Grant, RD Loan, Other Federal, State, Local, and Total Project Cost.

Authorized USDA Administrative Charge: na

Approved:

Handwritten signature of Anne B. Pope

APR 29 2003

Anne B. Pope
Federal Co-Chair

Date



APPALACHIAN REGIONAL COMMISSION *A Proud Past, A New Vision*

To: Anne B. Pope
Federal Co-Chair

Subject: Glen White/Trap Hill PSD Water Upgrade and Extensions
WV-14461-03-I-214

Grantee: Glen White/Trap Hill Public Service District (West Virginia)

County: Raleigh (distressed) **Basic Agency:** USDA Rural Development

Goal: ARC Goal 2: *Appalachian communities will have the physical infrastructure necessary for self-sustaining economic development and improved quality of life.*

Purpose: To extend water service to new customers and upgrade existing service by constructing storage tanks and line extensions.

Funding:

ARC (DC)	\$1,000,000	19%	
Federal	1,676,000	33%	(RD Grant)
<u>Local</u>	<u>+2,449,000</u>	<u>48%</u>	<u>(RD Loan)</u>
Total	\$5,125,000	100%	

Description: The Glen White-Trap Hill Public Service District (PSD) has requested ARC assistance for a project that will upgrade water service for existing customers, and provide new service for residents in nearby communities. The PSD's system has hydraulic limitations that affect water pressure and the reliability of service for 3,287 existing customers. To remedy these problems, three new water storage tanks (two 500,000-gallon and one 100,000-gallon) would be built, and 17 miles of water line would be added or replaced. These upgrades will also allow expanded service to 88 customers in the Cove Creek, Webb Fork and Lily Mountain areas, where many residents use cisterns or wells that generally yield water with high mineral content. In addition, 1,735 water meters will be replaced and 17 fire hydrants will be installed.

Rationale:

- The original Glen White water system was built in 1974 to serve 1,500 customers but now serves more than twice that number. Upgrades are needed to provide reliable supplies of potable water.
- Residents in nearby areas use cisterns or wells that provide poor water quality or quantity.
- Additional capacity is needed to facilitate service to future development, including single family housing in this area near Beckley.

Benefits:

- Three new water tanks, telemetry improvements, and line replacements will stabilize water pressure for customers and help meet state recommendations for minimum storage and fire flow.
- Residential customers will gain access to public water, limiting problems posed by wells and cisterns. Fire hydrants will also provide fire protection for new customers, helping to reduce insurance rates.

Glen White-Trap Hill PSD Water Upgrade and Extensions

WV-14461-03-I-214

Page 2

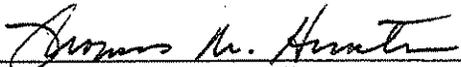
Performance Measurement:

Outputs: 17.4 miles (91,970 LF) water line
3 water storage tanks totaling 1.1 million gallons
Improved service for 3,287 existing customers

Outcomes: 88 new household customers served

This project is consistent with the ARC Act and Code and is recommended for funding.

RECOMMENDED:



THOMAS M. HUNTER
Executive Director



08:32 AM MAR 24 2011 PSC EXEC SEC DIV

west virginia department of environmental protection

Office of Abandoned Mine Lands
601 57th Street, S.E.
Charleston, WV 25304
(304) 926-0499

Joe Manchin III, Governor
Randy C. Huffman, Cabinet Secretary
www.wvdep.org

September 18, 2009

Mr. Ronald Dillon
Glen White-Trap Hill PSD
P.O. Box 100
Fairdale, WV 25837

Re: Glen White-Trap Hill PSD Raleigh
County Routes 1/12, 2/4, 17/6 Waterline
Extension Project, ID# 326 & 345

Dear Mr. Dillon:

The Office of Abandoned Mine Lands and Reclamation is pleased to inform you that the feasibility study on Glen White-Trap Hill PSD Raleigh County Routes 1/12, 2/4, 17/6 Waterline Extension Project, ID# 326 & 345 has been completed. The study on ID#326 was split into two studies, #326 and #326A. The #326A study was in the Saxon area while #326 was in the Clear Fork and Harper Branch area of the map. Based on the feasibility study conducted by Buchart Horn Engineering, the agency is able to fund 50% of the project construction on #326A and 67% of the project construction on #326. The current estimate for the total construction cost on #326A is \$1,464,500 while the estimated cost on #326 is \$1,518,000.

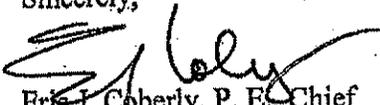
The study determined that the agency was able to fund 100% of the estimated \$68,000 construction cost for ID #345. This estimate is for the installation of approximately 4,000 feet of one inch waterline from the PSD's current water main.

Please find attached a copy of the report for your records. Your projects will be rated and a priority score given upon completion of other studies currently being completed.

It will be your responsibility to inform the AML office of the progress made on your project. Grant funds for construction will not be assigned to a specific grant year until the project has reached Readiness to Proceed, as defined by the WSSAC. It is the agency's goal to utilize all of the money in each grant year for construction of projects that benefit the West Virginia citizens.

