MALDEN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program);
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA); and
Sewer Revenue Bonds, Series 2009 C
(United States Department of Agriculture)

BOND TRANSCRIPT

Closing Date: August 26, 2009

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MALDEN PUBLIC SERVICE DISTRICT

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(West Virginia SRF Program);
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA); and
Sewer Revenue Bonds, Series 2009 C
(United States Department of Agriculture)

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MALDEN PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE PAYMENT IN FULL OF THE DISTRICT'S SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA INFRASTRUCTURE FUND) AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2006 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF MALDEN PUBLIC SERVICE DISTRICT AND THE FINANCING OF A PORTION OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $2,834,985 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM); NOT MORE THAN $6,614,965 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA); AND NOT MORE THAN $2,175,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 C (UNITED STATES DEPARTMENT OF AGRICULTURE); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING THE ARRA ASSISTANCE AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF MALDEN PUBLIC SERVICE DISTRICT:

ARTICLE I
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

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

B. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health, safety, advantage, convenience and welfare of the inhabitants of the Issuer that there be acquired and constructed certain improvements and extensions to the existing public sewerage system of the Issuer, consisting of construction of certain additions and improvements to its existing sanitary sewer and collection and pumping system to correct problems with high inflow and infiltration to eliminate the District's sanitary sewer overflow and to meet the requirements of the NPDES permit together with all appurtenant facilities (collectively, the "Project"), which constitute properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (the existing public sewerage system of the Issuer, the Project and any further additions, betterments and improvements thereto or extensions thereof are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer has heretofore issued its Series 2006 A Bonds and its Series 2006 B Bonds (collectively, the "Design Bonds"), as more fully described herein, to temporarily finance a portion of the cost of design of the Project and hereby determines that it is necessary and desirable to permanently finance and pay in full the Design Bonds.

D. The Issuer intends to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Department of Environmental Protection and the United States Department of Agriculture (the "Purchaser") pursuant to the Act.

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

F. The estimated maximum cost of the acquisition and construction of the Project is $12,558,939, of which $2,834,985 will be obtained from the proceeds of sale of the Series 2009 A Bonds, $6,614,965 will be obtained from the proceeds of the sale of the Series 2009 B Bonds, $2,175,000 will be obtained form the proceeds of the sale of the Series 2009 C Bonds, all herein authorized, $800,000 will be obtained as a grant from the Purchaser and $133,989 will be obtained as a grant from the West Virginia Infrastructure and Jobs Development Council.

G. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), in the aggregate principal amount of not more than $2,834,985 (the "Series 2009 A Bonds"), Sewer Revenue Bonds, Series 2009 B (West

Virginia SRF Program/ARRA), in the aggregate principal amount of not more than $6,614,965 (the "Series 2009 B Bonds") and Sewer Revenue Bonds, Series 2009 C (United States Department of Agriculture), in the aggregate principal amount of not more than $2,175,000 (the "Series 2009 C Bonds" and, together with the Series 2009 A Bonds and the Series 2009 B Bonds, the "Series 2009 Bonds"), to permanently finance a portion of the costs of acquisition and construction of the Project and to pay the Design Bonds in full. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2009 Bonds prior to and during acquisition and construction of the Project and for a period not exceeding six (6) months after completion of acquisition and construction of the Project; amounts which may be deposited in the respective Reserve Accounts (as hereinafter defined); the costs of paying the Design Bonds in full; engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, including the SRF Administrative Fee (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2009 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the cost of design, acquisition and construction of the Project, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2009 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

I. It is in the best interests of the Issuer that the Series 2009 A Bonds and the Series 2009 B Bonds be sold to the Authority pursuant to the terms and provisions of an ARRA assistance agreement by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), in form satisfactory to the Issuer, the Authority and the DEP (the "ARRA Assistance Agreement"), and that the Series 2009 C Bonds be sold to the Purchaser, pursuant to the terms and provisions of the Letter of Conditions, dated March 10, 2009, and all amendments thereto, if any (collectively, the "Letter of Conditions"), all of which are approved hereby if not previously approved by resolution of the Issuer.

J. Upon payment of the Design Bonds, there are outstanding obligations of the Issuer which will rank on a parity with the Series 2009 Bonds as to liens, pledge and source of and security for payment, being the Sewer Revenue Bonds, Series 1978, dated December 21, 1978, issued in the original aggregate principal amount of $7,040,000, currently held by the West Virginia Water Development Authority (the "Series 1978 Bonds"). The Series 1978 Bonds may hereinafter be referred to as the "Prior Bonds."

Prior to the issuance of the Series 2009 Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) obtain the written consent of the Holders of the Prior Bonds to the issuance of the Series 2009 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.

K. The estimated revenues to be derived in each year following completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest on the Bonds, and to make payments into all Sinking Funds, Reserve Accounts and other payments provided for herein, all as such terms are hereinafter defined.

L. The Issuer has complied with all requirements of West Virginia law, the Letter of Conditions and the ARRA Assistance Agreements relating to authorization of the design, acquisition, construction and operation of the Project and the System and issuance of the Series 2009 Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the approval of the Project and the financing hereof by the West Virginia Infrastructure and Jobs Development Council and the obtaining of a certificate of public convenience and necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2009 Bonds or such final order will not be subject to appeal or rehearing.

K. The Project has been approved by the West Virginia Infrastructure and Jobs Development Council as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2009 Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Series 2009 Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

Section 1.04. Definitions. The following terms shall have the following meanings herein unless the context expressly requires otherwise:

"Act" means, collectively, Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"ARRA Assistance Agreement" means the ARRA assistance agreement heretofore entered, or to be entered, into by and among the Authority, the DEP and the Issuer, providing for the purchase of the Series 2009 A Bonds and the Series 2009 B Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2009 A Bonds and the Series 2009 B Bonds, or any other agency of the State of West Virginia that succeeds to the functions of the Authority.

"Authorized Officer" means the Chairman of the Governing Body of the Issuer or any temporary Chairman duly selected by the Governing Body.

"Bondholder," "Holder of the Bonds," "Holder," "Registered Owner" or any similar term whenever used herein with respect to an outstanding Bond or Bonds, means the person in whose name such Bond is registered.

"Bond Legislation," "Resolution," "Bond Resolution" or "Local Act" means this Bond Resolution and all orders and resolutions supplemental hereto or amendatory hereof.

"Bond Registrar" means the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns.

"Bonds" means, collectively, the Series 2009 Bonds, the Prior Bonds, and any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

"Bond Year" means the 12-month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year, except that the first Bond Year shall begin on the Closing Date.

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

"Closing Date" means the date upon which there is an exchange of the Series 2009 Bonds for all or a portion of the proceeds of the Series 2009 A Bonds from the Authority on behalf of the DEP, for all or a portion of the proceeds of the Series 2009 B Bonds from the Authority on behalf of the DEP and for all or a portion of the proceeds of the Series 2009 C Bonds from the Purchaser.

"Code" means the Internal Revenue Code of 1986, as amended, and the Regulations.

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

"Completion Date" means the completion date of the Project, as defined in the SRF Regulations.

"Consulting Engineers" means Thrasher Engineering, Inc., Clarksburg, West Virginia, or any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System or portion thereof, in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions.

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

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

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

"Design Bonds" means, collectively, the Series 2006 A Bonds and Series 2006 B Bonds.

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

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

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

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

"Grants" means, collectively, all grant monies received by the Issuer for the Project.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital

assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 8.01 hereof) or any Tap Fees, as hereinafter defined.

"Herein," "hereto" and similar words shall refer to this entire Bond Legislation.

"Independent Certified Public Accountants" means any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the System or for any other purpose except keeping the accounts of the System in the normal operation of its business and affairs.

"Issuer" or "Borrower" means Malden Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia in Kanawha County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Net Proceeds" means the face amount of the Series 2009 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the respective Series 2009 Bonds Reserve Accounts. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2009 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means the balance of the Gross Revenues, remaining after deduction of Operating Expenses, as hereinafter defined.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, maintenance and operation of the System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the costs, the SRF Administrative Fee, fees and expenses of the Authority, fiscal agents, the Depository Bank, the Registrar and the Paying Agent (all as herein defined), other than those capitalized as part of the costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered, except (i) any Bond cancelled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which monies, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to

have been paid as provided in Article X hereof; and (iv) for purposes of consents or other action by a specified percentage of Bondholders, any Bonds registered to the Issuer.

"Parity Bonds" means additional Bonds issued under the provisions and within the limitations prescribed by Section 7.07 hereof.

"Paying Agent" means the Commission or other entity designated as such for the Series 2009 A Bonds and the Series 2009 B Bonds in the Supplemental Resolution with the written consent of the Authority and the DEP.

"Prior Bonds" means the Series 1978 Bonds.

"Prior Resolutions" means the resolution of the Issuer, as supplemented, authorizing the Prior Bonds.

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

"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, which is expected to be the original purchaser and Registered Owner of the Series 2009 C Bonds.

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

(a) Government Obligations;

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

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

(d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the

extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

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

(h) The West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the West Virginia Code of 1931, as amended, including, without limitation, authorized pools of investments operated by such State Board of Investments; and

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

"Registrar" means the Bond Registrar.

"Regulations" means temporary and permanent regulations promulgated under the Code or any predecessor to the Code.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by the Prior Resolutions and continued hereby.

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Series 2009 Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in any reserve account for the Series 2009 Bonds and the Prior Bonds.

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

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

"Series 1978 Bonds" means the Issuer's Sewer Revenue Bonds, Series 1978, dated December 21, 1978, issued in the original aggregate principal amount of $7,040,000, currently held by the West Virginia Water Development Authority.

"Series 2006 A Bonds" means the Sewerage System Design Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), dated October 5, 2006, issued in the original aggregate principal amount of $200,000.

"Series 2006 B Bonds" means the Sewerage System Design Revenue Bonds, Series 2006 B (West Virginia Water Development Authority), dated October 5, 2006, issued in the original aggregate principal amount of $694,500.

"Series 2009 Bonds" means, collectively, the Series 2009 A Bonds, the Series 2009 B Bonds and the Series 2009 C Bonds, authorized by this Resolution.

"Series 2009 Bonds Construction Trust Fund" means the Series 2009 Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2009 A Bonds" means the Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), of the Issuer, authorized by this Resolution.

"Series 2009 A Bonds Reserve Account" means the Series 2009 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2009 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2009 A Bonds in the then current or any succeeding year.

"Series 2009 A Bonds Sinking Fund" means the Series 2009 A Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2009 B Bonds" means the Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), of the Issuer, authorized by this Resolution.

"Series 2009 B Bonds Reserve Account" means the Series 2009 B Bonds Reserve Account established by Section 5.02 hereof.

"Series 2009 B Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2009 B Bonds in the then current or any succeeding year.

"Series 2009 B Bonds Sinking Fund" means the Series 2009 B Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2009 C Bonds" means the Sewer Revenue Bonds, Series 2009 C (United States Department of Agriculture), of the Issuer, authorized by this Resolution.

"Series 2009 C Bonds Reserve Account" means the Series 2009 C Bonds Reserve Account established by Section 5.02 hereof.

"Series 2009 C Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2009 C Bonds in the then current or any succeeding year.

"Sinking Funds" means, collectively, the respective sinking funds established for the Series 2009 Bonds and the Prior Bonds.

"SRF Administrative Fee" means any administrative fee required to be paid under the ARRA Assistance Agreement.

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

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

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the supplemental resolution or resolutions authorizing the sale of the Series 2009 Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2009 Bonds, and not so included, may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2009 Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund, the Sinking Funds and the Reserve Accounts.

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

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

Additional terms and phrases are defined in this Resolution as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Chairman or the Secretary shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Chairman or Acting Secretary.

ARTICLE II
AUTHORIZATION OF THE ACQUISITION AND CONSTRUCTION OF THE PROJECT AND THE PAYMENT OF THE DESIGN BONDS

Section 2.01. Authorization of the Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, including the payment of the Design Bonds, at an estimated cost of $12,558,939, which will be paid from proceeds of the Series 2009 Bonds, a grant of $800,000 from the Purchaser and $133,989 a grant from the West Virginia Infrastructure and Jobs Development Council, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2009 Bonds hereby authorized shall be applied as provided in Article VI hereof, respectively. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, in an amount and otherwise compatible with the financing plan submitted to the Purchaser, the Authority and the DEP.

Section 2.02. Authorization of Payment of Design Bonds. The Design Bonds Outstanding as of the date of issuance of the Series 2009 Bonds are hereby ordered to be paid in full, and the pledge of Net Revenues in favor of the Holders of the Design Bonds, imposed by the Design Bonds' Resolutions and the monies in the funds and accounts created by the Design Bonds pledged to payment of the Design Bonds, and any other funds pledged by the Design Bonds' Resolutions to payment of the Design Bonds are hereby ordered terminated, discharged and released upon the payment to the Holder of the Design Bonds from the proceeds of the Series 2009 Bonds and from other monies available therefor, of the following: an amount equal to the fiscal and paying agent charges to become due and payable in connection with the Design Bonds and an amount which will provide for the payment of the entire outstanding principal of and all accrued interest on the Design Bonds, plus the premium, if any, on the Closing Date.

ARTICLE III
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF ARRA ASSISTANCE AGREEMENTS

Section 3.01. Authorization of Bonds. For the purposes of paying the Design Bonds in full, capitalizing interest on the Series 2009 Bonds, funding reserve accounts for the Series 2009 Bonds, paying a portion of the Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2009 Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 2009 Bonds of the Issuer. The Series 2009 A Bonds shall be issued as a single bond, designated as "Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program)," in an aggregate principal amount of not more than $2,834,985, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The Series 2009 B Bonds shall be issued as a single bond, designated as "Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA),"in an aggregate principal amount of not more than $6,614,965, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The Series 2009 C Bonds shall be issued as a single bond, designated as "Sewer Revenue Bonds, Series 2009 C (United States Department of Agriculture)," in an aggregate principal amount of note more than $2,175,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the respective Series 2009 Bonds remaining after funding of the respective Series 2009 Bonds Reserve Account (if funded from Bond proceeds), and capitalizing interest on the respective Series 2009 Bonds, if any, shall be deposited in or credited to the Series 2009 Bonds Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. A. The Series 2009 A Bonds and Series 2009 B Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the respective ARRA Assistance Agreements. The Series 2009 A Bonds and Series 2009 B Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2009 A Bonds and Series 2009 B Bonds, if any, shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

B. The Series 2009 C Bonds shall be issued in such principal amounts; shall bear interest at such rate or rates, not exceeding the then legal maximum rate, payable monthly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the issuer shall prescribe in the Supplemental Resolution or as specifically provided in the Series 2009 C Bonds.

Unless otherwise provided by the Supplemental Resolution, the Series 2009 A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2009 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2009 B Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2009 B Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2009 C Bonds shall initially be issued in the form of a single bond, fully registered to the Purchaser, with a record of advances attached, representing the aggregate principal amount of the Series 2009 C Bonds. The Series 2009 Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that neither the Purchaser nor the Authority shall be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. Such Bonds shall be dated and shall bear interest, if any, as set forth in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2009 Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 2009 Bonds shall cease to be such officer of the Issuer before the Series 2009 Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2009 Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. A. The Bond Registrar with respect to the Series 2009 A Bonds and Series 2009 B Bonds shall be the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns. No Series 2009 A Bonds nor Series 2009 B Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2009 A Bonds or Series 2009 B Bonds shall be deemed to have been executed by the

Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

B. The Issuer shall be the Bond Registrar with respect to the Series 2009 C Bonds and will keep or cause to be kept at its office by its agent, sufficient books for the registration and transfer of the Series 2009 C Bonds, and upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the transfer, or cause to be registered by its agent, on such books, the transfer of the Series 2009 C Bonds as hereinbefore provided.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2009 Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2009 Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2009 Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Bonds.

The registered Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Bonds or transferring the registered Bonds are exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2009 Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its

discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2009 Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the respective Series 2009 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the respective Series 2009 Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Positions with respect to Prior Bonds. The payment of the debt service of the Series 2009 Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Prior Bonds and the Series 2009 Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. A. The Issuer shall execute and deliver the Series 2009 A Bonds and the Series 2009 B Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2009 A Bonds and the Series 2009 B Bonds to the original purchasers upon receipt of the documents set forth below:

(1) If other than the Authority, a list of the names in which the Series 2009 A Bonds and the Series 2009 B Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

(2) A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the respective Series 2009 A Bonds and the Series 2009 B Bonds to the original purchasers;

(3) An executed and certified copy of the Bond Legislation;

(4) Executed copies of the ARRA Assistance Agreements; and

(5) The unqualified approving opinion of bond counsel on the Series 2009 A Bonds and the Series 2009 B Bonds.

B. With respect to the Series 2009 C Bonds, the Chairman is hereby authorized and directed to cause such Bonds, hereby awarded to the Purchaser pursuant to the Letter of Conditions, to be delivered to the Purchaser on the date of delivery.

Section 3.10. Form of Bonds. The text of the respective Series 2009 Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 2009 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MALDEN PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 2009 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: This ____ day of _____, 2009, that MALDEN PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Kanawha County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns, the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 200___ to and including _____ 1, 20___, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 200___, as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the ARRA Assistance Agreement by and among the Issuer, the Authority and the DEP, dated _____, 2009.

This Bond is issued (i) to pay a portion of the outstanding principal of, interest on, if any, and administrative fee, if any, for the Sewerage System Design Revenue Bonds, Series 2006 B (West Virginia Water Development Authority); (ii) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewerage facilities of the Issuer (the "Project"); and (iii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on _____, 2009, and a Supplemental Resolution duly adopted by the Issuer on _____, 2009 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (1) SEWER REVENUE BONDS, SERIES 1978, DATED DECEMBER 21, 1978, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,040,000 (THE "SERIES 1978 BONDS"); (2) SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA), DATED _____, 2009, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____, (THE "SERIES 2009 B BONDS"); AND (3) SEWER REVENUE BONDS, SERIES 2009 C (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED _____, 2009, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____, (THE "SERIES 2009 C BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Series 1978 Bonds, Series 2009 B Bonds and Series 2009 C Bonds and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2009 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2009 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to

provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Bonds, including the Series 1978 Bonds, the Series 2009 B Bonds and the Series 2009 C Bonds; provided however, that so long as there exists in the Series 2009 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior to the Bonds, including the Series 1978 Bonds, the Series 2009 B Bonds and the Series 2009 C Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of Huntington National Bank, Charleston, West Virginia (the "Registrar") by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All monies received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

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

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

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

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2009 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2009.

HUNTINGTON NATIONAL BANK
as Registrar

_____
Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

(FORM OF SERIES 2009 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MALDEN PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2009 B
(WEST VIRGINIA SRF PROGRAM/ARRA)

No. BR-___ $_____

KNOW ALL MEN BY THESE PRESENTS: This ____ day of _____, 2009, that MALDEN PUBLIC SERVICE DISTRICT, a public service district, a public corporation and political subdivision of the State of West Virginia in Kanawha County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns, the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20___ to and including _____ 1, 20_____, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. This Bond shall not be subject to the SRF Administrative fee (as defined in the hereinafter describe Bond Legislation).

This Bond shall bear no interest. Principal installments of this Bond are 100% forgivable as set forth in the ARRA Assistance Agreement.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the ARRA Assistance Agreement by and among the Issuer, the Authority and the DEP, dated _____, 2009.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewerage facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on _____, 2009, and a Supplemental Resolution duly adopted by the Issuer on

_____, 2009 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (1) SEWER REVENUE BONDS, SERIES 1978, DATED DECEMBER 21, 1978, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,040,000 (THE "SERIES 1978 BONDS"); (2) SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM), DATED , 2009, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____, (THE "SERIES 2009 A BONDS"); AND (3) SEWER REVENUE BONDS, SERIES 2009 C (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED _____, 2009, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____, (THE "SERIES 2009 C BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Series 1978 Bonds, Series 2009 A Bonds and Series 2009 C Bonds and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2009 B Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2009 B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Bonds, including the Series 1978 Bonds, the Series 2009 A Bonds and Series 2009 C Bonds; provided however, that so long as there exists in the Series 2009 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior to the Bonds, including the Prior Bonds and the Series 2009 A Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference

is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the Design Bonds, the costs of the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

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

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

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

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2009 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2009.

HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated:_____, _____.

_____

In the presence of:

_____

(FORM OF SERIES 2009 C BOND)

UNITED STATES OF AMERICA
MALDEN PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2009 C
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$_____

No. CR-1 Date: _____

FOR VALUE RECEIVED, MALDEN PUBLIC SERVICE DISTRICT This ____ day of _____, 2009 (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 _____ DOLLARS ($_____), plus interest on the unpaid principal balance at the rate of _____% 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 $_____, 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 sewerage 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 _____, 2009, and a Supplemental Resolution of the Borrower duly adopted on _____, 2009, authorizing issuance of this Bond (collectively, 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 WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (1) SEWER REVENUE BONDS, SERIES 1978, DATED DECEMBER 21, 1978, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,040,000 (THE "SERIES 1978 BONDS"); (2) SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM), DATED _____, 2009, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____, (THE "SERIES 2009 A BONDS"); AND (3) SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA), DATED _____, 2009, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____, (THE "SERIES 2009 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.

IN WITNESS WHEREOF, MALDEN 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.

MALDEN PUBLIC SERVICE DISTRICT

[CORPORATE SEAL]

_____
Chairman
Malden Public Service District
Post Office Box 350
Tad, West Virginia 25201

ATTEST:

_____
Secretary, Public Service Board

(Form of)

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

(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: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of ARRA Assistance Agreements. A. The Series 2009 A Bonds and Series 2009 B Bonds shall be sold to the Authority, pursuant to the terms and conditions of the ARRA Assistance Agreements. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the ARRA Assistance Agreements in the form attached hereto as "EXHIBIT A" and made a part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the ARRA Assistance Agreements to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The ARRA Assistance Agreements, including all schedules and exhibits attached thereto, are hereby approved and incorporated into this Bond Legislation.

B. The Series 2009 C Bonds shall be sold to the Purchaser, pursuant to the terms and conditions of the Letter of Conditions. The Letter of Conditions, including all attachments, are hereby approved and incorporated into this Bond Legislation.

Section 3.12. Filing of Amended Schedule. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Purchaser, the Authority, and the DEP a schedule for the Series 2009 Bonds, the form of which will be provided by the Purchaser, the Authority, and the DEP, setting forth the actual costs of the Project and sources of funds therefore.

ARTICLE IV
[RESERVED]

ARTICLE V
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are hereby created with (or continued if previously established by the Prior Resolutions) and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

(1) Revenue Fund (established by the Prior Resolutions);

(2) Renewal and Replacement Fund (established by the Prior Resolutions); and

(3) Series 2009 Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 1978 Bonds Sinking Fund (established by the Prior Resolutions);

(2) Series 1978 Bonds Reserve Account (established by the Prior Resolutions);

(3) Series 2009 A Bonds Sinking Fund;

(4) Series 2009 A Bonds Reserve Account;

(5) Series 2009 B Bonds Sinking Fund;

(6) Series 2009 B Bonds Reserve Account; and

(7) Series 2009 C Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, each month, pay from the Revenue Fund all 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 Commission for deposit in the Series 1978 Bonds Sinking Fund the amount required by the Prior Resolutions to be deposited in the Sinking Funds to pay interest on the Series 1978 Bonds; and (ii) to the National Finance Office the amounts required to pay interest on the Series 2009 C Bonds.

(3) The Issuer shall next, on the first day of each month, on or before the due date transfer from the Revenue Fund and simultaneously remit (i) to the Commission the amounts required by the Prior Resolutions to be deposited in the Series 1978 Bonds Sinking Fund to pay principal of the Series 1978 Bonds; (ii) commencing 3 months prior to the first date of payment of principal of the Series 2009 A Bonds, to the Commission for deposit in the Series 2009 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2009 A Bonds on the next ensuing quarterly principal payment date; (iii) commencing 3 months prior to the first date of payment of principal of the Series 2009 B Bonds, to the Commission for deposit in the Series 2009 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2009 B Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposits in the Series 2009 A Bonds Sinking Fund and the Series 2009 B Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; and (iv) on or before the due date thereof, remit to the National Finance Office, commencing 24 months following the date of delivery of the Series 2009 C Bonds, the amount required to amortize the principal of the Series 2009 C Bonds over the life of the bond issue.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit (i) to the Commission the amounts required by the Prior Resolutions to be deposited in the Series 1978 Reserve Account; (ii) commencing 3 months prior to the first date of payment of principal of the Series 2009 A Bonds, if not fully funded upon issuance of the Series 2009 A Bonds, to the Commission for deposit in the Series 2009 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2009 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2009 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2009 A Bonds Reserve Requirement; (iii) commencing 3 months prior to the first date of payment of principal of the

Series 2009 B Bonds, if not fully funded upon issuance of the Series 2009 B Bonds, to the Commission for deposit in the Series 2009 B Bonds Reserve Account, an amount equal to 1/120th of the Series 2009 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2009 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 2009 B Bonds Reserve Requirement; and (iv) 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, to the Commission, for deposit in the Series 2009 C Bonds Reserve Account, an amount equal to 10% of the monthly payment amount, until the amount in the Series 2009 C Bonds Reserve Account equals the Series 2009 C Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2009 C Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2009 C Bonds Reserve Requirement.

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

(6) After the foregoing provisions for use of monies in the Revenue Fund have been fully complied with, any monies remaining therein and not permitted to be retained therein may be used to prepay installments of the Bonds, pro rata, or for any lawful purpose of the System.

Monies in the Series 2009 A Bonds Sinking Fund and Series 2009 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on, if any, the Series 2009 A Bonds and Series 2009 B Bonds, respectively, as the same shall become due. Monies in the Series 2009 A Bonds Reserve Account and the Series 2009 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on, if any, the Series 2009 A Bonds and Series 2009 B Bonds, respectively, as the same shall come due, when other monies in the Series 2009 A Bonds Sinking Fund and the

Series 2009 B Bonds Sinking Fund are insufficient therefor, and for no other purpose. Whenever the monies in the respective Series 2009 A Bonds Reserve Account and Series 2009 B Bonds Reserve Account shall be sufficient to prepay the Series 2009 A Bonds and Series 2009 B Bonds, respectively, in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay, at the earliest practical date and in accordance with applicable provisions hereof, the Series 2009 A Bonds and Series 2009 B Bonds, respectively, and accrued interest, if an, thereon to such prepayment date.

Monies in the Series 2009 C Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2009 C Bonds as the same shall come due, when other monies are insufficient therefor, and for no other purpose. Whenever the monies in the Series 2009 C Bonds Reserve Account shall be sufficient to prepay the Series 2009 C Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay, at the earliest practical date and in accordance with applicable provisions hereof, the Series 2009 C Bonds, together with accrued interest thereon to such prepayment date.

All investment earnings on monies in the Series 2009 A Bonds Sinking Fund, the Series 2009 A Bonds Reserve Account, the Series 2009 B Bonds Sinking Fund, the Series 2009 B Bonds Reserve Account, and the Series 2009 C Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2009 Bonds Construction Trust Fund and following completion of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2009 Bonds, respectively, and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 2009 A Bonds Reserve Account, the Series 2009 B Bonds Reserve Account or the Series 2009 C Bonds Reserve Account which result in a reduction in the balance of such accounts to below the respective Reserve Requirements thereof, shall be restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2009 Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the respective Series 2009 Bonds Sinking Funds or the respective Series 2009 Bonds Reserve Accounts therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2009 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Principal, interest or reserve account payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2009 Bonds and the Prior Bonds in accordance with the respective principal amounts then Outstanding.

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, the DEP and the Authority.

The Commission is hereby designated as the fiscal agent for the administration of the respective Series 2009 Bonds Sinking Funds and the respective Series 2009 Bonds Reserve Accounts created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at any time, the Issuer shall make the necessary arrangements whereby required payments into the Series 2009 A Bonds Sinking Funds, Series 2009 B Bonds Sinking Funds and the respective Series 2009 Bonds Reserve Accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the respective Series 2009 Bonds Sinking Funds and the respective Series 2009 Bonds Reserve Accounts shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2009 A Bonds Sinking Fund, the Series 2009 A Bonds Reserve Account, the Series 2009 B Bonds Sinking Fund, the Series 2009 B Bonds Reserve Account, and the Series 2009 C Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2009 Bonds, respectively, under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve account payments with respect to the Series 2009 Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the SRF Administrative Fee as set forth in the Schedule Y attached to the ARRA Assistance Agreement.

C. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the ARRA Assistance Agreements, and submit a copy of said form along with a copy of its payment check to the Authority by the 5th day of each calendar month.

D. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

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

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

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as herein above provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03, and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

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

J. All Tap Fees shall be deposited by the Issuer, as received, in the Series 2009 Bonds Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE VI
BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. A. From the monies received from the sale of the Series 2009 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

(a) From the proceeds of the Series 2009 A Bonds, there shall first be deposited with the Commission in the Series 2009 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

(b) Next, from the proceeds of the Series 2009 A Bonds, there shall be deposited with the Commission in the Series 2009 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2009 A Bonds Reserve Account.

(c) Next, from the proceeds of the Series 2009 A Bonds, there shall be deposited with the Commission an amount sufficient to pay the outstanding principal of, interest on, if any and administrative fee, if any, for the Design Bonds on the Closing Date.

(d) As the Issuer receives advances of the remaining monies derived from the sale of the Series 2009 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2009 Bonds Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2009 A Bonds.

(e) After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2009 A Bonds shall be used to fund the Series 2009 A Bonds Reserve Account, if not funded upon issuance of the Series 2009 A Bonds, in an amount not to exceed the Series 2009 A Bonds Reserve Requirement; provided that, in no event shall more than 10% of the proceeds of the Series 2009 A Bonds be deposited in the Series 2009 A Bonds Reserve Account. Any remaining proceeds thereafter shall be used as directed by the DEP.

B. From the monies received from the sale of the Series 2009 B Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

(a) From the proceeds of the Series 2009 B Bonds, there shall first be deposited with the Commission in the Series 2009 B Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

(b) Next, from the proceeds of the Series 2009 B Bonds, there shall be deposited with the Commission in the Series 2009 B Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2009 B Bonds Reserve Account.

(c) As the Issuer receives advances of the remaining monies derived from the sale of the Series 2009 B Bonds, such monies, shall be deposited with the Depository Bank in the Series 2009 Bonds Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2009 B Bonds.

(d) After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2009 B Bonds shall be used as directed by the DEP.

C. From the monies received from the sale of the Series 2009 C Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

(a) From the proceeds of the Series 2009 C Bonds, there shall be deposited with the Commission in the Series 2009 C Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2009 C Bonds Reserve Account.

(b) Next, from the proceeds of the Series 2009 C Bonds, there shall be deposited with the Commission an amount sufficient to pay the outstanding principal of, interest on, if any and administrative fee, if any, for the Design Bonds on the Closing Date.

(c) As the Issuer receives advances of the remaining monies derived from the sale of the Series 2009 C Bonds, such monies shall be deposited with the Depository Bank in the Series 2009 Bonds Construction Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and until so expended, are hereby pledged as additional security for the Series 2009 C Bonds.

Section 6.02. Disbursements from the Series 2009 Bonds Construction Trust Fund.

A. On or before the Closing Date, the Issuer shall have delivered to the DEP and the Authority a report listing the specific purposes for which the proceeds of the Series 2009 A Bonds and the Series 2009 B Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments of all Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2009 Bonds Construction Trust Fund shall be made only after submission to and approval from the DEP, of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the ARRA Assistance Agreement for the Series 2009 A Bonds and the Series 2009 B Bonds, in compliance with the construction schedule, and

B. The proceeds of the Series 2009 C Bonds in the Series 2009 Bonds Construction Trust Fund shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Purchaser.

Pending such application, monies in the Series 2009 Bonds Construction Trust Funds shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2009 Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2009 Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2009 Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2009 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2009 Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds. The payment of the debt service of the Series 2009 Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 2009 Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the ARRA Assistance Agreements and the Issuer shall supply a certificate of certified public accountant to such effect. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Recommended Decision of the Public Service Commission of West Virginia entered August 13, 2008, in Case No.08-0022-PSD-CN, and such rates are hereby adopted.

So long as the Series 2009 Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the ARRA Assistance Agreements. In the event the schedule of rates and charges initially established for the System in connection

with the Series 2009 Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the ARRA Assistance Agreements, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the ARRA Assistance Agreements.

Section 7.05. 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. Additionally, so long as the Series 2009 Bonds are outstanding and except as otherwise required by law or with the written consent of the Purchaser, the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the respective Series 2009 Bonds, immediately be remitted to the Commission for deposit in the respective Series 2009 Bonds Sinking Funds, and, with the written permission of the Purchaser, the Authority and the DEP, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the respective Series 2009 Bonds. Any balance remaining after the payment of the respective Series 2009 Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution duly adopted, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding in accordance with the laws of the State. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. Payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2009 Bonds. All obligations issued by the Issuer after the issuance of the Series 2009 Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2009 Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2009 Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2009 Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

The Issuer shall give the Purchaser, the Authority, and the DEP prior written notice of its issuance of any other obligations to be used for the System, payable from the revenues of the System or from any grants, or any other obligations related to the Project or the System.

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolutions shall be applicable. Additionally, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2009 Bonds pursuant to this Bond Legislation, except with the prior written consent of the Purchaser, the Authority, and the DEP without complying with the conditions and requirements herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2009 Bonds.

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

So long as the Series 2009 C 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 then proposed to be issued.

The foregoing limitation may be waived or modified by the written consent of the Holders of the Series 2009 C Bonds, representing 75% of the then-outstanding principal indebtedness.

So long as the Prior Bonds, Series 2009 A Bonds or Series 2009 B 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 actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any increase in rates adopted by the Issuer, the time for appeal of which shall have expired prior to the issuance of such Parity

Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Secretary prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period herein above referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on revenues of the System is subject to the prior and superior liens of the Series 2009 Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2009 Bonds.

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Bond Legislation with respect to the Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of delivery of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the cost of acquiring, constructing and installing the Project. The Issuer shall permit the Purchaser, the Authority, and the DEP, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Purchaser, the Authority and the DEP such documents and information as it may reasonably require in connection with the acquisition,

construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

The Issuer shall permit the Purchaser, the Authority, and the DEP, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The Governing Body shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Purchaser, Authority, and the DEP, or any other original purchaser of the respective Series 2009 Bonds, and shall mail in each year to any Holder or Holders of the respective Series 2009 Bonds, requesting the same, an annual report containing the following:

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

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

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required, in compliance with the applicable OMB Circular and the Single Audit Act, or any successor thereto), and shall mail upon request, and make available

generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2009 Bonds, and shall submit said report to the Purchaser, the Authority and the DEP, or any other original purchaser of the Series 2009 Bonds. Such audit report submitted to the Purchaser, the Authority, and the DEP shall include a statement that notes whether the results of test disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the ARRA Assistance Agreements and the Act, the Issuer has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared by the Consulting Engineers. All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

The Issuer shall permit the Purchaser, the Authority and the DEP, or their agents and representatives, to enter and inspect the Project site and facilities at all reasonable times. Prior to, during and after completion of construction and commencement of operation of the Project, the Issuer shall also provide the Purchaser, the DEP and the Authority, or their agents and representatives, with access to the System site and facilities, as may be reasonably necessary to accomplish all of the powers and rights of the Purchaser, the Authority and the DEP with respect to the System pursuant to the Act.

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

Section 7.09. Rates. Prior to the issuance of the Series 2009 Bonds, equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 120% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2009 Bonds and all other

obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2009 Bonds, including the Prior Bonds; so long as the Series 2009 C bonds are outstanding and thereafter, 115% of such amount; provided that, when the Series 2009 C Bonds and any reserve accounts for obligations on a parity with or junior to the Series 2009 A Bonds and Series 2009 B Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2009 A Bonds and Series 2009 B Bonds, including the Prior Bonds. In any event, subject to any requirements of law, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Purchaser, the Authority, and the DEP within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a professional engineer which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance within 30 days of adoption to the Purchaser, the Authority, and the DEP and to any Holder of any Bonds, who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Purchaser, the Authority, and the DEP and to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for two years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the ARRA Assistance Agreements, and forward a copy of such report to the Authority, and the DEP by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the ARRA Assistance Agreements, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Purchaser, the Authority, and the DEP, the Project is adequate for the purposes for

which it was designed, the funding plan as submitted to the Purchaser, the Authority, and the DEP is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

The Issuer shall provide and maintain competent and adequate engineering services satisfactory to the Purchaser, the Authority, and the DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Purchaser, the Authority, the DEP and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the ARRA Assistance Agreements, to the DEP within 60 days of the end of the first year after the Project is completed.

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP when the Project is 90% completed. The Issuer shall at all times provide operation and maintenance of the System in compliance with all State and federal standards.

The Issuer shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator to operate the System during the entire term of the ARRA Assistance Agreements. The Issuer shall notify the DEP in writing of the certified operator employed at the 50% completion stage.

Section 7.12. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due

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

Section 7.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2009 Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the ARRA Assistance Agreements, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

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

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

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

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

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

security for the faithful performance of such contract. The Issuer shall verify such bonds prior to commencement of construction.

The Issuer shall also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided that the amounts and terms of such coverage are satisfactory to the Authority, and the DEP and the Issuer shall verify such insurance prior to commencement of construction. In the event the ARRA Assistance Agreements so require, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear. The Issuer shall verify such insurance prior to commencement of construction.

Section 7.16. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 7.17. Completion of Project; Permits and Orders. The Issuer shall complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer has obtained all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the

System and all approvals for issuance of the Series 2009 Bonds required by state law, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect.

Section 7.18. [RESERVED]

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2009 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2009 Bonds, and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.20. Compliance with ARRA Assistance Agreements, Letter of Conditions and Law. The Issuer shall perform, satisfy and comply with all the terms, conditions and requirements of the ARRA Assistance Agreements, the Letter of Conditions, the Act and this Bond Legislation. The Issuer shall also comply with all applicable laws, rules and regulations issued by the Purchaser and the Authority, or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP with copies of all documents submitted to the Purchaser and the Authority.

Section 7.21. Securities Laws Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CAR Part 240).

Section 7.22. Contracts; Change Orders; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2009 Bonds immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Purchaser and the DEP for written approval. The Issuer shall obtain the written approval of the Purchaser and the DEP before expending any proceeds of the Series 2009 Bonds held in "contingency" as set forth in the schedule attached to the Certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the Purchaser and the DEP before expending any proceeds of the Series 2009 Bonds made available due to bid or construction or project undercuts.

C. The Issuer shall list the funding provided by the Purchaser, the DEP and the Authority in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any ground breaking or dedication of the Project.

ARTICLE VIII
INVESTMENT OF FUNDS

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

Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank may make any and all investments permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2009 Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest, if any, on the Series 2009 Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use of Proceeds; Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2009 Bonds as a condition to issuance of the Series 2009 Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2009 Bonds as may be necessary in order to maintain the status of the Series 2009 Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2009 Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority, or the DEP, as the case may be, from which the proceeds of the Series 2009

Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority, or the DEP, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

The Issuer shall annually furnish to the Authority, information with respect to the Issuer's use of the proceeds of the Series 2009 Bonds and any additional information requested by the Authority.

ARTICLE IX
DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2009 Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on the Series 2009 Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2009 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2009 Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond; or

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

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

Notwithstanding anything herein to the contrary, if default occurs in the due and punctual payment of the principal of or interest on any series of the Series 2009 Bonds or the Prior Bonds, it shall constitute an "Event of Default" with respect to the other series of the Series 2009 Bonds.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Series 2009 Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2009 Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2009 Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2009 Bonds shall be on a parity with each other and the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Series 2009 Bond may, by proper legal action, compel the performance of the duties of the Issuer

under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Series 2009 Bonds, any Registered Owner of a Series 2009 Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Series 2009 Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

Whenever all that is due upon the Series 2009 Bonds and interest thereon and under any covenants of this Bond Legislation for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Bond Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers herein above conferred upon him or her or it, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby, and a successor receiver may be appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Series 2009 Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Series 2009 Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or

requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X
PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Series 2009 Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2009 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2009 Bonds from gross income for federal income tax purposes.

Except through such direct payment to the Holder of the Series 2009 A Bonds, the Series 2009 B Bonds and the Series 2009 C Bonds, the Issuer may not defease the Series 2009 Bonds or otherwise provide for payment thereof by escrow or like manner.

ARTICLE XI
MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2009 Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2009 Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2009 Bonds shall be made without the consent in writing of the Registered Owners of the Series 2009 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2009 Bonds or the rate of interest, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein respectively pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2009 Bonds, required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest, if any, on the Series 2009 Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2009 Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution, or the Series 2009 Bonds.

Section 11.04. Headings, Etc. The headings and catchlines of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 11.05. Conflicting Provisions Repealed; Prior Resolutions. All orders or resolutions, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Resolution and the Prior Resolutions, the Prior Resolutions shall control (unless less restrictive), so long as the Prior Bonds are outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and at the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 11.07. Effective Date. This Resolution shall take effect immediately upon adoption.

Adopted this 11th day of August, 2009.

Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of MALDEN PUBLIC SERVICE DISTRICT on the 11th day of August, 2009.

Dated: August 26, 2009.

[SEAL]

Bobbie Segg
Secretary

08.06.09
544010.00002

CH4973239.1

EXHIBIT A

ARRA Assistance Agreements included in bond transcript as Document 3 and 4.

MALDEN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program);
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA); and
Sewer Revenue Bonds, Series 2009 C
(United States Department of Agriculture)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM), SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA) AND SEWER REVENUE BONDS, SERIES 2009 C (UNITED STATES DEPARTMENT OF AGRICULTURE) OF MALDEN PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE ARRA ASSISTANCE AGREEMENT RELATING TO THE SERIES 2009 A BONDS AND THE SERIES 2009 B BONDS; AUTHORIZING AND APPROVING THE SALE OF THE SERIES 2009 A BONDS AND THE SERIES 2009 B BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND THE SERIES 2009 C BONDS TO THE UNITED STATES DEPARTMENT OF AGRICULTURE; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Malden Public Service District (the "Issuer") has duly and officially adopted a bond resolution, effective August 11, 2009 (the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE PAYMENT IN FULL OF THE DISTRICT'S SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA INFRASTRUCTURE FUND) AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2006 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), THE ACQUISITION AND CONSTRUCTION OF

IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF MALDEN PUBLIC SERVICE DISTRICT AND THE FINANCING OF A PORTION OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $2,834,985 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM); NOT MORE THAN $6,614,965 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA); AND NOT MORE THAN $2,175,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 C (UNITED STATES DEPARTMENT OF AGRICULTURE); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING THE ARRA ASSISTANCE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Resolution when used herein;

WHEREAS, the Resolution provides for the issuance of the (i) Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program) (the "Series 2009 A Bonds"); (ii) Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA) (the "Series 2009 B Bonds"); and (iii) Sewer Revenue Bonds, Series 2009 C (United States Department of Agriculture) (the "Series 2009 C Bonds" and, collectively with the Series 2009 A Bonds and the Series 2009 B Bonds, the "Series 2009 Bonds"), of the Issuer, in the aggregate principal amount not to exceed $2,834,985, $6,614,965 and $2,175,000, respectively, and has authorized the execution and delivery of (i) an ARRA assistance agreement relating to the Series 2009 A Bonds and the Series 2009 B Bonds, including all schedules and exhibits attached thereto (the "ARRA Assistance Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), all in accordance with Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Resolution it is provided that the form of the ARRA Assistance Agreement and the exact principal amounts, dates, maturity dates, redemption provisions, interest rates, interest and principal payment dates, sale prices and other terms of the Series 2009 Bonds should be established by a supplemental resolution pertaining to the Series 2009 Bonds; and that other matters relating to the Series 2009 Bonds be herein provided for;

WHEREAS, the ARRA Assistance Agreement has been presented to the Issuer at this meeting;

WHEREAS, the Series 2009 A Bonds and the Series 2009 B Bonds are proposed to be purchased by the Authority pursuant to the ARRA Assistance Agreement; and the Series 2009 C Bonds are proposed to be purchased by the United States Department of Agriculture, acting for and on behalf of the United Sates of America (the "Purchaser") pursuant to a Letter of Conditions, and all amendments; and

WHEREAS, the Issuer has previously issued its Sewer Revenue Bonds, Series 1978, dated December 21, 1978, issued in the original aggregate principal amount of $7,040,000, currently held by the West Virginia Water Development Authority;

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the ARRA Assistance Agreement be approved and ratified by the Issuer, that the exact principal amounts, the dates, the maturity dates, the redemption provisions, the interest rates, the interest and principal payment dates, the sale prices and other terms of the Series 2009 Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2009 Bonds be herein provided for;

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

Section 1. Pursuant to the Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the following bonds of the Issuer:

(A) Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $2,834,985. The Series 2009 A Bonds shall be dated the date of delivery thereof, shall finally mature December 1, 2040, and shall bear no interest. The principal of the Series 2009 A Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2011, to and including December 1, 2040, and in the amounts as set forth in the "Schedule Y" attached to the ARRA Assistance Agreement and incorporated in and made a part of the Series 2009 A Bonds. The Series 2009 A Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the redemption premium, if any, and otherwise in compliance with the ARRA Assistance Agreement, so long as the Authority shall be the registered owner of the Series 2009 A Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to 0.25% of the principal amount of the Series 2009 A Bonds as set forth in the "Schedule Y" attached to the ARRA Assistance Agreement.

(B) Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of $6,614,965. The Series 2009 B Bonds shall be dated the date of delivery thereof, shall finally mature December 1, 2020, and shall bear no interest. The principal of the Series 2009 B Bonds shall be forgivable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2011, to and including December 1, 2020, and in the amounts as set forth in the "Schedule Y" attached to the ARRA Assistance Agreement and incorporated in and made a part of the Series 2009 B Bonds. The Series 2009 B Bonds shall be subject to redemption upon

the written consent of the Authority and the DEP, and upon payment of the redemption premium, if any, and otherwise in compliance with the ARRA Assistance Agreement, as long as the Authority shall be the registered owner of the Series 2009 B Bonds. The Series 2009 B Bonds shall not be subject to the SRF Administrative Fee.

(C) Sewer Revenue Bonds, Series 2009 C (United States Department of Agriculture), of the Issuer, originally represented by a single Bond, number CR-1 in the principal amount of $2,175,000. The Series 2009 C Bonds shall be dated the date of delivery thereof, shall bear interest at the rate of 4.125% per annum, interest only payable in monthly installments for the first 24 months commencing 30 days following delivery of the Series 2009 C Bonds and continuing on the corresponding day of each month and, thereafter, principal and interest are payable in monthly installments of $9,462 on the corresponding day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of the Series 2009 C Bonds, in the sum of the unpaid principal and interest due on the date thereof, except that prepayments may be made as hereinafter provided and as provided in the Series 2009 C Bonds, all such payments to be made at the National Finance Office, St. Louis, Missouri 63103, or at such other place as the Purchaser may designate after issuance of the Series 2009 C Bonds. Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer.

Section 2. All other provisions relating to the Series 2009 Bonds and the text of the Series 2009 Bonds shall be in substantially the forms as provided in the Bond Resolution.

Section 3. The Issuer does hereby authorize, approve, ratify and accept the ARRA Assistance Agreements, a copy of which is incorporated herein by reference, and the execution and delivery of the ARRA Assistance Agreements by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the ARRA Assistance Agreements and in the applications to the Authority and the DEP. The Issuer does hereby authorize, approve and accept the Letter of Conditions, and all amendments thereto, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed and approved. The price of the Series 2009 Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2009 Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2009 A Bonds and the Series 2009 B Bonds under the Resolution and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Series 2009 Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Commission"), to serve as Paying Agent for the Series 2009 A Bonds and the Series 2009 B Bonds under the Bond Resolution.