If you have any questions or would like to discuss the steps necessary to complete your particular project, please contact me at (304) 926-0499, Ext. 1472.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric J. Coberly". The signature is written in a cursive style with a large initial "E".

Eric J. Coberly, P. E., Chief
Office of Abandoned Mine Lands & Reclamation

Enclosure

Brandy Lane

From: Wood, Jim [James.WoodJr@cityholding.com]
Sent: Monday, April 30, 2012 9:08 AM
To: Brandy Lane
Subject: RE: Glen White-Trap Hill Public Service District

We received \$449,617.98

From: Brandy Lane [mailto:Brandy.Lane@steptoe-johnson.com]
Sent: Monday, April 30, 2012 8:13 AM
To: Wood, Jim
Subject: Glen White-Trap Hill Public Service District

!!! If this email is UNEXPECTED - be Careful
DO NOT click Any UNKNOWN LINKS !!!

Mr. Wood,

I attach the Receipt of Depository Bank for Glen White Trap Hill. Will you please print and sign four and mail them to my attention at the address below?

Thank you,

Brandy Lane
Project Finance Coordinator
Steptoe & Johnson PLLC
P.O. Box 1588, Charleston, WV 25326-1588
Overnight
Chase Tower, 8th Floor
707 Virginia Street, East, Charleston, WV 25301
O: 304-556-8276 F: 304-353-8180 C:

brandy.lane@steptoe-johnson.com
www.steptoe-johnson.com



CONFIDENTIALITY NOTE:

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Steptoe & Johnson PLLC

GLEN WHITE TRAP HILL PUBLIC SERVICE DISTRICT

**RESOLUTION OF THE
GLEN WHITE TRAP HILL PUBLIC SERVICE DISTRICT
APPROVING INVOICES RELATING TO SERVICES FOR THE PROPOSED WATER PROJECT AND
AUTHORIZING PAYMENT THEREOF,**

WHEREAS, the Glen White Trap Hill Public Service District, has reviewed the invoices attached hereto and incorporated herein by reference relation to the Project funded by the United States Department of Agriculture (USDA); and find as follows:

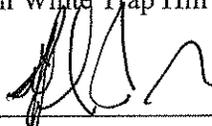
- a) That none of the items for which payment is proposed is also being paid from another source.
- b) That each item for which the payment is proposed to be paid is or was necessary in connection with the Project and constitutes a Cost of the project.
- c) That each of such costs has been otherwise properly incurred.
- d) That the payment for each of the items proposed is due and owing.

NOW, THEREFOR, BE IT RESOLVED Glen White Trap Hill Public Service District by as follows:
There is hereby authorized and directed the payment of the attached invoices as follows:

Vendor	Total	USDA (2012 A)	USDA (2012 B)
William Winfrey	14,400.00	0.00	14,400.00
Steptoe & Johnson	25,000.00	0.00	25,000.00
WV Dept of Transportation	22,338.50	3,860.36	18,478.14
Pentree	196,139.64	196,139.64	0.00
Berkadia	191,739.84	0.00	191,739.84
TOTAL	\$449,617.98	\$200,000.00	\$249,617.98

ADOPTED BY the Glen White Trap Hill Public Service District, at the meeting held on the 11th day of April, 2012

Glen White Trap Hill Public Service District

By:  _____

Its: Chairman

Attachment No. 1 to Letter of Conditions
 For: Glen White-Trap Hill PSD
 Date: April 11, 2012

Project Construction Budget

<u>PROJECT COST</u>	<u>ARC GRANT</u>	<u>AML GRANT</u>	<u>TOTAL RUS GRANT</u>	<u>TOTAL RUS LOAN</u>	<u>TOTAL</u>
CONSTRUCTION	\$ 1,000,000	\$ 635,143		\$ 1,510,162	\$ 3,145,305
CONST. CONTINGENCY			\$ 220,170	\$ 34,708	\$ 254,878
LAND & RIGHTS				\$ 27,000	\$ 27,000
LEGAL FEES			\$ 3,600	\$ 14,400	\$ 18,000
BOND COUNSEL				\$ 25,000	\$ 25,000
ACCOUNTING				\$ 12,000	\$ 12,000
ENGINEERING FEES			\$ 53,270	\$ 382,730	\$ 436,000
Basic - \$ 236,000					
Insp. - \$ 180,000					
Special - : 20,000					
INTEREST				\$ 140,000	\$ 140,000
EQUIPMENT				\$ 25,000	\$ 25,000
GMAC LOAN				\$ 193,000	\$ 193,000
PROJECT CONTG.			\$ 94,360	\$ 136,000	\$ 230,360
TOTAL	\$ 1,000,000	\$ 635,143	\$ 371,400	\$ 2,500,000	\$ 4,506,543

USDA 
United States Department of Agriculture
Rural Development
West Virginia State Office