Section 6. The Issuer does hereby appoint and designate United Bank, Inc., Charleston, West Virginia, to serve as Depository Bank under the Resolution.

Section 7. Series 2009 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2009 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2009 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2009 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 2009 A Bonds shall be deposited in or credited to the Series 2009 Bonds Construction Trust Fund as received from time to time for payment of the costs of the Project, including, without limitation, costs of issuance thereof and related costs.

Section 10. Series 2009 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 2009 B Bonds Sinking Fund, as capitalized interest.

Section 11. Series 2009 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 2009 B Bonds Reserve Account.

Section 12. The balance of the proceeds of the Series 2009 B Bonds shall be deposited in or credited to the Series 2009 Bonds Construction Trust Fund as received from time to time for payment of the costs of the Project, including, without limitation, costs of issuance thereof and related costs.

Section 13. The balance of the proceeds of the Series 2009 C Bonds shall be deposited in or credited to the Series 2009 Bonds Construction Trust Fund as received from the Purchaser from time to time for payment of costs of the Project, including, without limitation, costs of issuance of the Series 2009 C Bonds.

Section 14. The Issuer will deliver a check in the amount of $179,065 to the Municipal Bond Commission at closing to pay in full the Series 2006 A Bonds.

Section 15. The Issuer will deliver a check in the amount of $340,827 to the Municipal Bond Commission at closing to pay in full the Series 2006 B Bonds.

Section 16. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Series 2009 Bonds to be issued hereby and by the Bond Resolution approved and provided for, to the end that the Series 2009 A Bonds and the Series 2009 B Bonds may be delivered to the Authority pursuant to the ARRA Assistance Agreements on or about August 26, 2009, and the Series 2009 C Bonds may be delivered on or about August 26, 2009, to the Purchaser pursuant to the Letter of Conditions.

Section 17. The payment in full of the Series 2006 A Bonds and the Series 2006 B Bonds, the design, acquisition and construction of the Project, and the financing thereof with proceeds of the Series 2009 Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 18. The Issuer hereby determines that it is in the best interest of the Issuer to invest all monies in the funds and accounts established by the Bond Resolution held by the Depository Bank until expended, subject to any limitation of the Purchaser with respect to the proceeds of the Bonds, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Monies in the Series 2009 A Bonds Reserve Account, the Series 2009 A Bonds Sinking Fund, the Series 2009 B Bonds Reserve Account, the Series 2009 B Bonds Sinking Fund and the Series 2009 C Bonds Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 19. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 20. The Special Conditions of the ARRA Assistance Agreement are attached as Exhibit A and hereby incorporated herein.

Section 21. The Issuer shall serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer shall not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Water Development Authority (the "Authority"). Following completion of the Project the Issuer shall certify to the Authority the number of customers added to the System.

Section 22. The Issuer shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia.

Section 23. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Blank]

Adopted this 11th day of August, 2009.

Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of MALDEN PUBLIC SERVICE DISTRICT on the 11th day of August, 2009.

Dated: August 26, 2009.

[SEAL]

Bobbie Segg
Secretary

08.07.09
544010.00002

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EXHIBIT A

SPECIAL CONDITIONS

EXHIBIT A

SPECIAL CONDITIONS – ARRA FUNDED PROJECTS

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

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

C. BUY AMERICAN CERTIFICATION – The Local Government shall cause the contractor(s) to comply with, and provide certification of, the Buy American provisions of the ARRA in accordance with final guidance from the EPA.

D. ASSET MANAGEMENT – The Local Government shall develop and implement an asset management plan in accordance with guidelines issued by DEP and is approved by DEP.

E. CONTRACTS – The Local Government shall enter into contracts or commence construction by February 17, 2010.

F. LOGO – The Local Government must display the ARRA logo in a manner that informs the public that the project is an ARRA investment.

G. LOBBYING - The Local Government shall comply with Title 40 CFR Part 34, New Restrictions on Lobbying and shall submit certification and disclosure forms as required by DEP.

H. PURCHASING REQUIREMENTS – The Local Government shall comply with Section 6002 of the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. 6962). Regulations issued under RCRA Section 6002 apply to any acquisition of an item where the purchase price exceeds $10,000 or where the quantity of such items acquired in the course of the preceding fiscal year was $10,000 or more. RCRA Section 6002 requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by EPA. These guidelines are listed in 40 CFR 247.

I. SUSPENSION AND DEBARMENT – The Local Government shall comply with Subpart C of 2 CFR Part 180 and 2 CFR Part 1532, entitled "Responsibilities of Participants Regarding Transactions (Doing Business with Other Persons). To the extent required by DEP, the Local Government shall provide certifications as to compliance.

J. REPORTING – The Local Government shall comply with all requests for data related to the use of the funds provided under this agreement, including the information required in section 1512 of ARRA when requested by DEP.

K. INSPECTOR GENERAL REVIEWS – The Local Government shall allow any appropriate representative of the Office of US Inspector General to (1) examine its records relating to the Project and this ARRA Assistance Agreement and (2) interview any officer or employee of the Local Government.

L. FALSE CLAIMS – The Local Government must promptly refer to EPA's Inspector General any credible evidence that a principal, employee, agent, sub-grantee contractor, subcontractor, loan recipient, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving funds provided under this ARRA Assistance Agreement.

M. LIMIT ON FUNDS – The Local Government shall not use funds for particular activities for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

N. WAGE RATES – The Local Government shall require that all laborers and mechanics employed by its contractors and subcontractors be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor (DOL) in accordance with subchapter IV of chapter 32 of title 40, United States Code. The Local Government must require that contractors and subcontractors obtain wage determinations from DOL and comply with DOL guidance and regulations implementing wage rate requirements applicable to ARRA funds.

O. OFFICE OF MANAGEMENT AND BUDGET (OMB) GUIDANCE – The Local Government acknowledges and agrees that this ARRA Assistance is subject to all applicable provisions of implementing guidance for the American Recovery and Reinvestment Act of 2009 issued by the United States Office of Management and Budget, including the Initial Implementing Guidance for the American Recovery and Reinvestment Act (M-09-10) issued on February 18, 2009 and available on www.recovery.gov, and any subsequent guidance documents issued by OMB.

P. DISADVANTAGED BUSINESS ENTERPRISE – Pursuant to 40 CFR, Section 33.301, the Local Government agrees to make good faith efforts whenever procuring construction, equipment, services and supplies, and to require that prime contractors also comply. The Local Government shall provide DEP with MBE/WBE participation reports semi-annually.

Q. CIVIL RIGHTS – The Local Government shall comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and a variety of program-specific statutes with nondiscrimination requirements. The Local Government shall also comply with Title VII of the Civil Rights Act of 1964 (prohibiting race, color, national origin, religion, and sex discrimination in employment), the Americans with Disabilities Act (prohibiting disability discrimination in employment and in services provided by State and local governments, businesses, and non-profit agencies), and the Fair Housing Act (prohibiting race, color, national origin, age, family status, and disability discrimination in housing), as well as any other applicable civil rights laws.

R. BOND DESIGNATION – Each Local Bond funded by ARRA funds shall be designated "Series [2009] B" and shall contain "(West Virginia SRF Program/ARRA)" in the bond name.

S. USER RATES – The Local Government shall covenant that it will not reduce its approved or enacted customer rates for at least eighteen months after completion of the Project or until such time as a cost of service study has been completed establishing the actual operation and maintenance expenses.

SRF-ARRA/PSD
(04/02/09)

ARRA ASSISTANCE AGREEMENT

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

MALDEN PUBLIC SERVICE DISTRICT (C-544073-01/2005S-855)
(Local Government)

W I T N E S S E T H:

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

WHEREAS, the United States Congress has provided additional capitalization grant funding under the Clean Water Act through the American Recovery and Reinvestment Act of 2009 (the "ARRA");

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

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

WHEREAS, the ARRA provides that at least fifty percent (50%) of the funds provided through the capitalization grant be provided as negative interest loans or principal forgiveness (the "ARRA Assistance");

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

WHEREAS, pursuant to the Act, the Authority and DEP are empowered to make loans from the Fund to local governments for the acquisition or construction of wastewater treatment projects by such local governments, all subject to such provisions and limitations as are contained in the Clean Water Act, the ARRA and the Act;

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

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

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

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

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

WHEREAS, having reviewed the Application and the Fund having available sufficient funds therefor, the Authority and DEP are willing to lend the Local Government the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Local Government with

moneys held in the Fund, subject to the Local Government's satisfaction of certain legal and other requirements of the Program.

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

ARTICLE I

Definitions

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

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

1.3 "Loan" means the loan to be made by the Authority and DEP to the Local Government through the purchase of Local Bonds, as hereinafter defined, pursuant to this ARRA Assistance Agreement.

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

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

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

1.7 "Operating Expenses" means the reasonable, proper and necessary costs of operation and maintenance of the System, as hereinafter defined, as should normally and regularly be included as such under generally accepted accounting principles, including ARRA Assistance.

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

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

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

1.11 "System" means the wastewater treatment facility owned by the Local Government, of which the Project constitutes all or to which the Project constitutes an improvement, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

1.12 Additional terms and phrases are defined in this ARRA Assistance Agreement as they are used.

ARTICLE II

The Project and the System

2.1 The Project shall generally consist of the construction and acquisition of the facilities described in the Application, to be, being or having been constructed in accordance with plans, specifications and designs prepared for the Local Government by the Consulting Engineers, the DEP and Authority having found, to the extent applicable, that the Project is consistent with the applicable provisions of the Program.

2.2 Subject to the terms, conditions and provisions of this ARRA Assistance Agreement and the Local Act, the Local Government has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared for the Local Government by the Consulting Engineers.

2.3 All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Local Government, subject to any mortgage lien or other security interest as is provided for in the Local Statute unless a sale or transfer of all or a portion of said property is approved by DEP and the Authority.

2.4 The Local Government agrees that the Authority and DEP and their respective duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Local Government further agrees that the Authority and DEP and their respective duly authorized agents shall, prior to, during and after completion of construction and commencement of operation of the Project, have such rights of access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and DEP with respect to the System pursuant to the pertinent provisions of the Act.

2.5 The Local Government shall keep complete and accurate records of the cost of acquiring the Project site and the costs of constructing, acquiring and installing the Project. The Local Government shall permit the Authority and DEP, acting by and through their Directors or duly authorized agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at any and all reasonable times for the purpose of audit and examination, and the Local Government shall submit to the Authority and DEP such documents and information as it may reasonably require in connection with the construction, acquisition and installation of the Project, the operation and maintenance of the System and the administration of the Loan or of any State and federal grants or other sources of financing for the Project.

2.6 The Local Government agrees that it will permit the Authority and DEP and their respective agents to have access to the records of the Local Government pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof or if the Project is an improvement to an existing system at any reasonable time following commencement of construction.

2.7 The Local Government shall require that each construction contractor furnish a performance bond and a payment bond, each in an amount at least equal to one hundred percent (100%) of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract and shall verify or have verified such bonds prior to commencement of construction.

2.8 The Local Government shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and DEP and shall verify or have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Local Government, the Local Government or (at the option of the Local Government) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent

(100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Local Government, the prime contractor and all subcontractors, as their interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Local Government on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds are outstanding. Prior to commencing operation of the Project, the Local Government must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

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

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

2.11 The Local Government hereby covenants and agrees to comply with all applicable laws, rules and regulations issued by the Authority, DEP or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System.

2.12 The Local Government, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project, shall each month complete a Monthly Financial Report, the form of which is attached hereto as Exhibit B and incorporated herein by reference, and forward a copy by the 10th of each month to DEP and the Authority.

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

2.14 The Local Government shall serve the additional customers at the location(s) as set forth in Schedule X. The Local Government shall not reduce the amount of additional customers served by the project without the prior written approval of the Authority Board. Following completion of the Project the Local Government shall certify to the Authority the number of customers added to the System.

2.15 The Local Government shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia.

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

3.1 The agreement of the Authority and DEP to make the Loan is subject to the Local Government's fulfillment, to the satisfaction of the Authority and DEP, of each and all of those certain conditions precedent on or before the delivery date for the Local Bonds, which shall be the date established pursuant to Section 3.4 hereof. Said conditions precedent are as follows:

(a) The Local Government shall have delivered to the Authority and DEP a report listing the specific purposes for which the proceeds of the Loan will be expended and the procedures as to the disbursement of loan proceeds, including an estimated monthly draw schedule;

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

(c) The Local Government shall have authorized the issuance of and delivery to the Authority of the Local Bonds described in this Article III and in Article IV hereof;

(d) The Local Government shall either have received bids or entered into contracts for the construction of the Project, which are in an amount and otherwise compatible with the plan of financing described in the Application; provided that, if the Loan will refund an interim construction financing, the Local Government must either be constructing or have constructed its Project for a cost and as otherwise compatible with the plan of financing described in the Application; and, in either case, the Authority and DEP shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit D;

(e) The Local Government shall have obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, and the Authority and DEP shall have received a certificate of the Consulting Engineers to such effect;

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

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

(h) The Local Government shall have obtained any and all approvals of rates and charges required by State law and shall have taken any other action required to establish and impose such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project), with all requisite appeal periods having expired without successful appeal, and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

(i) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof, and the Authority and DEP shall have received a certificate of the accountant for the Local Government, or such other person or firm experienced in the finances of local governments and satisfactory to the Authority and DEP, to such effect; and

(j) The net proceeds of the Local Bonds, together with all moneys on deposit or to be simultaneously deposited (or, with respect to proceeds of grant anticipation notes or other indebtedness for which a binding purchase contract has been entered, to be deposited on a date certain) and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and the Authority and DEP shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of wastewater treatment projects and satisfactory to the Authority and DEP, to such effect, such certificate to be in form and substance satisfactory to the Authority and DEP, and evidence satisfactory to the Authority and DEP of such irrevocably committed grants.

3.2 Subject to the terms and provisions of this ARRA Assistance Agreement, the rules and regulations promulgated by the Authority and DEP, including the SRF Regulations, or any other appropriate State agency and any applicable rules, regulations and procedures promulgated from time to time by the federal government including rules, regulations and procedures promulgated under the Clean Water Act and/or the ARRA, it is hereby agreed that the Authority shall make the Loan to the Local Government and the Local Government shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Local Government shall sell to the Authority and the Authority shall make the Loan by purchasing the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

3.3 The Loan shall be secured and shall be repaid in the manner hereinafter provided in this ARRA Assistance Agreement.

3.4 The Local Bonds shall be delivered to the Authority, at the offices of the Authority, on a date designated by the Local Government by written notice to the Authority, which written notice shall be given not less than ten (10) business days prior to the date designated; provided, however, that if the Authority is unable to accept delivery on the date designated, the Local Bonds shall be delivered to the Authority on a date as close as possible to the designated date and mutually agreeable to the Authority, DEP and the Local Government. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Loan Closing." Notwithstanding the foregoing, the Date of Loan Closing shall in no event occur more than ninety (90) days after the date of

execution of this ARRA Assistance Agreement by the Authority or such later date as is agreed to in writing by DEP.

3.5 The Local Government understands and acknowledges that it is one of several local governments which have applied to the Authority and DEP for loans from the Fund to finance wastewater treatment projects and that the obligation of the Authority to make any such loan is subject to the Local Government's fulfilling all of the terms and conditions of this ARRA Assistance Agreement on or prior to the Date of Loan Closing and to the requirements of the Program. The Local Government specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Fund to purchase all the Local Bonds and that, prior to such purchase, the Authority may purchase the bonds of other local governments set out in the State Project Priority List, as defined in the SRF Regulations. The Local Government further specifically recognizes that all loans will be originated in conjunction with the SRF Regulations and with the prior approval of DEP.

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

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

(ii) unless waived or modified by Schedule X and to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on

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

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

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

Provided, that if the Local Government has existing outstanding indebtedness which has greater coverage or renewal and replacement fund requirements, then the greater requirements will prevail until said existing indebtedness is paid in full.

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by a pledge of either the net or gross revenues of the System as provided in the Local Act;

(ii) Unless waived in Schedule X, that the schedule of rates or charges for the services of the System shall be sufficient to provide funds which, along with other revenues of the System, will pay all Operating Expenses and leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount required in any year for debt service on the Local Bonds and all other obligations secured by a lien on or payable from the revenues of the System prior to or on a parity with the Local Bonds or, if the Reserve Account is funded (whether by Local Bond proceeds, monthly deposits or otherwise) at an amount equal to the Reserve Requirement and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, equal to at least one hundred ten percent (110%) of the maximum

amount required in any year for debt service on the Local Bonds and any such prior or parity obligations;

(iii) That the Local Government shall complete the Project and operate and maintain the System in good condition;

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

(v) That the Local Government shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements to be financed by such parity bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued and on any obligations secured by a lien on or payable from the revenues of the System prior to the Local Bonds and with the prior written consent of the Authority and DEP; provided, however, that additional parity bonds may be issued to complete the Project, as described in the Application as of the date hereof, without regard to the foregoing;

(vi) That the Local Government will carry such insurance as is customarily carried with respect to works and properties similar to the System, including those specified by Section 2.8 hereof;

(vii) That the Local Government will not render any free services of the System;

(viii) That the Authority may, by proper legal action, compel the performance of the duties of the Local Government under the Local Act, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal of or interest on the Local Bonds, the right to obtain the appointment of a receiver to administer the System or construction of the Project, or both, as provided by law and all rights as set forth in Section 5 of the Act;

(ix) That, to the extent authorized by the laws of the State and the rules and regulations of the PSC, all delinquent rates and charges, if not paid when due, shall become a lien on the premises served by the System;

(x) That, to the extent legally allowable, the Local Government will not grant any franchise to provide any services which would compete with the System;

(xi) That the Local Government shall annually cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority and DEP, which report shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the Local Government's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

(xii) That the Local Government shall annually adopt a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding fiscal year and shall submit a copy of such budget to the Authority and DEP within 30 days of adoption thereof;

(xiii) That, to the extent authorized by the laws of the State and the rules and regulations of the PSC, prospective users of the System shall be required to connect thereto;

(xiv) That the proceeds of the Local Bonds, advanced from time to time, except for accrued interest and capitalized interest, if any, must (a) be deposited in a construction fund, which, except as otherwise agreed to in writing by the Authority, shall be held separate and apart from all other funds of the Local Government and on which the owners of the Local Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing) and/or (b) be used to pay (or redeem) bond anticipation notes or other interim financing of such Local Government, the proceeds of which were used to finance the construction of the Project; provided that, with the prior written consent of the Authority and DEP, the proceeds of the Local Bonds may be used to fund all or a portion of the Reserve Account, on which the owner of the Local Bonds shall have a lien as provided herein;

(xv) That, as long as the Authority is the owner of any of the Local Bonds, the Local Government may authorize redemption of the Local Bonds with 30 days written notice to the Authority;

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

(xvii) That the Local Government shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payment. The Local Government shall complete the Monthly Payment Form, attached hereto as Exhibit F and incorporated herein by reference, and submit a copy of said form along with a copy of the check or electronic transfer to the Authority by the 5th day of such calendar month. The Local Government shall authorize the Commission to electronically sweep the monthly payments from its general revenue fund or by such other means as the Authority shall direct in writing;

(xviii) That, unless it qualifies for an exception to the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, which exception shall be set forth in an opinion of bond counsel, the Local Government will furnish to the Authority, annually, at such time as it is required to perform its rebate calculations under the Internal Revenue Code of 1986, as amended, a certificate with respect to its rebate calculations and, at any time, any additional information requested by the Authority;

(xix) That the Local Government shall have obtained the certificate of the Consulting Engineers to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority and DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and DEP is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

(xx) That the Local Government shall, to the full extent permitted by applicable law and the rules and regulations of the PSC, terminate the services of any water facility owned by it to any customer of the System who is delinquent in payment of charges for services provided by the System and will not restore the services of the water facility until all delinquent charges for the services of the System have been fully paid or, if the water facility is not owned by the Local Government, then the Local Government shall enter into a termination agreement with the water provider; and

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

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

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

4.3 At least five percent (5%) of the proceeds of the Local Bonds will be advanced on the Date of Loan Closing. The remaining proceeds of the Local Bonds shall be advanced by the DEP monthly as required by the Local Government to pay Costs of the Project, provided, however, if the proceeds of the Local Bonds will be used to repay an interim financing, the proceeds will be advanced on a schedule mutually agreeable to the Local Government, the DEP and the Authority. The Local Bonds shall not bear interest during the construction period but interest shall commence accruing on the completion date as defined in the SRF Regulations, provided that the annual repayment of principal and payment of interest shall begin not later than one (1) year after the completion date. The repayment of principal and interest on the Local Bonds shall be as set forth on Schedule Y hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

4.4 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Local Government. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series.

4.5 As provided by the SRF Regulations, the Local Government agrees to pay from time to time, if required by the Authority and DEP, the Local Government's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative expenses shall be determined by the Authority and shall include, without limitation, Program expenses, legal fees paid by the Authority and fees

paid to the trustee and paying agents for any bonds or notes to be issued by the Authority for contribution to the Fund and the fees and expenses of any corporate trustee for the Fund.

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

ARTICLE V

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

5.1 The Local Government hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this ARRA Assistance Agreement and the Local Act. The Local Government hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to make the Loan, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System and will take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and in compliance with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof.

5.2 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Local Bonds shall prove to be insufficient to produce the required sums set forth in the Local Act and this ARRA Assistance Agreement, the Local Government hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges (or where applicable, immediately file with the PSC for a rate increase) and take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and this ARRA Assistance Agreement.

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

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

ARTICLE VI

Other Agreements of the Local Government

6.1 The Local Government hereby acknowledges to the Authority and DEP its understanding of the provisions of the Act, vesting in the Authority and DEP certain powers, rights and privileges with respect to wastewater treatment projects in the event of default by the Local Government in the terms and covenants of this ARRA Assistance Agreement, and the Local Government hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Local Government shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this ARRA Assistance Agreement.

6.2 The Local Government hereby warrants and represents that all information provided to the Authority and DEP in this ARRA Assistance Agreement, in the Application or in any other application or documentation with respect to financing the Project was at the time, and now is, true, correct and complete, and such information does not omit any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Prior to the Authority's making the Loan and receiving the Local Bonds, the Authority and DEP shall have the right to cancel all or any of their obligations under this ARRA Assistance Agreement if (a) any representation made to the Authority and DEP by the Local Government in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Local Government has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the Act, the SRF Regulations or this ARRA Assistance Agreement.

6.3 The Local Government hereby agrees to give the Authority and DEP prior written notice of the issuance by it of any other obligations to be used for the System, payable from the revenues of the System or from any grants for the Project or otherwise related to the Project or the System.

ARTICLE VII

Miscellaneous

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

7.2 If any provision of this ARRA Assistance Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this ARRA Assistance Agreement, and this ARRA Assistance Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

7.3 This ARRA Assistance Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all documents or other instruments and take such other actions as may be necessary to give effect to the terms of this ARRA Assistance Agreement.

7.4 No waiver by any party of any term or condition of this ARRA Assistance Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this ARRA Assistance Agreement.

7.5 This ARRA Assistance Agreement supersedes all prior negotiations, representations and agreements between the parties hereto relating to the Loan and constitutes the entire agreement between the parties hereto in respect thereof.

7.6 By execution and delivery of this ARRA Assistance Agreement, notwithstanding the date hereof, the Local Government specifically recognizes that it is hereby agreeing to sell its Local Bonds to the Authority and that such obligation may be specifically enforced or subject to a similar equitable remedy by the Authority.

7.7 This ARRA Assistance Agreement shall terminate upon the earlier of:

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

(ii) the end of ninety (90) days after the date of execution hereof by the Authority or such later date as is agreed to in writing by DEP if the Local Government has failed to deliver the Local Bonds to the Authority;

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

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

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

MALDEN PUBLIC SERVICE DISTRICT

(SEAL)

By: _____
Its: Chairman
Date: August 26, 2009

Attest:

_____
Its: Secretary

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

By: _____
Its: Acting Director
Date: August 26, 2009

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Executive Director
Date: August 26, 2009

Attest:

_____
Its: Secretary-Treasurer

{C1579561.1}

EXHIBIT A

FORM OF PERFORMANCE CERTIFICATE

[To Be Provided By DEP]

EXHIBIT B

MONTHLY FINANCIAL REPORT

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

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

_____
Name of Person Completing Form

_____
Address

_____
Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

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

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

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

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

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

EXHIBIT C

PAYMENT REQUISITION FORM

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

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

(Name of Bonds)

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

1. My firm is engineer for the acquisition and construction of _____ to the _____ system (the "Project") of _____ (the "Issuer"), to be constructed primarily in _____County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the same meaning set forth in the bond _____ adopted or enacted by the Issuer on _____, and the ARRA Assistance Agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), dated _____.

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

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

A, and my firm[1] has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) the Issuer has received the Buy American Certificate from each contractor; (x) as of the effective date thereof[2], the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the ARRA Assistance Agreement; (xi) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; and (xii) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

WITNESS my signature and seal on this ____ day of _____, ____.

By _____
West Virginia License No.

[SEAL]

---

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

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

EXHIBIT E

SPECIAL CONDITIONS – ARRA FUNDED PROJECTS

The Local Government shall include the following covenants in its bond authorizing documents:

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

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

C. BUY AMERICAN CERTIFICATION – The Local Government shall cause the contractor(s) to comply with, and provide certification of, the Buy American provisions of the ARRA in accordance with final guidance from the EPA.

D. ASSET MANAGEMENT – The Local Government shall develop and implement an asset management plan in accordance with guidelines issued by DEP and as approved by DEP. New systems shall submit the asset management plan to DEP when the Project is complete. Existing systems shall submit the asset management plan to DEP within six months following completion of the Project.

E. CONTRACTS – The Local Government shall enter into contracts or commence construction by February 17, 2010.

F. LOGO – The Local Government must display the ARRA logo in a manner that informs the public that the project is an ARRA investment.

G. LOBBYING - The Local Government shall comply with Title 40 CFR Part 34, New Restrictions on Lobbying and shall submit certification and disclosure forms as required by DEP.

H. PURCHASING REQUIREMENTS – The Local Government shall comply with Section 6002 of the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. 6962). Regulations issued under RCRA Section 6002 apply to any acquisition of an item where the purchase price exceeds $10,000 or where the quantity of such items acquired in the course of the preceding fiscal year was $10,000 or more. RCRA Section 6002 requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by EPA. These guidelines are listed in 40 CFR 247.

I. SUSPENSION AND DEBARMENT – The Local Government shall comply with Subpart C of 2 CFR Part 180 and 2 CFR Part 1532, entitled "Responsibilities of Participants Regarding Transactions (Doing Business with Other Persons). To the extent required by DEP, the Local Government shall provide certifications as to compliance.

J. REPORTING – The Local Government shall comply with all requests for data related to the use of the funds provided under this agreement, including the information required in section 1512 of ARRA when requested by DEP.

K. INSPECTOR GENERAL REVIEWS – The Local Government shall allow any appropriate representative of the Office of US Inspector General to (1) examine its records relating to the Project and this ARRA Assistance Agreement and (2) interview any officer or employee of the Local Government.

L. FALSE CLAIMS – The Local Government must promptly refer to EPA's Inspector General any credible evidence that a principal, employee, agent, sub-grantee contractor, subcontractor, loan recipient, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving funds provided under this ARRA Assistance Agreement.

M. LIMIT ON FUNDS – The Local Government shall not use funds for particular activities for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

N. WAGE RATES – The Local Government shall require that all laborers and mechanics employed by its contractors and subcontractors be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor (DOL) in accordance with subchapter IV of chapter 32 of title 40, United States Code. The Local Government must require that contractors and subcontractors obtain wage determinations from DOL and comply with DOL

guidance and regulations implementing wage rate requirements applicable to ARRA funds.

O. OFFICE OF MANAGEMENT AND BUDGET (OMB) GUIDANCE – The Local Government acknowledges and agrees that this ARRA Assistance is subject to all applicable provisions of implementing guidance for the American Recovery and Reinvestment Act of 2009 issued by the United States Office of Management and Budget, including the Initial Implementing Guidance for the American Recovery and Reinvestment Act (M-09-10) issued on February 18, 2009 and available on www.recovery.gov, and any subsequent guidance documents issued by OMB.

P. DISADVANTAGED BUSINESS ENTERPRISE – Pursuant to 40 CFR, Section 33.301, the Local Government agrees to make good faith efforts whenever procuring construction, equipment, services and supplies, and to require that prime contractors also comply. The Local Government shall provide DEP with MBE/WBE participation reports semi-annually.

Q. CIVIL RIGHTS – The Local Government shall comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and a variety of program-specific statutes with nondiscrimination requirements. The Local Government shall also comply with Title VII of the Civil Rights Act of 1964 (prohibiting race, color, national origin, religion, and sex discrimination in employment), the Americans with Disabilities Act (prohibiting disability discrimination in employment and in services provided by State and local governments, businesses, and non-profit agencies), and the Fair Housing Act (prohibiting race, color, national origin, age, family status, and disability discrimination in housing), as well as any other applicable civil rights laws.

R. BOND DESIGNATION – Each Local Bond shall be designated "Series [2009] B" and shall contain "(WVCWSRF Program/ARRA)" in the bond name.

S. USER RATES – The Local Government shall covenant that it will not reduce its approved customer rates for at least eighteen months after completion of the Project or (a) until such time as a cost of service study has been completed establishing the actual operation and maintenance expenses or (b) new rates have been established by order of the Public Service Commission. The Local Government shall notify the Authority and the DEP of any action to reduce rates during the eighteen months following completion of construction of the Project.

EXHIBIT F

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest	$
Principal	$
Total:	$
Reserve Account:	$

Witness my signature this ___ day of_____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

OPINION OF BOND COUNSEL FOR LOCAL GOVERNMENT

[To Be Dated as of Date of Loan Closing]

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

West Virginia Department of Environmental Protection
601 57th Street
Charleston, WV 25304

Ladies and Gentlemen:

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

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

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

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond duly adopted or enacted by the Local Government on _____, as supplemented by the supplemental

resolution duly adopted by the Local Government on _____ (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the ARRA Assistance Agreement has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the ARRA Assistance Agreement.

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

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

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

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

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

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

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

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

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

Very truly yours,

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

A. Series A Bonds (CWSRF Base Program)

Principal Amount of Local Bonds $2,834,985
Purchase Price of Local Bonds $2,834,985

The Local Bonds shall bear no interest. Commencing March 1, 2011, principal of the Local Bonds is payable quarterly, with an administrative fee of 0.25%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Local Government shall submit its payments monthly to the Commission with instructions that the Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority. If the Reserve Account is not fully funded at closing, the Local Government shall commence the payment of the 1/120 of the maximum annual debt service on the first day of the month it makes its first monthly payment to the Commission. The Local Government shall instruct the Commission to notify the Authority of any monthly payments which are not received by the 20th day of the month in which the payment was due.

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

The Local Government may prepay the Local Bonds in full at any time at the price of par upon 30 days' written notice to the Authority and DEP. The Local Government shall request approval from the Authority and DEP in writing of any proposed debt which will be issued by the Local Government on a parity with the Local Bonds which request must be filed at least 60 days prior to the intended date of issuance.

As of the date of the Loan Agreement, the Local Bonds are on a parity as to liens, pledge and source of and security for payment with the following obligations of the Local Government: none.

Number of New Customers to Be Served: 0
Location: N/A

As of the date of the Loan Agreement, the Local Bonds are on a parity as to liens, pledge and source of and security for payment with the following obligations of the Local Government: Malden Public Service District Sewer Revenue Bonds, Series 1978, dated December 21, 1978, issued in the original aggregate principal amount of $7,040,000, currently held by the West Virginia Water Development Authority.

B. Series B Bonds (ARRA)

Principal Amount of Local Bonds $6,614,965
Purchase Price of Local Bonds $6,614,965

The Local Bonds shall bear no interest. The Authority at the direction of the DEP shall forgive the principal amount of the Local Bonds. Principal forgiveness shall begin on March 1, 2011 and shall be made quarterly thereafter (March 1, June 1, September 1 and December 1 of each year) as set forth on Schedule Y attached hereto and incorporated herein by reference.

The Local Bonds are fully registered in the name of the Authority.

The Local Government shall make monthly payments into the Renewal and Replacement Fund as required by Section 4.1 of this Agreement for at least the term of the Local Bonds.

The Local Government shall notify the Authority and the Council of any proposed bond indebtedness secured by the revenues of the System.

SCHEDULE Y
DEBT SERVICE SCHEDULE

Malden PSD
30 Years
0% Interest Rate, 0.25%fAdmin Fee

Dated Date	8/26/09	
Delivery Date	8/26/09	
		Series A

Period Ending	Principal	Interest	Debt Service
8/26/09			
3/1/11	23,625		23,625
6/1/11	23,625		23,625
9/1/11	23,625		23,625
12/1/11	23,625		23,625
3/1/12	23,625		23,625
6/1/12	23,625		23,625
9/1/12	23,625		23,625
12/1/12	23,625		23,625
3/1/13	23,625		23,625
6/1/13	23,625		23,625
9/1/13	23,625		23,625
12/1/13	23,625		23,625
3/1/14	23,625		23,625
6/1/14	23,625		23,625
9/1/14	23,625		23,625
12/1/14	23,625		23,625
3/1/15	23,625		23,625
6/1/15	23,625		23,625
9/1/15	23,625		23,625
12/1/15	23,625		23,625
3/1/16	23,625		23,625
6/1/16	23,625		23,625
9/1/16	23,625		23,625
12/1/16	23,625		23,625
3/1/17	23,625		23,625
6/1/17	23,625		23,625
9/1/17	23,625		23,625
12/1/17	23,625		23,625
3/1/18	23,625		23,625
6/1/18	23,625		23,625
9/1/18	23,625		23,625
12/1/18	23,625		23,625
3/1/19	23,625		23,625
6/1/19	23,625		23,625
9/1/19	23,625		23,625
12/1/19	23,625		23,625
3/1/20	23,625		23,625
6/1/20	23,625		23,625
9/1/20	23,625		23,625
12/1/20	23,625		23,625
3/1/21	23,625		23,625
6/1/21	23,625		23,625
9/1/21	23,625		23,625

Malden PSD

30 Years

0% Interest Rate, 0.25%fAdmin Fee

Period Ending	Principal	Interest	Debt Service
12/1/21	23,625		23,625
3/1/22	23,625		23,625
6/1/22	23,625		23,625
9/1/22	23,625		23,625
12/1/22	23,625		23,625
3/1/23	23,625		23,625
6/1/23	23,625		23,625
9/1/23	23,625		23,625
12/1/23	23,625		23,625
3/1/24	23,625		23,625
6/1/24	23,625		23,625
9/1/24	23,625		23,625
12/1/24	23,625		23,625
3/1/25	23,625		23,625
6/1/25	23,625		23,625
9/1/25	23,625		23,625
12/1/25	23,625		23,625
3/1/26	23,625		23,625
6/1/26	23,625		23,625
9/1/26	23,625		23,625
12/1/26	23,625		23,625
3/1/27	23,625		23,625
6/1/27	23,625		23,625
9/1/27	23,625		23,625
12/1/27	23,625		23,625
3/1/28	23,625		23,625
6/1/28	23,625		23,625
9/1/28	23,625		23,625
12/1/28	23,625		23,625
3/1/29	23,625		23,625
6/1/29	23,625		23,625
9/1/29	23,625		23,625
12/1/29	23,625		23,625
3/1/30	23,625		23,625
6/1/30	23,625		23,625
9/1/30	23,625		23,625
12/1/30	23,625		23,625
3/1/31	23,625		23,625
6/1/31	23,625		23,625
9/1/31	23,625		23,625
12/1/31	23,625		23,625
3/1/32	23,625		23,625
6/1/32	23,625		23,625
9/1/32	23,625		23,625
12/1/32	23,625		23,625
3/1/33	23,625		23,625

Malden PSD
30 Years
0% Interest Rate, 0.25%fAdmin Fee

Period Ending	Principal	Interest	Debt Service
6/1/33	23,625		23,625
9/1/33	23,625		23,625
12/1/33	23,625		23,625
3/1/34	23,625		23,625
6/1/34	23,625		23,625
9/1/34	23,625		23,625
12/1/34	23,625		23,625
3/1/35	23,625		23,625
6/1/35	23,625		23,625
9/1/35	23,625		23,625
12/1/35	23,625		23,625
3/1/36	23,625		23,625
6/1/36	23,625		23,625
9/1/36	23,625		23,625
12/1/36	23,625		23,625
3/1/37	23,624		23,624
6/1/37	23,624		23,624
9/1/37	23,624		23,624
12/1/37	23,624		23,624
3/1/38	23,624		23,624
6/1/38	23,624		23,624
9/1/38	23,624		23,624
12/1/38	23,624		23,624
3/1/39	23,624		23,624
6/1/39	23,624		23,624
9/1/39	23,624		23,624
12/1/39	23,624		23,624
3/1/40	23,624		23,624
6/1/40	23,624		23,624
9/1/40	23,624		23,624
12/1/40	23,625		23,625
	2,834,985	*	**2,834,985**

*plus an Administrative fee in the amount of $893.32 to be submitted quarterly.
The total Administrative fee for this loan is $107,198.40

Malden PSD
10 Years

Dated Date	8/26/09
Delivery Date	8/26/09

Period Ending	Debt Service		Series B - ARRA Principal Forgiveness
8/26/09			
3/1/11	-165,375		-165,375
6/1/11	-165,375		-165,375
9/1/11	-165,375		-165,375
12/1/11	-165,375		-165,375
3/1/12	-165,374		-165,374
6/1/12	-165,374		-165,374
9/1/12	-165,374		-165,374
12/1/12	-165,374		-165,374
3/1/13	-165,374		-165,374
6/1/13	-165,374		-165,374
9/1/13	-165,374		-165,374
12/1/13	-165,374		-165,374
3/1/14	-165,374		-165,374
6/1/14	-165,374		-165,374
9/1/14	-165,374		-165,374
12/1/14	-165,374		-165,374
3/1/15	-165,374		-165,374
6/1/15	-165,374		-165,374
9/1/15	-165,374		-165,374
12/1/15	-165,374		-165,374
3/1/16	-165,374		-165,374
6/1/16	-165,374		-165,374
9/1/16	-165,374		-165,374
12/1/16	-165,374		-165,374
3/1/17	-165,374		-165,374
6/1/17	-165,374		-165,374
9/1/17	-165,374		-165,374
12/1/17	-165,374		-165,374
3/1/18	-165,374		-165,374
6/1/18	-165,374		-165,374
9/1/18	-165,374		-165,374
12/1/18	-165,374		-165,374
3/1/19	-165,374		-165,374
6/1/19	-165,374		-165,374
9/1/19	-165,374		-165,374
12/1/19	-165,374		-165,374
3/1/20	-165,374		-165,374
6/1/20	-165,374		-165,374
9/1/20	-165,374		-165,374
12/1/20	-165,375		-165,375
	-6,614,965		-6,614,965

RESERVED

Malden Public Service District

Resolution

A Resolution authorizing the construction and acquisition of certain sewage facilities of the Malden Public Service District, Kanawha County, West Virginia, and the financing of the cost, not otherwise provided, thereof through the issuance by the District of not more than $7,085,000 in principal amount of Sewer Revenue Bonds, Series 1978; providing for the rights and remedies of and security for the holders of such Sewer Revenue Bonds, Series 1978; authorizing the sale of such bonds to the West Virginia Water Development Authority pursuant to the terms of a loan agreement between the District and said Authority and adopting other provisions relating thereto.

Be It Resolved by the Board of the Malden Public Service District, Kanawha County, West Virginia:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority of this Resolution. This Resolution is adopted pursuant to the provisions of Article 13A of Chapter 16 of the Code of West Virginia of 1931, as amended (the "Act"), and other applicable provisions of law.

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

A. Malden Public Service District (the "District") was established as the Dupont Public Service District by order of the County Commission of Kanawha County, West Virginia, dated August 7, 1974, and was expanded and named Malden Public Service District by order of such County Commission dated August 27, 1975.

B. It is deemed necessary and desirable for the health and welfare of the inhabitants of the District that there be constructed certain sewer facilities (the "Project") in the District, which along with the sewer facilities previously acquired or constructed by the District, if any,

shall constitute public service properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (the "System") at an estimated cost of $22,478,327 in accordance with the plans and specifications prepared by VTN, Inc., Consulting Engineers, Charleston, West Virginia, which plans and specifications have heretofore been filed in the office of the District.

C. The estimated revenues to be derived in each year after the adoption of this Resolution from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on the Bonds authorized to be issued pursuant to this Resolution and all Sinking Fund, Reserve Account and other payments provided for in this Resolution.

D. It is deemed necessary for the District to issue its Sewer Revenue Bonds in the principal amount of not more than $7,085,000 to finance costs of the construction and acquisition of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; interest upon the Bonds prior to and during construction or acquisition and for six months after completion of construction or of acquisition of the improvements and extensions; engineering, fiscal agents and legal expenses; expenses for estimates of cost and of revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense; and such other expenses as may be necessary or incident to the financing herein authorized, and the construction or acquisition of the properties and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof.

E. It is in the best interests of the District that its Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement to be entered into between the District and the Authority (the form of which agreement is attached to this Resolution as Exhibit A, which Exhibit, by this reference, is incorporated herein and made a part hereof) (the "Loan Agreement").

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

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

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

B. "Authority" shall mean the West Virginia Water Development Authority, which shall be the original purchaser of the Bonds authorized to be issued hereunder, or any other agency of the State of West Virginia that succeeds to the functions of the Authority.

C. "Board" shall mean the Public Service Board of the District, which is the governing body of the District pursuant to the Act.

D. "Bonds" shall mean the not in excess of $7,085,000 Sewer Revenue Bonds, Series 1978, originally authorized to be issued pursuant to this Resolution, and any pari passu additional bonds hereafter issued within the terms, restrictions and conditions contained in this Resolution, and the interest coupons to said Bonds.

E. "Bondholder" or "Holder of the Bonds" or any similar term shall mean any person who shall be the bearer or owner of any outstanding Bond or Bonds registered to bearer or not registered, or the registered owner of any outstanding Bond or Bonds which shall at the time be registered other than to the bearer or of any coupons representing interest accrued or to accrue on said Bonds.

F. "Chairman" shall mean the Chairman of the Board.

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

H. "Consulting Engineers" shall mean VTN, Inc., consulting engineers, Charleston, West Virginia, or any engineer or firm of engineers that shall at any time hereafter be retained by the District as Consulting Engineers for the System.

I. "Cost of Works" shall mean those costs described in Section 1.02(D) hereof to be a part of the cost of construction and acquisition of the Project.

J. "District" shall mean the Malden Public Service District, Kanawha County, West Virginia, and where appropriate the Board thereof.

K. "Fiscal Year" shall mean each twelve-month period beginning on July 1 and ending on the succeeding June 30.

L. "Independent Certified Public Accountants" shall mean Krisher and Krisher, Certified Public Accountants, Charleston, West Virginia, or any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the District to prepare an independent annual or special audit of the accounts of the System or for any other purpose except keeping the accounts of the System in the normal operation of its business and affairs.

M. "Net Revenues" shall mean the balance of the Gross Revenues, as defined below, remaining after deduction only of Operating Expenses, as defined below.

N. "Operating Expenses," unless qualified, shall mean the current expenses, paid or accrued, of repair, operation and maintenance of the System and includes, without limiting the generality of the foregoing, insurance premiums, supplies, labor, wages, the cost of materials and supplies used for current operations, administrative expenses of the Board relating and chargeable to the System and such

other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting practices.

O. "Project" shall mean the sewer facilities described in Exhibit B attached hereto.

P. "Revenues" or "Gross Revenues" shall mean all rates, rents, fees, charges or other income (including, without limitation, sale proceeds and interest or other income derived from the investment of the funds and accounts established hereunder) received by or accrued to the District from the operation of the System, as calculated in accordance with generally accepted accounting practices.

Q. "Secretary" shall mean the Secretary of the Board.

R. "Supplemental Resolution" shall mean any resolution which is amendatory or supplemental hereto.

S. "System" shall mean the complete public service properties of the District for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, in its entirety or any integral part thereof, and shall include any additions, betterments and improvements thereto hereafter constructed or acquired for said system from any sources whatsoever.

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

ARTICLE II

AUTHORIZATION OF CONSTRUCTION AND ACQUISITION OF THE PROJECT

Section 2.01. Authorization of Construction and Acquisition. There is hereby authorized the construction and acquisition of the Project described in Exhibit B hereto, plans and specifications for which have been prepared by the Consulting Engineers, and heretofore filed in the office of the Board. The proceeds of the Bonds hereby authorized shall be applied as provided in Article V of this Resolution.

ARTICLE III

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

3.01. Authorization and Terms of Bonds. For the purpose of financing the cost of construction and acquisition of the Project, there shall be issued negotiable Sewer Revenue Bonds, Series 1978, of the District, in the aggregate principal amount of not in excess of $7,085,000. Said Bonds shall be designated "Sewer Revenue Bonds, Series 1978"; and shall bear interest at such rate or rates, not exceeding eight per centum (8%) per annum, and shall mature as the District shall prescribe in the Supplemental Resolution. Interest on the Bonds shall be payable semiannually on April 1 and October 1 in each year, commencing April 1, 1979. The Bonds shall be payable as to both principal and interest at the office of the Commission or through a paying agent or agents selected by the original purchaser or purchasers thereof, in any coin or currency that is legal tender for the payment of public or private debts under the laws of the United States of America. The Bonds shall be redeemable in whole or in part in inverse order of maturities (by lot if less than all the Bonds of the same maturity) only on or after the date on which all outstanding bonds issued by the Authority to provide funds for the purchase of the Bonds are redeemable and at a price equal to the aggregate of (i) the corresponding principal amount of the Authority's bonds to be redeemed by the Authority as a consequence of the District's redemption of all or a part of its Bonds outstanding, (ii) the interest to accrue on the Authority's bonds so to be redeemed to the next redemption date thereof and not previously paid, (iii) the applicable premium, if any, payable on the Authority's bonds so to be redeemed, (iv) the applicable premium, if any, payable on additional bonds of the Authority which also become redeemable by virtue of such redemption, (v) the costs and expenses of the Authority in effecting redemption of the Authority's bonds so to be redeemed, and (vi) at the direction of the Authority, an amount equal to the proportionate amount of the additional bonds of the Authority so to be redeemed, if any, less other moneys of the Authority available therefor; provided, however, that in the event the Authority's bonds have been refunded and the refunding bonds were issued by the Authority in a principal amount in excess of or less than such bonds remaining unpaid at the date of issuance of such refunding bonds,

the District shall be obligated to pay under item (i) above the principal amount of such refunding bonds outstanding, and, in the event the interest the Authority is required to pay on said refunding bonds is less than the Authority was required to pay on its bonds, the District shall be obligated to pay under item (ii) above the amount of interest to accrue on such outstanding refunding bonds of the Authority.

The Bonds shall be issued in the form of coupon Bonds, registrable as to principal only, or in the form of one fully registered Bond with payment record attached (the "Registered Bond").

Coupon Bonds shall be in the denomination of $5,000 each and shall be dated as of the date which is six months preceeding the first interest payment date specified above. Coupon Bonds shall bear interest from their date, payable in accordance with, and upon surrender of, the appurtenant interest coupons as they severally mature. [The Registered Bond shall be dated as of the date of its delivery to the original purchaser thereof and shall bear interest from such date.]

Except as otherwise provided in Section 3.04, before the delivery of any coupon Bonds, all matured coupons thereto attached, except matured coupons for which payment in full has not been provided, shall be cut off, cancelled and destroyed; provided, however, that if coupon Bonds are issued in exchange for the Registered Bond upon which interest is in default, as shown by the records of the Treasurer of the State, such coupon Bonds shall have attached thereto all coupons maturing after the date to which interest has been paid in full, as shown by such records, and in case any interest installments shall have been paid in part, appropriate notation shall be made on the coupons to evidence such fact.

Section 3.02. Execution of Bonds and Coupons. Said Bonds shall be executed in the name of the District by the Chairman, and the seal of the District shall be affixed thereto and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the District before the Bonds so signed and sealed have been actually

sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the District by such person as at the actual time of the execution of such Bonds shall hold the proper office in the District, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

The coupons to be attached to the Bonds shall be authenticated with the facsimile signature of the present or future Chairman and Secretary of the District, and the District may adopt and use for this purpose a facsimile seal.

Section 3.03. Negotiability, Transfer and Registration. The Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of said Bonds or the coupons appertaining thereto, shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value in the manner provided hereinafter in the form of said Bonds.

So long as any of the Bonds remain outstanding, the Treasurer of the State of West Virginia shall keep and maintain books for the registration and transfer of the Bonds. Coupon Bonds may be registered at the option of the Holder as to principal only at the office of the Treasurer of the State of West Virginia, such registration to be noted on the back of said Bonds in the space provided therefor. After such registration as to principal only, no transfer of the Bonds shall be valid unless made at said office by the registered owner, or by his duly authorized agent or representative, and similarly noted on the Bonds, but the Bonds may be discharged from registration by being in like manner transferred to bearer, and thereupon transferability by delivery shall be restored. At the option of the Holder the Bonds may thereafter again from time to time be registered

or transferred as before. Such registration as to principal only shall not affect the negotiability of the coupons, which shall continue to pass by delivery.

The Registered Bond shall be transferable only upon the books of the District, which shall be kept for the purpose at the office of the aforesaid Treasurer, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Treasurer of the State duly executed by the registered owner or his duly authorized attorney. Upon transfer of the Registered Bond, there shall be issued in the name of the transferee, coupon Bonds, with appropriate coupons attached, of the same aggregate principal amount equal to the unpaid principal amount of the Registered Bond, and having maturities corresponding to the principal installments of such Registered Bond then unpaid.

In all cases in which the privilege of exchanging Bonds or transferring the Registered Bond is exercised, Bonds shall be delivered in accordance with the provisions of this Resolution. All Bonds and coupons surrendered in any such exchanges or transfers shall forthwith be cancelled by the said Treasurer. For every such exchange or transfer of Bonds, the Treasurer may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new coupon Bond upon each exchange or transfer, and any other expenses of the said Treasurer incurred in connection therewith, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer; provided, however, that in the event the Authority is the Bondholder requesting such exchange or transfer, the District shall pay all such taxes, fees, governmental charges or other expenses incurred in making such exchange or transfer. The Treasurer shall not be obliged to make any such exchange or transfer of Bonds during the ten (10) days preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed.

Section 3.04. <u>Bonds Mutilated, Destroyed, Stolen or Lost</u>. In case any Bond shall become mutilated or be

destroyed, stolen or lost, the District may in its discretion issue and deliver a new Bond with all unmatured coupons, if any, so mutilated, destroyed, stolen or lost in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond, and attached coupons, if any, or in lieu of and substitution for the Bond and coupons, if any, destroyed, stolen or lost and upon the Holder's furnishing the District proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the District may prescribe and paying such expenses as the District may incur. All Bonds and coupons so surrendered shall be cancelled by the Secretary and held for the account of the District. If such Bond or coupons shall have matured or be about to mature, instead of issuing a substitute Bond or coupon, the District may pay the same, upon being indemnified as aforesaid, and if such Bond or coupons be lost, stolen, or destroyed, without surrender therefor.

Any such duplicate Bond and coupons issued pursuant to this section shall constitute original, additional contractual obligations on the part of the District, whether or not the lost, stolen or destroyed Bond or coupons be at any time found by any one, and such duplicate Bond and coupons shall be entitled to equal and proportionate benefits and rights as to lien and source of security for payment from the revenues pledged herein with all other Bonds and coupons issued hereunder.

Section 3.05. Form of Bonds and Coupons. The text of the Bonds, and of the coupons, shall be of substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Resolution, or any subsequent resolution or ordinance adopted prior to the issuance thereof.

[Form of Coupon Bonds]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
MALDEN PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1978

$5,000.00

No._____

KNOW ALL MEN BY THESE PRESENTS: That THE MALDEN

PUBLIC SERVICE DISTRICT, a public corporation, organized and existing under the laws of the State of West Virginia (the "District"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the bearer or, if this Bond be registered as to principal to the registered holder hereof, on the first day of October, _____, the sum of Five Thousand Dollars ($5,000.00) and solely from such special funds also to pay interest on said sum from the date hereof at the rate of _____ per centum (_____%) per annum semiannually, on the first day of April and the first day of October in each year beginning April 1, 1979, all such interest as may accrue on and prior to the maturity date hereof to be payable only upon presentation and surrender of the annexed coupons as they severally become due, both principal of, and interest on, this Bond being payable in any coin or currency which, on the respective dates of payment of principal and interest, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, or at the option of the holder at the _____. This Bond is subject to redemption prior to its stated date of maturity as follows: in whole or in part in inverse order of maturities (by lot if less than all the Bonds of the same maturity) only on or after the date on which all outstanding bonds issued by the Authority to provide funds for the purchase of the Bonds of the issue of which this Bond is one are redeemable and at a price equal to the aggregate of (i) the corresponding principal amount of the Authority's bonds to be redeemed by the Authority as a consequence of the District's redemption of all or a part of its Bonds outstanding, (ii) the interest to accrue on the Authority's bonds so to be redeemed to the next redemption date thereof and not previously paid, (iii) the applicable premium, if any, payable on the Authority's bonds so to be redeemed, (iv) the applicable premium, if any, payable on additional bonds of the Authority which also become redeemable by virtue of such redemption, (v) the costs and expenses of the Authority in effecting redemption of the Authority's bonds so to be redeemed, and (vi) at the direction of the Authority, an amount equal to the proportionate amount of the additional bonds of the Authority so to be redeemed, if any, less other moneys of the Authority available therefor; provided, however, that in the event the Authority's bonds have been refunded and the refunding bonds were issued

by the Authority in a principal amount in excess of or less than such bonds remaining unpaid at the date of issuance of such refunding bonds, the District shall be obligated to pay under item (i) above the principal amount of such refunding bonds outstanding, and, in the event the interest the Authority is required to pay on said refunding bonds is less than the Authority was required to pay on its bonds, the District shall be obligated to pay under item (ii) above the amount of interest to accrue on such outstanding refunding bonds of the Authority.

This Bond is one of an authorized issue of Bonds, in the aggregate principal amount of $_____, of like date and of like tenor and effect, except as to principal amount, number, date of maturity, and interest rate, issued to finance the cost of construction and acquisition of certain public service facilities of the District for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes in the District (the "System"), under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Article 13A of Chapter 16 of the Code of West Virginia, 1931, as amended (the "Act"); and a Resolution duly adopted by the Board of the District on the 28th day of November, 1978 (the "Resolution"), and is subject to all the terms and conditions of said Resolution. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Resolution.

The Bonds authorized by said Resolution are payable only from and secured by the net revenues to be derived from the operation of the sewage system of the District, which net revenues shall be sufficient to pay the principal of, and interest on, all Bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the District within the meaning of any constitutional or statutory provisions or limitations, nor shall said District be obligated to pay the same or the interest thereon except from said special fund provided from the net revenues from the operation of said System. By the Resolution, the District has covenanted and agreed to establish and maintain just and equitable rates or charges for the use

of such System and the services rendered thereby, which shall be sufficient to provide gross revenues which will be able to pay for the reasonable expenses of operation, repair and maintenance of said System and leave a balance each year equal to at least 130% of the amount required during such year to pay the maximum amount due in any ensuing year of principal of and interest on all obligations payable from such revenues. The District has entered into certain further covenants with the holders of the Bonds for the terms of which reference is made to said Resolution. Remedies provided the holders of the Bonds are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

This Bond is fully negotiable but may be registered as to principal only in the name of the holder on the books in the office of the Treasurer of the State of West Virginia, at Charleston, West Virginia, such registration to be evidenced by notation on the back hereof by the Treasurer, after which no transfer shall be valid unless made on said books and similarly noted hereon, but it may be discharged from such registration by being transferred to bearer, after which it shall be transferable by delivery, but it may be registered again as before. The registration of this Bond as to principal shall not restrain the negotiability of the coupons by delivery merely.

This Bond shall be exempt from all taxation by the State of West Virginia and any county or municipality therein.

All money received from the sale of this Bond or other Bonds of the issue of which this Bond is one, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the cost of additions, betterments and improvements described in the Resolution, including payment of any indebtedness incurred by the District for such purposes which is required to be paid from the moneys received from the sale of such Bonds, or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder or holders of said Bonds.

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

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

IN WITNESS WHEREOF, the said The District has caused this Bond to be signed by the Chairman of the Board, attested by its Secretary and its corporate seal to be hereunto affixed, and the coupons hereto attached to be executed with the facsimile signatures of said Chairman and Secretary, which officials by the execution of this Bond do adopt as their own proper signatures their facsimile signatures appearing on said coupons, and this Bond, all as of the first day of October, 1978.

_____
Chairman

ATTEST:

_____
Secretary

(FORM OF COUPON)

No. _____ $_____

On the first day of _____, 19__, The Malden Public Service District, Kanawha County, West Virginia,

will pay to bearer upon presentation of and surrender of this coupon the sum shown hereon, out of the special fund provided therefor, at the office of the West Virginia Municipal Bond Commission or, at the option of the holder hereof, at the _____, said payment to be made in any coin or currency which on said date of payment is legal tender for the payment of public and private debts under the laws of the United States of America, as provided in, and for interest then due on, the Sewer Revenue Bond, Series 1978, dated October 1, 1978, to which this coupon is attached.

_____
Chairman

_____
Secretary

_____

(No writing on this Bond except by the Treasurer of the State of West Virginia as Registrar)

Date of Registration	In Whose Name Registered	Signature of Registrar

[Form of Fully Registered Bond With Payment Record]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
MALDEN PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1978

No. _____ $_____

KNOW ALL MEN BY THESE PRESENTS: That THE MALDEN PUBLIC SERVICE DISTRICT, a municipal corporation, organized and existing under the laws of the State of West Virginia (the "District"), for value received, hereby promises

to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Payee") or its registered assigns (the "Alternate Payee"), the sum of $_____, in installments on October 1 of each year as set forth below, with interest on each installment at the rate per annum set forth below opposite the year in which the installment becomes due:

Year	Installment	Interest Rate

The interest rate on each installment shall run from the original date of delivery of this Bond to the Payee and payment therefor and until payment of such installment, and such interest shall be payable on the first day of April, and the first day of October in each year beginning April 1, 1979. Both principal of and interest on this Bond are payable in any coin or currency which, on the respective dates of payment of principal and interest, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, or at the option of the Payee at the _____. This Bond is subject to redemption prior to its stated date of maturity as follows: in whole or in part in inverse order of maturities only on or after the date on which all outstanding bonds issued by the Authority to provide funds for the purchase of this Bond are redeemable and at a price equal to the aggregate of (i) the corresponding principal amount of the Authority's bonds to be redeemed by the Authority as a consequence of the District's redemption of all or a part of its Bond outstanding, (ii) the interest to accrue on the Authority's bonds so to be redeemed to the next redemption date thereof and not previously paid, (iii) the applicable premium, if any, payable on the Authority's bonds so to be redeemed, (iv) the applicable premium, if any, payable on additional bonds of the Authority which also become redeemable by virtue of such redemption, (v) the costs and expenses of the Authority in effecting redemption of the Authority's bonds so to be redeemed, and (vi) at the direction of the Authority, an amount equal to the proportionate amount of the additional bonds of the Authority so to be redeemed, if any, less other moneys of the Authority available therefor; provided, however, that in the event the Authority's bonds

have been refunded and the refunding bonds were issued by the Authority in a principal amount in excess of or less than such bonds remaining unpaid at the date of issuance of such refunding bonds, the District shall be obligated to pay under item (i) above the principal amount of such refunding bonds outstanding, and, in the event the interest the Authority is required to pay on said refunding bonds is less than the Authority was required to pay on its bonds, the District shall be obligated to pay under item (ii) above the amount of interest to accrue on such outstanding bonds of the Authority.

This Bond is issued to finance the cost of construction and acquisition of certain public service facilities of the District for the collection, treatment, purification or disposal of liquid or solid wastes in the District (the "System"), under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Article 13A of Chapter 16 of the Code of West Virginia, 1931, as amended (the "Act"), and a Resolution duly adopted by the Board of the District on the 28th day of November, 1978 (the "Resolution"), and is subject to all the terms and conditions of said Resolution. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Resolution.

The Bonds authorized by said Resolution are payable only from and secured by the net revenues to be derived from the operation of the sewage system of the District, which net revenues shall be sufficient to pay the principal of, and interest on, all Bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the District within the meaning of any constitutional or statutory provisions or limitations, nor shall said District be obligated to pay the same or the interest thereon except from said special fund provided from the net revenues from the operation of said System. By the Resolution, the District has covenanted and agreed to establish and maintain just and equitable rates or charges for the use

of such System and the services rendered thereby, which shall be sufficient to provide gross revenues which are able to pay for the reasonable expenses of operation, repair and maintenance of said System and leave a balance each year equal to at least 130% of the amount required during such year to pay the maximum amount due in any ensuing year of principal of and interest on all obligations payable from such revenues. The District has entered into certain further covenants with the holders of the Bonds for the terms of which reference is made to said Resolution. Remedies provided the holders of the Bonds are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Resolution, only upon the books of the District kept for that purpose at the office of the Treasurer of the State of West Virginia, by the Payee, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Treasurer of the State of West Virginia, duly executed by the Payee or its attorney duly authorized in writing. Upon transfer of this Bond, there shall be issued in the name of the transferee coupon Bonds, with appropriate coupons attached, of the same aggregate principal amount equal to the unpaid principal amount of this Bond, and having maturities corresponding to the principal installments of this Bond then unpaid.

This Bond shall be exempt from all taxation by the State of West Virginia and any county or municipality therein.

All money received from the sale of this Bond or other Bonds of the issue of which this Bond is one, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the cost of additions, betterments and improvements described in the Resolution, including payment of any indebtedness incurred by the District for such purposes which is required to be paid from the moneys received from the sale of such Bonds, or to the appurtenant sinking fund, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the holder or holders of said Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen

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

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

IN WITNESS WHEREOF, the said The District has caused this Bond to be signed by the Chairman of the Board, attested by its Secretary and its corporate seal to be hereunto affixed, all as of the _____ day of _____, 19__.

_____
Chairman

ATTEST:

_____
Secretary

[FORM OF PAYMENT RECORD]

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due After Payment	Interest Payment (%)	Date Paid	Name of Paying Agent Authorized Officer And Title
	$	$	$		

SCHEDULE "A"

Principal installments on which payments have been made prior to maturity

Date	Principal Due Amount	Principal Payment	Balance	Date Paid	Name of Paying Agent Authorized Officer and Title
	$	$	$		

[FORM OF ASSIGNMENT]

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

the within Bond of the Malden Public Service District, and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books of the within named Public Service District with full power of substitution in the premises.

Dated:

_____

In the presence of:

_____

3.06. Sale of Bonds; Execution of Loan Agreement with Authority. The Bonds shall be sold to the West Virginia Water Development Authority, Charleston, West Virginia, at a price not less than $6,742,121, pursuant to the terms and conditions of the Loan Agreement to be entered into between the District and the Authority, all of the provisions of which are hereby ratified and confirmed herein and made a part hereof. The Chairman is specifically authorized and directed to execute the Loan Agreement in substantially the form of Exhibit A, the Secretary is directed to affix the seal of the District, attest the same and deliver the Loan Agreement to the Authority.

ARTICLE IV

SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01. System Revenues and Application Thereof. So long as any of the Bonds shall be outstanding and unpaid, the District covenants with the Holders of the Bonds as follows:

A. Establishment of System Revenue Fund and Disposition of System Revenues. The entire gross revenues derived from the operation of the System and all parts thereof shall be deposited by the District in a special fund in a bank in the State of West Virginia which is eligible under the laws of West Virginia to receive deposits of state and municipal funds, which fund (herein called the "Revenue Fund") is hereby established. The Revenue Fund shall constitute a trust fund for the purposes provided in this Resolution and shall be kept separate and distinct from all other funds of the District and used only for the purposes and in the manner herein provided. All revenues at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The District shall first each month, from the moneys in the Revenue Fund, pay all reasonable operating expenses of the System.

(2) Thereafter, from the moneys in the Revenue Fund, the District shall, on the first day of each month commencing with and including the month of _____, 19__, apportion and set apart out of the Revenue Fund and remit to the Commission, for deposit in a fund to be known as the "Sinking Fund," which is hereby created and established, a sum equal to one-sixth (1/6) of the amount of interest which will become due on said Bonds on the next ensuing semiannual interest payment date: Provided, however, that in the event that the period to elapse between said initial payment date and the next semiannual interest payment date is less than six (6) months, then such monthly payments shall be increased proportionately to provide the required amount of interest maturing on the next semiannual interest payment date.

The District shall also, from the Revenue Fund, remit to the Commission, on such dates or at such other times as the Commission shall require, such additional sums as shall be necessary to pay the fiscal agency charges due for paying the Bonds and the interest thereon.

The District shall also apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in said Sinking Fund, on the first day of each

month, beginning on the first day of that month which is twelve (12) months prior to the first principal payment date of said Bonds, a sum equal to one-twelfth (1/12) of the amount of principal which will mature and become due on said Bonds on the next ensuing principal payment date.

The Commission is hereby designated as the fiscal agent for the administration of the Sinking Fund created hereunder, and all amounts required for said Sinking Fund shall be remitted to the Commission from said Revenue Fund and from the proceeds of the sale of the Bonds as provided in Article V hereof by the District at the times provided herein.

Moneys in the Sinking Fund shall be used only for the purposes of paying principal of and interest on the Bonds as the same shall become due.

The District shall next, from the Revenue Fund, remit to the Commission for deposit in a Reserve Account in said Sinking Fund, on the first day of each month of each year, beginning with and including the month in which payments from the Revenue Fund for semiannual interest are commenced, an amount equal to twenty per centum (20%) of all amounts required to be deposited for maturing principal and interest into said Sinking Fund, as provided above, on said dates: Provided, however, that no further payments shall be made into said Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the maximum amount of principal and interest that will mature and become due on said Bonds in any succeeding fiscal year.

Moneys in the Reserve Account shall be used only for the purpose of payment of maturing principal of or interest on the Bonds when other moneys in the Sinking Fund are insufficient therefor and for no other purpose.

Any withdrawals from the Reserve Account shall be subsequently restored from the first revenue available after all required payments to the Sinking Fund and Reserve Account, including any deficiencies for prior payments, have been made in full.

The District shall not be required to make any further payments into said Sinking Fund or into the Reserve Account in said Sinking Fund when the aggregate

amount of funds in both said Sinking Fund and said Reserve Account are at least equal to the aggregate principal amount of Bonds issued pursuant to this Resolution then outstanding, plus the amount of interest due or thereafter to become due on said Bonds then outstanding.

As and when additional bonds ranking on a parity with the Bonds herein authorized are issued, provision shall be made for additional payments into said Sinking Fund sufficient to pay the interest on such additional parity bonds and accomplish retirement thereof at maturity and to accumulate a balance in the Reserve Account in said Sinking Fund in an amount equal to the maximum provided and required to be paid into the Sinking Fund in any calendar year for account of all the Bonds, including such additional bonds which by their terms are payable from said Sinking Fund.

The payments into the Sinking Fund shall be made on the first day of each month, except that when the first day of any month shall be a Sunday or legal holiday then such payments shall be made on the next succeeding business day, and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Resolution.

Said Sinking Fund shall be used solely and only and is hereby pledged for the purpose of servicing the Bonds and any additional bonds ranking on a parity therewith that may be issued and outstanding under the conditions and restrictions hereinafter set forth.

(3) Thereafter, from the moneys remaining in said Revenue Fund, the District shall next, on the first day of each month commencing with the first month in which interest shall be first payable from the Revenue Fund, remit to a bank which is eligible under the laws of West Virginia to receive deposits of public funds for deposit in a special account to be designated "Renewal and Replacement Fund," which account is hereby established and created, a sum equal to two and one-half per centum (2-1/2%) of the gross revenues each month, exclusive of any payments for account of the Reserve Account in the Sinking Fund. All funds in said Renewal and Replacement Fund shall be kept apart from all other municipal funds, and all or any part of said fund may be invested in

bonds or other direct or fully guaranteed obligations of the United States of America maturing or being subject to retirement at the option of the holder within not more than ten (10) years from the date of such investment. Withdrawals and disbursements may be made from said Renewal and Replacement Fund for replacements, emergency repairs, additions, betterments or improvements to the System; provided, however, that any deficiency in the Reserve Account (except to the extent such deficiency exists because the required payments into such Account have not as of the date of determination of a deficiency funded such Account to the maximum extent required by Section 4.01(A)(2)), shall be promptly eliminated with moneys from the Renewal and Replacement Fund in amounts sufficient to eliminate such deficiency.

(4) Whenever all of the required and provided transfers and payments from said Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid for operating expenses and into the Sinking Fund and the Renewal and Replacement Fund during the next succeeding three (3) months, such excess shall be considered as surplus revenues. Said surplus revenues shall be first used for the construction and acquisition of improvements and extensions to the System, and, thereafter, to the extent not needed for such purposes, said surplus revenues and any surplus moneys in the Sinking Fund, exclusive of the Reserve Account, in excess of the amount of interest to become due on the next interest payment date and the amount of principal to become due within the next succeeding twelve (12) months, may be used to purchase Bonds upon the open market at a price not exceeding the par value thereof plus three per centum (3%) of such par value, or to redeem Bonds at a price not in excess of the redemption price thereof, or for debt service on obligations not on a parity with the Bonds, the proceeds of which obligations were used to finance such additions, betterments or improvements.

(5) The moneys in excess of the sum insured by the maximum amounts insured by the Federal Deposit Insurance Corporation in the Revenue Fund and for the Renewal and Replacement Fund (unless remitted to the Commission) shall at all times be secured, to the full extent thereof in

excess of such insured sum, by direct obligations of the United States of America or such other obligations as shall be eligible as security for deposits of state and municipal funds under the laws of the State of West Virginia.

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

(7) Moneys in the Reserve Account shall be invested and reinvested by the Commission in direct obligations of the United States of America having maturities not longer than five (5) years from the date of purchase.

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

ARTICLE V

APPLICATION OF BOND PROCEEDS

Section 5.01. Construction Trust Fund. From the moneys received from the sale of any or all of the Bonds authorized and issued pursuant to this Resolution, the following amounts shall be first deducted and deposited:

A. All accrued interest received from the purchaser of said Bonds shall be deposited in the Sinking Fund and used to pay the next maturing interest on the Bonds.

B. The remaining moneys derived from the sale of said Bonds shall be deposited by the District in a special bank account in a fund to be known as the "Construction Trust Fund," which is hereby created, which fund shall be kept separate and apart from all other funds of the District and shall be drawn out, used and applied by the District solely for the payments of the cost of the construction and acquisition of the Project, and purposes incidental thereto, and for no other purposes whatsoever. The moneys in said fund shall be secured at all times by the deposit of such bonds in direct obligations of the United States of America having a fair market value at least equal to the balance in excess of

$100,000 in said fund. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to, such purposes, then such unapplied proceeds shall be deposited by the District in the Sinking Fund established pursuant to this Resolution and shall be used only as provided herein. All such proceeds shall be and constitute a trust fund for such purposes, and there is hereby created a lien upon such moneys until so applied in favor of the Holders of the Bonds herein authorized.

Expenditures or disbursements from said Construction Trust Fund, except for legal, fiscal and engineering expenses and expenses in connection with the issuance and sale of the Bonds shall be made only after such expenditures or disbursements shall have been approved in writing by the Consulting Engineers.

ARTICLE VI

ADDITIONAL COVENANTS OF THE DISTRICT

Section 6.01. General Covenants of the District. All the covenants, agreements and provisions of this Resolution shall be and constitute valid and legally binding covenants of the District and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of said Bonds. In addition to the other covenants, agreements and provisions of this Resolution, the District hereby covenants and agrees with the Holders of the Bonds as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of said Bonds or the interest thereon are outstanding and unpaid.

Section 6.02. Bonds Not To Be Indebtedness of the District. Neither the Bonds nor coupons appertaining thereto shall be or constitute an indebtedness of the District within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the revenues of the System, as herein provided.

Section 6.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of all of the Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the net revenues derived from the operation of the System, to the extent necessary to make the payments required under Section 4.01 of this Resolution. The revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds herein authorized and to make the payments into the Sinking Fund, including the

Reserve Account therein, and all other payments provided for in this Resolution are hereby irrevocably pledged, in the manner provided in this Resolution, to the payment of the principal of and interest on the Bonds herein authorized as the same become due, and for the other purposes provided in this Resolution.

Section 6.04. Rates. Prior to the issuance of the Bonds, equitable rates or charges for the use of and service rendered by the System will be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file in the office of the Board, each of which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce gross revenues from said System to pay operating expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the District hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient to provide gross revenues which will be able to pay for all reasonable expenses of operation, repair and maintenance of the System and leave a balance each year equal to at least 130% of the maximum amount required in any ensuing year to pay the interest and principal as the same becomes due and accomplish retirement of all obligations for the payment of which such revenues have or shall have been pledged, charged or otherwise encumbered.

Section 6.05. Completion, Operation and Maintenance. The District will use its best efforts to expeditiously complete and maintain in good condition said System and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the revenues of said System in the manner provided in this Resolution.

Section 6.06. Sale of the System. The System may not be sold, mortgaged, leased or otherwise disposed of

except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds outstanding. The proceeds from such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Commission for deposit in the Sinking Fund, and, in the event the Authority is no longer a Bondholder, the District shall direct the Commission to apply such proceeds to the payment of principal and interest at maturity of Bonds about to mature. Any balance remaining after the payment of all the Bonds and interest thereon shall be remitted to the District by the Commission unless necessary for the payment of other obligations of the District payable out of the revenues of the System.

The foregoing provision notwithstanding, unless otherwise prohibited by law, the District shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of Ten Thousand Dollars ($10,000), the Board shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of Ten Thousand Dollars ($10,000) but not in excess of Fifty Thousand Dollars ($50,000), the Board shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and then authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $10,000 and not in excess of $50,000, shall be remitted by the District to the Commission for deposit in the Sinking Fund and shall be applied only to the purchase of Bonds of the last maturities then outstanding at prices not greater than the par value thereof plus three per centum (3%) of such par value. Such payments of such proceeds into the Sinking Fund or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Resolution.

No sale, lease or other disposition of the properties of the System shall be made by the District if the proceeds to be derived therefrom shall be in excess of $50,000 and insufficient to pay all the Bonds then outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of sixty-six and two-thirds per centum (66-2/3%) in amount of Bonds then outstanding. The District shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The District shall not issue any other obligations whatsoever, except pari passu additional bonds provided for in Section 6.08 hereof, payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds; and all obligations hereafter issued by the District payable from the revenues of the System, except such additional parity bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Bonds; provided, however, that no such subordinate obligations shall be issued unless the Reserve Account in the Sinking Fund is funded to the extent that no further payments are required thereto as provided in Section 4.01(A)(2).

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

Section 6.08. Additional Parity Bonds. No additional parity bonds, as in this section defined, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to the Resolution, except under the conditions and in the manner herein provided.

No such additional parity bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of additions, betterments and improvements

to the System or refunding the entirety of one or more series of Bonds issued pursuant hereto, or both such purposes.

No such additional parity bonds shall be issued at any time, however, unless and until there has been procured and filed with the Board a written statement by a certified public accountant not in the regular employ of the District, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the net revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any twelve (12) consecutive months, within the eighteen (18) months immediately preceding the date of the actual issuance of such additional parity bonds, plus the estimated average increased annual net revenues to be received in each of the three (3) succeeding years after the completion of the improvements to be financed by such additional parity bonds, shall not be less than one hundred thirty per centum (130%) of the largest aggregate amount that will mature and become due in any succeeding fiscal year for principal of and interest on the following:

(1) The Bonds originally issued pursuant to the Resolution then outstanding;

(2) Any additional parity bonds theretofore issued pursuant to the provisions contained in the Resolution then outstanding; and

(3) The additional parity bonds then proposed to be issued.

The "estimated average increased annual net revenues to be received in each of the three (3) succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased net revenues estimated to be derived from (a) the improvements to be financed by such additional parity bonds and (b) any increase in rates approved by the Public Service Commission of West Virginia prior to the date of delivery of such additional parity bonds and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed in the office of the Board prior to the issuance of such additional parity bonds.

The net revenues actually derived from the System during the twelve-consecutive-month period hereinabove referred to may be adjusted by adding to such net revenues such additional net revenues which would have been received, in the opinion of the Consulting Engineers and the said certified public accountant as stated in a certificate jointly made and signed by the Consulting Engineers and said certified public accountant, on account of increased rates, rentals, fees and charges for the System approved by the Public Service Commission of West Virginia prior to issuance of such additional parity bonds.

Not later than simultaneously with the delivery of such additional parity bonds, the District shall have entered into written contracts for the immediate construction or acquisition of such additions, betterments or improvements to the System that are to be financed by such additional parity bonds.

The term "additional parity bonds," as used in this section, shall be deemed to mean additional bonds issued under the provisions and within the limitations of this section, payable from the revenues of the System on a parity with the Sewer Revenue Bonds, Series 1978, and all the covenants and other provisions of the Resolution (except as to details of such additional parity bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Sewer Revenue Bonds, Series 1978, and the holders of any additional parity bonds subsequently issued from time to time within the limitations of and in compliance with this section. All the 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 or coupon over any other. The Commission shall comply fully with all the increased payments into the various funds created in the Resolution required for and on account of such additional bonds, in addition to the payments required for Bonds theretofore issued pursuant to the Resolution.

All additional parity bonds shall mature on October 1 of the years of maturities, and the semiannual interest thereon shall be payable April 1 and October 1 of each year.

The term "additional parity bonds," as used in this section, 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 lien of the Bonds on such revenues. The District shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such revenues, with the Bonds, except in the manner and under the conditions provided in this section.

No additional parity bonds, as in this section defined, shall be created at any time, however, unless all the payments into the respective funds and accounts provided for in the Resolution on the Bonds then outstanding, and any other payments provided for in the Resolution, shall have been made in full as required to the date of delivery of the additional bonds and the District shall then be in full compliance with all the covenants, agreements and terms of the Resolution.

Notwithstanding any of the foregoing provisions, with the written consent in advance of the Authority and upon compliance with the terms, limitations and conditions contained in the Resolution, pari passu additional Bonds may be authorized and issued by the District pursuant to supplemental resolution solely to complete the Project in accordance with the plans and specifications therefor now on file with the Board in the event that the Bonds issued hereunder should be insufficient, together with other funds lawfully available therefor, to pay all costs of construction and acquisition of the Project; provided, however, that, prior to the issuance of such pari passu additional bonds under the provisions of this paragraph, the Consulting Engineers shall file with the Board a statement to the effect that additional funds are needed and are adequate for such purpose. All such pari passu additional bonds authorized and issued under the provisions of this paragraph shall be limited to the aggregate principal amount required to make up any deficiency in funds for payment of the construction costs to complete the Project and the maturities of any such pari passu additional bonds shall be in years and amounts suggested by the Authority.

Section 6.09. Insurance. The District will carry, with a reputable insurance carrier or carriers, such insurance as is customarily carried with respect to works and properties similar to the System, against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks, which insurance shall at all times be in an amount or amounts equal to the fair appraisal value of the buildings, properties, furniture, fixtures and equipment of the System. In time of war, the District shall also carry in said amount such insurance as may be available against loss or damage by the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for said Renewal and Replacement Fund. The District will also carry liability insurance for damage or injury to persons or property in amounts adequate for such purposes and customarily carried with respect to works and properties similar to the System.

Section 6.10. Services Rendered to the District. The District will not render or cause to be rendered any free services of any nature by its System; and in the event the District or any officer or employee of the District shall avail itself or themselves of the facilities or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the District and any such officer or employee.

Section 6.11. Remedies and Appointment of Receiver. Any Bondholder may, by proper legal action, compel the performance of the duties of the District under this Resolution and the Act, including the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any default in the payment of interest on any Bonds when the same shall become due, or in the payment of the principal of any Bond or Bonds at the specified date of maturity thereof, or otherwise in the performance of any covenant contained in this Resolution other than as to such payment and such default shall continue for a period of thirty (30) days after written notice to the District of such default, any Bondholder shall, in addition to all other remedies or rights, including, but not limited to, the right of foreclosure provided in the Act, have the right by appropriate

legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the District with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the Bonds and interest coupons, the deposits into the funds and accounts hereby established as herein provided and the payment of operating expenses of the System, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Resolution and the Act.

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

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

Such receiver, in the performance of the powers hereinabove conferred upon him, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby, and a successor receiver may be appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the System in the name of the District and for the joint protection and benefit of the District and Holders of Bonds issued pursuant to this Resolution. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the District and Bondholders, and the curing and making good of any default under the provisions of this Resolution, and the title to and ownership of said System shall remain in the District, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the System.

Section 6.12. Enforcement of Collections. The District will diligently enforce and collect all fees, rates, rentals or other charges for the services and facilities of the System and take all steps actions and proceedings for the enforcement and collection of such fees, rates, rentals or other charges that shall become delinquent to the full extent permitted or authorized by the laws of the State of West Virginia. All such fees, rates and charges, if not paid when due, shall become a lien on the premises served by the System. When such fees, rates and charges have been delinquent for thirty (30) days, the District shall have the power to forthwith foreclose the lien on the premises served in the manner provided for the foreclosure of mortgages on real property by the laws of West Virginia.

Whenever any rates, rentals or charges for services or facilities of the System shall remain unpaid for a period of thirty days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. The District further convenants and agrees that in the event it owns a waterworks system (the "Water System"), it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services and facilities of the System and the Water System to all delinquent users of services and facilities of the System and will not restore such services of either System until all delinquent charges for the services and facilities of the System, plus reasonable interest penalty charges for the restoration of service, have been fully paid.

Section 6.13. No Competing Franchise. The District will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services that would compete with services provided by the System.

Section 6.14. Books and Records. The Board will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds issued pursuant to this Resolution shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the District relating thereto.

The accounting system for the System shall follow currently accepted accounting practices and safeguards. Separate control accounting records shall be maintained by the District. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Board. The Board shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Board shall be reported to such agent of the District as the Board shall direct.

The District shall file with the Consulting Engineers and the Authority, and shall mail in each year to any Holder or Holders of Bonds requesting the same, an annual report containing the following:

A. A statement of gross revenues, operating expenses and net revenues derived from the System.

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

The District shall also, at least once a year, cause the books, records and accounts of the System to be audited by a certified public accountant and shall mail upon request, and make available generally, the report of said certified

public accountant, or a summary thereof, to any Holder or Holders of Bonds issued pursuant to this Resolution and shall file said report with the Authority.

Section 6.15. Reserved.

Section 6.16. Operating Budget. The Board shall annually, at least thirty (30) days preceding the beginning of each fiscal year, prepare and adopt by resolution a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year. No expenditures for the operation and maintenance of the System shall be made in any fiscal year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Board shall have unanimously authorized the same. The Board shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to any Bondholder who shall file his address with the Board and request in writing that copies of all such budgets and resolutions be furnished him and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Bondholder or anyone acting for and in behalf of such Bondholder.

Section 6.17. Mandatory Connections. The mandatory use of the sewer facilities of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare and the economy of the inhabitants of the District and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant and occupant of every lot, parcel and tract of land that abuts on a street, alley or other public way in which any sewer line, main or facility is located, or which is located within a reasonable distance thereof, not exceeding 300 feet, and is reasonably accessible thereto, and upon which lot, parcel or tract a building or other habitable structure has been or

shall be erected for residential, commercial or industrial use, shall connect the waste or sewage lines of such building or structure with the facilities of the System if sewage will flow by gravity from such building or structure into the facilities of the System and shall thereupon and thereafter refrain from using and shall cease to use any other method for the disposal of sewage or water-borne waste matter and shall pay all charges, fees and rates lawfully provided for use of the sewer facilities.

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

ARTICLE VII

MISCELLANEOUS

Section 7.01. Modification or Amendment. No material modification or amendment of this Resolution or of any resolution amendatory hereof or supplemental hereto that would materially and adversely affect the rights of Bondholders shall be made without the consent in writing of the Holders of two-thirds (2/3) or more in principal amount of the Bonds then outstanding; provided, however, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the District to pay such principal and interest out of the net revenues of the System without the consent of the Holder thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above permitted amendments or modifications.

Section 7.02. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Resolution.

Section 7.03. Repeal of Conflicting Resolutions. All resolutions and orders, or parts thereof, in conflict with this Resolution are to the extent of such conflict repealed.

Section 7.04. Covenant of Due Procedure, Etc. The District 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 final enactment and passage 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, the Secretary and members of the Board were at all times when any actions in connection with this Resolution occurred, and are, duly in office and duly qualified for such offices.

Section 7.05. Defeasance. If the District shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds and coupons the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then the pledge of any revenues, and other moneys and securities pledged under the Resolution and all convenants, agreements and other obligations of the District to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds or coupons or interest installments for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the paying agent at the same or earlier time, shall be sufficient, to pay as and when due the principal of and interest on such Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Bonds and all coupons appertaining to such Bonds shall prior to the maturity thereof be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission either moneys in an amount which shall be sufficient, or securities the principal of

and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Commission at the same time, shall be sufficient, to pay when due the principal of and interest due and to become due on said Bonds on and prior to the maturity dates thereof, as the case may be. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Bonds; provided that any cash received from such principal or interest payments on such securities deposited with the Commission, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and interest to become due on said Bonds on and prior to such maturity dates thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the District, as received by the Commission, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only obligations of, or obligations guaranteed by, the United States of America.

Section 7.06. Restrictions as to Arbitrage Bonds. The District shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the District to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in Section 103(c)(2) of the Internal Revenue Code, and the Chairman of the Board shall deliver his certificate, based upon this covenant, with regard thereto to the Authority.

Section 7.07. Effective Date. This Resolution shall take effect upon passage, in the manner prescribed by law; provided, however, that the Bonds shall not be delivered to the Authority until the West Virginia Public Service Commission has given its approval of the sale of the Bonds thereto.

LOAN AGREEMENT

THIS LOAN AGREEMENT, Made and entered into in several counterparts, by and between WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), and MALDEN PUBLIC SERVICE DISTRICT, a public service district created and existing under Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended, and a public corporation and political subdivision of the State of West Virginia (the "Governmental Agency").

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Chapter 20, Article 5C of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered to make loans to governmental agencies for the acquisition or construction of water development projects by such governmental agencies and to issue water development revenue bonds of the State of West Virginia to pay the cost of, or finance, in whole or in part, by loans to governmental agencies, one or more water development projects, all subject to such provisions and limitations as are contained in the Act; and

WHEREAS, the Governmental Agency is authorized and empowered by the statutes of the State of West Virginia to construct, own and operate such a water development project and to finance the cost of constructing or acquiring the same by borrowing money to be evidenced by revenue bonds issued by such Governmental Agency; and

WHEREAS, the United States Environmental Protection Agency (the "EPA") has awarded a "Step III" grant offer pursuant to the provisions of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended, for the construction of a water development project by the Governmental Agency at the location and as more particularly described and set forth in the Application for Loan with attachments and exhibits, dated April 4, 1978, completed by the Governmental Agency and filed with the Authority, as revised and supplemented, (the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, the Governmental Agency has also received commitments for such other grants, loans and other financial assistance with respect to such water development project as are described and set forth in Schedule A of the Application; and

WHEREAS, the Authority intends to issue its Water Development Revenue Bonds (Sewage Systems Loan Program), 1978 Series A (the "1978 Series A Bonds"), in the total principal amount of not in excess of $8,200,000, in accordance with the provisions of the Act and the resolution of the Authority duly adopted, the proceeds of such bonds to be used by the Authority to purchase the bonds of certain municipalities and public service districts, including the Governmental Agency that is a party to this Loan Agreement, which comply with the requirements established by the Authority, subject, however, to the ability of the Authority to sell the 1978 Series A Bonds and to the extent of the availability of the proceeds of such 1978 Series A Bonds; and

WHEREAS, the Governmental Agency has requested a loan from the Authority to be evidenced by revenue bonds issued by the Governmental Agency (the "Local Bonds") and purchased by the Authority, the proceeds of such loan to be used by the Governmental Agency to pay the portion of the cost of such water development project as is not paid from the sources stated in the Application, and the Authority has made all findings required by Section 5 of the Act with respect to such water development project and is willing to make such loan to the Governmental Agency, subject to the terms and provisions hereinafter contained.

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

ARTICLE I

Definitions

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

1.2 "Consulting Engineers" means the consulting engineer designated in the Application.

1.3 The "Loan" means the loan to be made by the Authority to the Governmental Agency pursuant to this Loan Agreement.

1.4 The "Project" means the water development project hereinabove referred to, to be constructed by the Governmental Agency with, among other funds, the proceeds of the Loan.

1.5 "Local Bonds" mean the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended, to evidence the Loan, and which will be purchased by the Authority in accordance with the provisions of this Loan Agreement.

ARTICLE II

Identification of Project; Ownership of Project; Rights of Access Thereto; Governmental Agency Financing

2.1 The Project to be undertaken by the Governmental Agency shall generally consist of the acquisition, construction and installation of the facilities described in the Application to be constructed in accordance with plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers, the Authority having found that the Project is consistent with the applicable comprehensive plan of water management approved by the Director of the West Virginia Department of Natural Resources (or in the process of preparation by such Director) and consistent with the standards set by the West Virginia Water Resources Board for the waters of the State of West Virginia affected thereby.

2.2 The Governmental Agency agrees that the Authority and its duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Governmental Agency further agrees that the Authority and its duly authorized agents shall have such rights of access to the Project site and Project facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority in respect of the Project pursuant to the pertinent provisions of the Act.

2.3 All real estate and interests in real estate, and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Governmental Agency, subject to such mortgage lien or other security interest as is provided for in the statute authorizing the issuance of the Local Bonds.

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

3.1 The agreement of the Authority to make the Loan is subject to the Authority's issuing and delivering the 1978 Series A Bonds and subject to the requirements of Section 3.4 hereof and to the fulfillment, to the satisfaction of the Authority, of each and all of the following conditions precedent on or before the delivery date for the Local Bonds, which shall be a date mutually agreed upon by the Authority and the Governmental Agency but in no event later than one year from the date the 1978 Series A Bonds are delivered to the initial purchaser thereof, provided, that if such Local Bonds are not delivered on or before the date so mutually agreed upon, the Authority may use monies for the purchase of local bonds of other governmental agencies in accordance with Section 3.4 hereof:

(i) The Governmental Agency shall have performed and satisfied all of the terms and conditions to be performed and satisified by it in this Loan Agreement;

(ii) The Governmental Agency shall have received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application;

(iii) The Governmental Agency shall have obtained all requisite orders of and approvals from the West Virginia Public Service Commission necessary for the issuance of the Local Bonds, construction of the Project and imposition of the rates set forth in the Application;

(iv) The Governmental Agency shall have authorized the issuance of and delivered to the Authority for purchase the Local Bonds in the principal amount and at the price stated in Section 3.2 hereof;

(v) The Governmental Agency shall have received a certificate, in form and substance satisfactory to the Authority, from the consulting engineer designated by the Authority, regarding the engineering report for the Project;

(vi) The Governmental Agency shall have obtained all requisite permits necessary for the construction of the Project from the EPA, the West Virginia Department of Natural Resources and the West Virginia Department of Health; and

(vii) The Governmental Agency shall have obtained a Step III grant offer from the EPA.

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority and the rules, regulations and procedures promulgated from time to time by EPA, it is hereby agreed that the Authority shall make the Loan to the Governmental Agency and the Governmental Agency shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Governmental Agency shall sell to the Authority and the Authority shall make the Loan by purchasing the Local Bonds in the principal amount of $7,040,000 at a price of not less than $6,742,121, the proceeds of which Local Bonds the Governmental Agency represents will, together with the funds from the sources set forth in the Application, pay the entire cost of the Project.

3.3 The Loan shall be secured and shall be repaid in the manner hereinafter provided in this Loan Agreement.

3.4 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which has applied to the Authority for a loan to finance a water development project and that the obligation of the Authority to make any such loan is subject to the sale, and the availability of proceeds, of the 1978 Series A Bonds, at the time the Governmental Agency has fulfilled all of the terms and conditions of this Loan Agreement, and to the right of the Authority to make such loans to other governmental agencies as in the aggregate shall permit the fullest and most timely utilization of such proceeds, to enable the Authority to pay debt service on the 1978 Series A Bonds.

ARTICLE IV

Loan To Be Evidenced by Local Bonds; Security for Loan; Repayment of Loan; Interest on Loan; Fees and Charges

4.1 The Governmental Agency shall, as one of the conditions of the Authority to make the Loan, authorize the issuance of and shall issue the Local Bonds pursuant to an official action of the Governmental Agency in accordance with the applicable statute of the State of West Virginia (the "Local Act") which shall, as adopted, contain provisions and covenants in substantially the form as follows:

(a) The Local Act shall generally provide that the revenues generated from the operation of its Project (the "System") will be used monthly first to pay operation and maintenance expenses of the System, second, to the extent not otherwise limited by an outstanding local resolution or ordinance, to provide debt service on the Local Bonds, which shall include the establishment of a reserve account for the payment of the Local Bonds into which shall be deposited an amount equal to 20% of all amounts required to be deposited for debt service until such reserve account equals the maximum amount of principal and interest which will come due on such Local Bonds in any year, third, to create a renewal and replacement, or similar fund, in an amount equal to 2 1/2% of the gross revenues from the System, exclusive of the payments into the reserve account, for the purpose of improving, making emergency repairs, or replacements to the System, or eliminating any deficiencies in the aforesaid reserve account, fourth, to purchase Local Bonds on the open market, or redeem Local Bonds, or to pay debt service on obligations not on a parity with the Local Bonds. The gross revenues of the System shall always be used for purposes of the System.

(b) The Local Act shall contain covenants substantially as follows:

(i) That the Local Bonds shall be secured by the net revenues from the System;

(ii) That the schedule of rates or charges for the services of the System shall be sufficient to provide funds which along with other

revenues of the System will pay all reasonable expenses of operation, repair and maintenance of the System and leave a balance each year equal to at least 130% of the maximum amount required for debt service on all obligations, including the Local Bonds, payable from the revenues of the System;

(iii) That the Governmental Agency will complete, operate and maintain the System in good condition;

(iv) That the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Local Bonds outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

(v) That the Governmental Agency shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements financed by such parity bonds, shall not be less than 130% of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued; provided, however, that additional parity bonds may be issued to complete the Project without regard to the foregoing;

(vi) That the Governmental Agency will carry such insurance as is customarily carried with respect to works and properties similar to the System;

(vii) That the Governmental Agency will not render any free services of the System;

(viii) That any bondholder may, by proper legal action, compel the performance of the duties of the Governmental Agency under the Local Act, including the making and collection of sufficient rates or charges for services rendered by the System and shall also

have in the event of a default in payment of principal or interest of the Local Bonds, the right to obtain the appointment of a receiver to administer the System as provided by law;

(ix) That all delinquent rates and charges, if not paid when due, shall become a lien on the premises served by the System;

(x) That in the event the Governmental Agency owns a waterworks system (the "Water System"), it will, to the full extent permitted by law, discontinue and shut off the services and facilities of the System and the Water System to all delinquent users of services of the System and will not restore the services of either system until all delinquent charges for the services of the System have been fully paid;

(xi) That the Governmental Agency will not grant any franchise to provide any services which would compete with the System;

(xii) That the Governmental Agency shall annually cause the records of the System to be audited by a certified public accountant;

(xiii) That the Governmental Agency shall annually adopt a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year;

(xiv) That, to the extent authorized by the laws of the State, prospective users of the System shall be required to connect thereto;

(xv) That the proceeds of Local Bonds, except for accrued interest, must be deposited in a construction fund on which the holder of the Local Bonds shall have a lien until such proceeds are applied to the construction of a water development project.

The Governmental Agency hereby represents and warrants that the Local Act shall be duly adopted in compliance with all necessary corporate and other action and in accordance with applicable provisions of law. All legal matters incident to the

authorization, issuance, sale and delivery of the Local Bonds shall be approved without qualification by recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit A.

4.2 The Loan shall be secured by the pledge and assignment by the Governmental Agency, as effected by the Local Act, of all the fees, charges and other revenues of the Governmental Agency from the Project remaining after the payment of operation and maintenance expenses and as otherwise provided in the Local Act, subject only to such reservations and exceptions as are described in Schedule X hereto.

4.3 The principal of the Loan shall be repaid by the Governmental Agency annually on October 1 in the years provided in Schedule X hereto, and interest payments on the Loan shall be made by the Governmental Agency on a semi-annual basis as provided in said Schedule X. The Authority shall have the right to make adjustments to Schedule X, which adjustments shall be reflected in official action of the Governmental Agency supplementing the Local Act.

4.4 The Loan shall bear interest from the date of the delivery to the Authority of the Governmental Agency's Local Bonds, at a coupon rate or rates per annum which shall be equal to the coupon rate or rates per annum borne by the 1978 Series A Bonds for corresponding maturities issued to provide the funds to make the Loan: provided, however, that in no event shall the coupon interest rate or the interest cost exceed any statutory limitation with regard to the issuance of the Local Bonds. The Local Bonds shall be delivered to the Authority in fully registered form, exchangeable as provided in the Local Act at the expense of the Governmental Agency.

4.5 In addition to payments of principal of and interest on the Loan, the Governmental Agency hereby covenants and agrees to pay to the Authority, at the time the Local Bonds are purchased by the Authority, a commitment fee equal to not more than 0% of the principal amount of the Local Bonds. The Governmental Agency also agrees to pay from time to time as required by the Authority, the Governmental Agency's allocable share of the administrative expenses (based on the percentage of the Governmental Agency's Local Bonds to all other local bonds purchased by the Authority and then outstanding) of the Authority relating to all loans to be made by the Authority to governmental agencies with the proceeds of the 1978 Series A Bonds. Such administrative expenses shall be as

determined by the Authority and shall include without limitation program expenses and fees paid to the trustee and paying agents for such revenue bonds.

4.6 As long as the Authority is the registered owner of all of the Local Bonds outstanding, the Governmental Agency will not redeem such Local Bonds outstanding without the written consent of the Authority, and any such redemption authorized by the Authority shall provide for the payment of interest to the first allowable redemption date for the Authority's bonds, and the redemption premium payable on the bonds of the Authority redeemable as a consequence of such redemption of Local Bonds. Nothing in this Loan Agreement shall be construed to prohibit the Authority from refunding its bonds, and such refunding need not be based upon or result in any benefit to the Governmental Agency.

ARTICLE V

Acquisition of Site of Eligible Project; Certain Construction Requirements

5.1 Subject to the terms, conditions and provisions of this Agreement and of the Local Act, the Governmental Agency shall do all things necessary to acquire the proposed site of the Project and to construct the Project in accordance with the plans, designs and specifications prepared for the Governmental Agency by the Consulting Engineers.

5.2 The Governmental Agency shall keep complete and accurate records of the cost of acquiring the Project site and the costs of constructing, acquiring and installing the Project. The Governmental Agency shall permit the Authority, acting by and through its Director or his duly authorized representatives to inspect all books, documents, papers and records relating to the Project at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority such documents and information as it may reasonably require in connection with the administration of the Loan or of Federal and State grants or other sources of financing for the Project.

5.3 The Governmental Agency shall require that each construction contractor furnish a performance bond and a payment bond each in an amount at least equal to one hundred percent (100%) of the contract price of the portion of the Project covered by the

particular contract, as security for the faithful performance of such contract.

5.4 The Governmental Agency shall require that each of its contractors and all subcontractors maintain during the life of the construction contract, workmen's compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority. Until the Project facilities are completed and accepted by the Governmental Agency, the Governmental Agency or (at the option of the Governmental Agency) the contractor shall maintain builders risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor, and all subcontractors, as their interests may appear.

5.5 The Governmental Agency shall provide and maintain competent and adequate resident engineering services satisfactory to the Authority covering the supervision and inspection of the development and construction of the Project, and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such resident engineer shall certify to the Authority, EPA and the Governmental Agency at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

ARTICLE VI

Certain Covenants of the Governmental Agency; Imposition and Collection of User Charges; Payments to be Made by Governmental Agency to the Authority

6.1 The Governmental Agency hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Agreement and the Local Act. The Governmental Agency hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to make the Loan, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the system, of which the Project constitutes a whole or a part, as set forth in the Application and the Local Act.

6.2 In the event the Governmental Agency defaults in the payment of any of said fees and charges to the Authority, the amount of such default shall bear interest at the coupon rate of the Local Bonds, from the date of the default until the date of the payment thereof.

6.3 In the event, for any reason, the schedule of rates, fees and charges as set forth in the Application shall prove to be insufficient to produce the minimum sums set forth in the Local Act, the Governmental Agency hereby covenants and agrees that it will, upon notice by the Authority, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges so as to provide funds sufficient to produce the minimum sums set forth in the Local Act.

6.4 The Governmental Agency hereby irrevocably covenants and agrees with the Authority that in the event of any default hereunder by the Governmental Agency, the Authority may exercise any or all of the rights and powers granted under Section 6a of the Act, including without limitation the right to directly impose, enforce and collect charges upon users of the system of which the Project constitutes a whole or a part.

ARTICLE VII

Other Agreements of the Governmental Agency

7.1 The Governmental Agency hereby acknowledges to the Authority its understanding of the provisions of the Act, vesting in the Authority certain powers, rights and privileges in respect of water development projects in the event of default by governmental agencies in the terms and covenants of loan agreements, and the Governmental Agency hereby covenants and agrees that if the Authority should in futuro have recourse to said rights and powers, the Governmental Agency shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Agreement.

7.2 To the extent required by law, the Governmental Agency hereby covenants and agrees to secure approval of the Authority and all other State agencies having jurisdiction before applying for Federal financial assistance for pollution abatement

in order to maximize the amounts of such Federal financial assistance received or to be received for all water development projects in the State of West Virginia.

7.3 The Governmental Agency hereby covenants and agrees to comply with all applicable laws, rules and regulations issued by the Authority or other State, Federal or local bodies in regard to the construction, operation, maintenance and use of the Project.

7.4 The Governmental Agency hereby warrants and represents that all information provided to the Authority in this Agreement, in its Application for this Loan or in any other application or documentation with respect to financing the Project was at the time provided, and now is, true, correct and complete, and such information does not omit any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Prior to the Authority's making the Loan and receiving the Local Bonds, the Authority shall have the right to cancel all or any of its obligations under this Loan Agreement if (a) any representation made to the Authority by the Governmental Agency in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Governmental Agency has violated any commitment made by it in its Application for the Loan or in any supporting documentation or has violated any of the terms of this Loan Agreement.

ARTICLE VIII

Maintenance and Operation

8.1 The Governmental Agency agrees that it will at all times provide operation and maintenance of the Project to comply with the water quality standards established by the West Virginia Department of Natural Resources and EPA. The Governmental Agency agrees that qualified operating personnel properly certified by the State of West Virginia will be retained to operate the Project during the entire term of this Agreement.

8.2 The Governmental Agency agrees that it will permit the Authority and EPA and their respective agents to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the Project at any reasonable time following completion of construction of the Project, and commencement of operations thereof.

ARTICLE IX

Miscellaneous

9.1 If any provision of this Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Loan Agreement and this Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

9.2 This Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all documents or other instruments, and take such other actions as may be necessary to give effect to the terms of this Loan Agreement.

9.3 No waiver by either party of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Loan Agreement.

9.4 This Loan Agreement merges and supersedes all prior negotiations, representations and agreements between the parties hereto relating to the Loan and constitutes the entire agreement between the parties hereto in respect thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the date executed below by the Governmental Agency, but this Agreement shall not be binding on the Authority until executed by it.

MALDEN PUBLIC SERVICE DISTRICT

By _____

(SEAL) Its _____

Date: _____

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By _____
Director

Date: _____

EXHIBIT A

[Opinion of Bond Counsel for Governmental Agency]

[Date]

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

Gentlemen:

We are bond counsel to _____ (the "Governmental Agency") a _____, created and existing under Chapter _____, Article _____, of the Code of West Virginia, 1931, as amended.

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement (the "Loan Agreement"), dated _____, 1978, between the Governmental Agency and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of revenue bonds of the Governmental Agency, dated _____ (the "Local Bond"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement, in the principal amount of $_____, issued in the form of one bond registered as to principal and interest, interest payable _____ and _____ of each year, beginning _____ at the respective rate or rates and with principal payable in installments on _____ in each of the years all as follows:

Year	Installment	Interest Rate

We have also examined the applicable provisions of Chapter _____, Article _____, of the West Virginia Code (the "Code Provision"), under which the Local Bond is issued and the Loan Agreement undertaken, including all schedules and exhibits to the Loan Agreement. The Local Bond has been authorized by a bond ordinance [resolution]

(the "Local Act") duly adopted by the Governmental Agency, which contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement. The Local Bond is subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

3. The Governmental Agency is a duly organized and presently existing _____, with full power and authority to construct, acquire, operate and maintain the project referred to in the Loan Agreement and to issue and sell the Local Bond, all under the Code Provision and other applicable provisions of law.

4. The Governmental Agency has legally and effectively adopted the Local Act and all other necessary resolutions [ordinances] in connection with the issuance and sale of the Local Bond.

5. The Local Bond is a valid and legally enforceable special obligation of the Governmental Agency, secured by a statutory mortgage lien upon, and secured by a first lien on and pledge of and is payable solely from the net revenues of, the system referred to in the Local Act, all in accordance with the terms of the Local Bond and the Local Act and has been duly issued and delivered to the Authority.

6. The Governmental Agency has reserved the right to issue additional bonds ranking on a parity with the Local Bond, as provided in the Local Act.

NOTE

Year Ended October 1	Principal Payments	Interest Payments (1)	Total Local Bond Payments
1979	$ --	$531,375	$531,375
1980	--	531,375	531,375
1981	35,000	531,375	566,375
1982	40,000	528,750	568,750
1983	40,000	525,750	565,750
1984	45,000	522,750	567,750
1985	50,000	519,375	569,375
1986	50,000	515,625	565,625
1987	55,000	511,875	566,875
1988	60,000	507,750	567,750
1989	65,000	503,250	568,250
1990	70,000	498,375	568,375
1991	75,000	493,125	568,125
1992	80,000	487,500	567,500
1993	85,000	481,500	566,500
1994	95,000	475,125	570,125
1995	100,000	468,000	568,000
1996	110,000	460,500	570,500
1997	115,000	452,250	567,250
1998	125,000	443,625	568,625
1999	135,000	434,250	569,250
2000	145,000	424,125	569,125
2001	155,000	413,250	568,250
2002	165,000	401,625	566,625
2003	180,000	389,250	569,250
2004	190,000	375,750	565,750
2005	205,000	361,500	566,500
2006	220,000	346,125	566,125
2007	240,000	329,625	569,625
2008	255,000	311,625	566,625
2009	275,000	292,500	567,500
2010	295,000	271,875	566,875
2011	320,000	249,750	569,750
2012	345,000	225,750	570,750
2013	370,000	199,875	569,875
2014	395,000	172,125	567,125
2015	425,000	142,500	567,500
2016	455,000	110,625	565,625
2017	490,000	76,500	566,500
2018	530,000	39,750	569,750

(1) Interest is payable semiannually on October 1 and April 1 in each year until maturity, beginning April 1, 1979, at a rate not in excess of 8% per annum. For purposes of this Schedule X, interest is calculated at an assumed interest rate of 7.5%.

Exhibit B

The proposed sewage system of the Malden Public Service District will consist of a treatment plant, 28 sewage pump stations, 6.4 miles of force mains, 1,157 manholes and approximately 49 miles of sewer line ranging in size from 8 inches to 21 inches (the "Project"). The proposed treatment plant will be a pure oxygen activated sludge system with a capacity of 1.5 million gallons per day. The plant will consist of two concrete tanks, compartmentalized for aeration, clarification, digestion and disinfection of the sewage. The treatment plant will be located within the District at the intersection of U.S. Route 60 and the West Virginia Turnpike. The designed capacity of the treatment plant is for a population of 15,000, which the Consulting Engineers expect will be reached in 1997. The treatment plant can be enlarged since the oxygen generation equipment was designed for this possibility.

I, the undersigned Carl Holstine, secretary of the Public Service Board of the Malden Public Service District hereby certify that the foregoing is a true and accurate copy of the original which is on file in the records of the District.

Dated this 28th day of November, 1978.

Carl G. Holstine

Carl G. Holstine
Secretary

I, Carl G. Holstine, Secretary of the Public Service Board of Malden Public Service District, Kanawha County, West Virginia, do hereby certify that the foregoing document is a true and correct copy of the Bond Resolution adopted by the Public Service Board of Malden Public Service District on November 28, 1978.

Given under my hand and the seal of the Malden Public Service District this 21st day of December, 1978.

Carl G. Holstine, Secretary,
Public Service Board

[SEAL]

WEST VIRGINIA
Water Development Authority
Celebrating 35 Years of Service 1974 - 2009

August 26, 2009

Malden Public Service District
Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program);
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA); and
Sewer Revenue Bonds, Series 2009 C
(United States Department of Agriculture)

TO WHOM IT MAY CONCERN:

In reliance upon the certification of Griffith and Associates, independent certified public accountants, and an opinion of Steptoe & Johnson PLLC, bond counsel, that the Issuer has met the coverage and parity tests set forth in the resolutions authorizing the Prior Bonds, the undersigned duly authorized representative of the West Virginia Water Development Authority (the "Authority"), the registered owner of the Series 1978 Bonds, hereinafter defined and described, hereby consents to the issuance of the Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), in the original aggregate principal amount of $2,834,985, the Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), in the original aggregate principal amount of $6,614,965 and the Sewer Revenue Bonds, Series 2009 C (United States Department of Agriculture), in the original aggregate principal amount of $2,175,000, (the "Bonds") by Malden Public Service District (the "Issuer"), under the terms of the resolution authorizing the Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding Sewer Revenue Bonds, Series 1978, dated December 21, 1978 issued in the original aggregate principal amount of $7,040,000, currently held by the West Virginia Water Development Authority (the "Series 1978 Bonds" or "Prior Bonds").

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

Carol A. Cummings
Authorized Representative

08.06.09
544010.00002

180 Association Drive, Charleston, WV 25311-1217
phone (304) 558-3612 / fax (304) 558-0299
www.wvwda.org

CH4973241.1

RUS BULLETIN 1780-27
(Automated 8-97

FORM APPROVED
OMB. No. 0575-0015

LOAN RESOLUTION
(Public Bodies)

A RESOLUTION OF THE **Board of Directors**

OF THE **Malden Public Service District**

AUTHORIZING 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 **Sewer**

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO

WHEREAS, it is necessary for the **Malden 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 ONE HUNDRED SEVENTY-FIVE THOUSAND AND XX / 100 DOLLARS ($2,175,000.00)

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.

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Department of Agriculture, Clearance Officer, OIRM, Room 404-W, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB No. 0575-0015), Washington, DC 20503.

11. To acquire and maintain su .isurance and fidelity bond coverage as may be req. , 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 **$ 800,000.00**

    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

Malden Public Service District has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this 20th day of March , 2007

Malden Public Service District

(SEAL)

By John Huddleston
John Huddleston

Attest:

Bobbie Legg

Bobbie Legg

Title **Chairman**

Title Secretary

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as Secretary of the **Malden Public Service District**

hereby certify that the **Board of Directors** of such Association is composed of

_____ members, of whom _____ constituting a quorum, were present at a meeting thereof duly called and

held on the 26th day of August, 2009 ; and that the foregoing resolution was adopted at such meeting

by the vote shown above, I further certify that as of August 26, 2009, the date of closing of the loan from the United States Department of Agriculture, said resolution remains in effect and has not been rescinded or amended in any way.

Dated, this 26th day of August, 2009

Bobbie Legg

Bobbie Legg

Title Secretary

080022alj081308.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

9/2/2008

Entered: August 13, 2008

CASE NO. 08-0022-PSD-CN

MALDEN PUBLIC SERVICE DISTRICT
Application for a certificate of convenience and necessity to construct Phase I of improvements to its sewer collection and pumping station.

RECOMMENDED DECISION

On January 7, 2008, the Malden Public Service District (District), filed an application, duly verified, for a certificate of convenience and necessity to construct certain additions and improvements to its existing sanitary sewer collection and pumping system to correct problems with high inflow and infiltration (I&I) to eliminate the District's sanitary sewer overflows and to meet the requirements of its NPDES permit. The proposed project was estimated to cost approximately $13,584,075, which the District proposed to finance with: (1) a $1,000,000 grant from the West Virginia Infrastructure and Jobs Development Council (WVIJDC); (2) a WVIJDC loan in the amount of $6,200,000; (3) a $800,000 grant from the United States Department of Agriculture, Rural Development, Rural Utilities Service (RUS); (4) an RUS loan in the amount of $2,175,000; and (5) a Clean Water State Revolving Fund (SRF) loan in the amount of $3,409,085. The WVIJDC loan will be for a term of 38 years with a 0% interest rate and a 0% administrative fee. The RUS loan will be for a term of 30 years with a 0% interest rate and will have an administrative fee of 0.5%. The SRF loan will be for a term of 38 years with a 4.2% interest rate and a 0% administrative fee. The District proposed a 48% increase in rates to generate sufficient revenues to cover the increased debt service and operation and maintenance (O&M) expenses associated with the proposed project. A Rule 42 Exhibit for the year ended June 30, 2006, prepared by Griffith & Associates, was attached to the certificate application, as were a proposed Notice of Filing and various other exhibits.

By Order dated January 7, 2008, the District was directed to provide notice of the application by publishing a copy of said Order once in a newspaper, duly qualified, by the Secretary of State, published and of general circulation in Kanawha County, West Virginia, making due return to the Commission of proper certification of publication immediately after publication. The Notice directed that anyone desiring to make objections to the application must do so, in writing, within thirty (30) days after publication of said notice. It was further provided that failure to timely protest or intervene could affect one's right to protest, including any associated rate increase, or to participate in

future proceedings. The Notice further provided that, if no protests were received within the thirty-day period, the Commission could waive formal hearing and grant the application based upon the evidence submitted in the application and the Commission's review thereof.

By Order dated January 18, 2008, the Commission referred this matter to the Division of Administrative Law Judges for further disposition, with a decision due date of on or before May 21, 2008, if no protests were received to the certificate application, and on or before August 4, 2008, if public protests were received within thirty (30) days after publication of the Notice of Filing.

On January 28, 2008, the District filed an affidavit of publication reflecting that, in compliance with the Commission's January 7, 2008 Order, the Notice of Filing was published on January 15, 2008, in The Charleston Gazette, a newspaper duly qualified by the Secretary of State, published and of general circulation in Kanawha County, West Virginia.

On February 13, 2008, the District filed an affidavit, executed by its General Manager, stating that it had mailed notice of its requested rate increase in connection with its proposed sanitary sewer project by inclusion on its postcard billings of the following statement, to-wit: "This utility is seeking a rate increase. Details available at the utility office or by calling our office at 925-6997." The postcard billing statements were mailed to the District's customers on January 31, 2008.

On February 25, 2008, Staff Attorney C. Terry Owen filed an Initial Joint Staff Memorandum stating, in part, that Commission Staff was continuing its investigation into the District's certificate application and would file a final recommendation herein in a timely manner.

On March 10, 2008, Mr. Owen filed a second Initial Joint Staff Memorandum to which was attached an Initial Internal Memorandum dated March 6, 2008, prepared by Nathan Nelson, Utilities Analyst II, Water and Wastewater Division, and Jim Weimer, P.E., Engineer II, Engineering Division. Commission Financial and Technical Staff set forth certain additional information and documentation that the District needed to provide before Staff could complete its investigation and issue a final Staff recommendation in this proceeding.

Also on March 10, 2008, Mr. Owen filed Commission Staff's First Set of Interrogatories, Data Requests or Requests for Information directed to the District.

On March 12, 2008, the District filed a motion requesting that it be granted an additional twenty (20) days in which to fully respond to both Staff's Initial Joint Staff Memorandum filed herein on March 10, 2008, and Staff's March 10, 2008 discovery requests. As grounds for said motion, the District stated that considerable time would be needed for it and its Project Engineers to prepare and file the information requested by Commission Staff.

By Procedural Order dated March 14, 2008, the District's March 10, 2008 motion requesting an additional twenty (20) days within which to respond to Commission Staff's March 10, 2008 First Set of Interrogato-

ries, Data Requests or Requests for Information was denied. Additionally, Commission Staff was directed to file its Final Joint Staff Memorandum in this proceeding on or before April 11, 2008.

On March 28, 2008, the District filed its responses to Commission Staff's First Set of Interrogatories, Data Requests or Requests for Information.

On April 11, 2008, Mr. Owen filed Commission Staff's Second Initial Joint Staff Memorandum stating that Commission Staff was continuing to work on its final substantive recommendations in this matter.

On April 16, 2008, Mr. Owen filed Commission Staff's Final Joint Staff Memorandum to which was attached a Final Internal Memorandum dated April 15, 2008, prepared by Nathan Nelson, Utilities Analyst II, Water and Wastewater Division, and Jim Weimer, P.E., Engineer II, Engineering Division. Commission Staff expressed several concerns about the District's proposed project including (1) whether adequate testing was conducted to determine the extent and nature of the inflow and infiltration (I&I) problem; (2) whether the proposed upgraded pumping stations can perform adequately; (3) whether the cost of the engineering fees are reasonable; (4) the efficacy of the proposed collection system lining technology; and (5) the accuracy of the estimated project costs considering the age of the projections. Accordingly, Commission Engineering Staff recommended that the District's certificate application be granted contingent upon certain specified actions to be taken by the District, to-wit:

> (1) A performance guarantee is provided to the District secured with a bond equal to 50% of the installed cost of the liner from either a contractor or the engineer that the spending for the lining project will result in substantial reduction of I&I. Substantial being at least 60% of current measured values over a three year period measured during the same months of the year in which the current measured values were obtained when compared to similar rainfall data for the period;
>
> (2) A performance guarantee is provided to the District secured with a bond equal to 50% of the installed cost of the liner from either a contractor or the engineer that the liner will not experience liner buckling for a minimum ten year period and is designed to support the maximum expected hydrostatic load to a projected service life of 50 years;
>
> (3) If a performance guarantee cannot be provided, Contracts 1, 2 and 3 should be delayed until better video information is available which shows the entirety of the actual mains proposed for lining, that the District as part of the project cost is provided with the sewer video equipment to independently obtain the necessary video information and that a complete smoke testing program has been conducted in all of the areas to be lined;

(4) A verification that the proposed upgraded pump stations can deliver all of the maximum flows measured during the flow evaluation;

(5) The District should renegotiate the fees in the Engineering Agreement to be in line with similar projects and present the new fees schedule for review; and

(6) The District should renegotiate the Engineering Agreement to provide that all project drawings and aerial information will be provided to the District in an executable CAD format.

Commission Financial Staff recommended that the financing of the proposed project and the Staff-recommended rates and charges set forth in Attachment 4, which encompassed a 30% increase over the District's current rates and charges, be approved. Commission Staff's recommended rates will produce a minimum bill, based on 2,000 gallons of water used per month, of $20.02, which equates to a $4.62 per month increase over the District's current minimum bill of $15.40. An average bill, based on 4,500 gallons of water used per month, will be $45.05, which equates to an increase of $10.40 over the District's current average charge of $34.65. The Staff-recommended rates will produce an $86,371 cash surplus and a debt service coverage factor of 118%.

On April 18, 2008, the District filed a letter/motion to toll the statutory deadline in this proceeding to provide it with sufficient time to reevaluate the scope of its proposed project in light of the findings and recommendations set forth in Commission Staff's April 16, 2008 Final Joint Staff Memorandum.

On April 25, 2008, the District filed a letter/motion requesting an additional twenty (20) days within which to file its response to Commission Staff's April 16, 2008 Final Joint Staff Memorandum.

By Commission Order dated April 30, 2008, the District's motion to toll the statutory deadline in this proceeding was granted and the statutory deadline was extended until October 3, 2008. The Administrative Law Judge's decision due date of May 21, 2008, was extended until August 19, 2008. The District was directed to file its response to Commission Staff's April 16, 2008 Final Joint Staff Memorandum on or before May 16, 2008.

On May 15, 2008, the District filed a letter stating that it would be unable to file its response to Commission Staff's April 16, 2008 Final Joint Staff Memorandum until June 6, 2008, due to the size and nature of Commission Staff's findings and recommendations.

On June 6, 2008, the District filed a Response to Staff's Concerns and Conditions as Stated in the April 16, 2008 Final Joint Staff Memorandum.

On June 25, 2008, Mr. Owen filed a Second Final Joint Staff Memorandum to which was attached a Further Final Internal Memorandum dated June 23, 2008, prepared by Mr. Nelson and David W. Dove, P.E., Utilities Analyst Manager, Engineering Division. Commission Staff reported that, after careful consideration of the District's response to

its April 16, 2008 Final Joint Staff Memorandum, it still had concerns that the proposed project may not provide the desired results. However, Commission Staff amended its recommendations as set forth in the April 16, 2008 Final Joint Staff Memorandum in six (6) respects. Generally, Commission Staff stated that the District should consider the impact and possible ramifications of Commission Staff's concerns as it proceeds with its proposed project. The previous contingencies recommended by Commission Staff were amended as follows, to-wit:

(1) Although it appears that the District is seeking approval of a project where the scope is not fully defined, it appears that the District is going to replace laterals first and then evaluate the I&I flows to determine which lines will need to be slip lined. As such, Commission Staff modified its previous recommendation in that the District should consider requiring some form of a performance guarantee regarding I&I reduction as a safe guard to its ratepayers. Additionally, Staff recommended that once the District completes the lateral replacements and before any slip lining occurs, the District notify the Commission of the results and inform the Commission which lines will be slip lined;

(2) The District should consider a performance guarantee regarding the buckling and hydrostatic loading of the slip lining. Commission Staff further recommended that the District submit to the Commission the design calculations and specifications for the DR (thickness) of the lining prior to construction of the slip lining project;

(3) If a performance guarantee cannot be provided the District should consider delaying Contracts 1, 2 and 3 until better video information is available which shows the entirety of the actual mains proposed for lining, and that the District should consider requiring as part of the project cost, being provided with the sewer video equipment to independently obtain the necessary video information and that a complete smoke testing program be conducted in all of the areas to be lined;

(4) That after construction of the pump stations, the District obtain certifications from their engineer that the pump stations can deliver at a minimum the designed flows and that a copy of those certifications be forwarded to the Commission;

(5) The District should consider renegotiating the engineering costs and monitor the engineering costs closely including the engineering inspection. The District should consider requiring the engineering inspector to sign in and out at the District's office each day and provide a copy of the inspector's daily report to the District each day so that the report can be correlated with all charges. Staff further notes that while the District can benefit from the "team approach" regarding inspection it has the right to obtain an independent inspector at anytime; and

(6) That the District should consider renegotiating the engineering contract to provide to the District all project

drawings and aerial information in an executable electronic CAD format.

Accordingly, Commission Staff recommended that the Commission grant an unconditional certificate of convenience and necessity to the District rather than the conditional certificate previously recommended.

On July 10, 2008, the District filed a letter stating that it had no objections to the April 16, 2008 Final Joint Staff Memorandum or June 25, 2008 Second Final Joint Staff Memorandum.

FINDINGS OF FACT

1. On January 7, 2008, the District filed an application, duly verified, for a certificate of convenience and necessity to construct certain additions and improvements to its existing sanitary sewer collection and pumping system to correct problems with high I&I to eliminate the District's sanitary sewer overflows and to meet the requirements of its NPDES permit. The District proposed a 48% increase in rates to generate sufficient revenues to cover the increased debt service and operation and maintenance expenses associated with the proposed project. (See, January 7, 2008 filing).

2. The proposed project was estimated to cost approximately $13,584,075, which the District proposed to finance with: (1) a $1,000,000 grant from the WVIJDC; (2) a WVIJDC loan in the amount of $6,200,000; (3) a $800,000 grant from the RUS; (4) a RUS loan in the amount of $2,175,000; and (5) a SRF loan in the amount of $3,409,085. The WVIJDC loan will be for a term of 38 years with a 0% interest rate and a 0% administrative fee. The RUS loan will be for a term of 30 years with a 0% interest rate and will have an administrative fee of 0.5%. The SRF loan will be for a term of 38 years with a 4.2% interest rate and a 0% administrative fee. (See, January 7, 2008 filing; Final Joint Staff Memorandum and attachment filed April 16, 2008).

3. The District filed an affidavit of publication reflecting that, in compliance with the Commission's January 7, 2008 Order, the Notice of Filing was published on January 15, 2008, in The Charleston Gazette, a newspaper, duly qualified by the Secretary of State, published and of general circulation in Kanawha County, West Virginia. (See, affidavit of publication filed January 28, 2008).

4. The District filed an affidavit, executed by its General Manager, setting forth its compliance with the notice requirements of Rule 10.3.d. of the Commission's Rules of Practice and Procedure. (See, affidavit filed February 13, 2008).

5. No protests or objections were filed to the District's certificate application within the thirty-day response period, which expired on February 15, 2008, or as of the date of this Order. (See, case file generally).

6. The District's existing treatment plant does not meet the effluent standards set forth in its NPDES permit and is also experiencing significant inflow and infiltration problems. (See, January 7, 2008

filing; Final Joint Staff Memorandum and attachment filed April 16, 2008).

7. Commission Staff recommended a 30% increase over the District's current rates, which will provide the District with a cash flow surplus of $86,371 and a debt service coverage factor of 118%. (See, Final Joint Staff Memorandum and attachment filed April 16, 2008).

8. Commission Staff recommended that the District's certificate application to construct additions and improvements to its existing sanitary sewer collection and pumping system and the associated financing, consisting of (1) a $1,000,000 grant from the WVIJDC; (2) a WVIJDC loan in the amount of $6,200,000; (3) a $800,000 grant from RUS; (4) a RUS loan in the amount of $2,175,000; and (5) a SRF loan in the amount of $3,409,085 be approved along with the Staff-recommended tariff, which incorporates the Staff-recommended 30% increase. (See, Final Joint Staff Memorandum and attachment filed April 16, 2008; Second Final Joint Staff Memorandum and attachment filed June 25, 2008).

9. The District filed a letter stating that it had no objections to the April 16, 2008 Final Joint Staff Memorandum or the June 25, 2008 Second Final Joint Staff Memorandum. (See, filing of April 16, 2008).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the issuance of a certificate of convenience and necessity to the Malden Public Service District to correct problems with high inflow and infiltration and to eliminate temporary sanitary sewer overflows enabling the District to meet the requirements of its NPDES permit as well as satisfy the terms of a Consent Decree entered into by and between the District and the West Virginia Department of Environmental Protection in February of 2005, as amended in October of 2006.

2. It is reasonable to approve the financing of the project, which consists of (1) a $1,000,000 grant from the WVIJDC; (2) a WVIJDC loan in the amount of $6,200,000, at 0% interest, for a term of 38 years; (3) a $800,000 grant from RUS; (4) a RUS loan in the amount of $2,175,000 for a term of 30 years with a 0% interest rate with an administrative fee of 0.5%; and (5) a SRF loan in the amount of $3,409,085 for a term of 38 years with a 4.2% interest rate and a 0% administrative fee.

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

ORDER

IT IS, THEREFORE, ORDERED that the application filed herein on January 7, 2008, by the Malden Public Service District for a certificate of convenience and necessity to construct certain additions and improvements to its existing sanitary sewer collection and pumping system to correct problems with high inflow and infiltration to eliminate the

District's sanitary sewer overflow and to meet the requirements of its NPDES permit be, and hereby is, granted, without need for a formal hearing.

IT IS FURTHER ORDERED that the financing of the project, consisting of (1) a $1,000,000 grant from the WVIJDC; (2) a WVIJDC loan in the amount of $6,200,000, for a term of 38 years with a 0% interest rate and a 0% administrative fee; (3) a $800,000 grant from RUS; (4) a RUS loan in the amount of $2,175,000 for a term of 30 years with a 0% interest rate with an administrative fee of 0.5%; and (5) a SRF loan in the amount of $3,409,085 for a term of 38 years with a 4.2% interest rate and a 0% administrative fee, be, and hereby is, approved.

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

IT IS FURTHER ORDERED that the Malden Public Service District file an original and at least five (5) copies of a revised tariff setting forth the rates and charges approved herein, within thirty (30) days from the date that the project is certified as completed.

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

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

IT IS FURTHER ORDERED that upon completion of the replacement of laterals, and before any slip lining takes place, the Malden Public Service District provide Commission Staff with the post-replacement flow measurements and evaluations and a report as to which specific lines will be slip lined.

IT IS FURTHER ORDERED that, prior to commencement of the slip lining, Malden Public Service District provide Commission Staff the actual design calculations and specifications for the DR (thickness) of the lining.

IT IS FURTHER ORDERED that, after construction of the pump stations, the Malden Public Service District provide Commission Staff with copies of certifications from the engineer that the pump stations can deliver at a minimum the designed flows.

IT IS FURTHER ORDERED that, if there are any changes in the plans and/or scope of the project or if a change in financing effects rates, the Malden Public Service District shall obtain Commission approval of such changes prior to commencing construction. If there is a change in project costs or scope that does not affect rates, the District must file an affidavit signed by its CPA or bond counsel verifying that fact.

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

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

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

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

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

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

John P. Carter

John P. Carter
Administrative Law Judge

JPC:mal:bam
080022aa.wpd

MALDEN PUBLIC SERVICE DISTRICT
CASE NO. 08-0022-PSD-CN
APPROVED TARIFF

SCHEDULE NO. 1

APPLICABILITY
Applicable within the entire territory served.

AVAILABILITY
Available for metered general domestic, commercial and industrial (except unusual industrial waste)and resale sewer service.

RATES (customers with metered water supply)

	(per 1,000 gallons per month)
First 2,000 gallons used per month	$10.01
All Over 2,000 gallons used per month	$10.01

MINIMUM CHARGE
No bill will be rendered for less than $20.02 per month, which is the equivalent of 2,000 gallons.

FLAT RATE CHARGE (customers with non-metered water supply)
Equivalent of 4,500 gallons of water usage, $45.05 per month.

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

WATER DISCONNECT-RECONNECT FEES
Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with the West Virginia-American Water Company, a disconnection fee of $25.00 shall be charged.

Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill, in conjunction with a water service termination agreement with the West Virginia-American Water Company, is reconnected, a reconnection fee of $25.00 shall be charged.

TAP FEE
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. The pre-construction tap fee will be invalid after the completion of construction adjacent to the applicant's premises that is associated with a certificate proceeding.

A tap fee of $350.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the sewer utility 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.

LEAK ADJUSTMENT INCREMENT

$0.83 per 1,0000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

SCHEDULE 2

SURCHARGE FORMULA TO BE APPLIED IN CASES OF USERS PRODUCING UNUSUAL WASTE

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

$$Ci = VoVi + BoBi + SoSi$$

Ci = charge to unusual users per year
Vo = average unit cost of transport and treatment chargeable to volume, in dollars per gallon
Vi = volume of wastewater from unusual users, in gallons per year
Bo = average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD), in dollars per pound
Bi = weight of BOD from unusual users, in pounds per year
So = average unit cost of treatment (including sludge treatment) chargeable to total solids in dollars per pound
Si = weight of total solids from unusual users, in pounds per year

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made. Waste containing materials which, in the judgement of the Malden Public Service District, should not be introduced into the sewer system, need not be handled by it. The results of the preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefor, based upon the formula set out above.

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the Malden Public Service District's records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the Malden Public Service District, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as aforesaid.

SCHEDULE NO. 3

SURCHARGE FOR ROOF DRAINS CONNECTED TO THE MALDEN PUBLIC SERVICE DISTRICT SANITARY SEWERAGE SYSTEM

An additional amount shall be charged where surface or ground water is introduced into the sanitary system where evidence of a violation exists.

Surcharge formula to be applied in cases where surface drainage is connected to the utility's sewer system.

APPLICABILITY

Wherever the utility has discovered that a customer's roof drain, downspout, storm sewer or similar facilities conducting surface water have been connected to the utility's system and such customer has failed to take appropriate action, within thirty (30) days of a demand by the utility in accordance with the Rules of the Public Service Commission, to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

$$S = A \times R \times .0006233 \times C$$

S = The surcharge in dollars
A = The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet.
R = The measured monthly rainfall, in inches
.0006233 = A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water.
C = The utility's approved rate per thousand gallons of metered water usage.

The utility shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing or on-site inspection that rain or surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules of the Public Service Commission of West Virginia.

SCHEDULE NO. 4

APPLICABLE INSIDE AND OUTSIDE OF THE LIMITS OF THE MALDEN PUBLIC SERVICE DISTRICT

When the amount of sanitary sewage discharged into the Malden wastewater treatment system and/or transmission and/or treatment system by certain industrial plants cannot be accurately determined by the use of the plant's water meter or meters, and said plant cannot install a flow meter to measure such waste, a special formula will be used whereby such plant or plants will pay to the Malden Public Service District a sewer charge calculated at fifty (50) gallons of water per each employee at the plant each working day.

SCHEDULE NO. 5

APPLICABILITY

Applicable in the entire territory served.

AVAILABILITY

Available for wastewater and leachate haulers.

RATES

Commodity Charge - Each customer shall pay a commodity charge of $32.50 per 1,000 gallons per load.

Load will be the actual capacity of the truck or other transport method delivering wastewater and leachate. Actual capacity shall be determined or verified by the District.

DELAYED PAYMENT PENALTY

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

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the sewer utility 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.

PAULEY, CURRY, STURGEON & VANDERFORD, PLLC
LAWYERS

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January 24, 2008

RECEIVED
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W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

Sandra Squire
Executive Secretary
WV Public Service Commission
P.O. Box 812
Charleston, WV 25323

Re: Case No. 08-0022-PSD-CN
Malden Public Service District
Application for a certificate of convenience and necessity to construct Phase I of improvements to the District's sewer collection and pumping station in Kanawha County.

Dear Ms. Squire:

Enclosed for filing in the above-styled matter are the original and 12 copies of the **Publisher's Affidavit** and **Notice of Filing** published in the Charleston Gazette one time [in accordance with the Commission's Order] on January 15, 2008.

Thank you for your assistance in this matter.

Yours truly,

Arden J. Curry, II

AJC,II/mcs
Enclosures
cc: Client, w/enc.

† Also Admitted in Kentucky
‡ Also Admitted in Ohio

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The Daily Mail is at a rate of $.13 per word, and the Charleston Gazette is at a rate of $.14 per word.

ISSUE DATE	AD TYPE	PUB	DESCRIPTION REFERENCE NBR PURCHASE ORDER #	AD NUMBER	AD SIZE TOTAL RUN	RATE	GROSS AMOUNT	NET AMOUNT
01/15	LEG	GZ	Malden PSD 475745001	0322877	3X2075 62.25	8.82	549.05	549.05
			TOTAL INVOICE AMOUNT					549.05

State of West Virginia, **AFFIDAVIT OF PUBLICATION**

I, Sandra Riggs of

THE CHARLESTON GAZETTE, A DAILY DEMOCRATIC NEWSPAPER, published in the city of Charleston, Kanawha County, West Virginia, do solemnly swear that the annexed notice of: Malden PSD

was duly published in said paper(s) during the dates listed below, and was posted at the front door of the court house of said Kanawha County, West Virginia, on the 16TH day of JANUARY 2008. Published during the following dates: 01/15/08-01/15/08

Subscribed and sworn to before me this 17 day of January.

Printers fee $ 549.05

OFFICIAL SEAL
Notary Public, State Of West Virginia
MARILYN J. CONLEY

Marilyn J. Conley
Notary Public of Kanawha County, West Virginia

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
CHARLESTON

Entered by the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 7th day of January, 2008.

CASE NO. 08-0022-PSD-CN

MALDEN PUBLIC SERVICE DISTRICT
Tad, WV 25306.
Application for a certificate of convenience and necessity to construct Phase I of improvements to its sewer collection and pumping system.

NOTICE OF FILING

WHEREAS, on January 7, 2008, Malden Public Service District, filed an application, duly verified, for a Certificate to construct certain additions and improvements to its sewer collection and pumping system in Kanawha County. The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, in Charleston, West Virginia.

WHEREAS, Malden Public Service District (District) estimates that construction will cost approximately $13,584,075.00. It is proposed that the construction will be financed as follows: West Virginia Infrastructure and Jobs Development Council Loan and Grant in the amount of $7,200,000.00; a Rural Utility Services Grant and Loan in the amount of $2,975,000.00; and a SRF loan in the amount of $3,409,075.00.

WHEREAS, the District anticipates charging the following monthly rates for its customers:

SCHEDULE 1

APPLICABILITY
Applicable in entire territory served

AVAILABILITY
Available for domestic, commercial, industrial (except unusual industrial waste).

RATES
First 2,500 gallons used per month — $11.40 per 1,000 gallons per month
All Over 2,500 gallons used per month — $11.40 per 1,000 gallons per month

MINIMUM CHARGE
Each customer shall pay a minimum charge of $28.50 per month
(Equivalent to 2,500 gallons of water usage)

FLAT-RATE CHARGE (Customers with a non-metered water supply $51.30
Equivalent to 4,500 gallons of water usage

DELAYED PAYMENT PENALTY
The above tariff is net. On the all current billings not paid in full within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE — $350.00
The following charge is to be made whenever the utility installs a new tap to serve an applicant.

A fee tap of $100 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. The 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 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.

WATER DISCONNECT-RECONNECT FEES — $25.00
Whenever water service has been disconnected for nonpayment of sewer bills in conjunction with a water termination agreement with West Virginia-American Water Company, a disconnection fee of $25.00 shall be charged.

Whenever water service has been previously disconnected or otherwise withheld for nonpayment of sewer bills in conjunction with a water service termination agreement with West Virginia-American Water Company, is reconnected, a reconnection fee of $25.00 shall be charged.

RETURN CHECK CHARGE — $25.00
A service charge of $25.00 will be imposed upon any customer whose check for payment of charges is returned by their bank for any reason.

LEAK ADJUSTMENT INCREMENT — $3.00
$3.00 per M gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

SCHEDULE 2

SURCHARGE FORMULA TO BE APPLIED IN THE CASES OF USERS PRODUCING UNUSUAL WASTE
The charge for the treatment of unusual wastes will be calculated on the basis of the following formula: $Ci = VoVi + SoSi$

Ci = charge to unusual users per year
Vo = average unit cost of transport and treatment chargeable to volume, in dollars per gallon
Vi = volume of wastewater from unusual users, in gallons per year
Bo = average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per pound
Bi = weight of BOD from unusual users, in pounds per year
So = average unit cost of treatment (including sludge treatment), chargeable to total solids, in dollars per pound
Si = weight of total solids from unusual users, in pounds per year

When an unusual user is to be served, a preliminary study of its waste, and the cost of transport and treatment thereof, will be made. Waste containing materials which, in the judgment of the Malden Public Service District, should not be introduced in the sewer system, need not be handled by it. The results of the preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefore, based upon the formula set out above.

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the Malden Public Service District records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the Malden Public Service District, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year at the end of which an adjustment will be made as aforesaid.

SURCHARGE FOR ROOF DRAINS CONNECTED TO THE MALDEN PUBLIC SERVICE DISTRICT SANITARY SEWER SYSTEM

An additional amount shall be charged where surface or ground water is introduced into the sanitary system where evidence of a violation exists.

Surcharge formula to be applied in cases where surface drainage is connected to the utility's sewer system.

APPLICABILITY

Whenever the utility has discovered that customer's roof drain, downspout, storm sewer or sump/facilities conducting surface water have been connected to the utility's sewer system and such customer has failed to take appropriate action, within (30) days of a demand by the utility in accordance with the Rules of the Public Service Commission, to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula: $ = A X R X .0006233 X C

$ The surcharge in dollars

A The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet

R The measured monthly rainfall, in inches

.0006233 A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water

C The utility's approved rate per thousand gallons of metered water usage, (5

The utility shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing or on-site inspection that rain or surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water in accordance with the Rules of the Public Service Commission of West Virginia.

SCHEDULE 4

APPLICABLE INSIDE AND OUTSIDE OF THE LIMITS OF THE MALDEN PUBLIC SERVICE DISTRICT

When the amount of sanitary sewage discharged into the Malden Public Service District wastewater treatment system and/or transmission and/or treatment system by certain industrial plants cannot be accurately determined by the use of the plant's water meter or meters, and said plant cannot install a flow meter to measure such waste, a special formula will be used whereby such plant or plants will pay to the Malden Public Service District a sewer charge calculated at fifty (50) gallons of water per each employee at the plant each working day.

SCHEDULE 5

APPLICABILITY

Applicable to the entire territory served.

AVAILABILITY

Available for wastewater and leachate haulers.

RATES

Commodity Charge - Each customer shall pay a commodity charge of $40.00 per 1,000 gallons per load. Load will be the actual capacity of the truck or other transport method delivering wastewater and leachate. Actual capacity shall be determined or verified by the District.

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid in full within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each where it is appropriate.

RETURNED CHECK CHARGE = $25.00

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

MINIMUM MONTHLY BILL for 2,500 gallons $28.50 per month.

DELAYED PAYMENT PENALTY

The above tariff is net. On all accounts not paid in full within twenty (20) days of the latest pay date, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

Prior to construction - $350.00
After construction passes the premises to be served, charge for connection to system $350.00

These rates represent the following project-related increases:

	($) INCREASE	(%) INCREASE
Residential	16.65	48.05
Commercial	N/A	N/A
Industrial	N/A	N/A
Resale	N/A	N/A
Other	16.65	48.05

These rates represent the following non-project-related increases:

	($) INCREASE	(%) INCREASE
Residential	N/A	N/A
Commercial	N/A	N/A
Industrial	N/A	N/A
Resale	N/A	N/A
Other	N/A	N/A

Resale customers of Malden Public Service include: Not Applicable.

The proposed increased rates and charges will produce approximately $631,712.00 annually in additional revenue, an increase of 53%.

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

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

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

FOR THE COMMISSION:
Sandra Squire
Executive Secretary

(322877)

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

Case No.: 08-0022-PSD-CN

MALDEN PUBLIC SERVICE DISTRICT

Application for a certificate of convenience and necessity to construct Phase I of improvements to its sewer collection and pumping station

STATE OF WEST VIRGINIA
COUNTY OF LINCOLN, TO-WIT:

AFFIDAVIT

I, Michael Griffith, CPA, after making an oath of affirmation to tell the truth, say that, I have reviewed the Recommended Decision of the Public Service Commission of West Virginia in Case No. 08-0022-PSD-CN dated August 13, 2008 approving financing of the project consisting of (1) a $1,000,000 grant from the WVIJDC; (2) a WVIJDC loan in the amount of $6,200,000; (3) a $800,000 grant from the RUS; (4) a RUS loan in the amount of $2,175,000; and (5) a SRF loan in the amount of $3,409,085, based upon all the information that has been provided to me, to date, I am of the opinion that the rates and charges for the Town (i) are not affected by the revised funding consisting of (1) a $133,989 grant from the WVIJDC; (2) a forgivable SRF ARRA loan in the amount of $6,614,965; (3) a $800,000 grant from the RUS; (4) a RUS loan in the amount of $2,175,000 at an interest rate of 4.125% for a term of 40 years; and (5) an SRF loan in the amount of $2,834,985 at 0% interest for a term of 30 years and a 0.25% administrative fee; and (ii) will be sufficient to provide revenues which, together with other revenues of the System, will allow me to provide the CPA certification required for the issuance of the Bonds.

This Affidavit is executed on the 19th day of August, 2009.

Michael Griffith, CPA, AFI
Griffith & Associates, PLLC

Taken, subscribed and sworn to before me this 19th day of August, 2009.

My commission expires April 26, 2014.

[SEAL]

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
DREAMA KINGREY
GRIFFITH & ASSOCIATES
950 LITTLE COAL RIVER ROAD
ALUM CREEK, WV 25003
My commission expires April 26, 2014

Dreama Kingrey
Notary Public

Michael D. Griffith, CPA, AFI
michaelgriffithcpa@verizon.net

950 Little Coal River Road Alum Creek, WV 25003
Phone: (304) 756.3600 Facsimile: (304) 756.2911

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information
(304) 353-8148 – Telephone
(304) 353-8180 – Facsimile
todd.swanson@steptoe-johnson.com

August 20, 2009

RECEIVED
2009 AUG 20 A 11: 09
WVA PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

VIA HAND DELIVERY
Sandra Squire, *Executive Secretary*
Public Service Commission of West Virginia
201 Brooks Street
Charleston, West Virginia 25301

Re: CASE NO.: 08-0022-PSD-CN
MALDEN PUBLIC SERVICE DISTRICT,
KANAWHA COUNTY, WEST VIRGINIA
Application for a certificate of convenience and necessity to construct Phase I of improvements to its sewer collection and pumping station.

Dear Ms. Squire:

For filing on behalf of Malden Public Service District (the "District"), please find an original and twelve (12) copies of an affidavit by the District's certified public accountant affirming that the rates and charges for the District: (i) are not affected by the revised funding consisting of (1) a $133,989 grant from the WVIJDC; (2) a forgivable SRF ARRA loan in the amount of $6,614,965; (3) a $800,000 grant from the RUS; (4) a RUS loan in the amount of $2,175,000 at an interest rate of 4.125% for a term of 40 years; and (5) an SRF loan in the amount of $2,834,985 at 0% interest for a term of 30 years and a 0.25% administrative fee; and (ii) will be sufficient to provide revenues which, together with other revenues of the System, will allow the District's certified public accountant to provide the CPA certification required for the issuance of the bonds.

I ask that you please file the affidavit and distribute the additional copies to the appropriate parties at the Commission. Additionally, please date stamp the file copy provided and return it with our messenger. Thank you in advance for your attention to the foregoing, and please do not hesitate to contact me should you have any questions.

Sincerely,

Todd M. Swanson
WVSB No. 10509

CH5239000.1

TMS
Enclosures
cc: Chet Williamson, General Manager (w/o enclosure)
Arden J. Curry, II, Esquire (w/o enclosure)
Michael D. Griffith, CPA (w/o enclosure)

544010.00002

RECEIVED
2009 AUG 20 A 11: 09
WVA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

Griffith & Associates, PLLC Accountants & Consultants

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

Case No.: 08-0022-PSD-CN

MALDEN PUBLIC SERVICE DISTRICT

Application for a certificate of convenience and necessity to construct Phase I of improvements to its sewer collection and pumping station

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Michael Griffith, CPA, AFI
Griffith & Associates, PLLC

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My commission expires April 26, 2014

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PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

Case No.: 08-0022-PSD-CN

MALDEN PUBLIC SERVICE DISTRICT

Application for a certificate of convenience and necessity to construct Phase I of improvements to its sewer collection and pumping station

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My commission expires April 26, 2014

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950 Little Coal River Road Alum Creek, WV 25003
Phone: (304) 756.3600 Facsimile: (304) 756.2911

Jefferson E. Brady, P.E. ~ Executive Director

300 Summers Street, Suite 980
Charleston, West Virginia 25301
Phone: (304) 558-4607
Facsimile: (304) 558-4609
Jefferson.Brady@verizon.net

January 10, 2007

Chet Williamson, General Manager
Malden PSD
P.O. Box 350
Tad, WV 25201

Re: Loan Agreement/Grant Agreement
Sewer Project 2005S-855
Action Required by January 30, 2007

Dear Mr. Williamson:

At the January 10, 2007 meeting of the West Virginia Infrastructure & Jobs Development Council (the "Council"), the Council authorized the West Virginia Water Development Authority (the "Authority") to enter into a loan and grant agreement with Malden Public Service District (the "District") for a loan of $6,200,000 and a grant of $1,000,000 to partially fund this 13,584,075 project. The loan and grant will be made from the proceeds of bonds issued by the Authority on behalf of the Council. To comply with new US Internal Revenue Code requirements, the Council and the Authority replaced the binding commitment letters with the attached loan and grant agreements.

If the District intends to accept the loan and grant, its governing body must adopt a written resolution authorizing it to enter into the loan and grant agreements. If authorized, the District should execute the loan and grant agreements in triplicate and return them, along with a certified copy of the resolution, to the Authority. **The District must also submit to the Council a proposed written schedule for the closing of the loan and grant.**

Please contact Jeff Brady at (304) 558-4607 if you have any questions.

Sincerely,

Jefferson E. Brady, P.E.
Executive Director

cc: Dan Ferrell, Thrasher Engineering, Inc. (w/o enclosure)

Public Members
Ken Lowe, Shepherdstown ~ Dwight Calhoun, Petersburg ~ Tim Stranko, Morgantown ~ Dave McComas, Prichard

West Virginia Infrastructure & Jobs Development Council

Public Members:
Mark Prince
Hurricane
Dwight Calhoun
Petersburg
Tim Stranko
Morgantown
Dave McComas
Prichard

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

Jefferson E. Brady, PE
Executive Director

Jefferson.Brady@verizon.net

May 8, 2006

Chet Williamson, General Manager
Malden Public Service District
P.O. Box 350
Tad, West Virginia 25201

Re: Malden Public Service District
Sewer Project 2005S-855

Dear Mr. Williamson:

The West Virginia Infrastructure and Jobs Development Council (the "Council") has reviewed the Malden Public Service District's (the "District") Phase I revised preliminary application to address pumping and collection system upgrades (the "Project").

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

Upon consideration of the revised preliminary application, the Council determined that the District should pursue a $3,409,075 Clean Water State Revolving Fund loan, a $2,175,000 Rural Utilities Service loan, and an $800,000 Rural Utilities Service grant to fund this $13,584,075 project. Please contact the WV Department of Environmental Protection office at (304) 926-0495 and the Rural Utilities Service office at (304) 252-8644 for specific information on the steps the District needs to follow to apply for these funds. **Please note that this letter <u>does not</u> constitute funding approval from these agencies.**

The Council also determined that the District may be eligible for a $6,200,000 Infrastructure Fund loan (0%, 40 yrs) and a $1,000,000 Infrastructure Fund grant pending the District's readiness to proceed and availability of funds. **This letter is not a commitment letter of Infrastructure Funds.** The Project will be placed on the Infrastructure Council's pending list of projects.

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

Sincerely,

Mark Prince

Enclosure
cc: Mike Johnson, P.E., DEP (w/o enclosure)
Stephen Wetherbee, RUS
Region III Planning & Development Council
Dan Ferrell, P.E., Thrasher Engineering, Inc.

West Virginia Infrastructure & Jobs Development Council

Public Members:
Mark Prince
Hurricane
Dwight Calhoun
Petersburg
Tim Stranko
Morgantown
Dave McComas
Prichard

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

Jefferson E. Brady, PE
Executive Director

Jefferson.Brady@verizon.net

May 8, 2006

Chet Williamson, General Manager
Malden Public Service District
P.O. Box 350
Tad, West Virginia 25201

Re: Malden Public Service District
Sewer Project 2005S-855

Dear Mr. Williamson:

The West Virginia Infrastructure and Jobs Development Council (the "Council") has reviewed the Malden Public Service District's (the "District") Phase I revised preliminary application to address pumping and collection system upgrades (the "Project").

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

Upon consideration of the revised preliminary application, the Council determined that the District should pursue a $3,409,075 Clean Water State Revolving Fund loan, a $2,175,000 Rural Utilities Service loan, and an $800,000 Rural Utilities Service grant to fund this $13,584,075 project. Please contact the WV Department of Environmental Protection office at (304) 926-0495 and the Rural Utilities Service office at (304) 252-8644 for specific information on the steps the District needs to follow to apply for these funds. **Please note that this letter <u>does not</u> constitute funding approval from these agencies.**

The Council also determined that the District may be eligible for a $6,200,000 Infrastructure Fund loan (0%, 40 yrs) and a $1,000,000 Infrastructure Fund grant pending the District's readiness to proceed and availability of funds. **This letter is not a commitment letter of Infrastructure Funds.** The Project will be placed on the Infrastructure Council's pending list of projects.

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Sincerely,

Mark Prince

Enclosure
cc: Mike Johnson, P.E., DEP (w/o enclosure)
Stephen Wetherbee, RUS
Region III Planning & Development Council
Dan Ferrell, P.E., Thrasher Engineering, Inc.

West Virginia Infrastructure & Jobs Development Council

Public Members:
Mark Prince
Hurricane
Dwight Calhoun
Petersburg
Dave McComas
Pritchard
Tim Stranko
Morgantown

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

October 5, 2005

Chet Williamson, General Manager
Malden Public Service District
P.O. Box 350
Tad, West Virginia 25201

Re: Malden Public Service District
Sewer Project 2005S-855 (Phase I)

Dear Mr. Williamson:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") has reviewed the Malden Public Service District's (the "District") revised preliminary application to address pumping and collection system upgrades (the "Project").

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

Upon consideration of the revised preliminary application, the Infrastructure Council recommends that the District pursue a $3,409,075 Clean Water State Revolving Fund loan, a $2,175,000 Rural Utilities Service loan, and a $1,000,000 Rural Utilities Service grant to fund this $13,584,075 project. Please contact the WV Department of Environmental Protection office at 926-0495 and the Rural Utilities Service office at 252-8644 for specific information on the steps the District needs to follow to apply for these funds. **Please note that this letter <u>does not</u> constitute funding approval from these agencies.**

The Infrastructure Council also determined the District may be eligible for an Infrastructure Fund loan of $6,000,000 and an Infrastructure Fund grant of $1,000,000 pending the District's readiness to proceed and availability of funds. **This letter is not a commitment letter of Infrastructure Funds.** The Project will be placed on the Infrastructure Council's pending list of projects.

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

Sincerely,

Mark Prince

Enclosure
cc: Mike Johnson, DEP (w/o enclosure)
Teresa Miller, RUS
Region III Planning & Development Council
Daniel Ferrell, P.E., Thrasher Engineering, Inc.

West Virginia Infrastructure & Jobs Development Council

Public Members:
Mark Prince
Hurricane
Dwight Calhoun
Petersburg
Dave McComas
Pritchard
Tim Stranko
Morgantown

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

October 5, 2005

Chet Williamson, General Manager
Malden Public Service District
P.O. Box 350
Tad, West Virginia 25201

Re: Malden Public Service District
Sewer Project 2005S-855 (Phase I)

Dear Mr. Williamson:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") has reviewed the Malden Public Service District's (the "District") revised preliminary application to address pumping and collection system upgrades (the "Project").

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

Upon consideration of the revised preliminary application, the Infrastructure Council recommends that the District pursue a $3,409,075 Clean Water State Revolving Fund loan, a $2,175,000 Rural Utilities Service loan, and a $1,000,000 Rural Utilities Service grant to fund this $13,584,075 project. Please contact the WV Department of Environmental Protection office at 926-0495 and the Rural Utilities Service office at 252-8644 for specific information on the steps the District needs to follow to apply for these funds. **Please note that this letter <u>does not</u> constitute funding approval from these agencies.**

The Infrastructure Council also determined the District may be eligible for an Infrastructure Fund loan of $6,000,000 and an Infrastructure Fund grant of $1,000,000 pending the District's readiness to proceed and availability of funds. **This letter is not a commitment letter of Infrastructure Funds.** The Project will be placed on the Infrastructure Council's pending list of projects.

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

Sincerely,

Mark Prince

Enclosure
cc: Mike Johnson, DEP (w/o enclosure)
Teresa Miller, RUS
Region III Planning & Development Council
Daniel Ferrell, P.E., Thrasher Engineering, Inc.

MALDEN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On the 26th day of August, 2009, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Chairman of Malden Public Service District (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received from the Issuer its: (i) Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), in the principal amount of $2,834,985, numbered AR-1 (the "Series 2009 A Bonds"); and (ii) Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), in the principal amount of $6,614,965, numbered BR-1 (the "Series 2009 B Bonds").

2. At the time of such receipt, all the Series 2009 A Bonds and the Series 2009 B Bonds had been executed by the Chairman and the Secretary of the Issuer by their respective manual signatures, and the official seal of the Issuer had been affixed thereon.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2009 A Bonds and the Series 2009 B Bonds, the sum of $868,963, being a portion of the principal amount of the Series 2009 A Bonds and $99,548, being a portion of the principal amount of the Series 2009 B Bonds. The balance of the principal amount of the Series 2009 A Bonds and the Series 2009 B Bonds will be advanced by the Authority on behalf of the West Virginia Department of Environmental Protection to the Issuer as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

WITNESS our respective signatures as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

Carol A. Cummings
Authorized Representative

MALDEN PUBLIC SERVICE DISTRICT

John L. Hutchison
Chairman

08.06.09
544010.00002

CH4973245.1

MALDEN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2009 C
(United States Department of Agriculture)

RECEIPT FOR SERIES 2009 C BONDS

The undersigned, authorized representative of the United States Department of Agriculture, Rural Utilities Service, for and on behalf of the United States of America (the "Purchaser"), hereby certifies this 26th day of August, 2009:

1. On the 26th day of August, 2009, at Tad, West Virginia, the undersigned received for the Purchaser the Malden Public Service District Sewer Revenue Bonds, Series 2009 C (United States Department of Agriculture), No. CR-1 (the "Series 2009 C Bonds"), issued as a single, fully registered Bond, in the principal amount of $2,175,000, dated the date hereof, bearing interest at the rate of 4.125% per annum, payable in monthly installments as stated in the Bond. The Series 2009 C Bonds represent the entire above captioned Bond issue.

2. At the time of such receipt, the Series 2009 C Bonds had been executed and sealed by the designated officials of the Public Service Board of Malden Public Service District (the "Issuer").

3. At the time of such receipt, there was paid to the Issuer the sum of $216,297, being a portion of the principal amount of the Series 2009 C Bonds. The balance of the principal amount of the Series 2009 C 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 the day and year first written above.

Teresa A. Miller

Authorized Representative

08.07.09
544010.00002

MALDEN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

The Huntington National Bank
as Registrar
Charleston, West Virginia

Ladies and Gentlemen:

Malden Public Service District (the "Issuer") hereby delivers the following to you on this 26th day of August, 2009:

(1) Bond No. AR-1, constituting the entire original issue of the Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), of the Issuer, in the principal amount of $2,834,985 (the "Series 2009 A Bonds"), dated August 26, 2009, executed by the Chairman and Secretary of the Issuer and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Resolution duly adopted by the Issuer on August 11, 2009, and a Supplemental Resolution duly adopted by the Issuer on August 11, 2009 (collectively, the "Resolution");

(2) Bond No. BR-1, constituting the entire original issue of the Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), of the Issuer, in the principal amount of $6,614,965 (the "Series 2009 B Bonds"), dated August 26, 2009, executed by the Chairman and Secretary of the Issuer and bearing the official seal of the Issuer, authorized to be issued under and pursuant to the Resolution;

(3) A copy of the Resolution authorizing the above-captioned Bonds (collectively, the "Bonds") duly certified by the Secretary of the Issuer;

(4) Executed counterparts of an ARRA assistance agreement for the Series 2009 A Bonds and Series 2009 B Bonds, dated August 26, 2009, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "ARRA Assistance Agreement"); and

(5) An executed opinion of nationally recognized bond counsel regarding the validity of the ARRA Assistance Agreement and the Bonds.

You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the Issuer of the sum of $868,963, representing a portion of the principal amount of the Series 2009 A Bonds, and the sum of $99,548, representing a portion of the principal amount of the Series 2009 B Bonds.

Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Registrar, in accordance with the forms of Certificate of Authentication and Registration thereon.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first written above.

MALDEN PUBLIC SERVICE DISTRICT

John L. Huddleston

Chairman

08.06.09
544010.00002

CH4973247.1

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MALDEN PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 2009 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1 $2,834,985

KNOW ALL MEN BY THESE PRESENTS: This 26th day of August, 2009, that MALDEN PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Kanawha County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns, the sum of TWO MILLION EIGHT HUNDRED THIRTY-FOUR THOUSAND NINE HUNDRED EIGHTY FIVE DOLLARS ($2,834,985), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2011 to and including December 1, 2040, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2011, as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the ARRA Assistance Agreement by and among the Issuer, the Authority and the DEP, dated August 26, 2009.

This Bond is issued (i) to pay a portion of the outstanding principal of, interest on, if any, and administrative fee, if any, for the Sewerage System Design Revenue Bonds, Series 2006 B (West Virginia Water Development Authority); (ii) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewerage facilities of the Issuer (the "Project"); and (iii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended

(collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on August 11, 2009, and a Supplemental Resolution duly adopted by the Issuer on August 11, 2009 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (1) SEWER REVENUE BONDS, SERIES 1978, DATED DECEMBER 21, 1978, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,040,000 (THE "SERIES 1978 BONDS"); (2) SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA), DATED AUGUST 26, 2009, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $6,614,965, (THE "SERIES 2009 B BONDS"); AND (3) SEWER REVENUE BONDS, SERIES 2009 C (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 26, 2009, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,175,000, (THE "SERIES 2009 C BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Series 1978 Bonds, Series 2009 B Bonds and Series 2009 C Bonds and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2009 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2009 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Bonds, including the Series 1978 Bonds, the Series 2009 B Bonds and the Series 2009 C Bonds; provided however, that so long as there exists in the Series 2009 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior to the Bonds, including the Series 1978 Bonds, the Series 2009 B Bonds and the Series 2009 C Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of Huntington National Bank, Charleston, West Virginia (the "Registrar") by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All monies received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

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

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

Chairman

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2009 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: August 26, 2009.

HUNTINGTON NATIONAL BANK
as Registrar

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $868,963	August 26, 2009	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

BOND DEBT SERVICE
Malden PSD
30 Years
0% Interest Rate
0.25% Admin Fee

Dated Date 8/26/2009
Delivery Date 8/26/2009

Period Ending	Principal	Interest	Debt Service
8/26/2009			
3/1/2011	23,625		23,625
6/1/2011	23,625		23,625
9/1/2011	23,625		23,625
12/1/2011	23,625		23,625
3/1/2012	23,625		23,625
6/1/2012	23,625		23,625
9/1/2012	23,625		23,625
12/1/2012	23,625		23,625
3/1/2013	23,625		23,625
6/1/2013	23,625		23,625
9/1/2013	23,625		23,625
12/1/2013	23,625		23,625
3/1/2014	23,625		23,625
6/1/2014	23,625		23,625
9/1/2014	23,625		23,625
12/1/2014	23,625		23,625
3/1/2015	23,625		23,625
6/1/2015	23,625		23,625
9/1/2015	23,625		23,625
12/1/2015	23,625		23,625
3/1/2016	23,625		23,625
6/1/2016	23,625		23,625
9/1/2016	23,625		23,625
12/1/2016	23,625		23,625
3/1/2017	23,625		23,625
6/1/2017	23,625		23,625
9/1/2017	23,625		23,625
12/1/2017	23,625		23,625
3/1/2018	23,625		23,625
6/1/2018	23,625		23,625
9/1/2018	23,625		23,625
12/1/2018	23,625		23,625
3/1/2019	23,625		23,625
6/1/2019	23,625		23,625
9/1/2019	23,625		23,625
12/1/2019	23,625		23,625
3/1/2020	23,625		23,625
6/1/2020	23,625		23,625
9/1/2020	23,625		23,625
12/1/2020	23,625		23,625
3/1/2021	23,625		23,625
6/1/2021	23,625		23,625
9/1/2021	23,625		23,625

BOND DEBT SERVICE
Malden PSD
30 Years
0% Interest Rate
0.25% Admin Fee

Period Ending	Principal	Interest	Debt Service
12/1/2021	23,625		23,625
3/1/2022	23,625		23,625
6/1/2022	23,625		23,625
9/1/2022	23,625		23,625
12/1/2022	23,625		23,625
3/1/2023	23,625		23,625
6/1/2023	23,625		23,625
9/1/2023	23,625		23,625
12/1/2023	23,625		23,625
3/1/2024	23,625		23,625
6/1/2024	23,625		23,625
9/1/2024	23,625		23,625
12/1/2024	23,625		23,625
3/1/2025	23,625		23,625
6/1/2025	23,625		23,625
9/1/2025	23,625		23,625
12/1/2025	23,625		23,625
3/1/2026	23,625		23,625
6/1/2026	23,625		23,625
9/1/2026	23,625		23,625
12/1/2026	23,625		23,625
3/1/2027	23,625		23,625
6/1/2027	23,625		23,625
9/1/2027	23,625		23,625
12/1/2027	23,625		23,625
3/1/2028	23,625		23,625
6/1/2028	23,625		23,625
9/1/2028	23,625		23,625
12/1/2028	23,625		23,625
3/1/2029	23,625		23,625
6/1/2029	23,625		23,625
9/1/2029	23,625		23,625
12/1/2029	23,625		23,625
3/1/2030	23,625		23,625
6/1/2030	23,625		23,625
9/1/2030	23,625		23,625
12/1/2030	23,625		23,625
3/1/2031	23,625		23,625
6/1/2031	23,625		23,625
9/1/2031	23,625		23,625
12/1/2031	23,625		23,625
3/1/2032	23,625		23,625
6/1/2032	23,625		23,625
9/1/2032	23,625		23,625
12/1/2032	23,625		23,625
3/1/2033	23,625		23,625
6/1/2033	23,625		23,625
9/1/2033	23,625		23,625

BOND DEBT SERVICE
Malden PSD
30 Years
0% Interest Rate
0.25% Admin Fee

Period Ending	Principal	Interest	Debt Service
12/1/2033	23,625		23,625
3/1/2034	23,625		23,625
6/1/2034	23,625		23,625
9/1/2034	23,625		23,625
12/1/2034	23,625		23,625
3/1/2035	23,625		23,625
6/1/2035	23,625		23,625
9/1/2035	23,625		23,625
12/1/2035	23,625		23,625
3/1/2036	23,625		23,625
6/1/2036	23,625		23,625
9/1/2036	23,625		23,625
12/1/2036	23,625		23,625
3/1/2037	23,624		23,624
6/1/2037	23,624		23,624
9/1/2037	23,624		23,624
12/1/2037	23,624		23,624
3/1/2038	23,624		23,624
6/1/2038	23,624		23,624
9/1/2038	23,624		23,624
12/1/2038	23,624		23,624
3/1/2039	23,624		23,624
6/1/2039	23,624		23,624
9/1/2039	23,624		23,624
12/1/2039	23,624		23,624
3/1/2040	23,624		23,624
6/1/2040	23,624		23,624
9/1/2040	23,624		23,624
12/1/2040	23,625		23,625
	2,834,985		**2,834,985**

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MALDEN PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2009 B
(WEST VIRGINIA SRF PROGRAM/ARRA)

No. BR-1 $6,614,965

KNOW ALL MEN BY THESE PRESENTS: This 26th day of August, 2009, that MALDEN PUBLIC SERVICE DISTRICT, a public service district, a public corporation and political subdivision of the State of West Virginia in Kanawha County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns, the sum of SIX MILLION SIX HUNDRED FOURTEEN THOUSAND NINE HUNDRED SIXTY-FIVE THOUSAND DOLLARS ($6,614,965), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2011 to and including December 1, 2020, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. This Bond shall not be subject to the SRF Administrative fee (as defined in the hereinafter describe Bond Legislation).

This Bond shall bear no interest. Principal installments of this Bond are forgivable quarterly as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the ARRA Assistance Agreement by and among the Issuer, the Authority and the DEP, dated August 26, 2009.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewerage facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on August 11, 2009, and a Supplemental Resolution duly adopted by the Issuer on August 11, 2009 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and

secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (1) SEWER REVENUE BONDS, SERIES 1978, DATED DECEMBER 21, 1978, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,040,000 (THE "SERIES 1978 BONDS"); (2) SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 26, 2009, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,834,985, (THE "SERIES 2009 A BONDS"); AND (3) SEWER REVENUE BONDS, SERIES 2009 C (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 26, 2009, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,175,000, (THE "SERIES 2009 C BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Series 1978 Bonds, Series 2009 A Bonds and Series 2009 C Bonds and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2009 B Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2009 B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Bonds, including the Series 1978 Bonds, the Series 2009 A Bonds and Series 2009 C Bonds; provided however, that so long as there exists in the Series 2009 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior to the Bonds, including the Prior Bonds and the Series 2009 A Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of

transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the Design Bonds, the costs of the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

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

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

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

[SEAL]

Chairman

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2009 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: August 26, 2009.

HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $99,548	August 26, 2009	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

BOND DEBT SERVICE
Malden PSD
10 Years

Dated Date	8/26/2009
Delivery Date	8/26/2009

Period Ending	Debt Service	Principal Forgiveness
8/26/2009		
3/1/2011	165,375	165,375
6/1/2011	165,375	165,375
9/1/2011	165,375	165,375
12/1/2011	165,375	165,375
3/1/2012	165,374	165,374
6/1/2012	165,374	165,374
9/1/2012	165,374	165,374
12/1/2012	165,374	165,374
3/1/2013	165,374	165,374
6/1/2013	165,374	165,374
9/1/2013	165,374	165,374
12/1/2013	165,374	165,374
3/1/2014	165,374	165,374
6/1/2014	165,374	165,374
9/1/2014	165,374	165,374
12/1/2014	165,374	165,374
3/1/2015	165,374	165,374
6/1/2015	165,374	165,374
9/1/2015	165,374	165,374
12/1/2015	165,374	165,374
3/1/2016	165,374	165,374
6/1/2016	165,374	165,374
9/1/2016	165,374	165,374
12/1/2016	165,374	165,374
3/1/2017	165,374	165,374
6/1/2017	165,374	165,374
9/1/2017	165,374	165,374
12/1/2017	165,374	165,374
3/1/2018	165,374	165,374
6/1/2018	165,374	165,374
9/1/2018	165,374	165,374
12/1/2018	165,374	165,374
3/1/2019	165,374	165,374
6/1/2019	165,374	165,374
9/1/2019	165,374	165,374
12/1/2019	165,374	165,374
3/1/2020	165,374	165,374
6/1/2020	165,374	165,374
9/1/2020	165,374	165,374
12/1/2020	165,375	165,375
	6,614,965	**6,614,965**

(Form of)

ASSIGNMENT

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

Dated:_____, _____.

_____

In the presence of:

_____

SPECIMEN

UNITED STATES OF AMERICA
MALDEN PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2009 C
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$2,175,000

No. CR-1

Date: August 26, 2009

FOR VALUE RECEIVED, MALDEN PUBLIC SERVICE DISTRICT This 26th day of August, 2009 (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 ONE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS ($2,175,000), plus interest on the unpaid principal balance at the rate of 4.125% 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 $9,462, 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 sewerage 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 August 11, 2009, and a Supplemental Resolution of the Borrower duly adopted on August 11, 2009, authorizing issuance of this Bond (collectively, 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 WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (1) SEWER REVENUE BONDS, SERIES 1978, DATED DECEMBER 21, 1978, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,040,000 (THE "SERIES 1978 BONDS"); (2) SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM), DATED AUGUST 26, 2009, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,834,985, (THE "SERIES 2009 A BONDS"); AND (3) SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA), DATED AUGUST 26, 2009, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $6,614,965, (THE "SERIES 2009 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, MALDEN 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.

MALDEN PUBLIC SERVICE DISTRICT

[CORPORATE SEAL]

John L. Hutchison

Chairman
Malden Public Service District
Post Office Box 350
Tad, West Virginia 25201

ATTEST:

Bobbie Segg

Secretary, Public Service Board

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $216,297	August 26, 2009	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

(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: _____, _____.

_____

In the presence of:

_____

MALDEN PUBLIC SERVICE DISTRICT

SEWER REVENUE BONDS, SERIES 2009 C
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$2,175,000

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
CR-1	August 26, 2009	United States Department of Agriculture	Bobbie Legg

08.07.09
544010.00002

CH4973288.1

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information

August 26, 2009

Malden Public Service District
Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program)

Malden Public Service District
Tad, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of
Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Malden Public Service District (the "Issuer"), a public service district, public corporation and political subdivision created and existing under the laws of the State of West Virginia, of its $2,834,985 Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of an ARRA assistance agreement dated August 26, 2009, including all schedules and exhibits attached thereto (the "ARRA Assistance Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP") and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the ARRA Assistance Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest and an Administrative Fee of 0.25%. The principal is payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2011, to and including December 1, 2040, all as set forth in "Schedule Y" attached to the ARRA Assistance Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewerage system of

the Issuer (the "Project"); (ii) paying a portion of the Sewerage System Design Revenue Bonds, Series 2006 B (West Virginia Water Development Authority) (the "Series 2006 B Bonds"); and (iii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Resolution duly adopted by the Issuer on August 11, 2009, as supplemented by a Supplemental Resolution duly adopted by the Issuer on August 11, 2009 (collectively, the "Resolution"), pursuant to and under which Act and Resolution the Bonds are authorized and issued, and the ARRA Assistance Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Resolution and the ARRA Assistance Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Resolution and the ARRA Assistance Agreement when used herein.

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

1. The Issuer is a duly created and validly existing public service district, public corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt the Resolution and to issue and sell the Bonds, all under the Act and other applicable provisions of law.

2. The ARRA Assistance Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and the DEP and cannot be amended by the Issuer so as to affect adversely the rights of the Authority or the DEP or diminish the obligations of the Issuer without the written consent of the Authority and the DEP.

3. The Resolution and all other necessary orders and resolutions have been duly and effectively adopted by the Issuer and constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms. The Resolution contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the ARRA Assistance Agreement.

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Resolution and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's (i) Sewer Revenue Bonds, Series 1978, dated December 21, 1978 issued in the original aggregate principal amount of $7,040,000; (ii) Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), issued contemporaneously herewith in the original aggregate principal amount of $6,614,965; and (iii) Sewer Revenue Bonds, Series 2009 C (United States Department of Agriculture), issued contemporaneously herewith in the original aggregate principal amount of $2,175,000, all in accordance with the terms of the Bonds and the Bond Legislation.

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

6. The Bonds have not been issued on the basis that the interest, if any, thereon is or will be excluded from 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.

7. With proceeds from the Series 2009 A Bonds and the Series 2009 C Bonds, the Series 2006 B Bonds have been paid in full within the meaning and with the effect expressed in the resolutions authorizing such Bonds, and the covenants, agreements and other obligations of the Issuer to the owners of such Bonds have been satisfied and discharged. In rendering the opinion set forth in this paragraph, we have relied upon the receipt of payment from the owners of such Bonds that they have received payment for the entire outstanding principal of such Bonds and all interest accrued thereon on the date hereof and that such Bonds have been paid in full.

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

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

Very truly yours,

STEPTOE & JOHNSON PLLC

08.06.09
544010.00002

STEPTOE & JOHNSON PLLC
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Writer's Contact Information

August 26 2009

Malden Public Service District
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

Malden Public Service District
Tad, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Malden Public Service District (the "Issuer"), a public service district, public corporation and political subdivision created and existing under the laws of the State of West Virginia, of its $6,614,965 Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of an ARRA assistance agreement dated August 26, 2009, including all schedules and exhibits attached thereto (the "ARRA Assistance Agreement"), by and among the Issuer and the West Virginia Department of Environmental Protection (the "DEP"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the ARRA Assistance Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest. The principal is forgivable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2011, to and including December 1, 2020, all as set forth in "Schedule Y" attached to the ARRA Assistance Agreement and incorporated in and made a part of the Bonds. The Series 2009 B Bonds are not subject to the SRF Administrative Fee.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewerage facilities of the Issuer (the "Project"); and (ii) paying certain costs of issuance of the Bonds and related costs.

We have also examined the applicable provisions of the Act, the Bond Resolution duly adopted by the Issuer on August 11, 2009, as supplemented by a Supplemental Resolution duly adopted by the Issuer on August 11, 2009 (collectively, the "Resolution"), pursuant to and under which Act and Resolution the Bonds are authorized and issued, and the ARRA Assistance Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Resolution and the ARRA Assistance Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Resolution and the ARRA Assistance Agreement when used herein.

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

1. The Issuer is a duly created and validly existing public service district, public corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt the Resolution and to issue and sell the Bonds, all under the Act and other applicable provisions of law.

2. The ARRA Assistance Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and cannot be amended by the Issuer so as to affect adversely the rights of the Authority or diminish the obligations of the Issuer without the written consent of the Authority.

3. The Resolution and all other necessary orders and resolutions have been duly and effectively adopted by the Issuer and constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms. The Resolution contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the ARRA Assistance Agreement.

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Resolution and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's (i) Sewer Revenue Bonds, Series 1978, dated December 21, 1978, issued in the original aggregate principal amount of $7,040,000; (ii) Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), issued contemporaneously herewith in the original aggregate principal amount of $2,834,985 and (iii) Sewer Revenue Bonds, Series 2009 C (United States Department of Agriculture), issued contemporaneously herewith in the original aggregate principal amount of $2,175,000, all in accordance with the terms of the Bonds and the Bond Legislation.

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

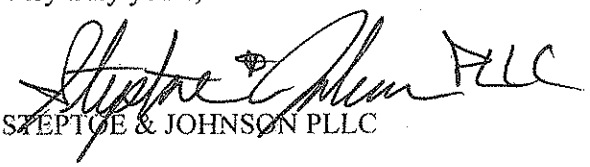
6. The Bonds have not been issued on the basis that the interest, if any, thereon is or will be excluded from gross income of the owners thereof for federal income tax

purposes. We express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Bonds.

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

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

Very truly yours,



STEPTOE & JOHNSON PLLC

08.06.09
544010.00002

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information

August 26, 2009

Malden Public Service District
Sewer Revenue Bonds, Series 2009 C
(United States Department of Agriculture)

Malden Public Service District
Tad, 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 Malden Public Service District in Kanawha County, West Virginia (the "Issuer"), of its $2,175,000 Sewer Revenue Bonds, Series 2009 C (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 August 11, 2009, and a Supplemental Resolution duly adopted by the Issuer on August 11, 2009 (collectively, the "Bond Legislation"). We have examined the law and such certified copies of proceedings and other papers as we deem necessary to render this opinion.

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

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

1. The Issuer is duly created and validly existing as a public service district and as a public corporation and a political subdivision of the State of West Virginia with full power to adopt and enact the Bond Legislation, perform the agreements on its part contained therein and issue and sell the Bonds, all under the Act and other applicable provisions of law.

2. The Bond Legislation has been duly and effectively adopted and enacted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.

3. Pursuant to the Act, the Bond Legislation creates a valid lien on the funds pledged by the Bond Legislation for the security of the Bonds, on a parity with the Issuer's (1) Sewer Revenue Bonds, Series 1978 (West Virginia Water Development Authority), dated December 21, 1978, issued in the original aggregate principal amount of $7,040,000, (2) Sewer

Revenue Bonds, Series 2009 A (West Virginia SRF Program), dated August 26, 2009, issued concurrently herewith in the original aggregate principal amount of $2,834,985, and (3) Sewer Revenue Bonds, Series 2009 B (West Virginia Infrastructure Fund), dated August 26, 2009, issued concurrently herewith in the original aggregate principal amount of $6,614,965.

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.

7. With proceeds from the Series 2009 A Bonds and the Series 2009 C Bonds, the Series 2006 B Bonds have been paid in full within the meaning and with the effect expressed in the resolutions authorizing such Bonds, and the covenants, agreements and other obligations of the Issuer to the owners of such Bonds have been satisfied and discharged. In rendering the opinion set forth in this paragraph, we have relied upon the receipt of payment from the owners of such Bonds that they have received payment for the entire outstanding principal of such Bonds and all interest accrued thereon on the date hereof and that such Bonds have been paid in full.

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.

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

Very truly yours,

STEPTOE & JOHNSON PLLC

08.07.09
544010.00002

STEPTOE & JOHNSON PLLC
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Writer's Contact Information

August 26, 2009

Malden Public Service District
Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program);
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA); and
Sewer Revenue Bonds, Series 2009 C
(United States Department of Agriculture)

Malden Public Service District
Tad, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

United States Department of Agriculture
Beckley, West Virginia

Ladies and Gentlemen:

We are counsel to Malden Public Service District, a public service district, in Kanawha County, West Virginia (the "Issuer"). As such counsel, we have examined copies of the approving opinions of Steptoe & Johnson PLLC, as bond counsel, an ARRA assistance agreement for the Series 2009 A Bonds and Series 2009 B Bonds dated August 26, 2009, including all schedules and exhibits attached thereto, by and among the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP") and the Issuer (the "ARRA Assistance Agreement"), the Bond Resolution duly adopted by the Issuer on August 11, 2009, as supplemented by the Supplemental Resolution duly adopted by the Issuer on August 11, 2009 (collectively, the "Resolution"), orders of The County Commission of Kanawha County, West Virginia, relating to the creation and expansion of the Issuer and the appointment of members of the Public Service Board of the Issuer, and other documents, papers, agreements, instruments and certificates relating to the above-captioned bonds (collectively, the "Bonds") of the Issuer. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Resolution and the ARRA Assistance Agreement when used herein.

20A

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Huntington, WV • Columbus, OH

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We are of the opinion that:

1. The Issuer is duly created and validly existing as a public service district and as a public corporation and political subdivision of the State of West Virginia.

2. The members and officers of the Public Service Board of the Issuer have been duly, lawfully and properly appointed and elected, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.

3. The ARRA Assistance Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, constitute valid and binding agreements of the Issuer enforceable in accordance with their terms.

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

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

6. The Issuer has received all permits, licenses, approvals, consents, certificates, orders, exemptions and authorizations necessary for the 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 Kanawha County, the DEP, 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.

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

8. We have ascertained that all successful bidders have made the required provisions for all insurance and payment and performance bonds and verified such insurance policies and bonds for accuracy. Based upon our review of the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, we are of the opinion that such surety bonds and policies (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interests of the Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act, the Bond Legislation and the ARRA Assistance Agreement; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

Very truly yours,

STEPTOE & JOHNSON PLLC

08.20.09
544010.00002

PAULEY CURRY, PLLC
ATTORNEYS AT LAW

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August 24, 2009

Malden Public Service District
Tad, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

United States Department of Agriculture
Beckley, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Re: Malden Public Service District
Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program);
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA); and
Sewer Revenue Bonds, Series 2009 C
(United States Department of Agriculture)

Ladies and Gentlemen:

We are special counsel to Malden Public Service District, a public service district, in Kanawha County, West Virginia (the "Issuer"). As such counsel, we have represented the Issuer before the Public Service Commission of West Virginia in connection with the issuance of the above referenced bonds, and the acquisition and construction of the Project. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the ARRA Assistance Agreement when used herein.

We are of the opinion that the Issuer has received all orders and approvals from the Public Service Commission of West Virginia including the Recommended Decision dated

August 13, 2008, in Case No. 08-0022-PSD-CN, and CPA Affidavit dated August 19, 2009, among other things, granting the Issuer a certificate of public convenience and necessity for the Project, approving the rates for the System, and approving the financing for the Project. The time for appeal of the Order has expired prior to the date hereof without any appeal having been filed. Such Order remains in full force and effect.

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

Very truly yours,

Arden J. Curry, II

AJC,II/bts

Susan A. Murensky
Attorney at Law
950 Little Coal River Road
Alum Creek, West Virginia 25003
Telephone 304 756-2939
E-mail : Susan_Murensky@verizon.net

August 17, 2009

Mike Johnson, PE
West Virginia Department of Environmental Protection
Division of Water and Waste Management
Clean Water State Revolving Fund
601 57th Street, SE
Charleston, WV 25304

Re: Final Title Opinion for Malden Public Service District
Project No.: 2005S-855

Dear Mr. Johnson:

I am counsel to the Malden Public Service District (the "Issuer") regarding real estate matters in connection with a proposed project to construct certain additions and improvement to its sewer collection and pumping stations, known as Phase I (the "Project"). I provide this final title opinion on behalf of the Issuer to satisfy the requirements of the West Virginia Department of Environmental Protection (the "DEP") for the Project. Please be advised of the following:

1. I am of the opinion that the Issuer is a duly created and validly existing public utility possessed with all the powers and authority granted to Public Service District under the laws of the State of West Virginia to construct, operate and maintain the Project as approved by the DEP.

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

3. I have investigated and ascertained the location of, and am familiar with the legal description of, the necessary sites, including easements and/or rights of way, required for the Project as set forth in the plans for the Project prepared by Thrasher Engineering, the consulting engineers for the Project.

4. I have examined the records on file in the Office of the Clerk of the County Commission of Kanawha County, West Virginia, in the county in which the Project is to be located and in my opinion, the Issuer has acquired legal title or such other estate or interests in the three additional new sites and the properties necessary for the enlargement of the seven designated sites for the Project, as well as the additional easements and/or rights-of-way, subject to the information in Nos. 5&6, sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the Project.

5. The deeds, easements and rights-of-way which have been acquired to date by the Issuer for this project have been duly recorded in the Office of the Clerk of the County Commission of Kanawha County to protect the legal title to and interest of the Issuer. I wish to note that a portion of the

project is located in an area known as the Abandoned Campbells Creek Railroad. I have contacted the currently regulated railroads in West Virginia and none claim the property. I have examined the records in the office of the Clerk of the County Commission of Kanawha County and believe that Malden Public Service District has obtained rights-of-way and title to property in this area that are defendable. Any claims of additional ownership or disputes of ownership in this area known as the former railroad would require proof of ownership that I have been unable to locate in the records room. Any proof of additional ownership can be cured by eminent domain.

6. This opinion is given subject to the correctness of the indices located in the Office of the Clerk of the County Commission of Kanawha County and any actual inspections and the correctness of any surveys of the properties.

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

Sincerely,

Susan A. Murensky

Susan A. Murensky
WV State Bar No. 2685

SAM/s

cc: Samme L. Gee, Esquire
John C. Stump, Esquire

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MALDEN PUBLIC SERVICE DISTRICT EASEMENTS ACQUIRED AND SEARCHED

CONTRACT 2 – JANUARY 2009

Sheet 1

NAME	TAX MAP/PARCEL		DEED BOOK/PAGE NO.
Cunningham Realty Co. et al	18	23	2739/515
Amherst Industries, Inc.	18	25	2749/252
C.C. Dickinson Heirs	18	28	2748/629

Sheet 2

C.C. Dickinson Heirs	18	28	2748/629

Sheet 3

C.C. Dickinson Heirs	18	28	2748/629

Sheet 4

Steven & Vonetta Horan	17C	7	2738/687
Lorraine I. Robinson	17C	8.1	2738/715
Lorraine I. Robinson	17C	13	2738/721
Patricia Davies/Tera Winfree	17C	41	2750/35 – 2750/37
Tera W. Stone	17C	42	2738/705 --2749/246
WV Dept of Highways	17C	44	
Juanita Crittendon	17C	45	2738/719

Sheet 5

Hornbeam LLC	17	13	2748/624
C.C. Dickinson Heirs	17	13.01	2748/629
Yukiko Crowder	17C	46	2738/725
Robert J. Manley	17C	48	2739/511
James G. Harmon	17C	50	2735/158
Louise C. Wills	17C	51	2738/658
Richard M. & Sekret L. Rankin	17C	53	2738/697
Betty J. Westfall	17C	54	2738/664

Joseph & Gloria Pauley, et al	17C	55	2738/701
Ruth M. Haddox	17C	56	2738/683
Dawn Rae Development LLC	17C	57	2740/552
Dawn Rae Development LLC	17C	58	2738/675
Dawn Rae Development LLC	17C	59	2738/677
Greta L. Skiles, et al	17C	60	2749/197 -- 2749/200
Wayne & Loretta Holliday	17C	61	2739/503
Tera L. Winfree	17C	63	2738/723

Sheet 6

Samuel Vansickle	17	8	2748/635
Hornbeam LLC	17	13	2748/624
C.C. Dickinson	17	13.01	2748/629

Sheet 7

Gary & Chasity Kelly	17H	1	2739/501
Gary & Chasity Kelly	17H	1.1	2739/499
Joshua Coulter	17H	2	2748/626
Kenneth & Margret Stamper	17H	4	2735/162
Samuel Vansickle	17	8	2748/635
Robert & Alice Manley	17H	47	2750/43

Sheet 8

Samuel Vansickle	17	8	2748/635
Roger & Linda Hall	17H	38	2739/509
Robert & Alice Manley	17H	45	2738/689
Robert & Alice Manley	17H	9.2	2739/264
Kenneth & Patsy Marshall	17L	30.1	2738/727
Kenneth & Cynthia Marshall	17L	30.2	2738/713
Keith R. & Bonnie Carpenter	17L	30.3	2748/614
Kenneth A. Marshall et al	17L of 30.3	out conveyance	2748/616
Sebert L. Woods et al	17L	30	2740/550

Sheet 9

Samuel Vansickle	17	8	2748/635
Timothy & Lisa Wolfe	17L	31	2739/254
Evan & Anita Carfagna	17L	31.1	2739/256
Carl & Sandra Clay	17L	32	2739/278
Evan & Anita Carfagna	17L	34	2739/256
Jack & Laura Ramsey	10A	150	2739/258
Damon & Joyce Moles	10A	145	2735/166
Damon & Joyce Moles	10A	149	2749/244
Roger & Linda Hall	10A	151	2739/272
Russell & Crista Hall	10A	151.1	2739/270
Roger & Linda Hall	10A	151.2	2739/274
Roger & Linda Hall	10A	151.3	2739/276
Carl & Sandra Clay	10A	153	2750/48

Sheet 10

Amherst Industries, Inc.	10A	112	2749/256
James & Sandra Stone	10A	148	2739/266
Damon & Joyce Moles	10A	145	2735/166
Curtis & Diana McVey	10A	146	2735/170
Damon & Joyce Moles	10A	149	2749/244

Sheet 11

Amherst Industries, Inc.	10	81	2749/260
Amherst Industries, Inc.	10A	112	2749/256

Sheet 12

Amherst Industries, Inc.	10	81	2749/260
Estel Middleton/Karen Motley	10C	54	2748/618 -- 2749/717
Maud E. Stanley (Mildred A. Keeney et al)	10C	65	2749/719 – 2749/250

Sheet 13

Richard L. Corey	10C	64	2739/262
Maud E. Stanley (Mildred A. Keeney et al)	10C	65	2749/250 – 2749/719
Mamie L. Keeney (Mildred A. Keeney et al)	10C	66	2749/248 --2749/721
Richard L. Corey	11A	53	2739/262
Richard L. Corey	11A	54	2739/262

Sheet 14

Timmy & Leigh Osborne	11A	25	2735/172
James & Alma Jean Connard	11A	28	2738/673
John & Brenda Sedlock	11A	29	2738/695
John & Brenda Sedlock	11A	55.2	2738/695
Richard Corey	11A	54	2739/262
Herman Sanchez	11A	59	2739/507
Mark & Amy Stephens	11A	60	2739/513
Clivie Bragg (Terry Bragg, Exe)	11A	61	2739/268
Frances Jackson	11A	62	2739/260
Mark & Annette Dearth	11A	63	2738/679
John & Brenda Sedlock	11A	64	2738/662
John & Brenda Sedlock	11A	65	2738/703
John & Brenda Sedlock	11A	66	2738/703
Stephen & Carolyn Stone	11A	68	2738/660
Stephanie White & Stephen E. Stone	11A	108.5	2739/505

Sheet 15

Posler Limited Partnership	11	11	2748/660
Cauley G. & Ella Harvey	11A	82.1	2735/174
Kristina Moore	11A	108	2738/691
White & Stone	11A	108.5	2739/505
Noel Roberts	11A	108.7	2749/202
Stephen E. Stone & Stephanie S. White	11A	108.11	2748/622

Sheet 16

Posler Limited Partnership	11	11	2748/660

Sheet 17

Posler Limited Partnership	11	11	2748/660

Sheet 18

Vivian D. Palmer	11	5	2738/693
Havard Deems	11	6	2735/168
Lawrence Jones & Nancy McMills	11	8	2738/709
Larry Page	11	8.1	2738/707
Posler Limited Partnership	11	11	2748/660

Sheet 19

Posler Limited Partnership	11	11	2748/660
John & Donna Holstine	5	16.1	2735/156
Gilbert Kelley Jr.	5	16.3	2735/176
Stanley & Amy Hunt	5	36	2738/685
Richard A. Jr. & Elaine Robinson	5	37.1	2738/666
Pauletta Wade Fouty & Charles Fouty	5	38	2738/681
Virgil Raines & Monzella Raines	5	39	2735/180

Sheet 20

John & Donna Holstine	5	16.1	2735/156
Lorraine Mote et al	5	20	2735/182
Sharon Y. Ellis	5	21	2735/184
Kenneth & Janice Johnson	5	25	2738/711
Eugene Crowder et al	5	26	2748/612 –2750/45

Sheet 21

Kenneth & Janice Johnson	5	25	2738/711
Thomas & Deanne Ramsey	5	25.1	2748/664
Thomas & Deanne Ramsey	5	27	2738/717
Thomas & Deanne Ramsey	5	27.2	2738/717
Vincent Abston	5	28	2735/178
Blue Eagle Land LLC	12	1	2750/39

Sheet 22

Blue Eagle Land LLC	12	1	2750/39

Sheet 23

James & Angela Morris	11B	1	2735/164
Marsha Hicks Beach et al	11B	6.1	2748/620
Blue Eagle Land LLC	12	1	2750/39

L/Malden Public Service District Easements Acquired and Searched 08 15 09

MALDEN PUBLIC SERVICE DISTRICT

USDA RURAL DEVELOPMENT
DEP-SRF PROJECT NO. C-544073-01
WVIJDC PROJECT NO. 2005S-855
PSC CASE NO. 08-0022-PSD-CN
Acquired Properties

New Sites	**Deed Book/Page No.**
Pump Station No. 5	2740/336
Pump Station No. 19	2740/42
Pump Station No. 20	2740/39

Expanded Sites	**Deed Book/Page No.**
Pump Station No. 4	2740/36
Pump Station No. 7	2739/833
Pump Station No. 12	2739/158
Pump Station No. 22	2738/888
Pump Station No. 24	2740/339
Pump Station No. 26	2738/892
Pump Station No. 28 (Amherst)	2738/896
Pump Station No. 28 (Cunningham)	2738/900

MALDEN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. CERTIFICATION OF COPIES OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME
7. LAND AND RIGHTS-OF-WAY
8. MEETINGS, ETC.
9. CONTRACTORS' INSURANCE, ETC.
10. ARRA ASSISTANCE AGREEMENT
11. RATES
12. PUBLIC SERVICE COMMISSION ORDERS
13. SIGNATURES AND DELIVERY
14. BOND PROCEEDS
15. PUBLICATION OF NOTICE OF BORROWING AND PSC FILING
16. SPECIMEN BONDS
17. CONFLICT OF INTEREST
18. CLEAN WATER ACT
19. GRANTS
20. PROCUREMENT OF ENGINEERING SERVICES
21. EXECUTION OF COUNTERPARTS

We, the undersigned CHAIRMAN and the undersigned SECRETARY of the Public Service Board of Malden Public Service District in Kanawha County, West Virginia (the "Issuer"), and the undersigned COUNSEL TO THE ISSUER, hereby certify, as of the 26th day of August, 2009, in connection with the Issuer's Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program) and Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program), all dated the date hereof (collectively, the "Bonds" or individually, the "Series 2009 A Bonds" and the "Series 2009 B Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond Resolution of the Issuer duly adopted August 11, 2009, and a Supplemental Resolution of the Issuer duly adopted August 11, 2009 (collectively, the "Bond Legislation"), when used herein.

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, the design, acquisition and construction of the Project, the operation of the System, the receipt of Grant proceeds or the Net Revenues, or in any way contesting or affecting the validity of the Bonds or the Grants, or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or application of the Net Revenues or any other monies or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the design, acquisition and construction of the Project, the operation of the System, the collection of the Gross Revenues or the pledge of Net Revenues as security for the Bonds.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable approvals, permits, exemptions, consents, authorizations, registrations, and certificates required by law for the acquisition and construction of the Project, the operation of the System, the imposition of rates and charges, and the issuance of the Bonds have been duly and timely obtained and remain in full force and effect. Competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the West Virginia Code of 1931, as amended, which bids remain in full force and effect.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the approval, execution and delivery by the Issuer of the ARRA Assistance Agreement, and the Issuer has met all conditions prescribed in the ARRA Assistance Agreement. The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete the Project.

The Issuer has outstanding its Sewer Revenue Bonds, Series 1978, dated December 21, 1978, issued in the original aggregate principal amount of $7,040,000, currently held by the West Virginia Water Development Authority (the "Series 1978 Bonds" or the "Prior Bonds").

The Series 2009 A Bonds and the Series 2009 B Bonds will rank on a parity with the Series 1978 Bonds and the Series 2009 C Bonds, issued in the original aggregate principal amount of $2,175,000 with respect to liens, pledge and source of and security for payment and in all other respects.

The Issuer has obtained (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Bonds on a parity with the Prior Bonds. Other than the Prior Bonds and the Series 2009 C Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Resolutions.

5. CERTIFICATION OF COPIES OF DOCUMENTS: The copies of the below-listed documents hereto attached or delivered herewith or heretofore delivered are true, correct and complete copies of the originals of the documents of which they purport to be copies, and such original documents are in full force and effect and have not been repealed, rescinded,

amended, supplemented or changed in any way unless modification appears from later documents also listed below:

Bond Resolution

Supplemental Resolution

ARRA Assistance Agreement

Public Service Commission Orders

Infrastructure and Jobs Development Council Approval

County Commission Orders Creating District

County Commission Orders Appointing Current Boardmembers

Oaths of Office of Current Boardmembers

Rules of Procedure

Affidavit of Publication on Filing

Minutes of Current Year Organizational Meeting

Minutes on Adoption of Bond Resolution and Supplemental Resolution

NPDES Permit

1978 Bond Resolutions and Supplemental Resolutions

Consent of West Virginia Water Development Authority

Evidence of Insurance

Receipt for Payment of Series 2006 A Bonds

Receipt for Payment of Series 2006 B Bonds

IJDC Grant Agreement

USDA Grant Agreement

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "Malden Public Service District." The Issuer is a public service district and public corporation duly created by The County Commission of Kanawha County and presently existing under the laws of, and a political subdivision of, the State of West Virginia. The governing body of the Issuer is its Public Service Board consisting of 3 duly appointed, qualified and acting members whose names and dates of commencement and termination of current terms of office are as follows:

Name	Date of Commencement of Office	Date of Termination of Office
John Huddleston	May 27, 2004	August 1, 2010
Robert Brown	May 11, 2006	August 1, 2012
Bobbie Legg	October 29, 2002	August 1, 2008*

*Term expired but continues to serve until replaced or reappointed.

The names of the duly elected and/or appointed, qualified and acting officers of the Public Service Board of the Issuer for the calendar year 2009 are as follows:

Chairman	-	John Huddleston
Secretary	-	Bobbie Legg
Member	-	Robert Brown

The duly appointed and acting Attorney for the Issuer is Steptoe & Johnson PLLC and Special PSC Counsel is John Curry, Esquire, Charleston, West Virginia.

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

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

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond Legislation. All insurance for the System required by the Bond Legislation and the ARRA Assistance Agreement is in full force and effect.

10. ARRA ASSISTANCE AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the ARRA Assistance Agreement are true and correct in all material respects as if made on the date hereof; (ii) the ARRA Assistance Agreement do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the dates of the ARRA Assistance Agreement which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information in the ARRA Assistance Agreement not misleading; and (iv) the Issuer is in compliance with the ARRA Assistance Agreement.

The Issuer shall make monthly payments into the Renewal and Replacement Fund as required by Section 4.1 of the ARRA Assistance Agreement for at least the term of the Series 2009 B Bonds.

The Issuer shall notify the Authority and the Council of any proposed bond indebtedness secured by the revenues of the System.

The Special Conditions outlined in the ARRA Assistance Agreement are attached as Exhibit A and incorporated hereto.

11. RATES: The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on August 13, 2008, in Case No. 08-0022-PSD-CN, among other things, approving the rates and charges for the services of the System, and has adopted a resolution prescribing such rates and charges. The time for appeal of the Order has expired prior to the date hereof. Such Order remains in full force and effect.

12. PUBLIC SERVICE COMMISSION ORDERS: The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on

August 13, 2008 in Case No: 08-0022-PSD-CN, and a CPA Affidavit dated August 19, 2009, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Order has expired prior to the date hereof without any appeal. Such Orders remain in full force and effect. Counsel to the Issuer takes exception to this paragraph.

13. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Chairman did officially sign all of the Bonds of the aforesaid issue, consisting upon original issuance of a single Bond, dated the date hereof, by his or her manual signature, and the undersigned Secretary did officially cause the official seal of the Issuer to be affixed upon the Bonds and to be attested by his or her manual signature, and the Registrar did officially authenticate and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the ARRA Assistance Agreement. Said official seal of the Issuer is also impressed above the signatures appearing on this certificate.

14. BOND PROCEEDS: On the date hereof, the Issuer received (a) $868,963 from the Authority on behalf of the DEP, being a portion of the principal amount of the Series 2009 A Bonds; and (b) $99,548 from the Authority and the DEP, being a portion of the principal amount of the Series 2009 B Bonds. The balance of the principal amounts of the Series 2009 A Bonds and the Series 2009 B Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

15. PUBLICATION OF NOTICE OF FILING: The Issuer has published the required notice with respect to, among other things, the acquisition and construction of the Project, anticipated user rates and charges and filing of a formal application for a certificate of public convenience and necessity with the Public Service Commission of West Virginia.

16. SPECIMEN BONDS: Delivered concurrently herewith are true and accurate specimens of the Bonds.

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

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

19 GRANTS: As of the date hereof, the grant from the United States Department of Agriculture in the amount of $800,000 and an Infrastructure and Jobs Development Council grant in the amount of $133,989 are committed and in full force and effect.

20. 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.

21. 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.

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WITNESS our signatures and the official seal of MALDEN PUBLIC SERVICE DISTRICT as of the day and year first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
John L. Hutchison	Chairman
Bobbie Segg	Secretary
Stephens & Allen PLLC	Counsel to Issuer

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EXHIBIT A

SPECIAL CONDITIONS

SPECIAL CONDITIONS – ARRA FUNDED PROJECTS

The Local Government shall include the following covenants in its bond authorizing documents:

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

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

C. BUY AMERICAN CERTIFICATION – The Local Government shall cause the contractor(s) to comply with, and provide certification of, the Buy American provisions of the ARRA in accordance with final guidance from the EPA.

D. ASSET MANAGEMENT – The Local Government shall develop and implement an asset management plan in accordance with guidelines issued by DEP and as approved by DEP. New systems shall submit the asset management plan to DEP when the Project is complete. Existing systems shall submit the asset management plan to DEP within six months following completion of the Project.

E. CONTRACTS – The Local Government shall enter into contracts or commence construction by February 17, 2010.

F. LOGO – The Local Government must display the ARRA logo in a manner that informs the public that the project is an ARRA investment.

G. LOBBYING - The Local Government shall comply with Title 40 CFR Part 34, New Restrictions on Lobbying and shall submit certification and disclosure forms as required by DEP.

H. PURCHASING REQUIREMENTS – The Local Government shall comply with Section 6002 of the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. 6962). Regulations issued under RCRA Section 6002 apply to any acquisition of an item where the purchase price exceeds $10,000 or where the quantity of such items acquired in the course of the preceding fiscal year was $10,000 or more. RCRA Section 6002 requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by EPA. These guidelines are listed in 40 CFR 247.

I. SUSPENSION AND DEBARMENT – The Local Government shall comply with Subpart C of 2 CFR Part 180 and 2 CFR Part 1532, entitled "Responsibilities of Participants Regarding Transactions (Doing Business with Other Persons). To the extent required by DEP, the Local Government shall provide certifications as to compliance.

J. REPORTING – The Local Government shall comply with all requests for data related to the use of the funds provided under this agreement, including the information required in section 1512 of ARRA when requested by DEP.

K. INSPECTOR GENERAL REVIEWS – The Local Government shall allow any appropriate representative of the Office of US Inspector General to (1) examine its records relating to the Project and this ARRA Assistance Agreement and (2) interview any officer or employee of the Local Government.

L. FALSE CLAIMS – The Local Government must promptly refer to EPA's Inspector General any credible evidence that a principal, employee, agent, sub-grantee contractor, subcontractor, loan recipient, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving funds provided under this ARRA Assistance Agreement.

M. LIMIT ON FUNDS – The Local Government shall not use funds for particular activities for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

N. WAGE RATES – The Local Government shall require that all laborers and mechanics employed by its contractors and subcontractors be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor (DOL) in accordance with subchapter IV of chapter 32 of title 40, United States Code. The Local Government must require that contractors and subcontractors obtain wage determinations from DOL and comply with DOL

guidance and regulations implementing wage rate requirements applicable to ARRA funds.

O. OFFICE OF MANAGEMENT AND BUDGET (OMB) GUIDANCE – The Local Government acknowledges and agrees that this ARRA Assistance is subject to all applicable provisions of implementing guidance for the American Recovery and Reinvestment Act of 2009 issued by the United States Office of Management and Budget, including the Initial Implementing Guidance for the American Recovery and Reinvestment Act (M-09-10) issued on February 18, 2009 and available on www.recovery.gov, and any subsequent guidance documents issued by OMB.

P. DISADVANTAGED BUSINESS ENTERPRISE – Pursuant to 40 CFR, Section 33.301, the Local Government agrees to make good faith efforts whenever procuring construction, equipment, services and supplies, and to require that prime contractors also comply. The Local Government shall provide DEP with MBE/WBE participation reports semi-annually.

Q. CIVIL RIGHTS – The Local Government shall comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and a variety of program-specific statutes with nondiscrimination requirements. The Local Government shall also comply with Title VII of the Civil Rights Act of 1964 (prohibiting race, color, national origin, religion, and sex discrimination in employment), the Americans with Disabilities Act (prohibiting disability discrimination in employment and in services provided by State and local governments, businesses, and non-profit agencies), and the Fair Housing Act (prohibiting race, color, national origin, age, family status, and disability discrimination in housing), as well as any other applicable civil rights laws.

R. BOND DESIGNATION – Each Local Bond shall be designated "Series [2009] B" and shall contain "(WVCWSRF Program/ARRA)" in the bond name.

S. USER RATES – The Local Government shall covenant that it will not reduce its approved customer rates for at least eighteen months after completion of the Project or (a) until such time as a cost of service study has been completed establishing the actual operation and maintenance expenses or (b) new rates have been established by order of the Public Service Commission. The Local Government shall notify the Authority and the DEP of any action to reduce rates during the eighteen months following completion of construction of the Project.

MALDEN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2009 C
(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 AND USE OF PROCEEDS
9. LAND AND RIGHTS-OF-WAY
10. MEETINGS; PUBLICATION AND POSTING OF NOTICES, ETC.
11. CONTRACTORS' INSURANCE, ETC.
12. CONNECTIONS, ETC.
13. MANAGEMENT
14. GRANTS
15. CONFLICT OF INTEREST
16. PROCUREMENT OF ENGINEERING SERVICES
17. EXECUTION OF COUNTERPARTS

We, the undersigned CHAIRMAN and SECRETARY of the Public Service Board of Malden Public Service District, in Kanawha 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 26th day of August, 2009, in connection with the Malden Public Service District Sewer Revenue Bonds, Series 2009 C (United States Department of Agriculture), No. CR-1, dated the date hereof, fully registered, in the principal amount of $2,175,000 (the "Series 2009 C 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 2009 C 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 March 10, 2009, and all amendments thereto, and as appears in Section 7.03 of the Resolution of the Issuer duly adopted on August 11, 2009, and the Supplemental Resolution duly adopted on August 11, 2009, authorizing issuance of the Series 2009 C Bonds (collectively, 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 2009 C 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 2009 C 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 2009 C 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 2009 C 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 2009 C 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 2009 C 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 (the "PSC") entered on August 13, 2008, in Case No. 08-0022-PSD-CN, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Recommended Decision 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.

The Issuer has outstanding its (1) Sewer Revenue Bonds, Series 1978, dated December 21, 1978, issued in the original aggregate principal amount of $7,040,000, currently held by the West Virginia Water Development Authority (the "Series 1978 Bonds" or the "Prior Bonds").

The Series 2009 C Bonds will rank on a parity with the Series 1978 Bonds, the Series 2009 A Bonds and the Series 2009 B Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Other than the Series 1978 Bonds, the Series 2009 A Bonds and the Series 2009 B Bonds, there are no other outstanding bonds or obligations of the

Issuer which rank prior to or on a parity with the Series 2009 C Bonds as to liens, pledge and/or service of and security for payment.

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 2009 C 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 2009 C 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

Supplemental Resolution

1978 Bond Resolution

Consent of the Authority to Issuance of Parity Bonds

United States Department of Agriculture Loan Resolution for Series 2009 C Bonds

ARRA Assistance Agreement for the Series 2009 A Bonds and 2009 B Bonds

Public Service Commission Order

Infrastructure and Jobs Development Council Approval

County Commission Orders on Creation of District

County Commission Orders of Appointment of Current Board Members

Oaths of Office of Current Board Members

Rules of Procedure

Minutes of Current Year Organizational Meeting

Affidavit of Publication of Notice of Public Hearing

Minutes on Adoption of Bond Resolution and Supplemental Resolution

United States Department of Agriculture Letter of Conditions, with all Amendments

United States Department of Agriculture Grant Agreement

IJDC Grant Agreement

Evidence of Insurance

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

Name	Date of Commencement of Office	Date of Termination of Office
John Huddleston	May 27, 2004	August 1, 2010
Robert Brown	May 11, 2006	August 1, 2012
Bobbie Legg	October 29, 2002	August 1, 2008*

*Term expired but continues to serve until replaced or reappointed.

The names of the duly elected, appointed, qualified and acting officers of said Public Service Board of said Issuer for the calendar year 2009 are as follows:

Chairman	-	John Huddleston
Secretary	-	Bobbie Legg
Member	-	Robert Brown

The duly appointed and acting Attorney for the Issuer is Steptoe & Johnson PLLC and Special PSC Counsel is John Curry, Esquire, Charleston, West Virginia.

8. DELIVERY AND PAYMENT AND USE OF PROCEEDS: On the date hereof, the Series 2009 C Bonds were delivered to the Purchaser at Tad, West Virginia, by the undersigned Chairman for the purposes set forth herein, and at the time of such delivery, the Series 2009 C Bonds have been duly and fully executed and sealed on behalf of the Issuer in accordance with the Resolution.

At the time of delivery of the Series 2009 C Bonds, the undersigned Chairman received $216,297, being a portion of the principal amount of the Series 2009 C Bonds. Further advances of the balance of the principal amount of the Series 2009 C Bonds will be paid to the Issuer as acquisition and construction of the Project progresses.

The Series 2009 C Bonds are dated the date hereof, and interest on advances of the principal thereof at the rate of 4.125% per annum is payable from the date of each respective advance.

The Series 2009 C Bonds and the entire proceeds thereof will be used for the purposes herein set forth and for no other purposes.

9. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the acquisition, construction, operation and maintenance of the Project and the System have been acquired or can and will be acquired by purchase, or if necessary, by condemnation by the Issuer and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties which may have to be acquired by condemnation, are, in the opinion of all the undersigned, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Series 2009 C Bonds. Counsel to the Issuer takes exception to this paragraph.

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

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

12. CONNECTIONS, ETC.: The Issuer will serve at least 3539 bona fide users with the System upon the completion of the Project, in full compliance with the requirements and conditions of the Purchaser.

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

14. GRANTS: As of the date hereof, a grant from the United States Department of Agriculture Grant in the amount of $800,000 and an Infrastructure and Jobs Development Council grant in the amount of $133,989 are committed to the Project.

15. CONFLICT OF INTEREST: No member, officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Series 2009 C Bonds, the Bond Resolution and/or the Project, including, without limitation, with respect to the Depository Bank, as defined in the Bond Resolution. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

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

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

[Remainder of Page Intentionally Left Blank]

WITNESS our signatures and the official corporate seal of MALDEN PUBLIC SERVICE DISTRICT on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
	Chairman
	Secretary
	Attorney for Issuer

08.06.09
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MALDEN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program);
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA); and
Sewer Revenue Bonds, Series 2009 C
(United States Department of Agriculture)

ENGINEER'S CERTIFICATE

I, Daniel E. Ferrell, Registered Professional Engineer, West Virginia License No. 13462, of Thrasher Engineering, Inc., Clarksburg, West Virginia, hereby certify this 26th day of August, 2009 as follows:

1. My firm is engineer for the acquisition and construction of certain improvements and extensions (the "Project") to the existing public sewerage system (the "System") of Malden Public Service District (the "Issuer"), to be constructed in Kanawha County, West Virginia, which acquisition and construction are being financed in part by the proceeds of the above-captioned bonds (collectively, the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Resolution adopted by the Issuer on August 11, 2009, Supplemental Resolution duly adopted by the Issuer on August 11, 2009, the ARRA Assistance Agreements for the Series 2009 A Bonds and the Series 2009 B Bonds, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), dated August 26, 2009 (the "ARRA Assistance Agreements"), and the Letter of Conditions of the Rural Utilities Service (the "RUS") for the Series 2009 C Bonds, dated March 10, 2007 and all amendments thereto (the "Letter of Conditions").

2. The Bonds are being issued for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project; (ii) pay in full the outstanding principal, interest and administrative fee, if any, for the Issuer's Sewerage System Design Revenue Bonds, Series 2006 A and the Sewerage System Design Revenue Bonds, Series 2006 B; and (iii) paying costs of issuance and related costs.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by RUS, the Authority and the DEP, and any change orders approved by the Issuer, RUS, the Authority, the DEP, and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 40 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids

for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and the Issuer's counsel, John Curry, Esquire, will, prior to the Issuer executing the construction contracts for the Project, ascertain that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and the operation of the System; (ix) in reliance upon the certificate of the Issuer's certified public accountant, Griffith and Associates, CPA, as of the effective date thereof, the rates and charges for the System as adopted by the Issuer and approved by the Public Service Commission of West Virginia will be sufficient to comply with the provisions of the ARRA Assistance Agreements and the Letter of Conditions; (x) the net proceeds of the Bonds, together with all other monies on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by RUS, the DEP and the Authority; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

4. I have received the Buy American Certification from each contractor.

5. The Project will not service any new customers.

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

THRASHER ENGINEERING, INC.

(SEAL)

Daniel E. Ferrell, P.E.
West Virginia License No. 13462

DANIEL E. FERRELL
REGISTERED
13462
STATE OF
WEST VIRGINIA
PROFESSIONAL ENGINEER

8/24/09

08.06.09
544010.00002

CH4973255.1

Schedule B - Final Total Cost of Project,
Sources of Funds and Cost of Financing

SCHEDULE B

SCHEDULE A - Malden PSD POST-bid estimate 8/18/09

70% forgiveness

	TOTAL	SRF Base. 0% 0.25% adm, 30 yr	ARRA, Loan 70%	IJDC Grant	RUS Grant & Loan
A. COST OF PROJECT:					
1 CONSTRUCTION					
Contract #1- I/I	1,433,695	276,182	1,157,513	0	0
Contract #2- TP	7,676,291	0	5,042,013	0	2,634,278
8 Mile Hollow	237,952	237,952	0	0	0
Equipment	200,329	200,329	0	0	0
2 TECHNICAL SERVICES					
Basic	167,000	67,000	100,000	0	0
Design (balance)	382,050	248,061	0	133,989	0
Special/Other Svcs	175,500	175,500	0	0	0
Resident Inspection	770,000	505,561	264,439	0	0
3 LEGAL & FISCAL					
Legal (Curry & Murenski)	200,000	200,000	0	0	0
Accountant (Griffith)	25,000	25,000	0	0	0
4 ADMINISTRATIVE					
Administrative	50,000	50,000	0	0	0
Electric Svc	80,000	80,000	0	0	0
Permits & Fees	5,000	5,000	0	0	0
Design Loan Repay IJDC	179,065	0	0	0	179,065
Loan Repayment WDA	340,827	303,595	0	0	37,232
5 Sites & Other Lands	0	0	0	0	0
6 CONTINGENCY (5%)	460,805	460,805	0	0	0
7 TOTAL	12,383,514	2,834,985	6,563,965	133,989	2,850,575
B. COST OF FINANCING					
8 Funded Reserve	0	0	0	0	0
9 Registrar fees	1,000	0	1,000	0	0
10 Bond Counsel	50,000	0	50,000	0	0
11 Capitalized Interest	124,425	0	0	0	124,425
12 Cost of Financing	175,425	0	51,000	0	124,425
13 TOTAL Cost of Project	12,558,939	2,834,985	6,614,965	133,989	2,975,000
C SOURCES OF FUNDS					
14 State Grants	133,989	0	0	133,989	0
15 Federal Grants	800,000	0	0	0	800,000
16 Total Grants	933,989	0	0	133,989	800,000
17 Net proceeds from Bond Issuance	**11,624,950**	**2,834,985**	**6,614,965**	**0**	**2,175,000**

John L. Hubbleston

Malden Public Service District

8/24/09
Date

Thrasher Engineering

8/24/09
Date

Griffith & Associates, PLLC Accountants & Consultants

August 26, 2009

Malden Public Service District
Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program);
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA); and
Sewer Revenue Bonds, Series 2009 C
(United States Department of Agriculture)

Malden Public Service District
Tad, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

United States Department of Agriculture
Beckley, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the Recommended Decision of the Public Service Commission of West Virginia entered August 13, 2008, in Case No. 08-0022-PSD-CN and projected operating expenses and anticipated customer usage as furnished to me by Thrasher Engineering, Inc., Consulting Engineer, it is my opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage system (the "System") of Malden Public Service District ("Issuer"), will provide for all Operating Expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Issuer's (i) Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program) to be issued in the amount of $2,834,985 (the "Series 2009 A Bonds"), (ii) Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA) to be issued in the amount of $6,614,965 (the "Series 2009 B Bonds"), (iii) Sewer Revenue Bonds, Series 2009 C (United States Department of Agriculture) to be issued in the amount of $2,175,000 (the "Series 2009 C Bonds" and together with the Series 2009 A Bonds and Series 2009 B Bonds, the "Series 2009 Bonds"), and (iv) all other obligations secured by a lien on or payable from such revenues on a parity or junior and subordinate with the Series 2009 A Bonds, the Series 2009 B Bonds and the Series 2009 C Bonds, including the Issuer's Sewer Revenue Bonds, Series 1978, dated December 21, 1978, issued in the original aggregate principal amount of $7,040,000, currently held by the West Virginia Water Development Authority (the "Prior Bonds").

Michael D. Griffith, CPA, AFI
michaelgriffithcpa@verizon.net
950 Little Coal River Road Alum Creek, WV 25003
Phone: (304) 756.3600 Facsimile: (304) 756.2911

It is my further opinion that (i) the Net Revenues for the Fiscal Year following the year in which the Series 2009 Bonds are issued will be at least 120% of the average annual debt service on the Prior Bonds and the Series 2009 Bonds and that (ii) the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Series 2009 Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Series 2009 Bonds, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Prior Bonds and the Series 2009 Bonds.

Very truly yours,

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

MDG/dk

MALDEN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

CERTIFICATE AS TO USE OF PROCEEDS

On this 26th day of August, 2009, the undersigned Chairman of the Public Service Board of Malden Public Service District in Kanawha County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of $2,834,985 Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program) (the "Series 2009 A Bonds") and $6,614,965 Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA) (the "Series 2009 B Bonds" and, collectively with the Series 2009 A Bonds, the "Bonds"), of the Issuer, dated August 26, 2009 hereby certify as follows:

1. I am one of the officers of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Resolution duly adopted by the Issuer on August 11, 2009 and Supplemental Resolution duly adopted by the Issuer on August 11, 2009 (collectively, the "Bond Resolution"), authorizing the Bonds.

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

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on August 26, 2009, the date on which the Bonds are being physically delivered in exchange for an initial advance of $868,963, being a portion of the principal amount of the Series 2009 A Bonds and an initial advance of $99,548, being a portion of the principal amount of the Series 2009 B Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

4. In the Bond Resolution pursuant to which the Bonds are issued, the Issuer has covenanted that it shall not take, or permit or suffer to be taken, any action with respect to Issuer's use of the proceeds of the Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (collectively, the "Code"), issued by the West Virginia Water Development Authority (the "Authority") or the West Virginia Department of Environmental Protection (the "DEP"), as the case may be, from which the proceeds of the Bonds are derived, to lose their status as tax-exempt bonds. The Issuer hereby covenants to take all actions necessary to comply with such covenant.

5. A. The Series 2009 A Bonds were sold on August 26, 2009, to the Authority, pursuant to an ARRA assistance agreement dated August 26, 2009, by and among the Issuer, the Authority and the DEP, for an aggregate purchase price of $2,834,985 (100% of par), at which time, the Issuer received $868,963, being the first advance of the principal amount of the Series 2009 A Bonds. No accrued interest has been or will be paid on the Series 2009 A Bonds. The balance of the principal amount of the Series 2009 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

B. The Series 2009 B Bonds were sold on August 26, 2009, to the Authority, pursuant to an ARRA assistance agreement dated August 26, 2009, by and among the Issuer, the Authority and the DEP, for an aggregate purchase price of $6,614,965 (100% of par), at which time, the Issuer received $99,548, being the first advance of the principal amount of the Series 2009 B Bonds. No accrued interest has or will be paid on the Series 2009 B Bonds. The balance of the principal amount of the Series 2009 B Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. A. The Series 2009 A Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewerage facilities of the Issuer (the "Project"); (ii) paying a portion of the outstanding principal of, interest, if any, on the Issuer's Sewerage System Design Revenue Bonds, Series 2006 B (West Virginia Water Development Authority) (the "Series 2006 B Bonds"); and (iii) paying certain costs of issuance of the Bonds and related costs.

B. The Series 2009 B Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of: (i) paying a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewerage facilities of the Issuer; and (ii) paying certain costs of issuance of the Bonds and related costs.

C. On the date hereof, the Issuer has simultaneously issued its Sewer Revenue Bonds, Series 2009 C (United States Department of Agriculture) in the aggregate principal amount of $2,175,000 (the "Series 2009 C Bonds"), to pay (i) a portion of the costs of the Project; (ii) in full the outstanding principal of, interest, if any, on the Issuer's Sewerage System Design Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund) (the "Series 2006 A Bonds"); (iii) a portion the outstanding principal of, interest, if any, on the Issuer's Sewerage System Design Revenue Bonds, Series 2006 B (West Virginia Water Development Authority) (the "Series 2006 B Bonds").

7. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Reserve Account for the Bonds, if any, all of the proceeds from the sale of the Bonds, together with any investment

earnings thereon, will be expended for payment of costs of the Project on or before September 1, 2011. The acquisition and construction of the Project is expected to be completed by March 1, 2011.

8. The total cost of the Project is estimated at $12,558,939. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 2009 A Bonds	$2,834,985.00
Proceeds of the Series 2009 B Bonds	$6,614,965.00
Proceeds of the Series 2009 C Bonds	$2,175,000.00
Infrastructure Council Grant	$133,989.00
United States Department of Agriculture Grant	$800,000.00
Total Sources	$12,558,939.00

USES

Costs of Acquisition and Construction of the Project	$11,988,047.00
Pay in full the Series 2006 A Bonds	$179,065.00
Pay in full the Series 2006 B Bonds	$340,827.00
Costs of Issuance	$51,000.00
Total Uses	$12,558,939.00

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

(1) Revenue Fund (established by the Prior Resolutions);

(2) Renewal and Replacement Fund (established by the Prior Resolutions);

(3) Series 2009 Bonds Construction Trust Fund;

(4) Series 2009 A Bonds Sinking Fund;

(5) Series 2009 A Bonds Reserve Account;

(6) Series 2009 B Bonds Sinking Fund; and

(7) Series 2009 B Bonds Reserve Account.

10. Pursuant to Article VI of the Bond Resolution, the proceeds of the Series 2009 A Bonds and the Series 2009 B Bonds will be deposited as follows:

(1) Series 2009 A Bond proceeds in the amount of $-0- will be deposited in the Series 2009 A Bonds Sinking Fund as capitalized interest and applied to payment of interest on the Series 2009 A Bonds during acquisition and construction of the Project and for a period not to exceed six months following completion thereof.

(2) Series 2009 A Bonds proceeds in the amount of $-0- will be deposited in the Series 2009 A Bonds Reserve Account.

(3) A check in the amount of $340,827 will be deposited with the Municipal Bond Commission to pay the Series 2006 B Bonds.

(4) The balance of the proceeds of the Series 2009 A Bonds will be deposited in the Series 2009 Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Series 2009 A Bonds and related costs.

(5) Series 2009 B Bond proceeds in the amount of $-0- will be deposited in the Series 2009 B Bonds Sinking Fund as capitalized interest and applied to payment of interest on the Series 2009 B Bonds during acquisition and construction of the Project and for a period not to exceed six months following completion thereof.

(6) Series 2009 B Bonds proceeds in the amount of $-0- will be deposited in the Series 2009 B Bonds Reserve Account.

(7) The balance of the proceeds of the Series 2009 B Bonds will be deposited in the Series 2009 Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Series 2009 B Bonds and related costs.

11. A. Monies held in the Series 2009 A Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 2009 A Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on monies in the Series 2009 A Bonds Sinking Fund and Series 2009 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2009 Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Resolution.

B. Monies held in the Series 2009 B Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 2009 B Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on monies in the Series 2009 B Bonds Sinking Fund and Series 2009 B Bonds Reserve

Account, if any, will be withdrawn therefrom and deposited into the Series 2009 Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Resolution.

12. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within 13 months of the date hereof.

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

14. With the exception of the amount deposited in the Series 2009 A Bonds Sinking Fund or Series 2009 B Bonds Sinking Fund for payment of interest, if any, on the Series 2009 A Bonds or Series 2009 B Bonds in the amounts deposited in the Series 2009 A Bonds Reserve Account and Series 2009 B Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 19 months from the date of issuance thereof.

15. The Issuer does not expect to sell or otherwise dispose of the Project in whole or in part prior to the last maturity date of the Bonds.

16. The amount designated as costs of issuance of the Bonds consists only of costs which are directly related to and necessary for the issuance of the Bonds.

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

18. No proceeds of the Bonds will be used, directly or indirectly, in any trade or business carried on by any person who is not a governmental unit.

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

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

21. The Bonds are not federally guaranteed.

22. The Issuer has retained the right to amend the Bond Resolution authorizing the issuance of the Bonds if such amendment is necessary to assure that the Bonds remain governmental or public purpose bonds.

23. A. The Issuer has either (a) funded the Series 2009 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due

on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2009 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2009 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Monies in the Series 2009 A Bonds Reserve Account and the Series 2009 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

B. The Issuer has either (a) funded the Series 2009 B Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2009 B Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2009 B Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Monies in the Series 2009 B Bonds Reserve Account and the Series 2009 B Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

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

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

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

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

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WITNESS my signature on the date first written above.

MALDEN PUBLIC SERVICE DISTRICT

John L. Hutchison

Chairman

08.06.09
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AT A REGULAR SESSION OF THE COUNTY COMMISSION OF KANAWHA COUNTY, WEST VIRGINIA, CONTINUED AND HELD FOR SAID COUNTY AT THE COURTHOUSE THEREOF ON WEDNESDAY, THE 27th DAY OF August, 1975.

WHEREAS, the County Commission of Kanawha County, West Virginia did by its order and resolution entered on the 7th day of August, 1974, create and establish Dupont Public Service District, said public service district embracing a certain area situate in the magisterial district formerly known as Malden District (now known as District One), in Kanawha County, West Virginia, and it now and presently appears unto the said County Commission of Kanawha County, West Virginia, that it is necessary, feasible, and proper to enlarge the physical areas embraced and included in the said Dupont Public Service District to include additional areas of land where facilities equipment, service, or materials have not heretofore been extended or established; and to change the name to Malden Public Service District and,

WHEREAS, the said County Commission of Kanawha County, West Virginia, did by its order and resolution entered on the 5th day of August, 1975, provide that all persons, parties, firms, or corporations residing in or owning or having any interest in property in the area sought to be included in the said public service district might appear before the County Commission in order that they may have an opportunity to be heard for and against the enlargement of the said Dupont Public Service District and the change of name to Malden Public Service District; and

WHEREAS, the said hearing was set at 10:30 o'clock A.M., on the 27th day of August, 1975.

WHEREAS, notice of this hearing was properly and duly given in the manner provided and required by the previous order of the County Commission of Kanawha County, West Virginia, and that said notice of the aforementioned hearing was duly given in the manner provided and required by Article 13-A of Chapter 16 of the Code of West Virginia, and in accordance with the laws of the State of West, and other pertinent statutes relative thereto, and all interested persons, parties, firms, and corporations residing in or owning or having any interest in the property in the area sought to be included in the said public service district have been afforded an opportunity to be heard for and against the enlargement and change of name of said district and no persons have appeared before the County Commission of Kanawha County, West Virginia, to object or protest against the enlargement or change of name of the area included in Dupont Public Service District. However, several persons did appear before the County Commission of Kanawha County, West Virginia, urging the Commission to change the name to Malden Public Service District and to enlarge the area sought to be included in the said Malden Public Service District and that no protests or objections have been filed by any persons, parties, firms or corporations residing in or owning or having an interest in any property presently included in the said public service district or residing in or owning property in the area sought to be included within said Dupont Public Service District,

and the said County Commission of Kanawha County, West Virginia, has conducted a hearing relative to the propriety of enlarging said public service district and received evidence relative to the question of changing the name and enlarging the area included within the said Dupont Public Service District and has found and determined that it is necessary, feasible and proper to enlarge the said Dupont Public Service District, to include additional areas, and to change the name to Malden Public Service District, and

WHEREAS, it is now the desire of the said County Commission of Kanawha County, West Virginia, to formally adopt and enter a resolution and order enlarging the said Dupont Public Service District, and to change the name to Malden Public Service District, this 27th day of August, 1975.

NOW, THEREFORE, Be and it is hereby resolved and ordered by the County Commission of Kanawha County, West Virginia, as follows:

The physical, geographical, and territorial limits of Dupont Public Service District, a public corporation, are hereby enlarged, expanded, and extended to include all of the properties within the following described area:

BEGINNING at a point where the eastern city limit line of the City of Charleston leaves the Kanawha River;

Thence from the aforesaid point following the Charleston City Limits up the Kanawha River to a point where the Charleston City Limits cross the Kanawha River towards Kanawha City;

Thence from the aforesaid point following this line to a point in the middle of Kanawha River; said point being on the boundary line being on Malden and Louden magisterial districts;

Thence from the aforesaid point following the center line of Kanawha River said line being the boundary line between Malden and Louden magisterial districts to Mile Post 68.3+;

Thence from the aforesaid point leaving the Kanawha River at a point where the E.I. DuPont Plant western property line intersects the center line of Kanawha River;

Thence from the aforesaid point following the western property line of E.I. DuPont Plant in a northeasterly direction to the lower Belle City Limit line;

Thence from the aforesaid point following the lower Belle City Limit line in a northwesterly direction to its western extremity;

Thence from the aforesaid point in a northeasterly direction following the aforesaid westerly city limit line of lower Belle to a point where the Belle City Limit line turns in a southeasterly direction and following the same bearing as the aforesaid city limit line continuing to a point at the top of a ridge forming the drainage divide between Burning Spring Branch and Simmons Creek;

Thence from the aforesaid point following the ridge line to a point where the ridge line divides, forming the drainage divide between Burning Spring Branch, Georges Creek, and Simmons Creek;

Thence from the aforesaid point following the ridge line dividing Georges Creek from Simmons Creek in a northeasterly direction passing through a police signal tower on Malden Mountain to a point where the ridge line divides, forming the drainage divide between Georges Creek, Spring Fork, and Simmons Creek;

Thence from the aforesaid point following the ridge line dividing of Spring Fork from Simmons Creek, in an easterly direction to the magisterial line between the Malden and Cabin Creek districts;

Thence from the aforesaid point following said magisterial district line in an easterly direction to a point common to the Elk, Malden, and Cabin Creek magisterial Districts;

Thence from the aforesaid point in a northwesterly direction following the magisterial line between Elk and Malden District to a point on a ridge line north west of Tackett Hollow:

Thence from the aforesaid point leaving said magisterial line and following a ridge line forming the drainage divide between Campbells Creek and Elk Two Mile Creek in a westerly direction passing near the Cline Cemetery, Walnut Cap School, through the Fisher Cemetery located on a ridge between the Elk Two Mile and Kanawha River water sheds;

Thence from the aforesaid point continuing along this ridge in a westerly direction to a point on the ridge line north of the Skyline Raceway;

Thence from the aforesaid point following the ridge in a northwesterly direction to its junction with the eastern city limits of the City of Charleston;

Thence from the aforesaid point following the eastern city limits of the City of Charleston in a southerly direction to the point of beginning (see attached map of the boundaries of the Malden Public Service District), but there is expressly excluded from these boundaries creating the Malden Public Service District, all the area comprising the Cloverleaf Public Service District, Burning Springs Public Service District, and Holly Lawn Public Service District.

no map attached

There is included within the above area all of the areas presently included in the territorial and physical limits comprising Dupont Public Service District as the same is more fully described in the previous order to the County Commission of Kanawha County, West Virginia, duly entered on the 7th day of August, 1974, which said area presently included within the territorial and physical limits comprising Dupont Public Service District is described as follows:

All that certain lot, tract or parcel of land situate Malden District, Kanawha County, West Virginia, being more particularly bounded and described as follows:

Beginning at the eastern city limits of Charleston and running east along U. S. Route 60 toward E. I. Dupont Plant, ending at the western property line of the plant - taking in the area between the Kanawha River and the ridgetop running parallel to the river, including the hollows and creeks - also starting at the mouth of Campbells Creek and running toward the head of Campbells Creek, ending at Slatelick Hollow, taking in the area between the two ridgetops running parallel to Campbells Creek and including the hollows branching into the creek, but there is expressly excluded from the provisions of this order creating said Dupont Public Service District all the area comprising the Cloverleaf Public Service District, Burning Springs Public Service District, and Holly Lawn Public Service Disirict;

There is further excluded, excepted and reserved from the expanded and enlarged area, included within the Malden Public Service District, the areas presently comprising Holly Lawn Public Service the area presently comprising Cloverleaf Public Service District, and the area presently comprising Burning Springs Public Service District.

The said area of Dupont Public Service District is hereby enlarged, extended and expanded to include all of the aforementioned area as described herein and further described in the prior order entered in this matter on the 7th day of August, 1974, and the said area so enlarged and annexed herein into Dupont Public Service District is hereby made a part of the said area included and embraced within the said Malden Public Service District and that the same shall be hence forth and hereafter included, annexed, and made a part of the said Malden Public Service District.

It is further ordered that the certificate of publication of Rae Dell Vickers, publisher of the Charleston Gazette, a newspaper of general circulation in and for Kanawha County, West Virginia, dated August 11, 1975, be and the same is hereby filed.

It is further ordered that the said enlargement of the said Dupont Public Service District as herein described and the change in name to Malden Public Service District and the maintenance and operation of the public service properties by the said Malden Public Service District will be conducive to the preservation of public health, comfort and convenience of those persons residing in said area or owning or having any interest in property situate within said area.

ADOPTED BY THE COUNTY COMMISSION OF KANAWHA COUNTY,

WEST VIRGINIA, THIS 27th day of August, 19[illegible]

J. D. Catalano
PRESIDENT-COMMISSIONER

Kelly [illegible]
COMMISSIONER

Thomas L. Fleck
COMMISSIONER

A True Copy From The Record
KELLY [illegible]
By Sandra K. Fleck
Deputy

ATTEST:

CLERK

PRESENTED BY:

APPROVED BY:

A True Copy From The Records
KELLY A. CASPERSEN, CLERK
By: Sandra R. Fleck

AT A REGULAR SESSION OF THE COUNTY COURT OF KANAWHA COUNTY, WEST VIRGINIA, CONTINUED AND HELD FOR SAID COUNTY AT THE COURT HOUSE THEREOF ON WEDNESDAY, THE 7TH DAY OF AUGUST, A.D., 1974.

IN THE COUNTY COURT OF KANAWHA COUNTY, WEST VIRGINIA

RE: DUPONT PUBLIC SERVICE DISTRICT

Charleston, West Virginia
August 7, 1974

The County Court of Kanawha County, West Virginia, met in regular session pursuant to law and to the rules of said Court at the County Court House, Charleston, West Virginia, on August 7, 1974, at 10:00 o'clock A.M., D.S.T. The meeting was called to order and the roll was called and all were present. The President presided and the following named Commissioners were present: Kelly L. Castleberry and Thomas L. Black.

July 12, 1974 being the date fixed by prior motion of the County Court for conducting the public hearing on the creation of the proposed Dupont Public Service District, as contemplated and prescribed for in a resolution and order adopted by the County Court on the 7th day of June, 1974, the President announced that all persons residing in or owning or having any interest in property in such proposed Public Service District desiring to be heard for or against the creation of said District and all such interested persons desiring to be heard were given full opportunity, and all persons present were in favor of the creation of said Public Service District but none in opposition thereto.

The County Court then proceeded to a full hearing upon the proposal and feasibility of creating said Public Service District, at which time the petitioners requested and moved the Court that the said petition be amended by deleting the words "Sub-Area" from the title of said Public Service District, so as to read "Dupont Public Service District," and further, the petitioners [illegible]

Beginning at the eastern city limits of Charleston and running east along U. S. Pt. 60 [illegible] E. I. DuPont Plant, ending at the western property line of the plant - taking in the area between the Kanawha River and the ridgetop running parallel to the river, including the hollows and creeks - also starting at the mouth of Campbells Creek and running toward the head of Campbells Creek, ending at Slatelick Hollow, taking in the area between the two ridgetops running parallel to Campbells Creek and including the hollows branching into the creek, but there is expressly excluded from the provisions of this order creating said Dupont Public Service District all the area comprising the Cloverleaf Public Service District, Burning Springs Public Service District, and Holly Lawn Public Service District.

Section 2. That said Public Service District so created shall have the name and corporate title of Dupont Public Service District and shall constitute a public corporation and political subdivision of the State of West Virginia having all the rights and powers conferred on public service districts by the laws of the State of West Virginia and particularly Article 13-a of Chapter 16 of the Code of West Virginia.

Section 3. That the County Court of Kanawha County, West Virginia, has determined that the territory within Kanawha County, West Virginia, having the hereinabove described boundaries is so situated that the construction or acquisition by purchase or otherwise and the maintenance, operation, improvement and extension of public service properties supplying water facilities and sewerage services within such territory by said Public Service District will be conducive to the preservation of public health, comfort and convenience of such area.

Adopted by the County Court of Kanawha County, West Virginia on this the 7th day of August, 1974.

President

Commissioner

Commissioner

A True Copy From The Record
KELLY S. [illegible] CLERK
By Sandra R. Fleck
Deputy

Approved by:

County Attorney

Attest:

Jack L. Pauley, Clerk

By: Deputy

the Court to include authority in the proposed Public Service District to provide for the distribution or furnishing of water to or for the public for industrial, public, private or other used [illegible] referred to as "water facilities") which motions were duly grouped; and at the conclusion of the meeting the Court announced it would take the proposal under advisement.

On this the 7th day of August, 1974, this cause came on to be further heard, whereupon, Commissioner Kelly L. Castleberry, introduced and caused to be heard a proposed resolution and order, entitled:

> "A RESOLUTION AND ORDER creating Dupont Public Service District in Malden District, Kanawha County, West Virginia,"

and moved that all rules otherwise requiring deferred consideration or several readings be suspended and said proposed resolution and order be adopted, and said resolution was seconded by Commissioner Thomas L. Black and after due consideration, the President put the question on the motion and the roll being called, all voted in the affirmative.

Whereupon, the President declared the motion duly carried and said resolution and order duly adopted.

Commissioner Kelly L. Castleberry introduced and caused to be read a proposed resolution and order entitled:

> "A RESOLUTION AND ORDER appointing members to the Public Service Board of the Dupont Public Service District,"

and moved that all rules otherwise requiring deferred consideration or several readings be suspended and said proposed resolution and order be adopted. Commissioner Thomas L. Black seconded the motion and after due consideration the President put the question on the motion and the roll being called, all voted in the affirmative.

AT A REGULAR SESSION OF THE COUNTY COURT OF KANAWHA COUNTY, WEST VIRGINIA, CONTINUED AND HELD FOR SAID COUNTY AT THE COURTHOUSE THEREOF ON WEDNESDAY THE 7TH DAY OF AUGUST, A.D., 1974.

A RESOLUTION and ORDER creating
Dupont Public Service District
in Kanawha County, West Virginia

WHEREAS, the County Court of Kanawha County, West Virginia, did heretofore, by a resolution and order adopted on the 7th day of June, 1974, fix a date for a public hearing on the creation of the proposed Dupont Public Service District, and in and by said resolution and order provide that all persons residing in or owning or having any interest in property in the proposed Public Service District might appear before the County Court at this meeting and have the opportunity to be heard for and against the creation of said District; and

WHEREAS, notice of this hearing by publication and posting was duly given in the manner provided and required by said resolution and order and by Article 13-a of Chapter 16 of the West Virginia Code, and all interested persons have been afforded an opportunity of being heard for and against the creation of said District, but no written protest has been filed by the requisite number of qualified voters registered and residing within said proposed Public Service District and said County Court has given due consideration to all matters for which such hearing was offered and determines that the creation of said proposed district is feasible; and

WHEREAS, it is now deemed desirable by said County Court to adopt a resolution and order creating said District;

NOW, THEREFORE, Be it, and it is hereby resolved and ordered by the County Court of Kanawha County, West Virginia, as follows:

Section 1. That said Dupont Public Service District within Kanawha County, West Virginia, is hereby created, and said District shall have the following boundaries:

Whereupon, the President declared the motion duly carried and said resolution and order adopted.

On motion and vote the meeting was adjourned.

President - Dewey E. S. Kuhns

Commissioner - Kelly E. Castleberry

Commissioner - Thomas L. Black

Approved by:

County Attorney

Attest:

Jack L. Pauley, Clerk

By: Deputy

KANAWHA COUNTY COMMISSION

Post Office Box 3627
Charleston, West Virginia 25336

Telephone (304) 357-0101
Fax (304) 357-0788

Henry C. Shores
Commissioner

W. Kent Carper
Commissioner

David J. "Dave" Hardy
Commissioner

May 11, 2006

Mr. Robert Brown
401 Campbells Creek Drive
Charleston, WV 25306

Dear Mr. Brown:

On behalf of the Kanawha County Commission, it is indeed a pleasure to inform you that you have been reappointed to the Malden Public Service District.

It will be necessary to request your acceptance of this reappointment as soon as possible. After accepting this reappointment, you must appear at the Kanawha County Commission office, before a Notary Public in and for the State of West Virginia, or the Office of the County Clerk to take your oath of office. An Officer's Oath has been enclosed for your convenience.

We look forward to having you continue to serve on the Malden Public Service District.

Sincerely,

W. Kent Carper
Commissioner

Henry C. Shores
Commissioner

Dave Hardy
Commissioner

WKC/HCS/DH/jh
Enclosure

2006-315

At a Regular Session of the County Commission of Kanawha County, West Virginia, held at the Courthouse thereof, on the 11th day of May, 2006, the following order was made and entered:

SUBJECT: **Order reappointing Robert Brown to the Malden Public Service District (Term expiring August 1, 2012)**

The following motion was offered by W. Kent Carper, Commissioner:

The County Commission of Kanawha County, West Virginia, having been apprised of the expiration of the term of Robert Brown a member of the Malden Public Service District, doth ORDER that Robert Brown, 401 Campbells Creek Drive Charleston, WV 25306, be reappointed to Malden Public Service District for a term expiring August 1, 2012.

It is further ORDERED that the said Robert Brown shall appear at the office of the County Commission and shall qualify by taking the oath of office as required in Chapter 16, Article 13A, Section 3, of the Code of West Virginia, 1931, as amended.

The adoption of the foregoing motion having been moved by:

W. Kent Carper, Commissioner, and duly seconded by:

Henry C. Shores, Commissioner, the vote thereon was as follows:

W. Kent Carper, President	Aye
Henry C. Shores, Commissioner	Aye
Dave Hardy, Commissioner	Aye

WHEREUPON, W. Kent Carper, President declared said motion duly adopted; and it is therefore **ADJUDGED** and **ORDERED** that said motion be, and the same is hereby adopted.

W. Kent Carper, President

Henry C. Shores, Commissioner

Dave Hardy, Commissioner

Approved by: _____
County Attorney

2000-271

At a Regular Session of the County Commission of Kanawha County, West Virginia, held at the Courthouse thereof, on the 6th day of July, 2000, the following order was made and entered:

SUBJECT: REAPPOINTMENT OF ROBERT BROWN TO THE MALDEN PUBLIC SERVICE DISTRICT

The following motion was offered by Henry C. Shores, Commissioner:

The County Commission of Kanawha County, West Virginia, having been apprised of the expiration of the term of Robert Brown, a member of the Malden Public Service District, doth ORDER that Robert Brown, 401 Campbell's Creek Drive, Charleston, WV 25306 be reappointed to the Malden Public Service District for a term expiring August 1, 2006.

It is further ORDERED that the said Robert Brown shall appear at the office of the County Commission and shall qualify by taking the oath of office as required in Chapter 16, Article 13A, Section 3, of the Code of West Virginia, 1931, as amended.

The adoption of the foregoing motion having been moved by Henry C. Shores, Commissioner, and duly seconded by W. Kent Carper, Commissioner, the vote thereon was as follows:

W. Kent Carper, President	Aye
Louis H. Bloom, Commissioner	Absent
Henry C. Shores, Commissioner	Aye

2004-294

At a Regular Session of the County Commission of Kanawha County, West Virginia, held at the Courthouse thereof, on the 27th day of May 2004, the following order was made and entered:

SUBJECT: REAPPOINTMENT OF JOHN L. HUDDLESTON TO THE MALDEN PUBLIC SERVICE DISTRICT

The following motion was offered by DAVE HARDY, COMMISSIONER:

The County Commission of Kanawha County, West Virginia, having been apprised of the term of John L. Huddleston, a member of the MALDEN PUBLIC SERVICE DISTRICT doth ORDER that John L. Huddleston of 58 Cloverleaf Circle, Malden, WV 25306 be reappointed to the MALDEN PUBLIC SERVICE DISTRICT for a term expiring August 1, 2010.

It is further ORDERED that the said shall appear at the office of the County Commission and shall qualify by taking the oath of office as required in Chapter 16, Article 13A, Section 3, of the Code of West Virginia, 1931, as amended.

The adoption of the foregoing motion having been moved by DAVE HARDY, Commissioner, and duly seconded by HENRY C. SHORES, Commissioner, the vote thereon was as follows:

W. Kent Carper, President	AYE
Henry C. Shores, Commissioner	AYE
Dave Hardy, Commissioner	AYE

WHEREUPON, W. Kent Carper, President declared said motion duly adopted; and it is therefore ADJUDGED and ORDERED that said motion be, and the same is hereby adopted.

W. Kent Carper, President

Henry C. Shores, Commissioner

Dave Hardy, Commissioner

Approved By: _____
County Attorney

2002-570

At a Regular Session of the County Commission of Kanawha County, West Virginia, held at the Courthouse thereof, on the 29th day of October, 2002, the following order was made and entered:

SUBJECT: REAPPOINTMENT OF BOBBIE LEGG TO THE MALDEN PUBLIC SERVICE DISTRICT

The following motion was offered by W. Kent Carper, Commissioner:

The County Commission of Kanawha County, West Virginia, having been apprised of the expiration of the term of Bobbie Legg, a member of the Malden Public Service District, doth ORDER that Bobbie Legg, 3477 Norman Drive, Charleston, West Virginia 25306, be appointed to the Malden Public Service District for a term expiring August 1, 2008.

It is further ORDERED that the said Bobbie Legg shall appear at the office of the County Commission and shall qualify by taking the oath of office as required in Chapter 16, Article 13A, Section 3, of the Code of West Virginia, 1931, as amended.

The adoption of the foregoing motion having been moved by W. Kent Carper, Commissioner, and duly seconded by Henry C. Shores, Commissioner, the vote thereon was as follows:

Dave Hardy, President	Aye
Henry C. Shores, Commissioner	Aye
Kent Carper, Commissioner	Aye

WHEREUPON, Dave Hardy, President declared said motion duly adopted; and it is therefore ADJUDGED and ORDERED that said motion be, and the same is hereby adopted.

Dave Hardy
Dave Hardy, President

Henry C. Shores, Commissioner

W. Kent Carper, Commissioner

Approved By: _____
County Attorney

OATH OF OFFICE

I, ROBERT L. BROWN, hereby swear and affirm that I will faithfully and loyally discharge my duties as a member of the Malden Public Service District, Kanawha County, West Virginia to the best of my ability.

Signature

Signed before me this 25th day of JULY, 2006 in Kanawha County, West Virginia.

Dee A. Meadows
Notary Public

SEAL

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
DEE A. MEADOWS
P. O. BOX 1166
ST. ALBANS, WV 25177
My Commission Expires July 26, 2010

7-26-2010
My Commission Expires

OATH OF OFFICE

I, John L. Huddleston, hereby swear and affirm that I will faithfully and loyally discharge my duties as a member of the Malden Public Service District, Kanawha County, West Virginia to the best of my ability.

John L. Huddleston
Signature

Signed before me this 25th day of July, 2006 in Kanawha County, West Virginia.

Dee A. Meadows
Notary Public

SEAL

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
DEE A. MEADOWS
P. O. BOX 1103
ST. ALBANS, WV 25177
My Commission Expires July 26, 2010

7-26-2010
My Commission Expires

OATH OF OFFICE

I, Bobbie Segg, hereby swear and affirm that I will faithfully and loyally discharge my duties as a member of the Malden Public Service District, Kanawha County, West Virginia to the best of my ability.

Bobbie Segg
Signature

Signed before me this 25th day of July, 2006 in Kanawha County, West Virginia.

Dee A Meadows
Notary Public

SEAL

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
DEE A. MEADOWS
P. O. BOX 1105
ST. ALBANS, WV 25177
My Commission Expires July 26, 2010

7-26-2010
My Commission Expires

RULES OF PROCEDURE

MALDEN PUBLIC SERVICE DISTRICT

ARTICLE I

NAME AND PLACE OF BUSINESS

Section 1. Name: MALDEN PUBLIC SERVICE DISTRICT.

Section 2. The principal office of this Public Service District will be located on 100 PSD Drive, Charleston, Kanawha County, West Virginia.

Section 3. The Common Seal of the District shall consist of two concentric circles between which circles shall be inscribed Malden 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 Kanawha 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 first 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 Kanawha 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 Kanawha County Courthouse and at the front door or bulletin board of the place fixed for the regular meetings of the Public Service Board not less than 72 hours before

a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is cancelled, a notice of such cancellation shall be posted at the same locations as soon as feasible after such cancellation has been determined.

ARTICLE V

OFFICERS

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

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

ARTICLE VI

DUTIES OF OFFICERS

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

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

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

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

ARTICLE VII

AMENDMENTS TO RULES OF PROCEDURE

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

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

Adopted this 25th day of July, 2006.

John L. Huddleston

Chairman

544010.00003

CH823308.1

The regular meeting of the Malden Public Service District was held on Tuesday, January 6, 2009 at the Malden Public Service District Treatment Plant. The meeting was called to order by John Huddleston, Chairman, at 8:30 a.m.

PRESENT:

John Huddleston, Chairman
Bobbie Legg, Commissioner/Secretary
Robert Brown, Commissioner
Chet Williamson, General Manager
Dee Meadows, Recorder

ABSENT:

VISITORS, COMPLAINTS, REQUESTS:

Chairman Huddleston stated that there were no visitors, complaints, or requests.

APPROVAL OF MEETING MINUTES:

Motion was made by Commissioner Legg seconded by Commissioner Brown, to approve the following meeting minutes:

December 9, 2008 – Regular Meeting
December 22, 2008 – Special Meeting

Motion passed.

FINANCIAL REPORTS/APPROVALS:

Ms. Meadows reported that, for the period ending November 30, 2008, the expenses were $2,720 over revenue. She added that the year-to-date revenue was 40.16% and the year-to-date expense was 40.35% of the annual budget. Motion was made by Commissioner Brown and seconded by Commissioner Legg, to approve the Financial Reports as presented. Motion passed.

NEW BUSINESS:

Election of Commission Officers:

Motion was made by Commissioner Brown and seconded by Commissioner Legg, to elect Commissioner Huddleston as Chairman. Motion passed. Motion was made by Commissioner Brown and seconded by Chairman Huddleston, to elect Commissioner Legg as Secretary. Motion passed. Motion was made by Commissioner Legg and seconded by Chairman Huddleston, to elect Commissioner Brown as Treasurer. Motion passed.

OLD BUSINESS:

None

Chairman Huddleston stated the next special working meeting for the project will be held on Tuesday, January 13, 2009 at 9:00 a.m. The next regular Board meeting will be held on Tuesday, February 3, 2009 at 4:30 p.m. The February special working meeting for the project will be held on Tuesday, February 10, 2009 at 4:30 p.m.

There being no further business, motion was made by Commissioner Legg and seconded by Commissioner Brown, the meeting of the Malden Public Service District be adjourned. Motion passed.

John Huddleston | Bobbie Legg | Robert Brown

MALDEN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program);
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA); and
Sewer Revenue Bonds, Series 2009 C
(United States Department of Agriculture)

EXCERPT OF MINUTES ON ADOPTION OF BOND RESOLUTION, SUPPLEMENTAL RESOLUTION, DRAW RESOLUTION AND SWEEP RESOLUTION

The undersigned SECRETARY of the Public Service Board of Malden Public Service District hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the said Public Service Board:

*** *** ***

The Public Service Board of Malden Public Service District met in regular session, pursuant to notice duly posted, on the 11th day of August, 2009, in Tad, Kanawha County, West Virginia, at the hour of 8:15 p.m.

PRESENT: John Huddleston
Bobbie Legg
Robert Brown

John Huddleston, Chairman, presided, and Bobbie Legg, acted as Secretary. The Chairman announced that a quorum of members was present and that the meeting was open for any business properly before it.

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

RESOLUTION AUTHORIZING THE PAYMENT IN FULL OF THE DISTRICT'S SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA INFRASTRUCTURE FUND) AND SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2006 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES

OF MALDEN PUBLIC SERVICE DISTRICT AND THE FINANCING OF A PORTION OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $2,834,985 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM); NOT MORE THAN $6,614,965 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA); AND NOT MORE THAN $2,175,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 C (UNITED STATES DEPARTMENT OF AGRICULTURE); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING THE ARRA ASSISTANCE AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, on motion duly made by Bob Brown and seconded by Bobbie Legg, it was unanimously ordered that the said Bond Resolution be adopted and be in full force and effect on and from the date hereof.

Thereupon, the Chairman then presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM), SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA INFRASTRUCTURE FUND) AND SEWER REVENUE BONDS, SERIES 2009 C (UNITED STATES DEPARTMENT OF AGRICULTURE) OF MALDEN PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE BOND PURCHASE AGREEMENT RELATING TO THE SERIES 2009 A BONDS AND THE LOAN AGREEMENT RELATING TO THE SERIES 2009 B BONDS; AUTHORIZING AND APPROVING THE SALE OF THE SERIES 2009 A BONDS AND THE SERIES 2009 B BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND THE SERIES 2009 C BONDS TO THE UNITED STATES DEPARTMENT OF AGRICULTURE; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Bob Brown and seconded by Bobbie Legg, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Chairman presented a proposed Draw Resolution for the approval of invoices. Thereupon, on motion duly made by Bobbie Legg and seconded by John Huddleston, it was unanimously ordered that the said Draw Resolution be adopted.

Next, the Chairman presented a proposed Sweep Resolution for the authorization of electronic monthly debt service and reserve fund payments to the Municipal Bond Commission. Thereupon, on motion duly made by Bobbie Legg and seconded by John Huddleston, it was unanimously ordered that the said Sweep Resolution be adopted.

*** *** ***

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

[Remainder of Page Intentionally Blank]

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of Malden 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 26th day of August, 2009.

Bobbie Segg
Secretary

544010.00002

CH4973290.1

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

NEW ISSUE REPORT FORM

Date of Report: 26-Aug-09

(See Reverse for Instructions)

ISSUE: Malden Public Service District
Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program)

ADDRESS: P.O. Box 350, Tad, WV 25201 COUNTY: Kanawha

PURPOSE OF ISSUE:
New Money: x
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 26-Aug-09

CLOSING DATE: 26-Aug-09

ISSUE AMOUNT: $2,834,985

RATE: 0% interest; 0.25% admin fee

1ST DEBT SERVICE DUE: 1-Mar-11

1ST PRINCIPAL DUE 1-Mar-11

1ST DEBT SERVICE AMOUNT $23,625.00

PAYING AGENT: Municipal Bond Commission

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

UNDERWRITERS COUNSEL
Firm: Jackson Kelly, PLLC
Contact: Samme Gee, Esquire
Phone: (304) 340-1318

CLOSING BANK:
Bank: United Bank
Contact: Tera
Phone: 304.348.8400

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Chet Williamson
Position: General Manager
Phone: 304.925.6997

OTHER:
Agency: West Virginia Department of Environmental Protection
Contact: Rosalie Broderson
Position: Program Manager
Phone: 304.926.0499 x 1608

DEPOSITS TO MBC AT CLOSE
By:
Wire
x Check

Accrued Interest: $
Capitalized Interest: $
Reserve Account: $
x Other: Series 2006 B $ 340,827.00

REFUNDS & TRANSFERS BY MBC AT CLOSE
By:
Wire
Check
IGT

To Escrow Trustee $
To Issuer $
To Cons. Invest. Fun $
To Other: $

NOTES: The Series 2009 A Bonds Reserve Account will be funded over 10 years

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

33A

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

NEW ISSUE REPORT FORM

Date of Report: 26-Aug-09

(See Reverse for Instructions)

ISSUE: Malden Public Service District
Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA)

ADDRESS: P.O. Box 350, Tad, WV 25201 COUNTY: Kanawha

PURPOSE OF ISSUE:
New Money: x
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 26-Aug-09

CLOSING DATE: 26-Aug-09

ISSUE AMOUNT: $6,614,965

RATE: 0%

1ST DEBT SERVICE DUE: 100% forgivable

1ST PRINCIPAL DUE 100% forgivable

1ST DEBT SERVICE AMOUNT 100% forgivable

PAYING AGENT: Municipal Bond Commission

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

UNDERWRITERS COUNSEL
Firm: Jackson Kelly, PLLC
Contact: Samme Gee, Esquire
Phone: (304) 340-1318

CLOSING BANK:
Bank: United Bank
Contact: Tera
Phone: 304.348.8400

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Chet Williamson
Position: General Manager
Phone: 304.925.6997

OTHER:
Agency: West Virginia Department of Environmental Protection
Contact: Rosalie Brodersen
Position: Program Manager
Phone: 304.926.0499 x 1608

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. Fun	$
To Other:	$

NOTES: The Series 2009 B Bonds are 100% forgivable. The Series 2009 B Bonds Reserve Account will not be funded.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

33B

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

NEW ISSUE REPORT FORM

Date of Report: 26-Aug-09

ISSUE: Malden Public Service District
Sewer Revenue Bonds, Series 2009 C (United States Department of Agriculture)

ADDRESS: P.O. Box 350, Tad, WV 25201 COUNTY: Kanawha

PURPOSE OF ISSUE:
New Money: x
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 26-Aug-09

CLOSING DATE: 26-Aug-09

ISSUE AMOUNT: $2,175,000

RATE:

1ST DEBT SERVICE DUE: NA

1ST PRINCIPAL DUE NA

1ST DEBT SERVICE AMOUNT NA

PAYING AGENT: Issuer

BOND COUNSEL:
Firm: Steptoe & 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: Chet Williamson
Position: General Manager
Phone: 304.925.6997

OTHER:
Agency: United States Department of Agriculture
Contact:
Position:
Phone:

DEPOSITS TO MBC AT CLOSE

By:				
		Accrued Interest:	$	
		Capitalized Interest:	$	
		Reserve Account:	$	
	x	Other: Series 2006 A	$	179,065
	x	Other: Series 2006 B	$	37,232*

* total payoff is $340,827; remainder to come from Series 2009 A Bonds

REFUNDS & TRANSFERS BY MBC AT CLOSE

By:				
		To Escrow Trustee	$	
		To Issuer	$	
		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 2009 C Reserve Account. Payments into the Series 2009 C Bonds Reserve Account will commence 24 months following the date hereof.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

33C

MALDEN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program);
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA); and
Sewer Revenue Bonds, Series 2009 C
(United States Department of Agriculture)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

United Bank, Inc., Charleston, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Resolution of Malden Public Service District (the "Issuer"), adopted August 11, 2009, and a Supplemental Resolution of the Issuer adopted August 11, 2009 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), and Sewer Revenue Bonds, Series 2009 C (United States Department of Agriculture), each dated August 26, 2009, in the respective principal amounts of $2,834,985, $6,614,965 and $2,175,000 (collectively, the "Bonds") and agrees to serve as Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 26th day of August, 2009.

UNITED BANK, INC.

By: Jessica Legg
Its: Authorized Officer

08.07.09
544010 00002

CH4973267.1

MALDEN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

ACCEPTANCE OF DUTIES AS REGISTRAR OF
SERIES 2009 A BONDS AND SERIES 2009 B BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Malden Public Service District's (i) Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), dated August 26, 2009, issued in the original principal amount of $2,834,985 and (ii) Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), dated August 26, 2009, issued in the original principal amount of $6,614,965 (collectively, "the Bonds") and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 26th day of August, 2009.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

08.06.09
544010.00002

CH4973268.1

MALDEN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

CERTIFICATE OF REGISTRATION OF
SERIES 2009 A BONDS AND SERIES 2009 B BONDS

The Huntington National Bank, Charleston, West Virginia, as Registrar under the Resolution and Registrar's Agreement providing for the above-captioned Bonds of Malden Public Service District (the "Issuer"), hereby certifies that on the date hereof (i) the single, fully registered Sewer Revenue Bond, Series 2009 A (West Virginia SRF Program), of the Issuer, dated August 26, 2009, in the principal amount of $2,834,985, number AR-1, was registered as to principal only and (ii) the single fully registered Sewer Revenue Bond, Series 2009 B (West Virginia SRF Program/ARRA), of the Issuer, dated August 26, 2009, in the principal amount of $6,614,965, numbered BR-1, was registered as to principal only, in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 26th day of August, 2009.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

08.06.09
544010.00002

CH4973271.1

MALDEN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 26th day of August, 2009, by and between MALDEN PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $2,834,985 Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program) and its $6,614,965 Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), and all in fully registered form (collectively, the "Bonds"), pursuant to the Bond Resolution of the Issuer duly adopted August 11, 2009, and the Supplemental Resolution of the Issuer duly adopted August 11, 2009 (collectively, the "Resolution");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Resolution, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Resolution provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Resolution and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Resolution and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Resolution, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest, if any, on the Bonds from gross income for federal income tax purposes, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Resolution with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Resolution, the terms of the Resolution shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Resolution will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER: Malden Public Service District
Post Office Box 350
Tad, West Virginia 25201
Attention: Chairman

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

8. The Registrar shall not discriminate on the basis of race, color, national origin or sex in the performance of this Agreement. The Registrar shall carry out applicable requirements of 40 CFR part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the Registrar to carry out these requirements is a material breach of this Agreement which may result in the termination of this Agreement or other legally available remedies.

9. The Registrar is hereby requested and authorized to authenticate, register and deliver the Bonds in accordance with the Resolution.

[Remainder of Page Intentionally Blank]

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

MALDEN PUBLIC SERVICE DISTRICT

Chairman

THE HUNTINGTON NATIONAL BANK

By:
Its: Authorized Officer

08.07.09
544010.00002

CH4973273.1

EXHIBIT A

Resolution included in bond transcript as Documents Nos. 1 and 2.

SCHEDULE OF COMPENSATION

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

Huntington

STATEMENT OF REGISTRAR'S FEES
Invoice Date August 26, 2009

Malden Public Service District
Account Number 6089001809

Malden Public Service District
Sewer Revenue Bond, Series 2009 A
C/o John C. Stump
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

****

FEE CALCULATION FOR August, 2009

****

TOTAL AMOUNT	$	500.00
TOTAL DUE	**$**	**500.00**

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

PLEASE INCLUDE A COPY OF THIS INVOICE WITH YOUR PAYMENT

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

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

Huntington

STATEMENT OF REGISTRAR'S FEES
Invoice Date August 26, 2009

Malden Public Service District
Account Number 6089001809

Malden Public Service District
Sewer Revenue Bonds, Series 2009 B
C/o John C. Stump
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

****

FEE CALCULATION FOR August, 2009

****

TOTAL AMOUNT	$	500.00
TOTAL DUE	**$**	**500.00**

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

PLEASE INCLUDE A COPY OF THIS INVOICE WITH YOUR PAYMENT

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

STATE OF WEST VIRGINIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
DIVISION OF WATER AND WASTE MANAGEMENT
601 57TH STREET SE
CHARLESTON, WV 25304-2345

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
WATER POLLUTION CONTROL PERMIT

NPDES PERMIT NO.: WV0050610
SUBJECT: Sewage

ISSUE DATE: March 10, 2006
EFFECTIVE DATE : April 09, 2006
EXPIRATION DATE: March 09, 2011
SUPERSEDES: Permit No. WV0050610 dated August 07, 2001

LOCATION: CHARLESTON (City) Kanawha (County) Upper Kanawha River (Drainage Basin)

See the next page for a list of Outlets.

TO WHOM IT MAY CONCERN:

This is to certify that: MALDEN PSD
PO BOX 350
TAD, WV 25201-0350

is hereby granted a West Virginia NPDES Water Pollution Control Permit to:
operate and maintain an existing wastewater collection system and an existing 1.5 MGD oxygen activated sludge wastewater treatment plant which are further described as follows.

A wastewater collection system comprised of approximately 216,600 linear feet of eight(8) inch diameter gravity sewer line, 7,500 linear feet of 10 inch diameter gravity sewer line, 17,600 linear feet of 12 inch diameter gravity line, 8,200 linear feet 15 inch diameter gravity sewer line, 10,300 linear feet of 18 inch diameter gravity sewer line, 1,131 manholes, 75 cleanouts, 23 lift stations, four(4) grinder pump stations, 600 linear feet of one and one half(1 1/2) inch diameter force main, 700 linear feet of two(2) inch diameter force main, 1,100 linear feet of (3) inch diameter force main, 5,000 linear feet of four(4) inch diameter force main, 17,700 linear feet of six(6) inch diameter force main, 2,500 linear feet of eight(8) inch diameter force main, 1,000 linear feet of 10 inch diameter force main, 8,500 linear feet of 12 inch diameter force main, 3,200 linear feet of 14 inch diameter force main, and all requisite appurtenances.

A wastewater treatment plant comprised of a mechanical bar screen, a manual bar screen, an aerated grit chamber with a volume of 8,800 gallons, two(2) 0.75 MGD reactor units with each unit comprised of a Stage I reactor with a volume of 33,700 gallons, a Stage II reactor with a volume of 30,700 gallons, a clarifier with a volume of 132,000 gallons and a surface area of 1,618 square feet, a chlorine contact chamber with a volume of 22,700 gallons, and an aerobic digester with a volume of 75,900 gallons, dechlorination facilities, a sludge dewatering belt press, eight(8) sand sludge drying beds with a surface area of 2,400 square feet each, and all requisite appurtenances.

These facilities are to serve a population equivalent of approximately 15,000 persons in the Malden Public Service District, and environs, and discharge treated wastewater to the Kanawha River at Mile Point 63.2.

This permit is subject to the following terms and conditions :
The information submitted on, and with, Permit Application No. WV0050610, dated the 3rd day of March 2005,

RECEIVED
NOV 26 2007
THRASHER ENGINEERING, INC.

west virginia department of environmental protection

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

Joe Manchin III, Governor
Stephanie R. Timmermeyer, Cabinet Secretary
www.wvdep.org

November 14, 2007

John Huddleston, Chairman
Malden Public Service District
P.O. Box 350
Tad, WV 25201

RE: Malden PSD
Phase I – Sanitary Sewer System
Improvements And Existing
Treatment Plant Modifications
Plans and Specifications Approval
SRF No. C-544073-01

Dear Mr. Huddleston:

The plans and specifications for the above referenced project are hereby approved.

This approval DOES NOT constitute authority to advertise for bids. You will be advised by separate letter from this agency as to when such an advertisement can be initiated.

The Plans and Specifications are approved contingent upon Thrasher Eng. Inc. providing a Geotechnical Report for the new PS sites (PS 5 and 19), and either a new or the old report for PS's 7, 12, and 28 sites.

Please be advised it will be necessary to issue an addendum to the contract documents prior to opening of bids to include the current minimum prevailing wages, as promulgated by the WV Division of Labor. This and all addenda and revisions to the contract documents must be telefaxed to this office for approval and issued to plan holders five (5) days prior to bid opening. Failure to submit addenda in a timely manner will automatically nullify approval to open bids.

Any addenda issued inside the five (5) day period prior to the bid opening must include an automatic extension to the bid opening date of a minimum of seven (7) days.

If any questions arise, please contact Ed Burdette at (304) 926-0499 ext.1594.

Sincerely,

Lisa A. McClung
Director

LAM/eb

cc: Dan Ferrell, P.E., Thrasher Engineers, Inc.
Chet Williamson, General Manager Malden PSD
Jefferson Brady, P.E., Executive Director, IJDC
Randy Plum, RUS

Bond Counsel

United States Department of Agriculture
Rural Development
West Virginia State Office

March 20, 2007

John Huddleston, Chairman
Malden Public Service District
P.O. Box 350
Tad, WV 25201

Dear Mr. Huddleston:

This letter, with Attachments 1 through 12 and enclosures, establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan and grant will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development, by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

The docket may be completed on the basis of an RUS loan in the amount of $2,175,000, an RUS grant in the amount of $800,000, and other funding in the amount of $10,609,075, for a total project cost of $13,584,075. The other funding is planned in the form of a loan and grant from the West Virginia Infrastructure and Jobs Development Council, and a loan from the Clean Water State Revolving Fund.

The loan and grant 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 Malden Public Service District (All Copies)
Attachment No. 3 - RUS Instruction 1780, Subparts A and B (Applicant Copy)
Attachment No. 4 - RUS Instruction 1780, Subpart C (Engineer Copy)

75 High Street Federal Building, Suite 320, Morgantown, WV 26505-7500
Phone: (304) 284-4860 • 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).

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 2003) (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 - Sample Credit Agreement (Applicant Copy)
Attachment No. 12 - Various other RD Forms as identified on Attachment No. 2

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 4.125% interest rate and a monthly amortization factor of .00435, which provides for a monthly payment of $9,462. 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 of equal priority, 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.

3. Users - This conditional commitment is based upon you providing evidence that there will be at least 3,539 bona fide users on the proposed system when it has been completed and is placed in operation. This evidence will consist of a certification from you that identifies and attests to the number of users that are

actually connected to the PSD's existing sewer system which is to be partially replaced by the new system, at the time you request authorization to advertise the project for construction bids.

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 currently using the system.

4. Bond Counsel Services - 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.

6. Legal Services – It will be necessary for you to obtain the services of a local attorney.

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 loan/grant closing, your accountant must certify that the accounts and records as required by your bond resolution have been established and are operational.

   RUS regulations (Attachment No. 3) 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 2003)" (Attachment No. 8), and RUS Bulletins 1780-30 and 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 $500,000 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. It has been determined that RUS will not participate in engineering, legal, or accounting fees for this project. Therefore, you should work with the other funding

sources to meet their requirements for obtaining these services.

9. 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. The attorney's legal opinion should include a certification that all requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and West Virginia State Code Chapter 54 have been met in the acquisition of both real property and rights-of-way. Such requirements may include, but are not limited to, distributing informational material to all affected property owners, and completing appraisals of the affected properties.

   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.

10. 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
- Corps of Engineers
- Public Land Corporation

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

    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.

12. 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. During the construction phase of your project, this maximum amount will be much greater than normal; therefore, it is our recommendation that you temporarily increase your coverage to the estimated highest monthly construction drawdown. Once construction is complete, you may decrease the amount of your coverage. Please note that the cost of the temporary increase in

coverage is an eligible project cost.

The minimum coverage acceptable to RUS once your project is in operation 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.

13. Contract Documents, Final Plans and Specifications -

a. The contract documents should consist of the following:

(1) EJCDC Document No. C-521, 2002 Edition, "Suggested Form of Agreement between Owner and Contractor on the Basis of Stipulated Price" and EJCDC Document No. C-710, 2002 Edition, "Standard General Conditions of the Construction Contract – Funding Agency Edition" and Attachments. The EJCDC document is issued under copyright and cannot be provided by RUS.

(2) "RUS Supplemental General Conditions."

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

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

(1) Liability Insurance - Personal Liability - $500,000; Property Damage -

$200,000 - $200,000. This coverage must include indemnification of the PSD and its engineer. RUS Bulletin 1780-13, Attachment 9, suggests certain limits of liability for insurance coverage. Those limits should be considered as minimum requirements only. It is recommended you consider increasing the given limits of liability after analyzing your specific needs.

(2) Builder's Risk Insurance - On all structures and mechanical and electrical equipment in place or stored on the site to the full insurable value thereof.

(3) Workers' Compensation - In accordance with applicable State laws.

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

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

State Prevailing Wage Law - You should ensure that all requirements of Article 5A of the West Virginia State Prevailing Wage Law, "Wages for Construction of Public Improvements" are met during construction of the project.

14. 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. 11).

15. 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 will establish a separate fund, to be known and hereafter referred to as the Construction Account, with a lending institution insured by the Federal Deposit Corporation. The account shall be used solely for the purpose of paying the costs of the project as outlined in the construction budget. All funds in the account will be secured by a collateral pledge equaling at least 100% of the highest amount of funds expected to be deposited in the Construction Account. All deposits in excess of $100,000 will be secured by a collateral pledge in accordance with Treasury Circular Number 176.

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.

16. Other Project Funds - Prior to advertisement for construction bids, you must provide evidence showing the approval of any other project funds. This evidence should include a copy of the funding award. Prior to award of the contract(s) to the contractor(s), you must provide evidence that the other project funds are available for expenditure. This evidence should consist of at least a letter from the funding agency stating the funds are available for expenditure.

17. At a properly called meeting, you must adopt and properly execute the following forms, and minutes showing the adoption must be provided:

    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"

18. 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.

19. 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 twelve (12) 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 twelve-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,

ROBERT M. STEPTOE, III
State Director

Enclosures

cc: Rural Development Specialist
Beckley, WV

Griffith and Associates
ATTN: Michael D. Griffith, CPA
950 Little Coal River Road
Alum Creek, WV 25003

West Virginia IJDC
ATTN: Jefferson E. Brady, P.E.
300 Summers Street, Suite 980
Charleston, WV 25301

Thrasher Engineering, Inc.
ATTN: Daniel E. Ferrell, P.E.
Clarksburg, WV 26301

Steptoe & Johnson, PLLC
ATTN: John C. Stump, Esquire
P.O. Box 1588
Charleston, WV 25326

Ms. Rosalie Brodersen
WVDEP/Clean Water SRF
601 57th Street SE
Charleston, WV 25304

Attachment No. 1 to Letter of Conditions
For: Malden PSD
Date: March 20, 2007

Project Construction Budget

PROJECT COST	WVIJDC LOAN	WVIJDC GRANT	CWSRF LOAN	RUS GRANT	RUS LOAN	TOTAL
CONSTRUCTION	$ 4,176,200	$ 673,200	$ 2,296,525	$ 800,000	$ 2,050,575	$ 9,996,500
CONST. CONTINGENCY	$ 566,700	$ 91,500	$ 311,460			$ 969,660
LAND & RIGHTS	$ 81,800	$ 13,200	$ 45,000			$ 140,000
LEGAL FEES	$ 116,800	$ 18,900	$ 64,300			$ 200,000
BOND COUNSEL	$ 29,200	$ 4,700	$ 16,100			$ 50,000
ACCOUNTING	$ 14,600	$ 2,400	$ 8,000			$ 25,000
ENGINEERING FEES	$ 1,168,000	$ 188,500	$ 642,000			$ 1,998,500
Basic - $ 957000						
Insp. - $ 770,000						
Special - $ 271,500						
INTEREST					$ 124,425	$ 124,425
ADMINISTRATION	$ 29,200	$ 4,800	$ 16,000			$ 50,000
PROJECT CONTG.	$ 17,500	$ 2,800	$ 9,690			$ 29,990
TOTAL	**$ 6,200,000**	**$ 1,000,000**	**$ 3,409,075**	**$ 800,000**	**$ 2,175,000**	**$ 13,584,075**

Rates

Available for general domestic, commercial, and industrial service.

First	2000	gallons @	$10.11	per M gallons
Over	2000	gallons @	$10.11	per M gallons

Minimum Charge

Minimum Monthly Bill $20.22 for 2,000 gallons

2,175,150
251,350

Delayed Payment Penalty

The above tariff is net. On all accounts not paid in full when due, ten percent (10%) will be added to net amount shown.

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

Connection Charge

Prior to Construction $100.00

After the start of construction, there shall be a charge of $350.00 for connection to the system.

Reconnection Charge

$25.00

Use and Income Analysis - See Attached

Cash Flow Analysis - See Attached

Attachment No. 1 to Letter of Conditions
For: Malden PSD
Date: March 20, 2007

Malden PSD
USE AND INCOME ANALYSIS
EXISTING SYSTEM

Blocking	Cust.	Gal/ Mo.	Minimum Bills	First 2,000	Over 2,000	TOTAL REVENUE
0 - 2,000	1,091	1,228.20	1,091			
Over 2,000	2,448	12,184.00		4,896.00	7,288.00	
Monthly Total	3,539.00	13,412.20	1,091.00	4,896.00	7,288.00	
Proposed Rates			$ 20.22	$ 10.11	$ 10.11	
Monthly Revenues			$ 22,060.02	$ 49,498.56	$ 73,681.68	**$ 145,240.26**
Annual Revenues			$ 264,720.24	$ 593,982.72	$ 884,180.16	**$ 1,742,883.12**

Annual Revenue	**$1,742,883**
Annualization Factor	**1.020525**
Adjusted Annual Revenue	**$1,778,656**

Malden Public Service District
OPERATING BUDGET

OPERATING INCOME		
Metered Sales	$ 1,778,656	
Penalties		
Other Income	$ 43,036	
Reconnect Fees		
TOTAL OPERATING INCOME		$ 1,821,692
NON OPERATING INCOME		
Interest income	$ 18,677	
TOTAL NON OPERATING INCOME		$ 18,677
TOTAL INCOME		$ 1,840,369
EXPENSES		
O & M	$ 752,785	
Taxes	$ 20,000	
TOTAL EXPENSES		$ 772,785
INCOME AVAILABLE FOR D/S (A)		$ 1,067,584
DEBT SERVICE		
Existing Bond P & I (B)	$ 545,860	
Proposed Bond P & I (B)	$ 391,271	
TOTAL DEBT SERVICE		$ 937,131
DEBT SERVICE RESERVE		
Debt Service Reserve*	$ 93,105	
TOTAL DEBT SERVICE RESERVE		$ 93,105
SURPLUS (DEFICIT)		$ 37,348
DEBT COVERAGE (A/B)		$ 1.14

Attachment No. 2 to Letter of Conditions
For: Malden Public Service District
Date: March 20, 2007

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
	DUNS Number	1		Applicant		Have	3
	CAIVRS Number	1		RUS		Have	CPAP Form
	Public Notice of Intent to File App./ Env. Notice	3	1780.19(a) 1794	Applicant		Have	3
Bulletin 1780-22	Applicant Eligibility Certification/ Other Credit Certification	1	1780.33(d)	Applicant		Have	3
	Bond Ordn. or Resol. On Outstanding Debts	1	1780.33(e)	Applicant/ Attorney			5
	Bonds or Notes Outstanding Debt	1	1780.33(e)	Applicant/ Attorney		Have	2
	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		N/A for RUS	6
Bulletin 1780-7 or other approved	Legal Services Agreement with Local Attorney	3	1780.39 (b)(2)	Applicant/ Attorney		N/A for RUS	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
	Rate Tariff	2	1780.33	Applicant		Have	8
	Applicant's IRS Tax Number(TIN)	1	1780.33(g)	Applicant		Have	3
	Agency Determination on the Availability of "Other Credit" with Documentation	1	1780.7(d)	RUS		Have	3
	Documentation on Service Area	1	1780.11	RUS			3
Bulletin 1780-1	Project Selection Criteria	2	1780.17	RUS		Have	1
	Letter of Conditions	7	1780.41 (a)(5)	RUS		Have	3

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

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
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		N/A for RUS	5
	Agreement for Accounting Services	1	1780.39 (b)(2)	Applicant/ Accountant		N/A for RUS	5
	Evidence of Users:						
	1. Certification Relative to Existing Users	1	LOC	Applicant			5
	Verification of Users	1	1780.44(b)	RUS			3
	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 Documenta-tion	1	1780.39(d)	Applicant/ RUS			1
	DOH Permit	1	1780.15(d)	Applicant			6
	Railroad Permit	1	1780.15(d)	Applicant			6

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

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Review of Outstanding Judgment	1	1780.7(g)	RUS/ Attorney			3
	Evidence of "Other Funds"	1	1780.44(f)	Applicant			2
SF 3881	Electronic Funds Transfer Payment Enrollment Form	1	31 CFR 208	Applicant/ Financial Institution			2
	Documentation Relative to Health or Sanitary Hazards	1	1780.1 (c)(1) 1780.13 (b)(1)	RUS/State Health Department			2
	PSC Approval	1	1780.15(b)	Applicant/ Attorney			6
	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

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Flood Insurance Policy	1	1780.39(g)	Applicant			7
440-24	Fidelity Bond	1	1780.39(g)	Applicant			7
1924-16	Record of Pre-Construction Conference	1	1780.76(a)	RUS/ Engineer			6
AD 1048	Certification Regarding Debarment (Contractor)	1 each	1780.33(h)	All Appropriate Vendors			5
	OGC Final Opinion	1	1780.45(g)	RUS			5

WATER OR WASTE SYSTEM GRANT AGREEMENT

UNITED STATES DEPARTMENT OF AGRICULTURE

RURAL UTILITIES SERVICE

THIS AGREEMENT dated March 20, 2007 between

Malden 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 **$ 13,584,075** and has duly authorized the undertaking of such project.

Grantee is able to finance not more than **$ 12,784,075** 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 **$ 12,784,075** has been committed to and by Grantee for such project development costs.

Grantor has agreed to grant the Grantee a sum not to exceed **$ 800,000** or **5.89%** 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 **5.89%** percent of the development costs, as defined by applicable Rural Utilities Service Instructions.

GRANTEE AGREES THAT GRANTEE WILL:

A. Cause said project to be constructed within the total sums available to it, including said grant, in accordance with the project plans and specifications and any modifications thereof prepared by Grantee and approved by Grantor.

B. Permit periodic inspection of the construction by a representative of Grantor during construction.

C. Manage, operate and maintain the system, including this project if less than the whole of said system, continuously in an efficient and economical manner.

D. Make the services of said system available within its capacity to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical or mental handicap (possess capacity to enter into legal contract for services) at reasonable charges, including assessments, taxes, or fees in accordance with a schedule of such charges, ~~whether for one or more classes of service adopted by resolution dated xxxxxxxxxxxxxxxxxxxxxxxxx~~ as approved by the West Virginia Public Service Commission. as may be modified from time to time by Grantee. The initial rate schedule must be approved by Grantor. Thereafter, Grantee may make such modifications to the rate system as long as the rate schedule remains reasonable and nondiscriminatory.

E. Adjust its operating costs and service charges from time to time to provide for adequate operation and maintenance, emergency repair reserves, obsolescence reserves, debt service and debt service reserves.

F. Expand its system from time to time to meet reasonably anticipated growth or service requirements in the area within its jurisdiction.

G. Provide Grantor with such periodic reports as it may require and permit periodic inspection of its operations by a representative of the Grantor.

H. To execute any agreements required by Grantor which Grantee is legally authorized to execute. If any such agreement has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, another agreement of the same type need not be executed in connection with this grant.

I. Upon any default under its representations or agreements set forth in this instrument, Grantee, at the option and demand of Grantor, will repay to Grantor forthwith the original principal amount of the grant stated herein above with the interest at the rate of 5 percentum per annum from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Grant Agreement may be enforced by Grantor, at its option and without regard to prior waivers by it previous defaults of Grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulations under which this grant is made.

J. Return immediately to Grantor, as required by the regulations of Grantor, any grant funds actually advanced and not needed by Grantee for approved purposes.

K. Use the real property including land, land improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed.

1. Title to real property shall vest in the recipient subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant as long as needed.

2. The Grantee shall obtain approval by the Grantor agency for the use of the real property in other projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Grantor.

3. When the real property is no longer needed as provided in 1 and 2 above, the Grantee shall request disposition instructions from the Grantor agency or its successor Federal agency. The Grantor agency shall observe the following rules in the disposition instructions:

(a) The Grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original project to the fair market value of the property.

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor agency. When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.
[Revision 1, 04/17/1998]

(c) The Grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee's percentage of participation in the cost of the program or project to the current fair market value of the property.

This Grant Agreement covers the following described real property (use continuation sheets as necessary).

All that real property associated with the Malden Public Service District's wastewater collection and treatment 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 an 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 **$800,000.00**. which it will advance to Grantee to meet not to exceed **5.89%** 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: Bobbie Legg
Bobbie Legg

(Title) Secretary

By: John Huddleston
John Huddleston

(Title) **Chairman**

UNITED STATES OF AMERICA

RURAL UTILITIES SERVICE

By: Teresa A. Miller — Rural Development Specialist
TERESA A. MILLER — (Title)

IC-2
(7/09)

GRANT AGREEMENT
(2005S-855)

This Grant Agreement entered into by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council") and the MALDEN PUBLIC SERVICE DISTRICT (the "Governmental Agency").

RECITALS

WHEREAS, the Council has authorized the Authority to make a grant to the Governmental Agency in the amount not to exceed $133,989 (the "Grant") for the purposes of the design, acquisition or construction of a project for which a preliminary application has been submitted and approved by the Council;

WHEREAS, the Governmental Agency wishes to accept the Grant upon such terms and conditions as are hereinafter set forth for the purposes of designing, acquiring or constructing the project described in Exhibit A attached hereto and incorporated herein by reference (the "Project");

WHEREAS, this Grant Agreement sets forth the Council, the Authority and the Governmental Agency's understandings and agreements with regard to the Grant.

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

TERMS

1. Prior to the distribution of the Grant, the Governmental Agency shall provide the Authority with a Project budget and an anticipated monthly draw schedule reflecting the receipt dates and amounts from other funding sources. The Project budget shall not be amended unless the Governmental Agency has received the prior written consent of the Council.

2. The Authority shall advance the Council's share of the Project costs from the Grant from time to time upon receipt of a requisition evidencing the costs incurred, which requisition must be satisfactory to the Authority. Unless agreed to by the Council prior to the commencement of construction, the Grant shall be the last dollars expended on the Project.

3. The monthly requisition will also set forth (i) the amounts requested for that requisition period from all other funding agencies, and (ii) the amounts advanced for the Project to date from all other funding agencies.

4. The Authority shall wire the approved requisition amount using the wiring instructions provided in Exhibit A, unless the Council and Authority are provided replacement instructions in writing.

5. The Governmental Agency will use the proceeds of the Grant only for the purposes specifically set forth in Exhibit B.

6. The Governmental Agency shall comply with and is bound by the Council=s rules set forth as Title 167, Series 1 and more particularly Section 5.9 with respect to the sale of the Project.

7. The Governmental Agency acknowledges that the Grant may be reduced, from time to time, to reflect actual Project costs and availability of other funding.

8. The Governmental Agency shall list the Grant provided by the Authority and the Council in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project.

9. This Grant Agreement shall be governed by the laws of the State of West Virginia.

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

MALDEN PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman
Date: August 26, 2009

(SEAL)

Attest:

_____
Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: _____
Its: Executive Director
Date: August 26, 2009

(SEAL)

Attest:

_____
Its: Secretary-Treasurer

{C1586295.1}

[To Be Placed on Letterhead]

Exhibit A

Wiring Instructions

_____, 20__

_____
(Name of Governmental Agency)

_____
(Street Address)

Payor:	West Virginia Water Development Authority
Source:	Grant Proceeds
Amount:	$_____
Date:	_____, 20__
Form:	Electronic Funds Transfer
Payee:	_____
Bank:	_____
Bank Contact:	_____
Telephone:	_____
Routing No.:	_____
Account No.:	_____
Account Name:	_____

Exhibit B

Project Description

The Project will consist of construction of certain additions and improvements to its existing sanitary sewer and collection and pumping system to correct problems with high inflow and infiltration to eliminate the District's sanitary sewer overflow and to meet the requirements of the NPDES permit, together with all appurtenant facilities.

MALDEN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2009 C
(United States Department of Agriculture)

RECEIPT OF DEPOSITORY BANK FOR SERIES 2009 C BONDS

I, the undersigned duly authorized representative of United Bank, Inc., Charleston, West Virginia (the "Bank"), hereby certify that on August 26, 2009, the Bank received automated transfers in the amount of $216,297 to the credit of the Series 2009 Construction Trust Fund, Account Number 0071278667.

WITNESS my signature on this 26th day of August, 2009.

UNITED BANK, INC.

By: Jessica Legg
Its: Authorized Officer

08.07.09
544010.00002

CH4973274.1

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 08/06/2009

PRODUCER (304)375-4900 FAX (304)375-2162
Bill Bailey Insurance Agency
701 Highland Avenue
P. O. Box 246
Williamstown, WV 26187

INSURED Malden PSD
DBA: Chet Williamson
PO Box 350
Tad, WV 25201

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A American Alternative Insurance	
INSURER B	
INSURER C	
INSURER D	
INSURER E	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER POLICY PRO-JECT LOC	SP9153377-01	11/10/2008	11/10/2009	EACH OCCURRENCE	$ 1,000,000
						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 1,000,000
						MED EXP (Any one person)	$ 10,000
						PERSONAL & ADV INJURY	$ 1,000,000
						GENERAL AGGREGATE	$ 3,000,000
						PRODUCTS - COMP/OP AGG	$ 3,000,000
		AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident)	$
						BODILY INJURY (Per person)	$
						BODILY INJURY (Per accident)	$
						PROPERTY DAMAGE (Per accident)	$
		GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT	$
						OTHER THAN AUTO ONLY EA ACC	$
						AGG	$
		EXCESS/UMBRELLA LIABILITY OCCUR CLAIMS MADE DEDUCTIBLE RETENTION $				EACH OCCURRENCE	$
						AGGREGATE	$
							$
							$
							$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WC STATUTORY LIMITS / OTHER	
						E.L. EACH ACCIDENT	$
						E.L. DISEASE - EA EMPLOYEE	$
						E.L. DISEASE - POLICY LIMIT	$
A		OTHER Employee Theft	SP9153377	11/10/2008	11/10/2009	$250,000 / $500 Deductible	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

The certificate holder listed below is named as Additional Insured

CERTIFICATE HOLDER

WV Water Development Authority
180 Association Drive
Charleston, WV 25311

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

©ACORD CORPORATION 1988

MALDEN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program);
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA); and
Sewer Revenue Bonds, Series 2009 C
(United States Department of Agriculture)

RECEIPT OF PAYMENT OF SERIES 2006 A BONDS

The undersigned duly authorized representative of the West Virginia Municipal Bond Commission, West Virginia (the "Commission"), the Paying Agent of the Malden Public Service District Sewerage System Design Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), dated October 5, 2006, issued in the original aggregate principal amount of $200,000 (the "Series 2006 A Bonds") hereby certifies and declares that on August 26, 2009, the Commission received from the Malden Public Service District (the "Issuer") the sum of $179,065 and that such sum is sufficient to pay in full the entire outstanding principal of and all accrued interest on the Series 2006 A Bonds to the date hereof and to discharge all liens, pledges and encumbrances securing the Series 2006 A Bonds.

Dated this 26th day of August, 2009.

WEST VIRGINIA MUNICIPAL BOND COMMISSION

By: _____
Its: Authorized Officer

08.07.09
544010.00002

CH4973275.1

CANCELLED
PAID IN FULL
DATE: 8/26/09
BY : C. Cummings

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MALDEN PUBLIC SERVICE DISTRICT
SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2006 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

$200,000

No. AR-1

KNOW ALL MEN BY THESE PRESENTS: That on this 5th day of October, 2006, MALDEN PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Kanawha County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns, the sum of TWO HUNDRED THOUSAND DOLLARS ($200,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2008, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. This Bond shall bear interest at the rate of 3% per annum, payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2008, and maturing June 1, 2028, as set forth in the attached EXHIBIT B.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated October 5, 2006.

This Bond is issued (i) to pay a portion of the costs of design of certain extensions, additions, betterments and improvements to the existing public sewerage facilities of the Issuer (the design of the aforementioned improvements and extensions is herein referred to as the "Project", and the existing public sewerage system of the Issuer, together with any further additions, betterments and improvements thereto, including those contemplated by the Project, are collectively referred to as the "System"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on September 20, 2006, and a Supplemental Resolution duly adopted by the Issuer on September 20, 2006 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS WITH THE ISSUER'S SEWER REVENUE BONDS, SERIES 1978, DATED DECEMBER 21, 1978, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,040,000 (THE "SERIES 1978 BONDS"), CURRENTLY HELD BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; AND (2) SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2006 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 5, 2006, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $694,500 (THE "SERIES 2006 B BONDS") (COLLECTIVELY, THE "FIRST LIEN BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the First Lien Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2006 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose.

This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, or the interest hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2006 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the

use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the First Lien Bonds; provided however, that so long as there exists in the Series 2006 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the First Lien Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

Under the Act, this Bond is exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

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

has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

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

IN WITNESS WHEREOF, MALDEN PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated as of the date first written above.

[SEAL]

Chairman

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is the Series 2006 A Bond described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: October 5, 2006.

THE HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$ 78,025	October 5, 2006	(19)	$	
(2)	$		(20)	$	
(3)	$		(21)	$	
(4)	$		(22)	$	
(5)	$		(23)	$	
(6)	$		(24)	$	
(7)	$		(25)	$	
(8)	$		(26)	$	
(9)	$		(27)	$	
(10)	$		(28)	$	
(11)	$		(29)	$	
(12)	$		(30)	$	
(13)	$		(31)	$	
(14)	$		(32)	$	
(15)	$		(33)	$	
(16)	$		(34)	$	
(17)	$		(35)	$	
(18)	$		(36)	$	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

$200,000

Malden Public Service District (West Virginia)
3% Interest Rate, 20 Years
Closing Date: October 5, 2006

Sources & Uses

Dated 10/05/2006 | Delivered 10/05/2006

Sources Of Funds	
Par Amount of Bonds	$200,000.00
Accrued Interest from 10/05/2006 to 10/05/2006	(9,933.33)
Total Sources	**$190,066.67**

Uses Of Funds	
Deposit to Debt Service Fund	(9,933.33)
Deposit to Project Construction Fund	200,000.00
Total Uses	**$190,066.67**

$200,000

Malden Public Service District (West Virginia)
3% Interest Rate, 20 Years
Closing Date: October 5, 2006

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
12/01/2006	-	-	-	-
03/01/2007	-	-	-	-
06/01/2007	-	-	-	-
09/01/2007	-	-	-	-
12/01/2007	-	-	-	-
03/01/2008	-	-	-	-
06/01/2008	-	-	-	-
09/01/2008	1,834.00	3.000%	1,500.00	3,334.00
12/01/2008	1,847.00	3.000%	1,486.25	3,333.25
03/01/2009	1,861.00	3.000%	1,472.39	3,333.39
06/01/2009	1,875.00	3.000%	1,458.44	3,333.44
09/01/2009	1,889.00	3.000%	1,444.37	3,333.37
12/01/2009	1,903.00	3.000%	1,430.21	3,333.21
03/01/2010	1,918.00	3.000%	1,415.93	3,333.93
06/01/2010	1,932.00	3.000%	1,401.55	3,333.55
09/01/2010	1,947.00	3.000%	1,387.06	3,334.06
12/01/2010	1,961.00	3.000%	1,372.46	3,333.46
03/01/2011	1,976.00	3.000%	1,357.75	3,333.75
06/01/2011	1,991.00	3.000%	1,342.93	3,333.93
09/01/2011	2,006.00	3.000%	1,328.00	3,334.00
12/01/2011	2,021.00	3.000%	1,312.95	3,333.95
03/01/2012	2,036.00	3.000%	1,297.79	3,333.79
06/01/2012	2,051.00	3.000%	1,282.52	3,333.52
09/01/2012	2,067.00	3.000%	1,267.14	3,334.14
12/01/2012	2,082.00	3.000%	1,251.64	3,333.64
03/01/2013	2,098.00	3.000%	1,236.02	3,334.02
06/01/2013	2,113.00	3.000%	1,220.29	3,333.29
09/01/2013	2,129.00	3.000%	1,204.44	3,333.44
12/01/2013	2,145.00	3.000%	1,188.47	3,333.47
03/01/2014	2,161.00	3.000%	1,172.39	3,333.39
06/01/2014	2,177.00	3.000%	1,156.18	3,333.18
09/01/2014	2,194.00	3.000%	1,139.85	3,333.85
12/01/2014	2,210.00	3.000%	1,123.40	3,333.40
03/01/2015	2,227.00	3.000%	1,106.82	3,333.82
06/01/2015	2,244.00	3.000%	1,090.12	3,334.12
09/01/2015	2,260.00	3.000%	1,073.29	3,333.29
12/01/2015	2,277.00	3.000%	1,056.34	3,333.34
03/01/2016	2,294.00	3.000%	1,039.26	3,333.26
06/01/2016	2,312.00	3.000%	1,022.06	3,334.06
09/01/2016	2,329.00	3.000%	1,004.72	3,333.72
12/01/2016	2,346.00	3.000%	987.25	3,333.25
03/01/2017	2,364.00	3.000%	969.65	3,333.65
06/01/2017	2,382.00	3.000%	951.92	3,333.92
09/01/2017	2,400.00	3.000%	934.06	3,334.06

$200,000

Malden Public Service District (West Virginia)
3% Interest Rate, 20 Years
Closing Date: October 5, 2006

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
12/01/2017	2,418.00	3.000%	916.06	3,334.06
03/01/2018	2,436.00	3.000%	897.92	3,333.92
06/01/2018	2,454.00	3.000%	879.65	3,333.65
09/01/2018	2,472.00	3.000%	861.25	3,333.25
12/01/2018	2,491.00	3.000%	842.71	3,333.71
03/01/2019	2,510.00	3.000%	824.03	3,334.03
06/01/2019	2,528.00	3.000%	805.20	3,333.20
09/01/2019	2,547.00	3.000%	786.24	3,333.24
12/01/2019	2,567.00	3.000%	767.14	3,334.14
03/01/2020	2,586.00	3.000%	747.89	3,333.89
06/01/2020	2,605.00	3.000%	728.49	3,333.49
09/01/2020	2,625.00	3.000%	708.95	3,333.95
12/01/2020	2,644.00	3.000%	689.27	3,333.27
03/01/2021	2,664.00	3.000%	669.44	3,333.44
06/01/2021	2,684.00	3.000%	649.46	3,333.46
09/01/2021	2,704.00	3.000%	629.33	3,333.33
12/01/2021	2,725.00	3.000%	609.05	3,334.05
03/01/2022	2,745.00	3.000%	588.61	3,333.61
06/01/2022	2,766.00	3.000%	568.02	3,334.02
09/01/2022	2,786.00	3.000%	547.28	3,333.28
12/01/2022	2,807.00	3.000%	526.38	3,333.38
03/01/2023	2,828.00	3.000%	505.33	3,333.33
06/01/2023	2,850.00	3.000%	484.12	3,334.12
09/01/2023	2,871.00	3.000%	462.74	3,333.74
12/01/2023	2,892.00	3.000%	441.21	3,333.21
03/01/2024	2,914.00	3.000%	419.52	3,333.52
06/01/2024	2,936.00	3.000%	397.67	3,333.67
09/01/2024	2,958.00	3.000%	375.65	3,333.65
12/01/2024	2,980.00	3.000%	353.46	3,333.46
03/01/2025	3,003.00	3.000%	331.11	3,334.11
06/01/2025	3,025.00	3.000%	308.59	3,333.59
09/01/2025	3,048.00	3.000%	285.90	3,333.90
12/01/2025	3,071.00	3.000%	263.04	3,334.04
03/01/2026	3,094.00	3.000%	240.01	3,334.01
06/01/2026	3,117.00	3.000%	216.80	3,333.80
09/01/2026	3,140.00	3.000%	193.43	3,333.43
12/01/2026	3,164.00	3.000%	169.88	3,333.88
03/01/2027	3,187.00	3.000%	146.15	3,333.15
06/01/2027	3,211.00	3.000%	122.24	3,333.24
09/01/2027	3,235.00	3.000%	98.16	3,333.16
12/01/2027	3,260.00	3.000%	73.90	3,333.90
03/01/2028	3,284.00	3.000%	49.45	3,333.45
06/01/2028	3,309.00	3.000%	24.82	3,333.82
Total	**$200,000.00**	-	**$66,691.46**	**$266,691.46**

$200,000

Malden Public Service District (West Virginia)
3% Interest Rate, 20 Years
Closing Date: October 5, 2006

Debt Service Schedule

Yield Statistics

Accrued Interest from 10/05/2006 to 10/05/2006	(9,933.33)
Bond Year Dollars	$2,554.16
Average Life	12.771 Years
Average Coupon	2.6110965%
Net Interest Cost (NIC)	2.6110965%
True Interest Cost (TIC)	3.0250028%
Bond Yield for Arbitrage Purposes	3.0250028%
All Inclusive Cost (AIC)	3.0250028%

IRS Form 8038

Net Interest Cost	3.0000051%
Weighted Average Maturity	12.771 Years

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

09.18.06
544010.00003

MALDEN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program);
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA); and
Sewer Revenue Bonds, Series 2009 C
(United States Department of Agriculture)

RECEIPT OF PAYMENT OF SERIES 2006 B BONDS

The undersigned duly authorized representative of the West Virginia Municipal Bond Commission, West Virginia (the "Commission"), the Paying Agent of the Malden Public Service District Sewerage System Design Revenue Bonds, Series 2006 B (West Virginia Water Development Authority), dated October 5, 2006, issued in the original aggregate principal amount of $694,500 (the "Series 2006 B Bonds") hereby certifies and declares that on August 26, 2009, the Commission received from the Malden Public Service District (the "Issuer") the sum of $340,827 and that such sum is sufficient to pay in full the entire outstanding principal of and all accrued interest on the Series 2006 B Bonds to the date hereof and to discharge all liens, pledges and encumbrances securing the Series 2006 B Bonds.

Dated this 26th day of August, 2009.

WEST VIRGINIA MUNICIPAL BOND COMMISSION

By: _____
Its: Authorized Officer

08.07.09
544010.00002

CH4973276.1

CANCELLED
PAID IN FULL
DATE: 8/26/09
BY : C. Cummings

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MALDEN PUBLIC SERVICE DISTRICT
SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2006 B
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. BR- 1

$ 694,500

KNOW ALL MEN BY THESE PRESENTS: That on the 5th day of October, 2006, MALDEN PUBLIC SERVICE DISTRICT, a public service district, a public corporation and political subdivision of the State of West Virginia in Kanawha County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns, the sum of SIX HUNDRED NINETY FOUR THOUSAND FIVE HUNDRED DOLLARS ($ 694,500), or such lesser amount as shall have been advanced to the Issuer hereunder, and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments in arrears on January 1, April 1, July 1 and October 1 of each year, commencing April 1, 2007 initially at the rate of 3% per annum. Commencing October 1, 2008, the interest on this Bond shall be payable quarterly on January 1, April 1, July 1 and October 1 of each year and maturing July 1, 2028, at the rate of 5 % per annum as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated October 5, 2006.

This Bond is issued (i) to pay a portion of the costs of design of certain extensions, additions, betterments and improvements to the existing sewerage facilities of the Issuer; and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds" design of the aforementioned improvements and extensions is herein referred to as the

"Project" and the existing public sewerage system of the Issuer, together with any further additions, betterments and improvements thereto, including those contemplated by the Project are collectively referred to as the "System") and related costs. The existing public sewerage facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on September 20, 2006, and a Supplemental Resolution duly adopted by the Issuer on September 20, 2006 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS WITH THE ISSUER'S SEWER REVENUE BONDS, SERIES 1978, DATED DECEMBER 21, 1978, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,040,000 (THE "SERIES 1978 BONDS"), CURRENTLY HELD BY THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; AND (2) SEWERAGE SYSTEM DESIGN REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED OCTOBER 5, 2006, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $200,000 (THE "SERIES 2006 A BONDS") (COLLECTIVELY, THE "FIRST LIEN BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the First Lien Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2006 B Bonds Reserve Account") and from unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose.

This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, or the interest hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2006 B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the

maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the First Lien Bonds; provided however, that so long as there exists in the Seris 2006 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the First Lien Bonds, an amount at least equal to the requirement therefore, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, MALDEN PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated as of the day and year first written above.

[SEAL]

Chairman

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2006 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: October 5, 2006.

THE HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1)$ 34,725	October 5, 2006	(19)$	
(2)$		(20)$	
(3)$		(21)$	
(4)$		(22)$	
(5)$		(23)$	
(6)$		(24)$	
(7)$		(25)$	
(8)$		(26)$	
(9)$		(27)$	
(10)$		(28)$	
(11)$		(29)$	
(12)$		(30)$	
(13)$		(31)$	
(14)$		(32)$	
(15)$		(33)$	
(16)$		(34)$	
(17)$		(35)$	
(18)$		(36)$	

TOTAL $

EXHIBIT B

DEBT SERVICE SCHEDULE

$694,500 **(WDA Supplemental Fund - Design)**

Malden Public Service District
5% Interest Rate, 20 Years
Closing Date: October 5, 2006

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
01/01/2007	-	-	-	-
04/01/2007	-	-	-	-
07/01/2007	-	-	-	-
10/01/2007	-	-	-	-
01/01/2008	-	-	-	-
04/01/2008	-	-	-	-
07/01/2008	-	-	-	-
10/01/2008	5,102.00	5.000%	8,681.25	13,783.25
01/01/2009	5,166.00	5.000%	8,617.48	13,783.48
04/01/2009	5,231.00	5.000%	8,552.90	13,783.90
07/01/2009	5,296.00	5.000%	8,487.51	13,783.51
10/01/2009	5,362.00	5.000%	8,421.31	13,783.31
01/01/2010	5,429.00	5.000%	8,354.29	13,783.29
04/01/2010	5,497.00	5.000%	8,286.43	13,783.43
07/01/2010	5,566.00	5.000%	8,217.71	13,783.71
10/01/2010	5,635.00	5.000%	8,148.14	13,783.14
01/01/2011	5,706.00	5.000%	8,077.70	13,783.70
04/01/2011	5,777.00	5.000%	8,006.38	13,783.38
07/01/2011	5,849.00	5.000%	7,934.16	13,783.16
10/01/2011	5,922.00	5.000%	7,861.05	13,783.05
01/01/2012	5,996.00	5.000%	7,787.03	13,783.03
04/01/2012	6,071.00	5.000%	7,712.08	13,783.08
07/01/2012	6,147.00	5.000%	7,636.19	13,783.19
10/01/2012	6,224.00	5.000%	7,559.35	13,783.35
01/01/2013	6,302.00	5.000%	7,481.55	13,783.55
04/01/2013	6,381.00	5.000%	7,402.78	13,783.78
07/01/2013	6,460.00	5.000%	7,323.01	13,783.01
10/01/2013	6,541.00	5.000%	7,242.26	13,783.26
01/01/2014	6,623.00	5.000%	7,160.50	13,783.50
04/01/2014	6,706.00	5.000%	7,077.71	13,783.71
07/01/2014	6,790.00	5.000%	6,993.89	13,783.89
10/01/2014	6,874.00	5.000%	6,909.01	13,783.01
01/01/2015	6,960.00	5.000%	6,823.09	13,783.09
04/01/2015	7,047.00	5.000%	6,736.09	13,783.09
07/01/2015	7,135.00	5.000%	6,648.00	13,783.00
10/01/2015	7,225.00	5.000%	6,558.81	13,783.81
01/01/2016	7,315.00	5.000%	6,468.50	13,783.50
04/01/2016	7,406.00	5.000%	6,377.06	13,783.06
07/01/2016	7,499.00	5.000%	6,284.49	13,783.49
10/01/2016	7,593.00	5.000%	6,190.75	13,783.75
01/01/2017	7,688.00	5.000%	6,095.84	13,783.84
04/01/2017	7,784.00	5.000%	5,999.74	13,783.74
07/01/2017	7,881.00	5.000%	5,902.44	13,783.44
10/01/2017	7,980.00	5.000%	5,803.93	13,783.93

$694,500

Malden Public Service District
5% Interest Rate, 20 Years
Closing Date: October 5, 2006

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
01/01/2018	8,079.00	5.000%	5,704.18	13,783.18
04/01/2018	8,180.00	5.000%	5,603.19	13,783.19
07/01/2018	8,283.00	5.000%	5,500.94	13,783.94
10/01/2018	8,386.00	5.000%	5,397.40	13,783.40
01/01/2019	8,491.00	5.000%	5,292.58	13,783.58
04/01/2019	8,597.00	5.000%	5,186.44	13,783.44
07/01/2019	8,705.00	5.000%	5,078.98	13,783.98
10/01/2019	8,813.00	5.000%	4,970.16	13,783.16
01/01/2020	8,923.00	5.000%	4,860.00	13,783.00
04/01/2020	9,035.00	5.000%	4,748.46	13,783.46
07/01/2020	9,148.00	5.000%	4,635.53	13,783.53
10/01/2020	9,262.00	5.000%	4,521.18	13,783.18
01/01/2021	9,378.00	5.000%	4,405.40	13,783.40
04/01/2021	9,495.00	5.000%	4,288.18	13,783.18
07/01/2021	9,614.00	5.000%	4,169.49	13,783.49
10/01/2021	9,734.00	5.000%	4,049.31	13,783.31
01/01/2022	9,856.00	5.000%	3,927.64	13,783.64
04/01/2022	9,979.00	5.000%	3,804.44	13,783.44
07/01/2022	10,104.00	5.000%	3,679.70	13,783.70
10/01/2022	10,230.00	5.000%	3,553.40	13,783.40
01/01/2023	10,358.00	5.000%	3,425.53	13,783.53
04/01/2023	10,487.00	5.000%	3,296.05	13,783.05
07/01/2023	10,619.00	5.000%	3,164.96	13,783.96
10/01/2023	10,751.00	5.000%	3,032.23	13,783.23
01/01/2024	10,886.00	5.000%	2,897.84	13,783.84
04/01/2024	11,022.00	5.000%	2,761.76	13,783.76
07/01/2024	11,159.00	5.000%	2,623.99	13,782.99
10/01/2024	11,299.00	5.000%	2,484.50	13,783.50
01/01/2025	11,440.00	5.000%	2,343.26	13,783.26
04/01/2025	11,583.00	5.000%	2,200.26	13,783.26
07/01/2025	11,728.00	5.000%	2,055.48	13,783.48
10/01/2025	11,875.00	5.000%	1,908.88	13,783.88
01/01/2026	12,023.00	5.000%	1,760.44	13,783.44
04/01/2026	12,173.00	5.000%	1,610.15	13,783.15
07/01/2026	12,325.00	5.000%	1,457.99	13,782.99
10/01/2026	12,480.00	5.000%	1,303.93	13,783.93
01/01/2027	12,636.00	5.000%	1,147.93	13,783.93
04/01/2027	12,793.00	5.000%	989.98	13,782.98
07/01/2027	12,953.00	5.000%	830.06	13,783.06
10/01/2027	13,115.00	5.000%	668.15	13,783.15
01/01/2028	13,279.00	5.000%	504.21	13,783.21
04/01/2028	13,445.00	5.000%	338.23	13,783.23
07/01/2028	13,613.00	5.000%	170.16	13,783.16
Total	**$694,500.00**	-	**$408,172.98**	**$1,102,672.98**

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

09.18.06
544010.00003

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information

CLOSING MEMORANDUM

To: **Financing Team**

From: **John C. Stump, Esquire**

Date: **August 26, 2009**

Re: **Malden Public Service District, Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA) and Sewer Revenue Bonds, Series 2009 C (United States Department of Agriculture)**

---

1. DISBURSEMENTS TO MALDEN PUBLIC SERVICE DISTRICT

A.

Payor:	West Virginia Department of Environmental Protection
Source:	Series 2009 A Bonds Proceeds
Amount:	$868,963
Form:	Wire
Payee:	Malden Public Service District
ABA #:	051900395
Account #:	0071278667
Bank:	United Bank
Contact:	Tera, 304.348.8400
Account:	Series 2009 Bonds Construction Trust Fund

B.

Payor:	West Virginia Department of Environmental Protection
Source:	Series 2009 B Bonds Proceeds
Amount:	$99,548
Form:	Wire
Payee:	Malden Public Service District
ABA #:	051900395
Account #:	0071278667
Bank:	United Bank
Contact:	Tera, 304.348.8400
Account:	Series 2009 Bonds Construction Trust Fund

Clarksburg, WV • Charleston, WV • Morgantown, WV • Martinsburg, WV • Wheeling, WV
Huntington, WV • Columbus, OH

TERRALEX

C.

Payor:	United States Department of Agriculture
Source:	Series 2009 C Bonds Proceeds
Amount:	$216,297
Form:	ACH Transfer
Payee:	Malden Public Service District
ABA #:	051900395
Account #:	0071278667
Bank:	United Bank
Contact:	Tera, 304.348.8400
Account:	Series 2009 Bonds Construction Trust Fund

D.

Payor:	West Virginia Infrastructure Council
Source:	WV Infrastructure Fund Grant
Amount:	$133,989
Form:	Wire
Payee:	Malden Public Service District
ABA #:	051900395
Account #:	0071278667
Bank:	United Bank
Contact:	Tera, 304.348.8400
Account:	Series 2009 Bonds Construction Trust Fund

2. DISBURSEMENTS TO MUNICIPAL BOND COMMISSION

A.

Payor:	Malden Public Service District
Amount:	$179,065
Form:	Check
Payee:	Municipal Bond Commission
Contact:	Sara Boardman, 304.558.3971
Account:	Pay in full Series 2006 A Bonds

B.

Payor:	Malden Public Service District
Amount:	$340,827
Form:	Check
Payee:	Municipal Bond Commission
Contact:	Sara Boardman, 304.558.3971
Account:	Pay in full Series 2006 B Bonds

08.24.09
544010.00002

MALDEN PUBLIC SERVICE DISTRICT
2005S-855
RESOLUTION OF THE
MALDEN PUBLIC SERVICE DISTRICT
APPROVING INVOICES RELATING TO CONSTRUCTION AND OTHER SERVICES FOR THE PROPOSED WASTEWATER PROJECT & AUTHORIZING PAYMENT THEREOF,

WHEREAS, the Malden PSD has reviewed the invoices attached hereto and incorporated herein by reference relation to the construction of the Wastewater Project funded by the Clean water SRF (CWSRF) and the United States Department of Agriculture (USDA) and find as follows:

a) That none of the items for which payment is proposed to be made has formed the basis for any disbursement theretofore made.

b) That each item for which the payment is proposed to be paid is or was necessary in connection with the Project and constitutes a Cost of the project.

c) That each of such costs has been otherwise properly incurred.

d) That the payment for each of the items proposed is due and owing.

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

Vendor	Total	SRF/ARRA	IJDC	USDA
Huntington Banks (Registrar)	1,000.00	1,000.00		0.00
Steptoe & Johnson (Bond Counsel)	50,000.0	50,000.00		0.00
Municipal Bond Commission (Series 2009 A Reserve)	0.00	0.00		0.00
Municipal Bond Commission (Payoff 2006 A)	179,065.00	0.00		179,065.00
Municipal Bond Commission (Payoff 2006 B)	340,827.00	303,595.00		37,232.00
Thrasher Engineering	382,500.00*	248,061.00*	133,989.00	0.00
*450 short	25,000.00	25,000.00		0.00
	76,500.00	76,500.00		0.00
	1,470.00	1,470.00		0.00
Joel Nunes	1,385.00	1,385.00		0.00
Future Construction	23,548.00	23,548.00		0.00
8 Mile Hollow	237,952.00	237,952.00		0.00
TOTAL	1,318,797.00	968,511.00	133,989.00	216,297.00

ADOPTED BY the Malden Public Service District, at the meeting held on the 24th day of August, 2009.

By: John L. Middleton

Its: Chairman

DEP PAYMENT REQUISITION FORM

Rev 04/07/09

1. LOAN RECIPIENT/VENDOR:

NAME: Malden PSD

ADDRESS: P.O. Box 350

Tad, West Virginia 25201

FEIN: 55- 0582541

DUNS: 047502323

2. SRF #: C544073

3. INVOICE NUMBE 1

4. PERIOD COVERED BY THIS REQUEST (MO/DAY/YR)

FROM: (MO/DAY/YR) 09/07/06

TO: (MO/DAY/YR) 8/26/09

5. % OF PHYSICAL CONSTRUCTION COMPLETION 0

CLASSIFICATION	A) APPROVED BUDGET	B) PREVIOUS APPROVED	C) THIS REQUEST	D) TOTAL COLUMNS B&C	E) AGENCY USE ONLY SRF	E) AGENCY USE ONLY ARRA
1) CONSTRUCTION	6,713,660		261,500.00 ~~0.00~~	261,500.00 0.00	237,952.00	23,548.00
Equipment	200,329		0.00	0.00		
3) ENGINEERING						
a. Design	248,061		248,061.00 ~~407,500.00~~	248,061.00 ~~407,500.00~~	248,061.00	
b. Basic	167,000		25,000.00	25,000.00		25,000.00
c Special	175,500		OK ~~76,500.00~~	76,500.00	76,500.00	
d Inspection	770,000		0.00	0.00		
4) LEGAL	200,000		0.00	0.00		
5) ACCOUNTING	25,000		0.00	0.00		
6) ADMINISTRATIVE	135,000		2,855.00	2,855.00	2,855.00	
7) CONTINGENCY	460,805		0.00	0.00		
8) LOAN REPAYMENT	303,595		303,595.00 ~~336,156.00~~	303,595.00 ~~336,156.00~~	303,595.00	
9) Sites / Lands	0		0.00	0.00		
9) RESERVE FUND	0		0 ~~94,500.00~~	0 ~~94,500.00~~		
10) CLOSING COSTS	51,000		51,000.00	51,000.00		51,000.00
11) SUBTOTAL	9,449,950		968,511.00	968,511.00	868,963.00	99,548.00
12) LESS PREVIOUSLY PAID					-0-	-0-
13) INVOICE AMOUNT					868,963.00	99,548.00

14) John L. Huddleston 8/11/09

AUTHORIZED SIGNATURE DATE

John L. Huddleston

TYPED OR PRINTED NAME AND TITLE

15)

PERSON PREPARING FORM SIGNATURE DATE

TYPED OR PRINTED NAME AND TITLE

AGENCY USE ONLY:

THIS REQUEST APPROVED BY: WV DEPARTMENT OF ENVIRONMENTAL PROTECTION

Elizabeth S. Burdette 08/24/09

PROJECT REVIEWER DATE

R Bradenson 8/24/09

AUTHORIZED OFFICER DATE

RF - 91

Malden Public Service District
Sewer Construction
P.O. Box 350
Tad, WV 25201-0350

69-39/519 301

96

DATE 8-24-09

Municipal Bond Commission | $ 340,827.00

PAY TO THE ORDER OF

Three Hundred Forty Thousand Eight Hundred Twenty Seven and 00/100 DOLLARS

Security Features Included. Details on Back.

UNITED BANK
WEST VIRGINIA'S BANK

SPECIMEN

MEMO WDA

⑆051900395⑆ 0071278667⑈ 0096

John L. Huddleston

Malden Public Service District
Sewer Construction
P.O. Box 350
Tad, WV 25201-0350

69-39/519 301

95

Date 8-24-09

Municipal Bond Commission | $179,065.00

Pay to the order of

One hundred Seventy Nine Thousand Sixty Five and 00/100* Dollars

Security Features Included. Details on Back.

UNITED BANK
WEST VIRGINIA'S BANK

SPECIMEN

Memo IJDC Loan

⑆051900395⑆ 0071278667⑈ 0095

John L. Huddleston

POOH AND PALS

7 009662

69-376
519

Steptoe & Johnson PLLC
ATTORNEYS AT LAW
P.O. BOX 1588
CHARLESTON, WV 25326

DATE August 26, 2009

PAY Sixty-Six and 72/100 DOLLARS $66.72

Steptoe & Johnson PLLC

TO THE ORDER OF Municipal Bond Commission

Authorized Signature

HUNTINGTON BANKS
CHARLESTON, WV 25301

⑈009662⑈ ⑆051903761⑆ 0122102568 5⑈

State of West Virginia

WATER DEVELOPMENT AUTHORITY

180 Association Drive, Charleston, WV 25311-1217
(304) 558-3612 - (304) 558-0299 (Fax)
Internet: www.wvwda.org - Email: contact@wvwda.org

PRECLOSING ATTENDANCE LIST

Date 8-25-09 Time _____ LGA Maldon PSD Program CWSRF

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
Carol A. Cummings	WDA	558-3612	558-0299	Cummings@wvwda.org
Rose Brodersen	WVDEP	9260499 x1608	9260496	Rosalie.M.Brodersen@wv.gov
Shane Lee	Jackson Kelly PLLC	304.340.1318	304.340.1122	slee@jacksonkelly.com
John Stump	Steptoe & Johnson PLLC	304.353.8196	304.353.8181	john.stump@steptoe-johnson.com

The Authority requests that the following information concerning the individual who will be responsible for sending Debt Service Payments to the Municipal Bond Commission be provided. (If that individual is in attendance, he/she should also sign above.) Please Print:

Name Chet Williamson, Manager Telephone 304.925.6997 E-Mail cwilliamson@suddenlinkmail.com

Address P.O. Box 350 Tad, West Virginia 25201-0350

REMINDER: As a participant in this program, the Local Governmental Agency (LGA) agrees and is required to submit annually to the WDA a copy of its audited financial statements and a copy of its adopted budget. Also, pursuant to the Loan Agreement and the NonArbitrage Certificate (both of which are contained in the bond transcript) you are to provide annually to the WDA a rebate calculation certificate or an exception opinion showing whether a rebate amount is due to the US Government under arbitrage requirements in Section 148(f) of the US Internal Revenue Code, 1986, as amended.

SWEEP RESOLUTION

MALDEN PUBLIC SERVICE DISTRICT

WHEREAS, The Malden Public Service District (the "Issuer") is a governmental body and political subdivision of West Virginia;

WHEREAS, the Issuer has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the "Bonds");

WHEREAS, the Issuer makes or will make monthly debt service payments on and transfers reserve funds for the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

WHEREAS, the MBC may accept such monthly payments by electronic funds transfer, thereby eliminating delay in payments and lost checks;

WHEREAS, the Issuer finds and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly debt service and reserve fund payments be made by electronic funds transfer with the State Treasurer sweeping the Issuer's account.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1) The monthly debt service payments on and reserve funds for the Bonds, as set forth in Exhibit A, shall be made to the MBC by an electronic transfer by the State Treasurer from the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.

2) The Chairman, Secretary and Treasurer are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.

3) This resolution shall be effective immediately upon adoption.

Adopted this 11th day of August, 2009.

John L. Huddleston

Chairman

American Recovery and Reinvestment Act of 2009 (ARRA)

Project Certification

Program: West Virginia Clean Water State Revolving Fund

Project: Malden PSD, Kanawha County

Description:

Sewer system rehabilitation work consisting of sewer lining with lateral re-connections, sealing and grouting of manholes, elimination of some pumping stations with gravity sewer lines and modification to the sewage treatment plant headworks.

Total Project Cost

$12,424,950

ARRA Assistance Provided

$6,614,965

I hereby certify that the above project has received the full review and vetting required by federal law and that the investment of federal and state funds in this infrastructure project is an appropriate use of taxpayer dollars.

This certification will be posted on the Governor's website and linked to the federal ARRA website www.recovery.gov

Randy C. Huffman, Cabinet Secretary

8/10/09
Date

west virginia department of environmental protection

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 16th day of April 2009

GENERAL ORDER NO. 182.09
Public Service Commission intended procedures concerning water and sewer projects that are funded with federal stimulus funds.

COMMISSION ORDER

Earlier this year, Congress enacted and the President signed the *American Recovery and Reinvestment Act of 2009*. Under this legislation, the State of West Virginia is to receive certain stimulus funds, a portion of which will be dedicated to the construction of water and sewer infrastructure. The Public Service Commission ("Commission") has received information from various funding agencies. The State Bureau for Public Health through its drinking water treatment revolving fund will have approximately $19.5 million for water projects. In addition, the State Department of Environmental Protection through the clean water state revolving fund will have approximately $61 million for sewer projects. Both of these state agencies have indicated that they intend to have the projects bid by August 2009 and contracts awarded by October 2009. In addition, certain other stimulus funds for water and sewer projects will be administered by the U.S. Department of Agriculture, Rural Utilities Service.

Although the Commission is not a funding source for the stimulus funds, it will nonetheless be called upon to process utility applications for certificates of public convenience and necessity ("certificates") to authorize the construction of stimulus-funded water and sewer projects. Given the aggressive schedule planned by the funding agencies, and the requirement in the federal law that water and sewer projects be "shovel ready," meaning under construction within a quick time line, the Commission intends to expedite these applications to the greatest extent possible consistent with existing State Law.

As a preliminary observation, the Commission would stress that applications must be complete and the statutory thirty-day notice to the public must be given at the outset of the application. Failure to file complete applications or failure to provide timely public notice will lead to delays in processing projects and jeopardize the ability to receive federal stimulus funds. The Commission anticipates that it will receive (i) new applications for water and sewer projects using federal stimulus funds, (ii) amendments to pending applications

containing some measure of federal stimulus funds, and (iii) petitions to reopen certificates already issued seeking to amend funding by including federal stimulus funds. The Commission issues this General Order to inform the public, regulated utilities, attorneys who practice before the Commission, funding agencies, and the staff of the Commission of its intended procedures and processes.

With respect to new stimulus project applications, the Commission intends that applicants and Staff observe the following procedures. At the outset, the Commission again stresses that it is essential that a utility project sponsor file a complete application and provide timely public notice of its application.

1. Staff assigned to the case should immediately review the filing to determine if it is complete. The Initial Joint Staff Memorandum should be filed within ten days.[1]

2. If the filing is complete and does not require an increase in rates for the project, Staff should file its Final Joint Staff Memorandum in thirty-five days which allows for the protest period assuming the applicant has timely published notice.

3. If the filing is complete and includes a proposed increase in rates for the project, Staff may deem it necessary to file a data request for items needed to complete the review and make a final Staff recommendation. This data request should be filed within ten days. The applicant should expedite its response to Staff's requests and Staff should file its Final Joint Staff Memorandum within forty-five to sixty days

4. If the filing is not complete, irrespective of whether or not the application seeks an increase in rates, Staff should file a data request, if necessary, for the items needed to complete the review and make a final Staff recommendation. This data request should be filed within ten days. The applicant should expedite its responses to Staff's requests and Staff should file its Final Joint Staff Memorandum within forty-five to sixty days.

5. If rates are required for the project and a rate change has not been included with the application:

   A. For municipalities, the processing time is out of the Commission's ability to control. Staff needs to determine where the municipality is in the ordinance process and what else is needed to process the case. This should all be part of the Initial Joint Staff Memorandum to let the Commission know if the case can be processed or needs dismissed. (Certificates and rate ordinances need to be coordinated for a municipal appeal.) Data requests should still be filed within the ten-day period.

---

[1] Days in this Order are calendar days. Filings due on weekends or holidays are due the next working day.

B. Public service districts ("districts") that need rates for the project can follow steps 1 and 3 or 4 above.

C. Districts that require rates outside of the project and are in default on bonds cannot move forward. Staff must address this in its initial memorandum.

5. For newly-filed water or sewer applications for certificates of convenience and necessity where the funding is described at the time of the filing as Stimulus Funding the Commission shall designate the filings as "SCN." The Commission, its Staff and Administrative Law Judges, will process those designated filings as expeditiously as possible.

The stimulus funds may be used to replace existing funding for projects that are ready to proceed, allowing the State of West Virginia to fund more projects than planned and provide an enhanced investment in water and sewer infrastructure to unserved and under-served areas of the State. To expedite the processing of projects that have already received a certificate and are eligible to receive stimulus funds, the Commission plans the following process and procedures:

6. In instances where municipalities or municipal water or sewer boards ("municipal utilities") have already been granted certificates, and in the event the municipality is awarded a stimulus assistance funding package to replace either existing grant or loan funding from another source, the municipal utility shall only be required to file with the Commission a letter from the funding agency that describes the change in the project funding. The filing will be treated as a closed entry by the Executive Secretary and the Commission anticipates no further action by the Commission.

7. Similarly, for districts that are awarded a stimulus assistance funding package equivalent to the existing grant money from another source, that has no impact on rates, the district shall only be required to file with the Commission a letter from the funding agency that describes the change in the project funding. The filing will be treated as a closed entry by the Executive Secretary and the Commission anticipates no further action by the Commission.

8. In the event that a district is awarded a stimulus assistance funding package and the benefit to the customers of such improved financing is lower project costs, the district will only be required to file a petition to reopen the original formal case granting the certificate in order that the Commission may review the rates established for the project.

The Commission will provide for such petitions to reopen to be handled in an expedited manner. To that end, the district will be required to file with its petition to reopen a letter from the funding agency that describes the change in project funding, specifically setting forth the newly-committed funding and an accompanying calculation by the district

of the impact to its rates together with supporting documentation. Upon the filing of this information, Staff will perform a review of the revised project funding and rate calculations and file a final recommendation with the Commission stating its recommended rates as soon as possible, but no later than ten days after receipt of the petition. The Commission will issue an order as soon thereafter as possible.

9. For districts that are awarded a stimulus assistance funding package to supplement funding to deal with a cost overrun in whole or part, that has no impact on rates, the district may utilize the enhanced funding to first fund any project alternatives that were reviewed as either deducts or adducts that were approved as a part of the original certificate, contingent upon funding, in order that all portions of the project can be constructed. In this event, the district shall be required to file with the Commission a letter from the funding agency that describes both the change in the project funding and also notes the deducts or adducts that will be funded for construction. The filing will be treated as a closed entry by the Executive Secretary and the Commission anticipates no further action on its part.

The issuance of these guidelines should expedite these projects and the continuing effort to provide quality water and sewer service throughout the State of West Virginia. The Commission understands that there will be instances and situations where events will disrupt these intended procedures; however, the Commission expects all parties to use their best efforts to process these cases in a timely manner. Finally, given the aggressive time frame contemplated by the funding agencies and the intent to have bids out by August 2009, project applications should be filed no later than June 1, 2009, to avoid jeopardizing the timely consideration of those applications.

IT IS SO ORDERED.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission give public notice of this order in a manner deemed most efficient and appropriate.

A True Copy, Teste:

Sandra Squire
Executive Secretary

go18209c.wpd