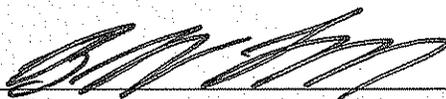
April 13, 2012

Glen White-Trap Hill Public Service District
Water Revenue Bonds, Series 2012 A; and
Water Revenue Bonds, Series 2012 B
(United States Department of Agriculture)

TO WHOM IT MAY CONCERN:

The undersigned duly authorized representative of the United States of America, acting through the Rural Utilities Service, United States Department of Agriculture, the present holder of the Prior Bonds, hereinafter defined and described, hereby (i) consents to the issuance of the Water Revenue Bonds, Series 2012 A (United States Department of Agriculture), in the original aggregate principal amount of \$200,000, and the Water Revenue Bonds, Series 2012 B (United States Department of Agriculture), in the original aggregate principal amount of \$2,300,000 (collectively, the "Bonds"), by Glen White-Trap Hill Public Service District (the "Issuer"), under the terms of the bond resolution authorizing the issuance of the Bonds (the "Resolution"), on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding Water Revenue Bonds, Series 2007 A, dated September 26, 2007, issued in the original aggregate principal amount of \$2,249,000 (the "Prior Bonds").

WITNESSETH my signature on this 13th day of April, 2012.



State Director

1550 Earl Core Road, Suite 101, Morgantown, WV 26505
304.284.4860 • 1.800.295.8228 • 304.284-4893 • TTY/TDD 304.284.4836 • Web: <http://www.rurdev.usda.gov>

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).

Servicing Operations Center
118 Welsh Road
Horsham PA 19044

BERKADIATM
Commercial Mortgage

April 17, 2012

Glen White-Trap Hill Public
100 Brunty Hollow Road
P.O. Box 100
Fairdale, WV 25839-0000

RE: Loan Number 01-0596201 & 01-0596205

LOAN PREPAYMENT NOTIFICATION

We acknowledge receipt of payment on the subject loan. Accordingly, we are in the process of reviewing the satisfaction conditions of your mortgage totaling an original debt of \$500,000.00 and \$330,000.00 respectively. If applicable, we have enclosed a check for the amount of your cash escrows not applied against your payoff.

Consequently, you are solely responsible for any unpaid tax, insurance or property expenses previously covered by your loan. Please provide a copy of this letter to your Property Insurance Agent in order to have this loan removed as the Loss Payee on your policy.

Please retain this notification as evidence of your payment. Furthermore, this letter does not release you from any obligations remaining under your loan documents. You will receive a final notification after your local jurisdiction has recorded the satisfaction of your debt. In the interim, please feel free to contact me directly with any questions.

Sincerely,

Rob Gupit
Client Relations Agent
Toll Free: 888-334-4622

Officer's Certification:



James Goodall
Vice President

Servicing Operations Center
118 Welsh Road
Horsham PA 19044

BERKADIATM
Commercial Mortgage

April 17, 2012

Glen White-Trap Hill Public
100 Brunty Hollow Road
P.O. Box 100
Fairdale, WV 25839-0000

RE: Loan Number 01-0596203

LOAN PREPAYMENT NOTIFICATION

We acknowledge receipt of payment on the subject loan. Accordingly, we are in the process of reviewing the satisfaction conditions of your mortgage totaling an original debt of \$425,000.00. If applicable, we have enclosed a check for the amount of your cash escrows not applied against your payoff.

Consequently, you are solely responsible for any unpaid tax, insurance or property expenses previously covered by your loan. Please provide a copy of this letter to your Property Insurance Agent in order to have this loan removed as the Loss Payee on your policy.

Please retain this notification as evidence of your payment. Furthermore, this letter does not release you from any obligations remaining under your loan documents. You will receive a final notification after your local jurisdiction has recorded the satisfaction of your debt. In the interim, please feel free to contact me directly with any questions.

Sincerely,

Rob Gupit
Client Relations Agent
Toll Free: 888-334-4622

Officer's Certification:



James Goodall
Vice President

GLEN WHITE TRAP HILL PUBLIC SERVICE DISTRICT

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

BOND RESOLUTION

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CERTIFICATION

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.

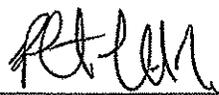
Section 7.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular 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]

Steve C. Hawrey
Secretary

333370.00001

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.

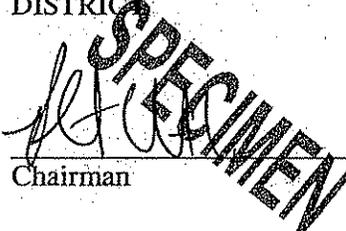
THIS BOND IS ISSUED JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S (I) WATER REVENUE BONDS, SERIES 1974 (GENERAL MOTORS ACCEPTANCE CORPORATION), DATED JUNE 26, 1974, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT 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.

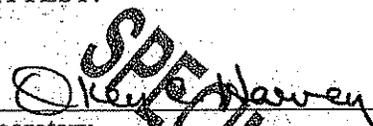
GLEN WHITE TRAP HILL PUBLIC SERVICE DISTRICT

[CORPORATE SEAL]



Chairman

ATTEST:



Secretary

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(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:
