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November 2, 2007

Marshall County Public Service District No. 4
Water Revenue Bonds, Series 2007 A
(United States Department of Agriculture); and
Water Revenue Bonds, Series 2007 B
(West Virginia DWTRF Program)

George Lagos, Manager
Marshall County Public Service District No. 4
Post Office Box 709
Moundsville, West Virginia 26041

Dear George:

Enclosed is the transcript of closing documents for the above-referenced financing for Marshall County Public Service District No. 4. For auditing purposes, the District should keep the transcript on file until the bonds mature. Upon receipt, should you have any questions, please call me.

It was a pleasure working with you and the Board. We look forward to working with you again.

My best regards.

Very truly yours,

John C. Stump

cc: Distribution (Attached)

JCS/rmc
Enclosures

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MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4
WATER REVENUE BONDS, SERIES 2007 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)
WATER REVENUE BONDS, SERIES 2007 B
(WEST VIRGINIA DWTRF PROGRAM)

TRANSCRIPT DISTRIBUTION LIST

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Marshall County Public Service District No. 4
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Moundsville, West Virginia 26041
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Robert DeCrease, PE
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Capacity Development Program
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MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

WATER REVENUE BONDS, SERIES 2007 A
(UNITED STATES DEPARTMENT OF AGRICULTURE); AND
WATER REVENUE BONDS, SERIES 2007 B
(WEST VIRGINIA DWTRF PROGRAM)

DATE OF CLOSING: SEPTEMBER 26, 2007

BONDS TRANSCRIPT

STEPTOE & JOHNSON PLLC

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MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

Water Revenue Bonds, Series 2007 A
(United States Department of Agriculture); and
Water Revenue Bonds, Series 2007 B
(West Virginia DWTRF Program)

BOND TRANSCRIPT

Closing Date: September 26, 2007

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MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

WATER REVENUE BONDS, SERIES 2007 A (UNITED STATES DEPARTMENT OF AGRICULTURE), and WATER REVENUE BONDS, SERIES 2007 B (WEST VIRGINIA DWTRF PROGRAM)

BOND RESOLUTION

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MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4 AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT NO. 4 OF NOT MORE THAN $2,328,300 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2007 A (UNITED STATES DEPARTMENT OF AGRICULTURE), AND NOT MORE THAN $1,225,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2007 B (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO THE SERIES 2007 B 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 MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4:

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 16, Article 13C 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. Marshall County Public Service District No. 4 (the "Issuer") is a public service district, a public corporation and political subdivision of the State of West Virginia in Marshall County of said State.

B. The Issuer presently owns and operates a public waterworks 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 waterworks system of the Issuer, consisting of forty-five miles of new distribution lines to serve approximately 252 prospective customers, together with all appurtenant facilities (collectively, the "Project"), which constitute properties for the diversion, development, pumping, impounding, treatment, storage, distribution or furnishing of water to or for the public for industrial, public, private or other uses (the existing public waterworks facilities of the Issuer, the Project and any further extensions or improvements thereto 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 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") and the United States Department of Agriculture (the "Purchaser") pursuant to the Act.

D. 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.

E. It is deemed necessary for the Issuer to issue its Water Revenue Bonds in the total aggregate principal amount of not more than $3,553,300 in two series, being the Water Revenue Bonds, Series 2007 A (United States Department of Agriculture), in the aggregate principal amount of not more than $2,328,300 (the "Series 2007 A Bonds"), and the Water Revenue Bonds, Series 2007 B (West Virginia DWTRF Program), in the aggregate principal amount of not more than $1,225,000 (the "Series 2007 B Bonds"), to permanently finance a portion of the costs of acquisition and construction of the Project (collectively, the "Series 2007 Bonds"). The remaining costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Such 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 2007 Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in any Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to

determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority (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 2007 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2007 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

G. It is in the best interests of the Issuer that its Series 2007 A Bonds be sold to the Purchaser (as hereinafter defined) pursuant to the terms and provisions of the Letter of Conditions (as hereinafter defined) and its Series 2007 B Bonds be sold to the Authority (as hereinafter defined) pursuant to the terms and provisions of a loan agreement (the "Loan Agreement") by and between the Issuer and the Authority, on behalf of the West Virginia Bureau for Public Health (the "BPH"), in form satisfactory to the Issuer, the Authority and the BPH, approved hereby if not previously approved by resolution of the Issuer.

H. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2007 Bonds as to liens, pledge and source of and security for payment: (i) Water Revenue Bonds, Series 1996 A (United States Department of Agriculture), dated July 25, 1996, issued in the original aggregate principal amount of $140,000 (the "Series 1996 A Bonds"); (ii) Water Revenue Bonds, Series 1996 B (United States Department of Agriculture), dated July 25, 1996, issued in the original aggregate principal amount of $380,000 (the "Series 1996 B Bonds"); (iii) Water Revenue Bonds, Series 1989 (United States Department of Agriculture), dated July 23, 1990, issued in the original aggregate principal amount of $372,000 (the "Series 1989 Bond"); and (iv) Water Revenue Bonds, Series 1982 (United States Department of Agriculture), dated November 3, 1982, issued in the original aggregate principal amount of $1,175,000 (the "Series 1982 Bonds");(collectively, the "Prior Bonds"). Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which rank prior to or on a parity with the Series 2007 Bonds as to liens, pledge and/or source of and security for payment.

The Series 2007 Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2007 Bonds, the Issuer will obtain a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met and obtain the written consent of the Holders of the Prior Bonds to the issuance of the Series 2007 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.

I. The Issuer has complied with all requirements of West Virginia law, the Letter of Conditions and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System, including, without limitation, the imposition of rates and charges and the issuance of the Series 2007 Bonds, or will have so complied prior to issuance of any thereof, including, the approval of the Project and the financing thereof by West Virginia Infrastructure and Jobs Development Council and the obtaining of a certificate of 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 2007 Bonds or such final order will not be subject to appeal or rehearing.

J. 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 2007 Bonds by 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 Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and 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 16, Article 13C of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"Administrative Fee" means any administrative fee required to be paid pursuant to the Loan Agreement for the Series 2007 B Bonds.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2007 B Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the BPH under the Act.

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

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

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

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

"Bonds" means, collectively, the Series 2007 A Bonds, the Series 2007 B Bonds, the Prior Bonds, and, where appropriate, 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.

"BPH" means the West Virginia Bureau for Public Health, a division of the West Virginia Department of Health and Human Resources, or any successor thereto.

"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 2007 Bonds for all or a portion of the proceeds of the Series 2007 A Bonds from the Purchaser and for all or a portion of the proceeds of the Series 2007 B Bonds from the Authority and the BPH.

"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.

"Consulting Engineers" means Cerrone Associates, Inc., Wheeling, 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 1.02H hereof to be a part of the cost of acquisition and construction of the Project.

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

"Depreciation Reserve" means the Depreciation Reserve account established by Prior Resolution.

"DWTRF Regulations" means the DWTRF regulations set forth in the West Virginia Code of State Regulations, as amended from time to time.

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

"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" 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.

"Grant" 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" means the Marshall County Public Service District No. 4, a public service district and public corporation and political subdivision of the State of West Virginia, in Marshall County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Letter of Conditions" means, collectively, the Letter of Conditions of the Purchaser dated July 30, 1998, and all additional amendments thereto, if any, providing for the purchase of the Series 2007 A from the Issuer by the Purchaser.

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered, into between the Issuer and the Authority, on behalf of the BPH, providing for the purchase of the Series 2007 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.

"Net Proceeds" means the face amount of the Series 2007 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in any Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2007 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, fees and expenses of the Authority, fiscal agents, Administrative Fee, 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 Expresses" 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 or Prior Bonds and as of any particular date, describes all Bonds or Prior Bonds theretofore and thereupon being authenticated and delivered except (i) any Bond or Prior Bonds canceled by the Bond Registrar or Registrar for the Prior Bonds, at or prior to said date; (ii) any Bond or Prior Bonds 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 or Prior Bonds 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 or holders of the Prior Bonds, any Bonds or Prior 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 such other entity or authority as may be designated as a Paying Agent for the Series 2007 B Bonds by the Issuer in the Supplemental Resolution.

"Prior Bonds" means, collectively, the Series 1996 A Bonds, the Series 1996 B Bonds, the Series 1989 Bonds, and the Series 1982 Bonds.

"Prior Resolutions" means, collectively, the resolutions of the Issuer authorizing the Prior Bonds.

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

"Purchaser" or "Government" means the United States Department of Agriculture 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 2007 A 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, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

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

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

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

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

"Registrar" means the Bond Registrar.

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by the Prior Resolutions as the Depreciation Reserve and renamed and continued hereby.

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Series 2007 Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in the Reserve Accounts.

"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 1996 A Bonds" means the Issuer's Water Revenue Bonds, Series 1996 A (United States Department of Agriculture), dated July 25, 1996, issued in the original aggregate principal amount of $140,000.

"Series 1996 B Bonds" means the Issuer's Water Revenue Bonds, Series 1996 B (United States Department of Agriculture), dated July 25, 1996, issued in the original aggregate principal amount of $380,000.

"Series 1989 Bonds" means the Issuer's Water Revenue Bonds, Series 1989 (United States Department of Agriculture), dated July 23, 1990, issued in the original aggregate principal amount of $372,000.

"Series 1982 Bonds" means the Issuer's Water Revenue Bonds, Series 1982 (United States Department of Agriculture), dated November 3, 1982, issued in the original aggregate principal amount of $1,175,000.

"Series 2007 Bonds" means, collectively, the Series 2007 A Bonds and the Series 2007 B Bonds.

"Series 2007 Bonds Construction Trust Fund" means the Series 2007 Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2007 A Bonds" means the Water Revenue Bonds, Series 2007 A (United States Department of Agriculture), of the Issuer, authorized by this Resolution.

"Series 2007 A Bonds Reserve Account" means the Series 2007 A Bonds Reserve Account established by Section 5.02 hereof.

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

"Series 2007 B Bonds" means the Water Revenue Bonds, Series 2007 B (West Virginia DWTRF Program), of the Issuer authorized by this Resolution.

"Series 2007 B Bonds Reserve Account" means the Series 2007 B Bonds Reserve Account established by Section 5.02 hereof.

"Series 2007 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 2007 B Bonds in the then current or any succeeding year.

"Series 2007 B Bonds Sinking Fund" means the Series 2007 B Bonds Sinking Fund established by Section 5.02 hereof.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2007 Bonds; provided, that any matter intended by this Resolution to be included in

the Supplemental Resolution with respect to the Series 2007 Bonds, and not so included may be included in another Supplemental Resolution.

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

"System" means the complete existing waterworks system of the Issuer and all waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks system; and shall include the Project and any and all extensions, additions, betterments and improvements thereto hereafter acquired or constructed for the waterworks system from any sources whatsoever, both within and without the Issuer.

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

"West Virginia DWTRF Program" means the Drinking Water Treatment Revolving Fund program established by the State, administered by the BPH and funded by capitalization grants awarded to the State pursuant to the federal Safe Drinking Water Act, as amended, for the purpose of establishing and maintaining a permanent perpetual fund for the acquisition, construction and improvement of drinking water projects.

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.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not to exceed $8,187,200, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids 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 BPH.

The cost of the Project is estimated not to exceed $8,187,200, of which $2,328,300 will be obtained from proceeds of the Series 2007 A Bonds, $1,225,000 will be obtained from proceeds of the Series 2007 B Bonds, $1,446,700 will be obtained from proceeds of a grant from the Purchaser, $962,200 will be obtained from proceeds of a grant from the United States Environmental Protection Agency, $575,000 will be obtained from the proceeds of a Small Cities Block Grant, $150,000 will be obtained from the proceeds of a grant from the County Commission of Marshall County, and $1,500,000 will be obtained from the proceeds of a grant from the West Virginia Infrastructure and Jobs Development Council.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2007 Bonds, if any, funding reserve accounts for the Series 2007 Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance 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 the negotiable Series 2007 A Bonds and the Series 2007 B Bonds of the Issuer. The Series 2007 A Bonds shall be issued as a single bond, designated "Water Revenue Bonds, Series 2007 A (United States Department of Agriculture)," in the principal amount of not more than $2,328,300, and the Series 2007 B Bonds shall be issued as a single bond, designated "Water Revenue Bonds, Series 2007 B (West Virginia DWTRF Program)," in the principal amount of not more than $1,225,000, and each shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2007 Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalizing interest on the Series 2007 Bonds, if any, shall be deposited in or credited to the Series 2007 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 2007 A 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 2007 A Bond.

B. The Series 2007 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 quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in the Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2007 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, if any, on the Series 2007 B Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2007 A 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 2007 A Bonds. The Series 2007 B Bonds shall initially 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 2007 B Bonds, all as provided in the Supplemental Resolution. The Series 2007 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, in such denominations, dated such dates and bear interest at such rates as determined by a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2007 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 2007 Bonds shall cease to be such officer of the Issuer before the Series 2007 Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Bond Registrar; Authentication and Registration. A. The Issuer shall be the Bond Registrar with respect to the Series 2007 A 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 2007 A, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Series 2007 A Bonds initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Series 2007 Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2007 A Bonds for registration or transfer only if ownership thereof is to be registered in the name of the Purchaser, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust, and/or such other identifying number and

information as may be required by law. The Series 2007 A Bonds shall initially be fully registered as to both principal and interest in the name of the United States of America. So long as the Series 2007 A Bonds shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be National Finance Office, St. Louis, Missouri 63103, or such other address as shall be stated in writing to the Issuer by the United States of America.

B. The Bond Registrar with respect to the Series 2007 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 2007 B Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Series 2007 B Bonds shall be conclusive evidence that such Series 2007 B Bonds has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2007 B Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Series 2007 B Bonds issued hereunder. The provisions of this Section 3.04 relating to authentication shall not apply to the Series 2007 A Bonds, notwithstanding anything herein to the contrary.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2007 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 2007 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 2007 Bonds remain outstanding, the Bond Registrar for the Series 2007 Bonds shall keep and maintain books for the registration and transfer of such 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, all 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 2007 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 2007 Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2007 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2007 Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of all Series 2007 Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System, on a parity with the lien on 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, if any, on and other payments for the Series 2007 Bonds and the Prior Bonds and to

make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. A. With respect to the Series 2007 A 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.

B. The Issuer shall execute and deliver the Series 2007 B Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2007 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 2007 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 Series 2007 B Bonds to the original purchasers;

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

(4) An executed copy of the Loan Agreement; and

(5) The unqualified approving opinion of bond counsel on the Series 2007 B Bonds.

Section 3.10. Form of Bonds. The text of the Series 2007 A Bonds and the Series 2007 B Bonds shall be in substantially the following respective forms, 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 2007 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4
WATER REVENUE BOND, SERIES 2007 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

No. AR-1 Date: _____, 2007

FOR VALUE RECEIVED, MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4 (the "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 this 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 acquisition and construction of improvements and extensions to the existing public waterworks system (the "System") of the Borrower, is payable solely from the net revenues to be derived from the operation of the System in the manner provided in the hereinafter defined Resolution. This Bond does not in any manner constitute an indebtedness of 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 Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Resolution 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 on _____, 2007, and a Supplemental Resolution of the Borrower duly adopted on _____, 2007, 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 Farmer and Rural Development Act of 1965. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE BORROWER'S:

(1) WATER REVENUE BONDS, SERIES 1996 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED July 25, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $140,000 (THE "SERIES 1996 A BONDS");

(2) WATER REVENUE BONDS, SERIES 1996 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 25, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $380,000 (THE "SERIES 1996 B BONDS");

(3) WATER REVENUE BONDS, SERIES 1989 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 23, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $372,000 (THE "SERIES 1989 BONDS");

(4) WATER REVENUE BONDS, SERIES 1982 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED NOVEMBER 3, 1982, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,175,000 (THE "SERIES 1982 BONDS"); (COLLECTIVELY, THE "PRIOR BONDS"), AND

(5) WATER REVENUE BONDS, SERIES 2007 B (WEST VIRGINIA DWTRF PROGRAM), DATED _____, 2007, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,225,000.

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, MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4 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.

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4
(Name of Borrower)

[CORPORATE SEAL]

_____
(Signature of Executive Official)

Chairman
(Title of Executive Official)

P.O. Box 709
(P.O. Box No. or Street Address)

Moundsville , West Virginia 26041
(City, State and Zip Code)

ATTEST:

_____
(Signature of Attesting Official)

Secretary
(Title of Attesting Official)

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 to___ _____ 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 Borrower with full power of substitution in the premises.

Dated: _____,2____.

_____

In presence of:

_____

(FORM OF SERIES 2007 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4
WATER REVENUE BOND, SERIES 2007 B
(WEST VIRGINIA DWTRF PROGRAM)

No. BR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That on the ____ day of _____, 2007, MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4, a public service district and public corporation and political subdivision of the State of West Virginia in Marshall 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 _____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, _____, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear no interest. The Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20__, as set forth on EXHIBIT B attached hereto.

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 Bureau for Public Health (the "BPH"), 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 BPH, dated _____, 2007.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of improvements and extensions to the existing public waterworks system 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 waterworks system of th Issuer, the Project and any further additions, betterments or improvements 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 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on _____, 2007, and a Supplemental Resolution duly adopted by the Issuer on _____, 2007 (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, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE BORROWER'S:

(1) WATER REVENUE BONDS, SERIES 1996 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED July 25, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $140,000 (THE "SERIES 1996 A BONDS");

(2) WATER REVENUE BONDS, SERIES 1996 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 25, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $380,000 (THE "SERIES 1996 B BONDS");

(3) WATER REVENUE BONDS, SERIES 1989 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 23, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $372,000 (THE "SERIES 1989 BONDS");

(4) WATER REVENUE BONDS, SERIES 1982 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED NOVEMBER 3, 1982, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,175,000 (THE "SERIES 1982 BONDS"); (COLLECTIVELY, THE "PRIOR BONDS"), AND

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

ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,328,300 (THE "SERIES 2007 A 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 2007 A Bonds and the Prior Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2007 B 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 which 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 2007 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, 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 Series 2007 A Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2007 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 the Bonds, including the Series 2007 A Bonds and the Prior 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.

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, 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.

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, MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4 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 date first written above.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2007 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: _____, 2007

THE HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

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: _____, 2____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. A. The Series 2007 A 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.

B. The Series 2007 B Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, are hereby approved and incorporated into this Bond Legislation.

Section 3.12. "Amended Schedule B" Filing. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Purchaser, the Authority and the BPH a schedule, the forms of which will be provided by the Purchaser, the Authority and the BPH, setting forth the actual costs of the Project and sources of funds therefor.

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 (or continued if previously established by the Prior Resolutions) with and shall be held by the Depository Bank, separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

(1) Revenue Fund (established by the Prior Resolutions and continued hereby);

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

(3) Series 2007 A Bonds Construction Trust Fund, and

(4) Series 2007 B Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission . The following special funds or accounts are hereby created (or continued if previously established by the Prior Resolutions) 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 1982 Bonds Reserve Account (established by Prior Resolution and continued hereby);

(2) Series 1989 Bonds Reserve Account (established by Prior Resolution and continued hereby);

(3) Series 1996 A Bonds Reserve Account (established by Prior Resolution and continued hereby);

(4) Series 1996 B Bonds Reserve Account (established by Prior Resolution and continued hereby);

(5) Series 2007 A Bonds Reserve Account;

(6) Series 2007 B Bonds Sinking Fund; and

(7) Series 2007 B Bonds Reserve Account.

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

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

(2) The Issuer shall next, each month, on or before the due date thereof, transfer from the Revenue Fund and simultaneously (i) remit to the National Finance Office the amount required by the Prior Resolutions to pay the interest on the Prior Bonds; and (ii) remit to the National Finance Office the amount required to pay interest on the Series 2007 A Bonds.

(3) The Issuer shall next, each month, transfer from the Revenue Fund and simultaneously (i) on or before the due date thereof, remit to the National Finance Office the amount required by the Prior Resolutions to pay the principal of the Prior Bonds; (ii) on or before the due date thereof, remit to the National Finance Office, commencing 24 months following the date of delivery of the Series 2007 A Bonds, the amount required to amortize the principal of the Series 2007 A Bonds over the life of the bond issue; and (iii) on the first day of each month, remit to the Commission, commencing 3 months prior to the first date of payment of principal of the Series 2007 B Bonds, for deposit in the Series 2007 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2007 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 deposit in the Series 2007 B Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment 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.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Commission the amounts required by the Prior Resolutions to be deposited in the Reserve Accounts for the Prior Bonds; (ii) beginning on the date specified by the Purchaser, but in any event not later than the 24th monthly anniversary of the Closing Date, and continuing on each monthly anniversary of the Closing Date thereafter, transfer from the Revenue Fund and remit to the Commission, for deposit in the Series 2007 A Bonds Reserve Account, an amount equal to 10% of the monthly payment amount, until the amount in the Series 2007 A Bonds Reserve Account equals the Series 2007 A Bonds Reserve Requirement; provided that, no further payments

shall be made into the Series 2007 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2007 A Bonds Reserve Requirement; and (iii) remit to the Commission, commencing 3 months after the completion of construction of the Project, as certified by the Consulting Engineers, if not fully funded upon issuance of the Series 2007 B Bonds, for deposit in the Series 2007 B Bonds Reserve Account, an amount equal to 1/120th of the Series 2007 B Bonds Reserve Requirement, until the amount in the Series 2007 B Bonds Reserve Account equals the Series 2007 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2007 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 2007 B Bonds Reserve Requirement.

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

(6) After all 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 2007 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2007 B Bonds as the same shall come due, when other monies are insufficient therefor, and for no other purpose. Whenever the monies in the Series 2007 B Bonds Reserve Account shall be sufficient to prepay the Series 2007 B 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 2007 B Bonds, together with accrued interest thereon to such prepayment date.

Monies in the Series 2007 B Bonds Sinking Fund shall be used only for the purpose of paying principal of and interest, if any, on the Series 2007 B Bonds as the same shall become due. Monies in the Series 2007 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2007 B Bonds as the same shall come due, when other monies in the Series 2007 B Bonds Sinking Fund are insufficient therefor, and for no other purpose. Whenever the monies in the Series 2007 B Bonds Reserve Account shall be sufficient to prepay the Series 2007 B 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 2007 B Bonds and accrued interest, if any, thereon to such prepayment date.

All investment earnings on monies in the Series 2007 A Bonds Reserve Account (if fully funded), the Series 2007 B Bonds Sinking Fund and the Series 2007 B Bonds Reserve Account (if fully funded) 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 respective Series 2007 Bonds Construction Trust Funds, and following completion of construction 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 2007 A Bonds and the Series 2007 B Bonds, respectively, and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 2007 A Bonds Reserve Account or the Series 2007 B Bonds Reserve Account which result in a reduction in the balance of such accounts to below the Series 2007 A Bonds Reserve Requirement or the Series 2007 B Bonds Reserve Requirement, respectively, shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the 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 Series 2007 A Bonds Reserve Account or the Series 2007 B Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the respective Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2007 A Bonds, the Series 2007 B 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 BPH and the Authority.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2007 A Bonds Reserve Account, the Series 2007 B Bonds Sinking Fund and the Series 2007 B Bonds Reserve Account created hereunder, and all amounts required for such funds shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Purchaser, the Authority or the BPH at any time, the Issuer shall make the necessary arrangements whereby required payments into the said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2007 A Bonds Reserve Account, the Series 2007 B Bonds Sinking Fund and the Series 2007 B Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2007 A Bonds Reserve Account, the Series 2007 B Bonds Sinking Fund and the Series 2007 B Bonds Reserve Account, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2007 A Bonds and the Series 2007 B 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) remit to the Commission the required principal, interest and reserve account payments 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 Administrative Fee as set forth in the Schedule Y attached to the Loan Agreement.

C. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Loan Agreement, and submit a copy of said form, together with a copy of its payment check to the Authority by the 5th day of such 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, fees and expenses then due. In the case of payments to the Commission under this paragraph, the Issuer shall, if required by either the Authority or the BPH 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 maximum amounts insured by FDIC in any fund or account shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

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

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

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

J. All Tap Fees shall be deposited by the Issuer, as received, in the respective Series 2007 Bonds Construction Trust Funds, 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; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2007 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2007 A Bonds, there shall be deposited with the Commission in the Series 2007 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2007 A Bonds Reserve Account.

B. From the proceeds of the Series 2007 B Bonds, there shall be deposited with the Commission in the Series 2007 B Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2007 B Bonds Reserve Account.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2007 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2007 A Bonds Construction Trust Fund and applied solely to payment of 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 2007 A Bonds.

D. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2007 B Bonds, such monies shall be deposited with the Depository Bank in the Series 2007 B Bonds Construction Trust Fund and applied solely to payment of 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 2007 B 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 2007 A Bonds shall be expended as directed by the Purchaser and any remaining proceeds of the Series 2007 B Bonds shall be expended as directed by the BPH.

Section 6.02. Disbursements From the Bond Construction Trust Funds.

A. The proceeds of the Series 2007 A Bonds in the Series 2007 A 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.

B. The Issuer shall each month provide the BPH with a requisition for the costs incurred for the Project, together with such documentation as the BPH shall require.

Payments of all Costs of the Project from the Series 2007 B Bonds shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements of proceeds of the Series 2007 B Bonds from the Series 2007 B Bonds Construction Trust Fund shall be made only after submission to the BPH of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

(i) None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;

(ii) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

(iii) Each of such costs has been otherwise properly incurred; and

(iv) Payment for each of the items proposed is then due and owing.

Pending such application, monies in the Series 2007 B Bonds Construction Trust Fund 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 Series 2007 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 2007 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 2007 Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer . The Series 2007 Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2007 Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of all the Series 2007 Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System, on a parity with the lien on the 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, if any, on the Series 2007 Bonds and the Prior 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. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Recommended Decision of the Public Service Commission of West Virginia entered April 26, 2007 and Commission Order dated July 12, 2007 in Case No. 06-1513-PWD-CN, and such rates are hereby adopted, which rates are incorporated herein by reference as a part hereof.

So long as the Prior Bonds and the Series 2007 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 Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2007 Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees 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 Loan Agreement.

Section 7.05. Sale of the System . So long as the Prior Bonds are outstanding, the provisions governing the sale of the System, or any part thereof, shall be as set forth and described in the Prior Resolutions and the System may not be sold, mortgaged, leased or otherwise disposed of unless the Issuer has obtained the written consent of the Purchaser, the Authority and the BPH, as applicable bondholders. Further, so long as the Series 2007 Bonds are outstanding and except as otherwise required by law, and with the written consent of the Purchaser, the Authority and the BPH, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2007 A Bonds, immediately be remitted to the National Finance Office, and with respect to the Series 2007 B Bonds, immediately be remitted to the Commission for deposit in the Series 2007 B Bonds Sinking Fund, and, with the written consent of the Purchaser, the Authority and the BPH, the Issuer shall direct the National Finance Office and the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2007 Bonds. Any balance remaining after the payment of all the Series 2007 Bonds and interest, if any, thereon shall be remitted to the Issuer 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, in writing, determine upon consultation with a professional engineer 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 such fund 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 for in Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other 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 Bonds. All obligations issued by the Issuer after the issuance of the 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 and source of and security for payment from such revenues and in all other respects, to the 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 Bonds, and the interest thereon, if any, upon any of the income and revenues of the System pledged for payment of the Bonds and the interest, if any, thereon in this Bond Legislation, or upon the System or any part thereof.

The Issuer shall give the Purchaser, the Authority and the BPH 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 for the System, 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. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2007 Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority, the BPH and the Purchaser and 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 2007 Bonds.

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

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

(1) The Bonds Outstanding;

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

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

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

So long as the Series 2007 B Bonds are outstanding, no Parity Bonds shall be issued at any time, 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 expected 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 expected 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 time for appeal of which shall have 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. All Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

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

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

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

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Purchaser, the Authority and the BPH 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 BPH such documents and information as they 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 BPH 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, the BPH and the Authority, or any other original purchaser of the Bonds, and shall mail in each year to any Holder or Holders of the 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 payable from the revenues of the System 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 in compliance with the applicable OMB Circular, or any successor thereto and the Single Audit Act, or any successor thereto, to the extent legally required), and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2007 Bonds and shall submit said report to the Purchaser, the Authority and the BPH, or any other original purchaser of the Series 2007 Bonds. Such audit report submitted to the Purchaser, the Authority and the BPH 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 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 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 Loan Agreement 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 BPH, or their agents and representatives, to enter and inspect the Project site and Project 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 Authority and the BPH, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority, the BPH and the Purchaser with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the issuance of the Series 2007 Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from 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 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2007 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2007 Bonds, including the Prior Bonds; provided that, in the event that an amount equal to or in excess of the reserve requirement is on deposit respectively in the Reserve Accounts and any reserve accounts for obligations on a parity with the Series 2007 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 2007 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2007 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 hereof.

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 BPH within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance within 30 days of adoption to the Purchaser, the Authority and the BPH, or to any Holder of the 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 BPH, the Authority and any Holder of any Bonds or anyone acting for and on behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for 2 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 Loan Agreement, and forward a copy of such report to the Authority and the BPH 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 Loan Agreement, 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 BPH, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Purchaser, the Authority and the BPH 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 BPH 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 BPH 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 DWTRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify BPH in writing of such receipt.

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the DWTRF Regulations, to the BPH when the Project is 90% completed. The Issuer shall at all times provide operation and maintenance 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 certified operator to operate the System during the entire term of the Loan Agreement. The Issuer shall notify BPH 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 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 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.

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 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 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 Loan Agreement, 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 Purchaser, 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 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 unless an increased amount is requested by the Purchaser from time to 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 BPH and the Issuer shall verify such insurance prior to commencement of construction. In the event the Loan Agreement so requires, 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.

Section 7.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the Public Service Commission of West Virginia, the Issuer shall require every owner, tenant or occupant of any house, dwelling, or building intended to be served by the System to connect thereto.

Section 7.17. Completion of Project; Permits and OrdersThe 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 BPH necessary for the acquisition and construction

of the Project and the operation of the System and all approvals for issuance of the Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. Compliance with Letter of Conditions, Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Letter of Conditions, the Loan Agreement, the Act and this Bond Legislation. The Issuer shall also comply with all applicable laws, rules and regulations issued by the Purchaser, the Authority and the BPH, 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. The Issuer shall provide the BPH with copies of all documents submitted to the Purchaser and the Authority.

Section 7.19. RESERVED

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

Section 7.21. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2007 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 2007 Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.22. Contracts; Public Releases . A. The Issuer shall, simultaneously with the delivery of the Series 2007 Bonds or 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 BPH for written approval. The Issuer shall obtain the written approval of the Purchaser and the BPH before expending any proceeds of the Series 2007 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 BPH before expending any proceeds of the Series 2007 Bonds made available due to bid or construction or project underruns.

C. The Issuer shall list the funding as being provided by the Purchaser, the Authority and the BPH 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; USE OF PROCEEDS

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 investment or trust 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 if reasonably requested by the Issuer), a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest on the 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 2007 B Bonds as a condition to issuance of the Series 2007 B 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 2007 B Bonds as may be necessary in order to maintain the status of the Series 2007 B 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 2007 B 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 BPH, as the case may be, from which the proceeds of the Series 2007 B 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 BPH, 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 2007 B 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 2007 Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on any series of the Series 2007 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 2007 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2007 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, the Registrar, the Paying Agent 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 2007 Bonds or the Prior Bonds, it shall constitute an "Event of Default" with respect to the other series of the Series 2007 Bonds.

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

violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2007 A Bonds and the Series 2007 B Bonds shall be on a parity with each other and the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the 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 Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of 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 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 do.

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

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the 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 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 the System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2007 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 Owner of the Series 2007 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 2007 Bonds from gross income for federal income tax purposes.

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

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2007 Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2007 Bonds, no material modification or amendment of this Resolution, or of any resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2007 Bonds, shall be made without the consent in writing of the Registered Owners of the Series 2007 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the 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 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 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 excludability of interest, if any, on the Series 2007 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 2007 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 2007 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 and or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed; provided that, this Section shall not be applicable to the Loan Agreement or the Loan Resolution (Form FmHA 442-47); and 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 or any portion thereof 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 in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, the 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.

[Remainder of Page Intentionally Blank]

Adopted this 24th day of September, 2007.

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

By: _____
Its: Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4 on September 24, 2007.

Dated: September 26, 2007.

[SEAL]

Donna Crawford
Secretary

04.07.07
553380.00001

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

Water Revenue Bonds, Series 2007 A,
(United States Department of Agriculture); and
Water Revenue Bonds, Series 2007 B
(West Virginia DWTRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2007 A (UNITED STATES DEPARTMENT OF AGRICULTURE), AND WATER REVENUE BONDS, SERIES 2007 B (WEST VIRGINIA DWTRF PROGRAM), OF MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO THE SERIES 2007 B BONDS; AUTHORIZING AND APPROVING THE SALE OF THE SERIES 2007 A BONDS TO THE UNITED STATES DEPARTMENT OF AGRICULTURE AND THE SERIES 2007 B BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; 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 Marshall County Public Service District No. 4 (the "Issuer") has duly and officially adopted a bond resolution on September 24, 2007 (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4 AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE

DISTRICT NO. 4 OF NOT MORE THAN $2,328,300 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2007 A, AND NOT MORE THAN $1,225,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2007 B (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO THE SERIES 2007 B 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 Bond Resolution when used herein;

WHEREAS, the Bond Resolution provides for the issuance of Water Revenue Bonds, Series 2007 A (United States Department of Agriculture), and Water Revenue Bonds, Series 2007 B (West Virginia DWTRF Program), of the Issuer (collectively, the "2007 Bonds" and individually, the "Series 2007 A Bonds" and the "Series 2007 B Bonds"), in the respective aggregate principal amounts not to exceed $2,328,300 and $1,225,000, and has authorized the execution and delivery of the loan agreement relating to the Series 2007 B Bonds, including all schedules and exhibits attached thereto, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH") (the "Loan Agreement"), all in accordance with Chapter 16, Article 13A, and Chapter16, Article 13C 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 Loan 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 2007 Bonds should be established by a supplemental resolution pertaining to the 2007 Bonds; and that other matters relating to the 2007 Bonds be herein provided for;

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

WHEREAS, the Series 2007 A Bonds are proposed to be purchased by the United States Department of Agriculture, acting for and on behalf of the United States of America (the "Purchaser") pursuant to a Letter of Conditions, and all amendments, and the Series 2007 B Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan 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 2007 Bonds be fixed hereby in the manner stated herein, and that other matters relating to the 2007 Bonds be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4:

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

A. Water Revenue Bonds, Series 2007 A (United States Department of Agriculture), of the Issuer, originally represented by a single bond, numbered AR-1 in the principal amount of $2,328,300. The Series 2007 A Bonds shall be dated the date of delivery thereof, shall bear interest at the rate of 4.25% per annum, interest only payable in monthly installments for the first 24 months commencing 30 days following delivery of the Series 2007 A Bonds and continuing on the corresponding day of each month and, thereafter, principal and interest are payable in monthly installments of $10,315 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 2007 A 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 2007 A 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 2007 A Bonds. Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer.

B. Water Revenue Bonds, Series 2007 B (West Virginia DWTRF Program), of the Issuer, originally represented by a single bond, numbered BR-1, in the principal amount of $1,225,000. The Series 2007 B Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2039, and shall bear no interest. The principal of the Series 2007 B Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2009, to and including June1, 2039, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2007 B Bonds. The Series 2007 B Bonds shall

be subject to redemption upon the written consent of the Authority and the BPH, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2007 B Bonds. The Issuer does hereby approve and shall pay the Administrative Fee equal to 1% as set forth in Schedule Y attached to the Loan Agreement.

Section 2. All other provisions relating to the 2007 Bonds and the text of the 2007 Bonds shall be in substantially the form provided in the Bond Resolution.

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the BPH and the Authority. 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 2007 Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2007 A Bonds and the Series 2007 B 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 2007 B Bonds under the Bond Resolution and does approve and accept the Registrar's Agreement to be dated the date of delivery of the 2007 Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2007 B Bonds under the Bond Resolution.

Section 6. The Issuer does hereby appoint and designate Branch Banking & Trust Company, Moundsville, West Virginia, to serve as Depository Bank under the Bond Resolution.

Section 7. All proceeds of the Series 2007 A Bonds shall be deposited in or credited to the Series 2007 A 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 2007 A Bonds.

Section 8. Series 2007 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 2007 B Bonds Sinking Fund, as capitalized interest.

Section 9. Series 2007 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 2007 B Bonds Reserve Account.

Section 10. The balance of the proceeds of the Series 2007 B Bonds shall be deposited in or credited to the Series 2007 B Bonds Construction Trust Fund for payment of the costs of the Project, including, without limitation, costs of issuance of the 2007 Bonds and related costs.

Section 11. 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 2007 Bonds to be issued hereby and by the Bond Resolution approved and provided for, to the end that the Series 2007 A Bonds may be delivered on or about September 26, to the Purchaser pursuant to the Letter of Conditions, and the Series 2007 B Bonds may be delivered on or about September 26, to the Authority pursuant to the Loan Agreement.

Section 12. The acquisition and construction of the Project and the financing thereof in part with proceeds of the 2007 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 13. 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 of the proceeds of the 2007 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 2007 A Bonds Reserve Account, the Series 2007 B Bonds Sinking Fund and the Series 2007 B Bonds Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 14. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 15. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 24th day of September, 2007.

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

By: _____
Its: Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4 on this 24th day of September, 2007.

Dated: September 26, 2007.

[SEAL]

Donna Crawford
Secretary

553380.00001

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

Water Revenue Bond, Series 1989

BOND RESOLUTION

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MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

RESOLUTION AUTHORIZING THE ISSUANCE OF $372,000 WATER REVENUE BOND, SERIES 1989, OF MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4, ON PARITY WITH THE OUTSTANDING 1971 BONDS AND 1982 BOND OF THE DISTRICT, TO FINANCE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC SERVICE PROPERTIES CONSISTING OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM AND ALL APPURTENANT FACILITIES IN THE DISTRICT; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BOND; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDER OF THE BOND; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT

BE IT RESOLVED AND ORDERED BY THE PUBLIC SERVICE BOARD OF MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for This Resolution. This Resolution is adopted pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. Marshall County Public Service District No. 4 (the "Issuer") is a public service district and political subdivision of the State of West Virginia in Marshall County of said State, duly created pursuant to the Act by The County Commission of Marshall County.

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

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

B. It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer, and, accordingly, it is hereby ordered,

that there be acquired and constructed certain additions, extensions and improvements to the existing waterworks facilities of the Issuer, consisting of water mains, a storage tank and all necessary appurtenant facilities (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Secretary of the Public Service Board (the "Governing Body") of the Issuer. The Issuer will continue to purchase water from the City of Moundsville pursuant to a water purchase contract between the Issuer and said City. The existing waterworks facilities of the Issuer, together with the Project and any further additions, extensions or improvements thereto is herein called the "System." The acquisition and construction of the Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

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

D. The estimated maximum cost of the acquisition and construction of the Project will not exceed $1,509,000, of which $372,000 will be obtained from the proceeds of sale of the Bond herein authorized, $373,000 from a grant by the Purchaser (as hereinafter defined), $680,000 from a grant by the Department of Housing and Urban Development (Small Cities Block Grant) and $84,000 from funds of the Issuer lawfully available therefor.

E. It is necessary for the Issuer to issue its revenue bond in the principal amount of $372,000 to finance a portion of the cost of such acquisition and construction in the manner hereinafter provided. The cost of such acquisition and construction shall be deemed to include, without being limited to, the acquisition and construction of the Project; the acquisition of any necessary property, real or personal, or interest therein; interest on the Bond prior to, during and for six months after completion of such construction to the extent that revenues of the System are not sufficient therefor; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; and such other expenses as may be necessary or incidental to the acquisition and construction of the Project and the financing authorized hereby; provided that, reimbursement to the Issuer for any amounts expended by it for the repayment of indebtedness incurred for Costs of the Project by the Issuer shall be deemed Costs of the Project.

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

G. There are outstanding obligations of the Issuer which will rank on a parity with the Bond as to liens, pledges and sources of and security for payment, being the Water System Revenue Bonds, Series 1971, dated February 11, 1971 (the "1971 Bonds"), issued in the original principal amount of $194,000 and the Water Revenue Bond, Series 1982, dated November 3, 1982 (the "1982 Bond"), issued in the original principal amount of $1,175,000, both held by the Purchaser (as hereinafter defined). The 1971 Bonds and the 1982 Bond are hereinafter collectively referred to as the "Prior Bonds." There are no other outstanding bonds or obligations of the Issuer which will rank prior to or on a parity with the Bond as to liens, pledges and/or source of and security for payment.

The Issuer is not in default under the terms of the Prior Bonds or any resolution or 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 waiver thereof.

H. It is in the best interest of the Issuer that the Bond be sold to the United States Department of Agriculture, Farmers Home Administration (the "Purchaser"), pursuant to the terms and provisions of a Letter of Conditions dated December 2, 1987, the amended Letter of Conditions dated July 26, 1988, and the amended Letter of Conditions dated July 7, 1989, and all amendments thereto (collectively, the "Letter of Conditions").

I. The Issuer has complied with all requirements of law relating to the authorization of the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Bond, or will have so complied prior to issuance of the Bond, including among other things and without limitation, the consent and approval, pursuant to the Act and other applicable provisions of law, of the issuance of the Bond, the acquisition and construction of the Project and the imposition of rates and charges by the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Bond by those who shall be the registered owner of the same from time to time, this Resolution (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Bondholder, and the covenants and

agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the registered owner of the Bond.

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

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

"Bond" means the Water Revenue Bond, Series 1989, authorized hereby.

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

"Bonds" means, collectively, the Bond, the 1971 Bonds and the 1982 Bond.

"1971 Bonds" means the outstanding Water System Revenue Bonds, Series 1971, of Issuer described in Section 1.02G hereof.

"1982 Bond" means the outstanding Water Revenue Bond, Series 1982, of the Issuer described in Section 1.02G hereof.

"Chairman" means the Chairman of the Governing Body.

"Commission" means the West Virginia Municipal Bond Commission (formerly the State Sinking Fund Commission) or any other agency of the State of West Virginia that succeeds to the functions of the Commission.

"Consulting Engineer" means Cerrone & Associates, Inc., Wheeling, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

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

"FDIC" means the Federal Deposit Insurance Corporation.

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

"Governing Body" means the Public Service Board of the Issuer.

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

"Herein" or "herein" means in this Bond Legislation.

"Issuer" or "Borrower" or "District" means Marshall County Public Service District No. 4, in Marshall County, West Virginia, and includes the Governing Body.

"Letter of Conditions" means the Letter of Conditions of the Purchaser dated December 2, 1987, the amended Letter of Conditions dated July 26, 1988, and the amended Letter of Conditions dated July 7, 1989, and all amendments thereto.

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

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting principles and retention of a sum not to exceed 1/6th of the budgeted Operating Expenses stated above for the current year as working capital, and language herein requiring payment of Operating Expenses means also retention of not to exceed such sum as working capital, provided that all monthly amortization payments upon the Bond and into the Reserve Account and Depreciation Reserve have been made to the last monthly payment date prior to the date of such retention.

"Prior Bonds" means, collectively, the outstanding 1971 Bonds and 1982 Bond of the Issuer described in Section 1.02G hereof.

"Prior Resolutions" means, collectively, the 1971 Resolution and the 1982 Resolution, all hereinafter defined.

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

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

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

(a) Government Obligations;

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

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

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

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC (hereinbefore defined) or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either

must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

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

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

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

"Registered Owner," "Bondholder," "Holder of the Bond" or any similar term means any person who shall be the registered owner of the Bond.

"Registrar" means the Issuer, which shall usually so act by its Secretary.

"Resolutions" means, collectively, the 1971 Resolution and the 1982 Resolution and the Bond Legislation.

"1971 Resolution" means the resolution of the Issuer adopted January 26, 1971, authorizing the 1971 Bonds.

"1982 Resolution" means the resolution of the Issuer adopted November 3, 1982, authorizing the 1982 Bond.

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

"Secretary" means the Secretary of the Governing Body.

"System" means the waterworks of the Issuer as improved, enlarged and expanded by the Project, and includes the complete waterworks system of the Issuer and all waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks system; and shall also include any and all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the waterworks system of the Issuer.

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized the acquisition and construction of the Project, at an estimated cost of $1,509,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Bond hereby authorized shall be applied as provided in Article IV hereof.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BOND

Section 3.01. Authorization of Bond. Subject and pursuant to the provisions of the Bond Legislation, the Bond of the Issuer, to be known as "Water Revenue Bond, Series 1989," is hereby authorized to be issued in the aggregate principal amount of not exceeding $372,000 for the purpose of permanently financing a portion of the cost of the acquisition and construction of the Project.

Section 3.02. Description of Bond. The Bond shall be issued in single form, numbered R-1, only as a fully registered Bond, and shall be dated the date of delivery thereof. The Bond shall bear interest from the date of delivery, payable monthly at the rate of 5% per annum, and shall be sold for the par value thereof.

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

Section 3.03. Negotiability, Registration, Transfer and Exchange of Bonds. The Bond shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but the Bond, and the right to principal of and stated interest on the Bond, may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.04 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Registrar. No interest in the Bond shall be transferable except by means of transfer of registration of a Bond representing such interest and delivery of a new Bond or Bonds in exchange therefor in accordance with this Bond Legislation.

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

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

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

The Registrar shall accept the Bond for registration or transfer only if ownership thereof is to be registered in the name of the Government, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust and/or such other identifying number and information as may be required by law.

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

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his, her or its ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Bond so surrendered shall be canceled and held for the account of the Issuer. If the Bond shall

have matured or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, and, if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bond Secured by Pledge of Net Revenues. The payment of the debt service of the Bond shall be secured forthwith by a first lien on the Net Revenues derived from the System on a parity with the Prior Bonds in addition to the statutory mortgage lien on the System hereinafter provided for as to the Bonds. The Net Revenues derived from the System in an amount sufficient to pay the principal of and interest on the Bond, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Bond as the same become due all on a parity with the Prior Bonds.

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

(Form of Bond)

WATER REVENUE BOND, Series 1989

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

$372,000

No. R-1 Date: _____

FOR VALUE RECEIVED, MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4 (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (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 THREE HUNDRED SEVENTY-TWO THOUSAND DOLLARS ($372,000), plus interest on the unpaid principal balance at the rate of 5% 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 $1,827, 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 Farmers Home Administration according to the source of funds involved, shall, after

payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

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

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

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

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

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

Borrower within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Borrower, as Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Resolution 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 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 authorizing issuance of this Bond (the "Resolution").

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

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

This Bond is on a parity as to liens, pledges and sources of and security for payment, and in all other respects, with the 1971 Bonds and the 1982 Bond described in said Resolution.

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4
(Name of Borrower)

[CORPORATE SEAL]

_____
(Signature of Executive Official)

Chairman, Public Service Board
(Title of Executive Official)

P.O. Box 709
(P. O. Box No. or Street Address)

Moundsville, West Virginia 26041
(City, State and Zip Code)

ATTEST:

_____
(Signature of Attesting Official)

Secretary, Public Service Board
(Title of Executive Official)

(Form of)

RECORD OF ADVANCES

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

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:

_____

ARTICLE IV

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

Section 4.01. Bond Proceeds; Project Construction Account. The proceeds of the sale of the Bond shall be deposited upon receipt by the Issuer in Mercantile Banking and Trust Company, Moundsville, West Virginia, a member of FDIC, in a special account hereby created and designated as "Marshall County Public Service District No. 4 Project Construction Account" (herein called the "Project Construction Account"). The moneys in the Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by such bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Moneys in the Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

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

Until completion of acquisition and construction of the Project, the Issuer will additionally transfer from the Project Construction Account and pay to the Purchaser on or before the due date, such sums as shall be from time to time required to make the monthly installments on the Bond if there are not sufficient Net Revenues to make such monthly payment.

Pending application as provided in this Section 4.01, money and funds in the Project Construction Account shall be invested and reinvested at the direction of the Issuer, to the extent possible in accordance with applicable law, in Qualified Investments.

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

Section 4.02. Covenants of the Issuer as to System Revenues and Funds. So long as any of the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Account, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the holders of the Bonds as follows:

A. REVENUE FUND. The entire Gross Revenues derived from the operation of the System, and all parts thereof, shall be deposited as collected by the Issuer in a special fund in a bank or trust company in the State of West Virginia which is a member of the FDIC, which fund, known as the "Revenue Fund" was previously established by the 1971 Resolution and continued by the 1982 Resolution and is continued hereby. The Revenue Fund shall constitute a trust fund for the purposes provided in the Resolutions and shall be kept separate and distinct from all other funds of the Issuer and used only for the purposes and in the manner provided in the Resolutions.

B. DISPOSITION OF REVENUES. All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

(i) The Issuer shall first each month pay from the moneys in the Revenue Fund all current Operating Expenses.

(ii) The Issuer shall next, before the end of each month, transfer from the Revenue Fund and pay or remit (a) to the Commission, for deposit into the Sinking Fund, established with the Commission under the 1971 Resolution with respect to the 1971 Bonds, one-twelfth of the amount required to pay the interest becoming due on the 1971 Bonds on the next interest payment date and one-twelfth of the amount of principal maturing on the next 1971 Bond principal maturity date; (b) to the National Finance Office designated in the 1982 Bond (or such other place as may be subsequently designated pursuant to the 1982 Bond) the amount required to pay the interest on the 1982 Bond and to amortize the principal of the 1982 Bond over the life of such Bond issue; and (c) to the National Finance Office designated in the Bond (or such other place as may be subsequently designated pursuant to the Bond), the amount required to pay the interest on the Bond and to amortize the principal of the Bond over the life of such Bond issue. All payments with respect to principal of and interest on the Bonds shall be made on an equal pro rata basis in accordance with the respective aggregate principal amounts thereof outstanding and on a parity with each other.

The District shall also remit to the Commission, from time to time, such amounts as shall be required to pay the fiscal charges due to paying agents for paying the 1971 Bonds and the interest thereon.

(iii) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Commission, for deposit in the Reserve Account in said Sinking Fund, initially established with the Commission by the 1971 Resolution and continued by the 1982 Resolution and hereby, 1/12th of 1/10th of the maximum aggregate amount of principal and interest which will become due on the Bonds in any year, until the amount in the Reserve Account equals the sum of $103,924, such sum being herein called the "Minimum Reserve." After the Minimum Reserve has been accumulated in the Reserve Account, the Issuer shall monthly remit to the Commission for deposit into the Reserve Account such part of the moneys remaining in the Revenue Fund, after such provision for payment of monthly installments on, or payments with respect to, the Bonds and for payment of Operating Expenses of the System, as shall be required to maintain the Minimum Reserve in the Reserve Account. Moneys in the Reserve Account shall be used solely to make up any deficiency for monthly payments of the principal of and interest on or with respect to the Bonds to the Commission and said National Finance Office (or other place designated pursuant to the 1982 Bond and/or the Bond) as the same shall become due or for prepayment of installments on the Bonds, or for mandatory prepayment of the Bonds as hereinafter provided, and for no other purpose, on an equal pro rata basis in accordance with the respective aggregate principal amounts thereof outstanding and on a parity with each other.

(iv) The Issuer shall next, by the fifteenth day of each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Depreciation Reserve, initially established with the Commission by the 1971 Resolution and continued by the 1982 Resolution and hereby, the moneys remaining in the Revenue Fund and not

permitted to be retained therein, until there has been accumulated in the Depreciation Reserve the aggregate sum of $103,270, and thereafter such sums as shall be required to maintain such amount therein. Moneys in the Depreciation Reserve shall be used first to make up any deficiencies in the Sinking Fund or otherwise for monthly payments of principal of and interest on the Bonds as the same become due or mature, and next to restore to the Reserve Account any sum or sums transferred therefrom to the Sinking Fund or otherwise, all on a pro rata basis. Thereafter, and provided that payments into the Sinking Fund and the Reserve Account are current and in accordance with the foregoing provisions, moneys in the Depreciation Reserve may be withdrawn by the Issuer and used for extraordinary repairs and for replacements of equipment and improvements for the System, or any part thereof.

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

Whenever the moneys in the Sinking Fund and in the Reserve Account shall be sufficient to redeem or prepay the Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to redeem or prepay the Bonds at the earliest practical date and in accordance with applicable provisions hereof.

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

All the funds provided for in this Article IV other than the Project Construction Account shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser

shall have a lien thereon for further securing payment of the Bonds and the interest thereon.

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

Subject to the Prior Resolutions, the Commission shall keep the moneys in the Sinking Fund, the Reserve Account and the Depreciation Reserve invested and reinvested to the fullest extent possible in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Bond Legislation shall, unless otherwise provided herein or required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia State Board of Investments. Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Earnings upon moneys in the Reserve Account, so long as the Minimum Reserve is on deposit and maintained therein, shall be paid annually in January into the Revenue Fund by the Commission.

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

D. USER CONTRACTS. The Issuer shall, prior to delivery of the Bond, provide evidence that there will be at least 160 bona fide users upon the System on completion of the Project, in full compliance with the requirements and conditions of the Purchaser.

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

F. INVESTMENT OF EXCESS BALANCES. The moneys in excess of the sum insured by FDIC in the Revenue Fund shall at all times be secured, to the full extent thereof in excess of such insured sum, in a lawful manner for securing deposits of state and municipal funds under the laws of the State of West Virginia.

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

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

ARTICLE V

GENERAL COVENANTS, ETC.

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

Section 5.02. Rates. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the annual debt service on the Bonds and sufficient to make the payments required herein into the Reserve Account and the Depreciation Reserve and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes.

Section 5.03. Sale of the System. The System will not be sold without the prior written consent of the Purchaser so long as the Bond is outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 5.04. Issuance of Additional Parity Bonds or Obligations. No additional parity bonds or obligations payable out of any of the Revenues of the System shall be issued, except with the prior written consent of the Purchaser.

Section 5.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Bond remains outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(a) Real Property Insurance, to be procured upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground structures of the System and mechanical and electrical equipment in place or stored on the

site in an amount equal to the full insurable value thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

(b) Public Liability Insurance, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Bond.

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

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

required by the laws of the State of West Virginia.

(e) Flood Insurance to be procured, to the extent available at reasonable cost to the Issuer.

(f) Fidelity Bonds will be provided as to every member of the Governing Body and as to every officer and employee thereof having custody of the Revenue Fund or of any revenues or other funds of the Issuer in an amount at least equal to the total funds in the custody of any such person at any one time, and initially in the amount of $50,000 upon the treasurer, provided, however, that no bond shall be required insofar as custody of the Project Construction Account is concerned so long as checks thereon require the signature of a representative of the Purchaser.

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

Section 5.06. Statutory Mortgage. For the further protection of the Holder of the Bond, a statutory mortgage lien upon the System is granted and created by the Act, on a parity with the statutory mortgage lien in favor of the holders of the Prior Bonds, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Bond and shall be for the equal benefit of the Bonds.

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

(a) Failure to make payment of any monthly amortization installment upon the Bond at the date specified for payment thereof; and

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

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

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

Section 5.09. Fiscal Year; Budget. While the Bond is outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than 30 days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

If for any reason the Issuer shall not have adopted the Annual Budget before the 1st day of any Fiscal Year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the next year preceding by more than 10%; and provided further, that adoption of a Budget of Current Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the Issuer. Each such

Budget of Current Expenses shall be mailed immediately to the Purchaser.

Section 5.10. Compensation of Members of Governing Body. The Issuer hereby covenants and agrees that no compensation for policy direction shall be paid to the members of the Governing Body in excess of the amount permitted by the Act. Payment of any compensation to any such member for policy direction shall not be made if such payment would cause the Net Revenues to fall below the amount required to meet all payments provided for herein, nor when there is default in the performance of or compliance with any covenant or provision hereof.

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

Section 5.12. Books and Records; Audits. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

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

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

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

ARTICLE VI

RATES, ETC.

Section 6.01. Initial Schedule of Rates and Charges; Rules. A. The initial schedule of rates and charges for the services and facilities of the System, subject to change consonant with the provisions hereof, shall be as set forth in the Final Order of the Public Service Commission of West Virginia, entered on August 11, 1989, Case No. 88-666-W-CN, and the Further Final Order of the Public Service Commission of West Virginia, entered November 15, 1989, Case No. 88-666-W-CN (Reopened), which orders are incorporated herein by reference as a part hereof.

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

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

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

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

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

ARTICLE VII

MISCELLANEOUS

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

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

Section 7.03. Delivery of Bond No. R-1. The Chairman, Secretary and Treasurer of the Governing Body are hereby authorized and directed to cause Bond No. R-1, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

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

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

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

Section 7.06. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

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

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

Adopted: December 4, 1989

Chairman of Public Service Board

Member

Member

12/1/89
MCWAS.A2
55338/87001

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

Water Revenue Bond, Series 1982

BOND RESOLUTION

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11/01/82
MARSH-K

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

RESOLUTION AUTHORIZING THE ISSUANCE OF $1,175,000 WATER REVENUE BOND, SERIES 1982, OF MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4 TO FINANCE CONSTRUCTION OF OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM OF THE DISTRICT; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BOND; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDER OF THE BOND; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT

BE IT RESOLVED AND ORDERED BY THE PUBLIC SERVICE BOARD OF MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for This Resolution. This Resolution is adopted pursuant to the provisions of Article 13A, Chapter 16 of the West Virginia Code (the "Act") and other applicable provisions of law. Marshall County Public Service District No. 4 (the "Issuer") is a public service district created pursuant to the Act by The County Commission of Marshall County.

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

A. The Issuer now has a public waterworks system, but such system is not adequate for service to customers of the Issuer.

B. It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer and, accordingly, it is hereby ordered, that there be constructed additions, extensions and improvements to the existing waterworks system of the Issuer consisting of water lines, storage tanks, and pumping stations with all necessary appurtenant facilities (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Secretary of the Public Service Board (the "Governing Body") of the Issuer. Water will be purchased from the City of Moundsville pursuant to a Water Purchase

Agreement between the Issuer and said City. The construction and acquisition of the Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

C. It is necessary for the Issuer to issue its revenue bond in the principal amount of $1,175,000 to finance a portion of the cost of such construction in the manner hereinafter provided.

D. The estimated maximum cost of the construction of the Project is $1,550,000 of which $1,175,000 will be obtained from the proceeds of sale of the Bond herein authorized, and the remaining $375,000, from grants.

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

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

G. There is outstanding the Issuer's Water System Revenue Bonds, Series 1971, dated February 11, 1971, issued in the original aggregate principal amount of $194,000 (the "1971 Bonds") of which $174,000 remains outstanding on the date of enactment hereof which will rank on a parity with the Bond as to lien and source of and security for payment.

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

Section 1.03. Resolution to Constitute Contract. In consideration of the acceptance of the Bond by the Purchaser, this Resolution (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Purchaser, and the covenants and agreements set forth herein to be performed by the

Issuer shall be for the benefit, protection and security of the Purchaser as holder of the Bond.

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

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

"Bond" means the Water Revenue Bond, Series 1982, authorized hereby.

"1971 Bonds" means the Water System Revenue Bonds Series 1971, of the Issuer, dated February 11, 1971, issued in the original aggregate principal amount of $194,000 and held by the Purchaser.

"Bonds" means, collectively, the Bond and the 1971 Bond.

"Bond Legislation" means this Resolution and all resolutions supplemental hereto.

"Chairman" means the Chairman of the Governing Body.

"Consulting Engineer" means Cerrone & Vaughn, Inc., Wheeling West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

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

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

"Governing Body" means the Public Service Board of the Issuer.

"Herein" means in this Bond Legislation.

"Holder of the Bond" or "Bondholder" or any similar term means any person who shall be the bearer or owner of the Bonds.

"Issuer" means Marshall County Public Service District No. 4 of Marshall County, West Virginia, and includes the Governing Body.

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

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

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

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

"1971 Resolution" means the resolution of the issuer, adopted January 26, 1971, authorizing issuance of the 1971 Bonds.

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

"Secretary" means the Secretary of the Governing Body.

"System" means the Project initially, and includes the complete waterworks system of the Issuer and all waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks system; and shall also include any and all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the waterworks system after completion of the Project.

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

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BOND

Section 2.01. Authorization of Bond. Subject and pursuant to the provisions of this Resolution, the Bond of the Issuer, to be known as "Water Revenue Bond, Series 1982," is hereby authorized to be issued in the aggregate principal amount of not exceeding One Million One Hundred Seventy-Five Thousand Dollars ($1,175,000) for the purpose of financing a portion of the cost of the construction and acquisition of the Project.

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

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

Section 2.03. Execution of Bond. The Bond shall be executed in the name of the Issuer by the Chairman and its corporate seal shall be affixed thereto and attested by the Secretary.

Section 2.04. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Bond so surrendered shall be canceled and held for the account of the Issuer. If the Bond shall have matured or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, and, if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 2.05. Bond Secured by Pledge of Revenues. The payment of the debt service of the Bond shall be secured forthwith by a lien on and pledge of the net revenues derived from the System in addition to the statutory mortgage lien on the System hereinafter provided for, but on a parity in all respects with the liens and pledges in favor of the holder of the 1971 Bond. The net revenues

derived from the System in an amount sufficient to pay the principal of and interest on the Bonds, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Bond as the same become due.

Section 2.06. Form of Bond. Subject to the provisions hereof, the text of the Bond and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or any resolution adopted after the date of adoption hereof and prior to the issuance thereof:

(Form of Bond)

WATER REVENUE BOND, SERIES 1982

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

$1,175,000

No. 1 Date: November 3, 1982

FOR VALUE RECEIVED, MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4 (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (the "Government"), at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of One Million One Hundred Seventy-Five Thousand Dollars ($1,175,000) plus interest on the unpaid principal balance at the rate of five per cent (5%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing on the 30th day following delivery of the Bond and continuing on the corresponding day of each month for the first twenty-four months after the date hereof and $5,770.00, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of this Bond, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

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

obligation of Borrower to pay the remaining installments as scheduled herein.

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

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

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

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

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

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Article 13A of Chapter 16 of the West Virginia Code and a Resolution of the Borrower.

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 Farmers Home Rural Development Act. This Bond shall be subject to the present regulations of the Farmers Home Administration and to its future regulations not inconsistent with the express provisions hereof.

This Bond is on a parity with respect to liens, pledges and sources of and security for payment with the Issuer's outstanding 1971 Bonds, as described in the within-mentioned Resolution.

MARSHALL COUNTY PUBLIC SERVICE
DISTRICT NO. 4
(Name of Borrower)

[CORPORATE SEAL]

(Signature of Executive Official)

Chairman, Public Service Board
(Title of Executive Official)

Route 2, Box 146
(P. O. Box No. or Street Address)

Moundsville, West Virginia 26041
(City, State and Zip Code)

ATTEST:

(Signature of Attesting Official)

Secretary, Public Service Board
(Title of Attesting Official)

(Form of)

RECORD OF ADVANCES

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

TOTAL $ _____

(Form of)

ASSIGNMENT

Pay to the Order of _____

_____

UNITED STATES OF AMERICA
FARMERS HOME ADMINISTRATION

By _____

_____
(Title)

ARTICLE III

BOND PROCEEDS; REVENUES AND APPLICATION THEREOF

Section 3.01. Bond Proceeds; Project Construction Account. The proceeds of sale of the Bond shall be deposited on receipt by the Issuer in Mercantile Banking and Trust Company, Moundsville, West Virginia, a member of Federal Deposit Insurance Corporation (the "FDIC"), in a special account hereby created and designated as "Marshall County Public Service District No. 4 Project Construction Account" (herein called the "Project Construction Account"). The moneys in the Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by such bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Moneys in the Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Until completion of construction of the Project, the Issuer will transfer from the Project Construction Account and pay to the Purchaser on or before the due date, such sums as shall be from time to time required to make the monthly installments on the Bond if there are not sufficient Net Revenues to make such monthly payment.

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

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

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

Section 3.02. Covenants of the Issuer as to Revenues and Funds. So long as any of the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Fund hereinafter established, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal amount of the Bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the holder of the Bonds as follows:

A. Revenue Fund. The entire gross revenues derived from the operation of the System, and all parts thereof shall be deposited as collected by the Issuer in a special fund in a bank or trust company in the State of West Virginia which is a member of FDIC, which Fund, known as the "Revenue Fund" was previously established by the 1971 Resolution and is continued hereon. The Revenue Fund shall constitute a trust fund for the purposes provided herein and shall be kept separate and distinct from all other funds of the Issuer and used only for the purposes and in the manner provided herein.

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

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

(2) The Issuer shall next, before the end of each month, transfer from the Revenue Fund and pay to the West Virginia Municipal Bond Commission (formerly the "State Sinking Fund Commission") and to the National Finance Office designated in the Bond the amount required to pay the interest on the Bonds, and to amortize the principal of the Bonds over the life of each respective Bond issue.

(3) The Issuer shall next each month, transfer from the Revenue Fund and deposit in the Reserve Account initially established by the 1971 Resolution and continued herein 1/12th of 1/10th of the maximum aggregate amount of principal and interest becoming due on the Bonds in any year until the amount in the Reserve Account equals the sum of $82,000, such sum being herein called the "Minimum Reserve." After the Minimum Reserve has been accumulated in the Reserve Fund, the Issuer shall monthly deposit into the Reserve Account such part of the moneys remaining in the Revenue Fund, after such provision for payment of monthly installments on the Bonds and for payment of

operating expenses of the System, as shall be required to maintain the Minimum Reserve in the Reserve Account. Moneys in the Reserve Account shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Bonds to the West Virginia Municipal Bond Commission and said National Finance Office as the same shall become due or for prepayment of installments on the Bonds, or for mandatory prepayment of the Bonds as hereinafter provided, and for no other purpose.

(4) The Issuer shall next, by the fifteenth day of each month, transfer from the Revenue Fund and deposit in the Depreciation Reserve, initially established by the 1971 Resolution and continued herein, the sum of $482.00 until there has been accumulated in the Depreciation Reserve the aggregate sum of $58,000, and thereafter such sums as shall be required to maintain such amount therein. Moneys in the Depreciation Reserve shall be used first to make up any deficiencies for monthly payments of principal of and interest on the Bonds as the same become due, and next to restore to the Reserve Fund any sum or sums transferred therefrom. Thereafter, and provided that payments into the Reserve Fund are current and in accordance with the foregoing provisions, moneys in the Depreciation Reserve may be withdrawn by the Issuer and used for extraordinary repairs and for replacements of equipment and improvements for the System, or any part thereof.

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

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

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

securing deposits of State and municipal funds under the laws of the State of West Virginia.

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

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

C. Change of Fiscal Agent. The Issuer may designate a bank insured by FDIC as Fiscal Agent if the West Virginia Municipal Bond Commission should cease for any reason to serve or if the Governing Body determines by resolution that said Commission or its successor should no longer serve as Fiscal Agent. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchaser.

D. User Contracts. The Issuer shall, prior to delivery of the Bond, have obtained signed user agreements from at least 726 bona fide full time users initially upon the System, and shall collect from new users, and deposit in the Project Construction Account not less than $9,850, based on a tap fee of $50. Additionally, the Issuer shall obtain either a signed users agreement or a proper "Service Declination Statement" from or for each potential user located within the planned service area.

ARTICLE IV

GENERAL COVENANTS

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

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

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

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

Section 4.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Bonds remain outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(a) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground structures of the System and mechanical and electrical equipment in place or

stored on the site in an amount equal to the full insurable value thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

(b) Public Liability Insurance, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Bond.

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

(d) Workmen's Compensation Coverage for all Employees of the District Eligible Therefor and Performance and Payment Bonds, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds will be filed with the Clerk of the County Commission of said County prior to commencement of construction of

the Project in compliance with West Virginia Code Section 38-2-39.

(e) Fidelity Bonds will be provided as to every member of the Governing Body and as to every officer and employee thereof having custody of the Revenue Fund or of any revenues or other funds of the Issuer in an amount at least equal to the total funds in the custody of any such person at any one time, and initially in the amount of $10,000 upon the treasurer, provided, however, that no bond shall be required insofar as custody of the Project Construction Account is concerned so long as checks thereon require the signature of a representative of the Purchaser.

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

Section 4.06. Statutory Mortgage. For the further protection of the holder of the Bond, a statutory mortgage lien upon the System is granted and created by the Act, on a parity with the statutory mortgage lien in favor of the holder of the 1971 Bond, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Bond.

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

(A) Failure to make payment of any monthly amortization installment upon any of the Bonds or payment of principal or interest at the date specified for payment thereof;

(B) Failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Bond or herein, or

violation of or failure to observe any provision of any pertinent law.

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

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

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

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

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

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

Section 4.12. Books and Records. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

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

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

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

Section 4.15. Concerning Arbitrage. The proceeds of sale of the Bond will not be invested in such a way as to violate the regulations of the Internal Revenue Service or of the Treasury Department of the United States of America in connection with the

arbitrage provisions of Section 103(c) of the Internal Revenue Code of 1954, as amended.

ARTICLE V

RATES, ETC.

Section 5.01. Initial Schedule of Rates and Charges; Rules. A. The schedule of rates and charges for the services and facilities of the System shall be as follows, subject to change consonant with the provisions hereof:

AVAILABILITY OF SERVICE

Available for general domestic, commercial, and industrial service.

RATE

First 3,000 gallons	$3.87 per 1,000 gallons
Next 7,000 gallons	$3.48 per 1,000 gallons
Next 10,000 gallons	$2.61 per 1,000 gallons
Next 30,000 gallons	$1.82 per 1,000 gallons
Over 50,000 gallons	$1.16 per 1,000 gallons

MINIMUM CHARGE

No monthly bill will be rendered for less than the following amounts, according to the size of the meter installed, to-wit:

5/8 inch meter	$ 11.61
3/4 inch meter	$ 17.41
1- inch meter	$ 29.02
1-1/2 inch meter	$ 58.05
2- inch meter	$ 92.88
3- inch meter	$ 174.15
4- inch meter	$ 290.25
6- inch meter	$ 580.50

DELAYED PAYMENT PENALTY

The above rates are net. On all accounts not paid in full within 20 days after date of billing, a penalty of ten per cent will be added to the net amount of the bill. This delayed payment penalty is not interest and is to be collected once for each bill where appropriate.

If any bill is not paid within 60 days of the date thereof, the bill will be considered delinquent and subject to disconnection. However, water service shall not be disconnected to

any customer for nonpayment of the bill without first having diligently tried to induce the customer to pay the same and until after at least twenty-four (24) hours' written notice to the customer. Service shall not be restored until all amounts in arrears, including accrued penalties, plus a reconnection fee of $10 have been paid.

CONNECTION CHARGE

Prior to award of construction contract for the Project	$ 50.00
After award of the construction contract	$150.00

RECONNECTION CHARGE

Ten Dollars ($10.00)

RULES AND REGULATIONS

The schedule of rates and charges for the services and facilities of the System are subject to all Rules and Regulations for the Government of Water Utilities adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereof hereafter made by said Commission.

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

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

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

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

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

ARTICLE VI

MISCELLANEOUS

Section 6.01. Delivery of Bond No. 1. The Chairman, Secretary and Treasurer of the Governing Body are hereby authorized and directed to cause Bond No. 1, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 6.02. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Bond.

Section 6.03. 1971 Resolution; Conflicting Provisions Repealed. The 1971 Resolution and all parts thereof not expressly hereby changed shall continue in full force and effect, and this Resolution shall be supplemental to the 1971 Resolution. All resolutions and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed; provided that this Section shall not be applicable to the Loan Resolution (Form FmHA 442-47).

Section 6.04. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 6.05. Effective Time. This Resolution shall take effect immediately upon its adoption.

Adopted: November 3, 1982

Homer F Moore
Chairman of Public Service Board

Dennis M. Stanford
Member

Member

11/01/82
MARSH-L

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

Water Revenue Bonds, Series 1996 A and Series 1996 B

BOND RESOLUTION

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MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

RESOLUTION AUTHORIZING THE ISSUANCE OF $140,000 WATER REVENUE BOND, SERIES 1996 A, AND $380,000 WATER REVENUE BOND, SERIES 1996 B, OF MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4, ON A PARITY WITH THE OUTSTANDING 1971 BOND, 1982 BOND AND 1989 BOND OF THE DISTRICT, TO FINANCE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC SERVICE PROPERTIES CONSISTING OF ADDITIONS, IMPROVEMENTS AND EXTENSIONS TO THE EXISTING WATERWORKS SYSTEM OF THE DISTRICT AND ALL APPURTENANT FACILITIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITIES FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT

BE IT RESOLVED AND ORDERED BY THE PUBLIC SERVICE BOARD OF MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for This Resolution. This Resolution is adopted pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. Marshall County Public Service District No. 4 (the "Issuer") is a public corporation and public service district and political subdivision of the State of West Virginia in Marshall County of said State, duly created pursuant to the Act by The County Commission of Marshall County.

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

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

B. It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer, and, accordingly, it is hereby ordered, that there be acquired and constructed certain additions, improvements and extensions to the existing waterworks facilities of the Issuer, consisting of approximately 16.1 miles of waterline to serve approximately 174 residents in rural areas of Marshall County, and all necessary appurtenant facilities (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Secretary of the Public Service Board (the "Governing Body") of the Issuer. The existing waterworks facilities of the Issuer, together with the Project and any further additions, extensions or improvements thereto, are herein called the "System." The acquisition and construction of the Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

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

D. The estimated maximum cost of the acquisition and construction of the Project is $1,520,000, of which $520,000 will be obtained from the proceeds of sale of the Bonds herein authorized, $400,000 will be obtained from a grant from the Purchaser, $500,000 will be obtained from the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia) and $100,000 will be obtained from a grant from The County Commission of Marshall County.

E. It is necessary for the Issuer to issue its water revenue bonds in the total principal amount of $520,000, in two series, being the 1996 A Bond (hereinafter defined), in the principal amount of $140,000, and the 1996 B Bond (hereinafter defined), in the aggregate principal amount of $380,000 (collectively, the "Bonds"), to finance a portion of the cost of such acquisition and construction in the manner hereinafter provided. The cost of such acquisition and construction shall be deemed to include, without being limited to, the acquisition and construction of the Project; the cost of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; interest on the Bonds prior to, during and for six months after completion of such acquisition and construction of the improvements and extensions; engineering, fiscal agents and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the Project, administrative expense, and such other expenses as may be necessary or incident to the financing herein authorized, and the acquisition and construction of the properties and the placement of same in operation; provided that, reimbursement to the Issuer for any amounts expended by it for the

repayment of indebtedness incurred for costs of the Project by the Issuer shall be deemed costs of the Project.

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

G. There are outstanding obligations of the Issuer which will rank on a parity with the Bonds as to liens, pledge and source of and security for payment, being the (i) Water Revenue Bonds, Series 1989, dated July 23, 1990, issued in the original aggregate principal amount of $372,000 (the "1989 Bond"), (ii) Water Revenue Bond, Series 1982, dated November 3, 1982, issued in the original aggregate principal amount of $1,175,000 (the "1982 Bond"), and (iii) Water System Revenue Bond, Series 1971, dated February 11, 1971, issued in the original aggregate principal amount of $194,000 (the "1971 Bond"), all held by the Purchaser (collectively, the "Prior Bonds"). As of the date of issuance of the Bonds, there are no other outstanding bonds or obligations of the Issuer which rank prior to or on a parity with the Bonds as to liens, pledge and/or source 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.

H. It is in the best interest of the Issuer that the Bonds be sold to the Purchaser, pursuant to the terms and provisions of the Letters of Conditions, dated December 16, 1992, and all amendments thereto, if any (collectively, the "Letter of Conditions").

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Bonds by those who shall be the Registered Owner of the same from time to time, this Resolution (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Bonds.

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

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

"1996 A Bond" means the Water Revenue Bond, Series 1996 A, authorized hereby to be issued pursuant to this Bond Legislation.

"1996 B Bond" means the Water Revenue Bond, Series 1996 B, authorized hereby to be issued pursuant to this Bond Legislation.

"1989 Bond" means the outstanding Water Revenue Bonds, Series 1989, of the Issuer described in Section 1.02G hereof.

"1982 Bond" means the outstanding Water Revenue Bond, Series 1982, of the Issuer described in Section 1.02G hereof.

"1971 Bond" means the outstanding Water System Revenue Bond, Series 1971, of the Issuer described in Section 1.02G hereof.

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

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

"Bonds" means, collectively, the 1996 A Bond and the 1996 B Bond.

"Chairman" means the Chairman of the Governing Body.

"Commission" means the West Virginia Municipal Bond Commission (formerly, the State Sinking Fund Commission) or any other agency of the State of West Virginia that succeeds to the functions of the Commission.

"Consulting Engineer" means Cerrone & Associates, Inc., Wheeling, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

"Depository Bank" means One Valley Bank - North, Inc., Moundsville, West Virginia, a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns.

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

"FDIC" means the Federal Deposit Insurance Corporation.

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

"Governing Body" means the Public Service Board of the Issuer.

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

"Grants" means, collectively, the grant from The County Commission of Marshall County, the grant from the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia) and the grant from the Purchaser, committed for the Project.

"Herein" or "herein" means in this Bond Legislation.

"Issuer," "Borrower" or "District" means Marshall County Public Service District No. 4, a public service district and a public corporation and a political subdivision of the State of West Virginia, in Marshall County, West Virginia, and includes the Governing Body.

"Letter of Conditions" means, collectively, the Letter of Conditions of the Purchaser dated December 16, 1992, and all amendments thereto, if any.

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

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting principles and retention of a sum not to exceed 1/6th of the budgeted Operating Expenses stated above for the current year as working capital, and language herein requiring payment of Operating Expenses means also retention of not to exceed such sum as working capital; provided that all monthly amortization payments upon the Bonds and the Prior Bonds and into the Reserve

Account and Depreciation Reserve have been made to the last monthly payment date prior to the date of such retention.

"Prior Bonds" means, collectively, the outstanding 1989 Bond, 1982 Bond and 1971 Bond of the Issuer described in Section 1.02G hereof.

"Prior Resolutions" means, collectively, the 1989 Resolution, the 1982 Resolution and the 1971 Resolution of the Issuer.

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

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

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

(a) Government Obligations;

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

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

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

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC (hereinbefore defined) or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time

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

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

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

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

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

"Registered Owner," "Bondholder," "Holder of the Bonds" or any similar term means any person who shall be the registered owner of the Bonds.

"1989 Resolution" means the resolution of the Issuer adopted December 4, 1989, authorizing the 1989 Bond.

"1982 Resolution" means the resolution of the Issuer adopted November 3, 1982, authorizing the 1982 Bond.

"1971 Resolution" means the resolution of the Issuer adopted January 26, 1971, authorizing the 1971 Bond.

"Resolutions" means, collectively, the Prior Resolutions and the Bond Legislation.

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

"Secretary" means the Secretary of the Governing Body.

"Surplus Revenues" shall have the meaning set forth in Section 4.03B(v) hereof.

"System" means the existing waterworks of the Issuer as improved, extended, enlarged and expanded by the Project, and includes the complete waterworks system of the Issuer and all waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks system; and shall also include any and all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the waterworks system of the Issuer.

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neuter gender shall include any other gender; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Chairman or the Secretary shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Chairman or Acting Secretary.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of $1,520,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Bonds hereby authorized shall be applied as provided in Article IV hereof.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions of the Bond Legislation, the Bonds of the Issuer, to be known as "Water Revenue Bond, Series 1996 A" and "Water Revenue Bond, Series 1996 B," are hereby authorized to be issued in the respective principal amounts of $140,000 and $380,000 for a total aggregate principal amount of not exceeding $520,000 for the purpose of financing a portion of the cost of the acquisition and construction of the Project.

Section 3.02. Description of Bonds. A. The 1996 A Bond shall be issued in single form, numbered AR-1, only as a fully registered Bond, and shall be dated the date of delivery thereof. The 1996 A Bond shall bear interest from the date of delivery, payable monthly at the rate of 5.125% per annum, and shall be sold for the par value thereof.

B. The 1996 B Bond shall be issued in single form, numbered BR-1, only as a fully registered Bond, and shall be dated the date of delivery thereof. The 1996 B Bond shall bear interest from the date of delivery, payable monthly at the rate of 5.125% per annum, and shall be sold for the par value thereof.

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

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

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

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

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

The Bond Registrar shall accept the Bonds for registration or transfer only if ownership thereof is to be registered in the name of the Purchaser, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust and/or such other identifying number and information as may be required by law. The Bonds shall initially be fully registered as to both principal and interest in the name of the United States of America. So long as the Bonds shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be Federal Building, Room 320, 75 High Street, Morgantown, West Virginia 26505-7500, or such other address as shall be stated in writing to the Issuer by the United States of America.

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

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bonds or in lieu of and substitution for the Bonds destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Bonds so surrendered shall be canceled and held for the account of the Issuer. If the Bonds shall have matured or be about to mature, instead of

issuing a substitute Bond the Issuer may pay the same, and, if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Bonds shall be secured forthwith equally and on a parity with each other by a first lien on the Net Revenues derived from the System, in addition to the statutory mortgage lien on the System hereinafter provided for as to the Bonds, all on a parity with the Prior Bonds. The Net Revenues derived from the System in an amount sufficient to pay the principal of and interest on the Bonds and the Prior Bonds, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds and the Prior Bonds as the same become due.

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

(FORM OF 1996 A BOND)

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

WATER REVENUE BOND, SERIES 1996 A

$140,000

No. AR-1 Date: _____

FOR VALUE RECEIVED, MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4 (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 ONE HUNDRED FORTY THOUSAND DOLLARS ($140,000), plus interest on the unpaid principal balance at the rate of 5.125% 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 $699, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

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

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

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

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

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

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

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Resolution 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 authorizing issuance of this Bond (the "Resolution").

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

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

THIS BOND IS ISSUED ON A PARITY AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE 1996 B BOND ISSUED CONCURRENTLY HEREWITH, AND THE PRIOR BONDS HERETOFORE ISSUED, ALL AS DEFINED AND DESCRIBED IN SAID RESOLUTION.

IN WITNESS WHEREOF, MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4 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.

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

(Name of Borrower)

[CORPORATE SEAL]

_____
(Signature of Executive Official)

Chairman, Public Service Board
(Title of Executive Official)

P. O. Box 709
P. O. Box No. or Street Address)

Moundsville, West Virginia 26041
(City, State and Zip Code)

ATTEST:

_____
(Signature of Attesting Official)

Secretary, Public Service Board
(Title of Executive Official)

(Form of)

RECORD OF ADVANCES

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

TOTAL $_____

(Form of Assignment)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

(FORM OF 1996 B BOND)

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

WATER REVENUE BOND, SERIES 1996 B

$380,000

No. BR-1 Date: _____

FOR VALUE RECEIVED, MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4 (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 THREE HUNDRED EIGHTY THOUSAND DOLLARS ($380,000), plus interest on the unpaid principal balance at the rate of 5.125% 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 $1,897, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

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

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

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

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

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

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

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Resolution 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 authorizing issuance of this Bond (the "Resolution").

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

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

THIS BOND IS ISSUED ON A PARITY AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE 1996 A BOND ISSUED CONCURRENTLY HEREWITH, AND THE PRIOR BONDS HERETOFORE ISSUED, ALL AS DEFINED AND DESCRIBED IN SAID RESOLUTION.

IN WITNESS WHEREOF, MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4 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.

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4
(Name of Borrower)

[CORPORATE SEAL]

_____
(Signature of Executive Official)

Chairman, Public Service Board
(Title of Executive Official)

P. O. Box 709
P. O. Box No. or Street Address)

Moundsville, West Virginia 26041
(City, State and Zip Code)

ATTEST:

_____
(Signature of Attesting Official)

Secretary, Public Service Board
(Title of Executive Official)

(Form of)

RECORD OF ADVANCES

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

(Form of Assignment)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

ARTICLE IV

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

Section 4.01. Establishment of Funds and Accounts with Depository Bank and Commission. A. The following special funds or accounts are created and established with (or continued if previously established by the Prior Resolutions), and shall be held by, the Depository Bank, separate, distinct and apart from all other funds or accounts of the Depository Bank and from each other:

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

(2) Project Construction Account.

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

(1) 1971 Sinking Fund (established by the Prior Resolutions);

(2) Reserve Account (established by the Prior Resolutions); and

(3) Depreciation Reserve (established by the Prior Resolutions).

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

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

Until completion of acquisition and construction of the Project, the Issuer will additionally transfer from the Project Construction Account and pay to the Purchaser on or before the due date, such sums as shall be from time to time required to make the monthly installments on the Bonds if there are not sufficient Net Revenues to make such monthly payment.

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

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

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

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

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

(i) The Issuer shall first each month pay from the moneys in the Revenue Fund all current Operating Expenses.

(ii) The Issuer shall next, each month, on or before the due date of payment of each installment on the Bonds and the Prior Bonds, transfer from the Revenue Fund and remit (a) to the Commission, the amount required by the 1971 Resolution to be deposited into the 1971 Sinking Fund for payment of principal of and interest on the 1971 Bond; and (b) to the National Finance Office, the amounts required to pay the interest on the 1982 Bond, the 1989 Bond, the 1996 A Bond and the 1996 B Bond and to amortize the principal of the 1982 Bond, the 1989 Bond, the 1996 A Bond and the 1996 B Bond over the life of each Bond issue. All payments with respect to principal of and interest on the Bonds and the Prior Bonds shall be made on

an equal pro rata basis in accordance with the respective aggregate principal amounts thereof outstanding and on a parity with each other.

(iii) The Issuer shall next, each month, on each date that payment is made as set forth in (ii) above, transfer from the Revenue Fund and remit to the Commission for deposit in the Reserve Account, (a) the amount required by the Prior Resolutions to be deposited in the Reserve Account for the Prior Bonds; and (b) 1/12th of 1/10th of the amount, as of the date of calculation, equal to the maximum aggregate amount of principal and interest becoming due on the Bonds in any year, until the amount in the Reserve Account equals such maximum amount (the "Minimum Reserve"). After the Minimum Reserve has been accumulated in the Reserve Account, the Issuer shall monthly deposit into the Reserve Account such part of the moneys remaining in the Revenue Fund, after such provision for payment of monthly installments on the Bonds and the Prior Bonds and for payment of Operating Expenses of the System, as shall be required to maintain the Minimum Reserve in the Reserve Account. Moneys in the Reserve Account shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Bonds and the Prior Bonds to said National Finance Office (or other place provided) as the same shall become due or for prepayment of installments on the Bonds and the Prior Bonds, or for mandatory prepayment of the Bonds and the Prior Bonds as hereinafter provided, and for no other purpose, on an equal pro rata basis in accordance with the respective aggregate principal amounts thereof outstanding and on a parity with each other; provided, however, that when the Minimum Reserve has been accumulated in the Reserve Account all earnings of investments of moneys therein shall at least annually be transferred to and deposited in the Revenue Fund.

(iv) The Issuer shall next, each month, on each date that payment is made as set forth in (ii) above, transfer from the Revenue Fund and remit to the Commission for deposit in the Depreciation Reserve, the moneys remaining in the Revenue Fund until there has been accumulated in the Depreciation Reserve the aggregate sum of $179,000, and thereafter such sums as shall be required to maintain such amount therein. Moneys in the Depreciation Reserve shall be used first to make up any deficiencies for monthly payments of principal of and interest on the Bonds and the Prior Bonds as the same become

due, and next to restore to the Reserve Account any sum or sums transferred therefrom, all on a pro rata basis. Thereafter, and provided that payments into the Reserve Account are current and in accordance with the foregoing provisions, moneys in the Depreciation Reserve may be withdrawn by the Issuer and used for extraordinary repairs and for replacements of equipment and improvements for the System, or any part thereof.

(v) After all the foregoing provisions for use of moneys in the Revenue Fund have been fully complied with, moneys remaining therein and not permitted to be retained therein, if any ("Surplus Revenues"), may be used to prepay installments of the Bonds and the Prior Bonds, pro rata, or for any lawful purpose.

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

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

All the funds provided for in this Section other than the Project Construction Account shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Bonds and the Prior Bonds and the interest thereon.

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

Subject to the Prior Resolutions, the Commission, at the direction of the Issuer, shall keep the moneys in the Reserve Account and the Depreciation Reserve invested and reinvested to the fullest extent possible in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Bond Legislation shall, unless otherwise provided

herein or required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia State Board of Investments. Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Subject to the Prior Resolutions, earnings upon moneys in the Reserve Account, so long as the Minimum Reserve is on deposit and maintained therein, shall be paid annually in January into the Revenue Fund by the Depository Bank.

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

D. USER CONTRACTS. The Issuer shall, prior to delivery of the Bonds, provide evidence that there will be at least 155 bona fide users upon the Project on completion, in full compliance with the requirements and conditions of the Purchaser.

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

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

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

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

Section 4.04. Interim Construction Financing. In order to pay certain costs of the Project pending receipt of proceeds of the Grants and advances of principal of the Bonds, the Issuer may issue and sell its interim construction notes in an aggregate principal amount not to exceed $350,000 (the "Notes"). The Notes shall be in the form of a line of credit from a commercial bank or other lender, and the Issuer is hereby authorized to enter into the credit agreement with such commercial bank or other lender. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the credit agreement.

The Notes shall be special obligations of the Issuer payable as to principal and interest solely from proceeds of the Bonds or the Grants. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions. The general funds of the Issuer are not liable, and neither the full faith and credit nor the taxing power of the Issuer, if any, is pledged for the payment of the Notes. The Holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as set forth herein.

ARTICLE V

GENERAL COVENANTS, ETC.

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

Section 5.02. Rates. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the annual debt service on the Bonds and the Prior Bonds and sufficient to make the payments required herein into the Reserve Account and the Depreciation Reserve and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes.

Section 5.03. Sale of the System. The System will not be sold without the prior written consent of the Purchaser so long as the Bonds are outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 5.04. Issuance of Additional Parity Bonds or Obligations. No additional parity bonds or obligations payable out of any of the Revenues of the System shall be issued, except with the prior written consent of the Purchaser.

Section 5.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Bonds remain outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(a) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground structures of the System and mechanical and electrical equipment in place or stored on the site in an amount equal to the full insurable value thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or

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

(b) Public Liability Insurance, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Bonds.

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

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

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

(f) Fidelity Bonds will be provided as to every member of the Governing Body and as to every officer and employee thereof having custody of the Revenue Fund or of any revenues or other funds of the Issuer in an amount at least equal to the total funds in the custody of any such person at any one time, and initially in the amount of $50,000 upon the treasurer, provided, however, that no bond shall be required insofar as custody of the Project Construction Account is concerned so long as checks thereon require the signature of a representative of the Purchaser.

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

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holder of the Bonds, a statutory mortgage lien upon the System is granted and created by the Act, on a parity with the statutory mortgage lien in favor the Holder of the Prior Bonds, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Bonds and shall be for the equal benefit of the Bonds and the Prior Bonds.

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

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

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

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

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

Section 5.09. Fiscal Year; Budget. While the Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and

maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than 30 days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

If for any reason the Issuer shall not have adopted the Annual Budget before the 1st day of any Fiscal Year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the next year preceding by more than 10%; and provided further, that adoption of a Budget of Current Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the Issuer. Each such Budget of Current Expenses shall be mailed immediately to the Purchaser.

Section 5.10. Compensation of Members of Governing Body. The Issuer hereby covenants and agrees that no compensation for policy direction shall be paid to the members of the Governing Body in excess of the amount permitted by the Act. Payment of any compensation to any such member for policy direction shall not be made if such payment would cause the Net Revenues to fall below the amount required to meet all payments provided for herein, nor when there is default in the performance of or compliance with any covenant or provision hereof.

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

Section 5.12. Books and Records; Audits. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

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

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

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

ARTICLE VI

RATES, ETC.

Section 6.01. Initial Schedule of Rates and Charges; Rules. A. The initial schedule of rates and charges for the services and facilities of the System, subject to change consonant with the provisions hereof, shall be as set forth in the Final Order of the Public Service Commission of West Virginia, entered on February 22, 1993, Case No. 93-0052-PWD-30B, which Final Order is incorporated herein by reference as a part hereof.

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

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

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

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

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

ARTICLE VII

MISCELLANEOUS

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

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

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

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

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

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

Section 7.06. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

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

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

Adopted: July 25, 1996.

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

Chairman

Member

Member

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4 on the 25th day of July, 1996.

Dated: July 25, 1996.

[SEAL]

Donna J. Crawford
Secretary, Public Service Board

07/16/96
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MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

Water Revenue Bonds, Series 1982;
Water Revenue Bonds, Series 1989;
Water Revenue Bonds, Series 1996 A; and
Water Revenue Bonds, Series 1996 B
(United States Department of Agriculture)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING FOR THE ESTABLISHMENT OF RESERVE ACCOUNTS FOR THE SERIES 1982 BONDS, SERIES 1989 BONDS, SERIES 1996 A BONDS, AND SERIES 1996 B BONDS, TRANSFER OF FUNDS ACCORDINGLY, AND AMENDMENT OF PRIOR RESOLUTIONS TO EFFECT SUCH TRANSFER AND MODIFICATION THEREOF

WHEREAS, Marshall County Public Service District No. 4 (the "Issuer") has previously issued its Water Revenue Bonds, Series 1982 (United States Department of Agriculture), dated November 3, 1982, issued in the original aggregate principal amount of $1,175,000 (the "Series 1982 Bonds"), and held by the United States Department of Agriculture (the "Purchaser");

WHEREAS, the Issuer has previously issued its Water Revenue Bonds, Series 1989 (United States Department of Agriculture), dated July 23, 1990, issued in the original aggregate principal amount of $372,000 (the "Series 1989 Bonds"), and held by the Purchaser;

WHEREAS, the Issuer has previously issued its Water Revenue Bonds, Series 1996 A (United States Department of Agriculture), dated July 25,1996, issued in the original aggregate principal amount of $140,000 (the "Series 1996 A Bonds"), and held by the Purchaser;

WHEREAS, the Issuer has previously issued its Water Revenue Bonds, Series 1996 B (United States Department of Agriculture), dated July 23, 1996, issued in the original aggregate principal amount of $380,000 (the "Series 1996 B Bonds"), and held by the Purchaser;

WHEREAS, the Bond Resolutions authorizing the Series 1982 Bonds, the Series 1989 Bonds, the Series 1996 A Bonds, and the Series 1996 B Bonds are collectively known as the Prior Resolutions;

WHEREAS, the following special funds or accounts have been created and established by Prior Resolutions and held by Branch Banking and Trust Company, West Virginia, as the Depository Bank (hereinafter, the "Depository Bank");

(1) Revenue Fund;

(2) Reserve Account; and

(3) Depreciation Reserve.

WHEREAS, the following special funds or accounts have been created by Prior Resolutions and held at the West Virginia Municipal Bond Commission (the "Commission");

(1) Series 1982 Reserve Account; and

(2) Depreciation Reserve.

WHEREAS, the Series 1989 Bonds are secured by a reserve account pledged for the payment of principal of and interest on the Series 1989 Bonds (hereinafter, the "Series 1989 Bonds Reserve Account"), which account is, pursuant to the resolution of the Issuer authorizing the Series 1989 Bonds, held by the Depository Bank;

WHEREAS, the Series 1996 A Bonds are secured by a reserve account pledged for the payment of principal of and interest on the Series 1996 A Bonds (hereinafter, the "Series 1996 A Bonds Reserve Account"), which account is, pursuant to the resolution of the Issuer authorizing the Series 1996 A Bonds, held by the Depository Bank;

WHEREAS, the Series 1996 B Bonds are secured by a reserve account pledged for the payment of principal of and interest on the Series 1996 B Bonds (hereinafter, the "Series 1996 B Bonds Reserve Account"), which account is, pursuant to the resolution of the Issuer authorizing the Series 1996 B Bonds, held by the Depository Bank;

WHEREAS, the Purchaser has requested that the Series 1982 Bonds, the Series 1989 Bonds, the Series 1996 A Bonds and the Series 1996 B Bonds each have separate and distinct reserve accounts and that the Issuer transfer the monies in the Reserve Account from the Depository Bank to the Commission;

WHEREAS, the Prior Resolutions provides for amendments by supplemental resolution with the prior written consent of the Purchaser and such consent has been received by the Issuer; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4:

Section 1. The Prior Resolutions are amended, as necessary, to reflect the following:

A. The following special funds or accounts are created and established with (or continued if previously established by Prior Resolutions) and shall be held by the Depository Bank separate and distinct from all other funds or accounts of the Depository Bank and from each other.

(1) Revenue Fund (established by Prior Resolution and continued hereby); and

(2) Renewal and Replacement Fund (established by Prior Resolutions as Depreciation Reserve and hereby renamed and continued).

B. The following special funds or accounts are hereby created (or continued if previously established by Prior Resolutions) 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 1982 Bonds Reserve Account (established by Prior Resolutions and continued hereby);

(2) Series 1989 Bonds Reserve Account;

(3) Series 1996 A Bonds Reserve Account; and

(4) Series 1996 B Bonds Reserve Account.

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

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

(2) The Issuer shall next, each month, on or before the due date, transfer from the Revenue Fund and remit to the National Finance Office the amounts required by Prior Resolutions to pay interest on the Series 1982 Bonds, the Series 1989 Bonds, Series 1996 A Bonds and the Series 1996 B Bonds.

(3) The Issuer shall next, each month, on or before the due date, transfer from the Revenue Fund and remit to the National Finance Office the amounts required by Prior Resolutions to pay principal on the Series 1982 Bonds, the Series 1989 Bonds, Series 1996 A Bonds and the Series 1996 B Bonds.

(4) The Issuer shall next, each month, on or before the due date, transfer from the Revenue Fund and remit to the Commission the amounts required by the Prior Resolutions to be deposited in the respective Reserve Accounts for the Series 1982 Bonds, Series 1989 Bonds, Series 1996 A Bonds and the Series 1996 B Bonds.

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

(6) After all 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 installment of the Bonds, pro rata, or for any lawful purpose of the system.

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 Commission is designated as the Fiscal Agent for the administration of the Series 1982 Bonds Reserve Account, Series 1989 Bonds Reserve Account, Series 1996 A Bonds Reserve Account, and Series 1996 B Bonds Reserve Account as herein provided, and all amounts required for the Series 1982 Bonds Reserve Account, Series 1989 Bonds Reserve Account, Series 1996 A Bonds Reserve Account, and Series 1996 B Bonds Reserve Account will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein. If required by the Purchaser at anytime, the Issuer shall make the necessary arrangements whereby required payments into said account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

F. Moneys in the Series 1982 Bonds Reserve Account, Series 1989 Bonds Reserve Account, Series 1996 A Bonds Reserve Account, and Series 1996 B Bonds Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

G. Earnings from moneys in Series 1982 Bonds Reserve Account, Series 1989 Bonds Reserve Account, Series 1996 A Bonds Reserve Account, and Series 1996 B Bonds Reserve Account Reserve Account, so long as the Minimum Reserve is on deposit in such account and maintained therein, shall be returned not less than once each year, by the Commission to the Issuer, to be deposited in the Revenue Fund.

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

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

Section 2. Transfer of Funds.

A. Series 1996 A Reserve Account. In connection with the Series 1996 A Bonds Reserve Account,$8,388 shall be transferred from the Depreciation Reserve previously established at the Commission and shall be deposited with the Commission in the Series 1996 A Bonds Reserve Account which is sufficient to fully fund the Series 1996 A Bonds Reserve Account to the amount required by the Prior Resolutions.

B. Series 1996 B Reserve Account. In connection with the Series 1996 B Bonds Reserve Account, $22,764 shall be transferred from the Depreciation Reserve previously established at the Commission and shall be deposited with the Commission in the Series 1996 B Bonds Reserve Account which is sufficient to fully fund the Series 1996 B Bonds Reserve Account to the amount required by the Prior Resolutions.

C. Series 1989 Reserve Account. In connection with the Series 1989 Bonds Reserve Account $21,924 shall be transferred from from the Depreciation Reserve previously established at the Commission ; and shall be deposited with the Commission in the Series 1989 Bonds Reserve Account which is sufficient to fully fund the Series 1989 Bonds Reserve Account to the amount required by the Prior Resolutions.

D. Renewal and Replacement Fund.

1. After the foregoing transfers from the Depreciation Reserve previously established at the Commission to the respective reserve accounts, the remaining balance of said account shall be transferred to the Depository Bank for deposit into the Renewal and Replacement Fund.

2. The balances remaining in the Reserve Accounts previously established at the Depository Bank shall be transferred to the Renewal and Replacement Fund at the Depository Bank.

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

[Remainder of Page Intentionally Left Blank]

Adopted this 6th day of August, 2007.

MARSHALL COUNTY PUBLIC
SERVICE DISTRICT NO. 4

DBA
PSD #4

Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Marshall County Public Service District No. 4 on this 6th day of August, 2007.

Dated: August 6, 2007.

[SEAL]

Donna J. Crawford
Secretary

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

ISSUE REPORT FORM

Date of Report: August 6, 2007

ISSUE: Marshall County Public Service District No. 4, Water Revenue Bonds, Series 1989 (United States Department of Agriculture)

ADDRESS: _____ COUNTY: Marshall

PURPOSE OF ISSUE: New Money: X (1990)
Refunding: _____

REFUNDS ISSUE(S) DATED: N/A

ISSUE DATE: July 23, 1990

CLOSING DATE: July 23, 1990

ISSUE AMOUNT: $372,000

RATE _____

1ST DEBT SERVICE DUE: NA

1ST PRINCIPAL DUE: NA

1ST DEBT SERVICE AMOUNT: NA

PAYING AGENT: _____

BOND COUNSEL: Steptoe & Johnson PLLC
Contact Person: John C. Stump, Esquire
Phone: 304.353.8196

UNDERWRITERS COUNSEL: _____
Contact Person: _____
Phone: _____

CLOSING BANK: _____
Contact Person: _____
Phone: (304) _____

ESCROW TRUSTEE: _____
Contact Person: _____
Phone: _____

KNOWLEDGEABLE ISSUER CONTACT
Contact Person: George Lagos
Position: Manager
Phone: 304.843.1234

OTHER: United States Department of Agriculture
Contact Person: Virginia McDonald
Function: Rural Development Specialist
Phone: 304.420-6666

DEPOSITS TO MBC AT CLOSE:
By: _____ Wire
_____ Check

____ Accrued Interest: $_____
____ Capitalized Interest: $_____
____ Reserve Account: $_____
____ Other: _____ $_____

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: _____ Wire
_____ Check
_X_ IGT
(From Dep. Reserve at MBC)

____ To Escrow Trustee: $_____
____ To Issuer $_____
____ To Cons. Invest. Fund $_____
_X_ To Other: Reserve $ 21,924

NOTES: Transferring reserve fund from depository bank to MBC. 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 1989Bonds Reserve Account

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED: _____
TRANSFERS REQUIRED: _____

CH885782.1

United States Department of Agriculture
Rural Development
West Virginia State Office

September 26, 2007

Marshall County Public Service District No. 4
Water Revenue Bonds, Series 2007 A
(United States Department of Agriculture); and
Water Revenue Bonds, Series 2007 B
(West Virginia DWTRF Program)

TO WHOM IT MAY CONCERN:

The undersigned duly authorized representative of the United States of America, acting through the Rural Utilities Service, United States Department of Agriculture, the present holder of the Prior Bonds, hereinafter defined and described, hereby (i) consents to the issuance of the Water Revenue Bonds, Series 2007 A (United States Department of Agriculture), in the original aggregate principal amount of $2,328,300, and the Water Revenue Bonds, Series 2007 B (West Virginia DWTRF Program), in the original aggregate principal amount of $1,225,000 (collectively, the "Bonds"), by Marshall County Public Service District No. 4 (the "Issuer"), under the terms of the bond resolution authorizing the issuance of the Bonds (the "Resolution"), on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding (i) Water Revenue Bonds, Series 1996 A (United States Department of Agriculture), dated July 25, 1996, issued in the original aggregate principal amount of $140,000 (the "Series 1996 A Bonds"); (ii) Water Revenue Bonds, Series 1996 B (United States Department of Agriculture), dated July 25, 1996, issued in the original aggregate principal amount of $380,000 (the "Series 1996 B Bonds"); (iii) Water Revenue Bonds, Series 1989 (United States Department of Agriculture), dated July 23, 1990, issued in the original aggregate principal amount of $372,000 (the "Series 1989 Bond"); and (iv) Water Revenue Bonds, Series 1982 (United States Department of Agriculture), dated November 3, 1982, issued in the original aggregate principal amount of $1,175,000 (the "Series 1982 Bonds") (collectively, the "Prior Bonds") and (ii) waives any requirements imposed by the Prior Bonds or the resolution authorizing the Prior Bonds (collectively, the "Prior Resolutions"), regarding the issuance of parity bonds which are not met by the Bonds or the Resolution, and (iii) consents to any amendments made to the Prior Resolutions by the Resolution.

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

State Director

75 High Street Federal Building • Suite 320 • Morgantown, WV 26505-7500
Phone: 304.284.4860 • 1.800.295.8228 • Fax: 304.284.4893 • TTY/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).

USDA Rural Development
United States Department of Agriculture
Rural Development
Parkersburg Area Office

August 13, 2007

David L. Glover, Chairman
Marshall County Public Service District #4
P.O. Box 709
Moundsville, WV 26041-0709

Dear Mr. Glover:

The pre-closing for the District's Rural Development (RD) loan and grant will be held on September 24, 2007, at 10:00 AM at the District's office in Moundsville, West Virginia, followed by the preconstruction conference at 1:00 PM. The official loan closing date for the Waterline Extensions Project will be September 26, 2007.

Reference is made to our Letter of Conditions dated July 30, 1998, and amended August 4, 2004. All of the requirements of these letters must be met and in addition, the loan and grant must be closed in accordance with RUS Instruction 1780 and "Closing Guidelines for Community Facilities Loans to Public Bodies."

The RD loan of $2,328,300 will be closed utilizing an interest rate of 4.25%, resulting in a monthly payment of $10,315. The District must establish a debt service reserve account at the West Virginia Municipal Bond Commission. This account must be funded on a monthly basis with an amount equal to 10% of the monthly payment until the equivalent of one annual installment on the loan is accumulated.

The Water Purchase Contract between the District and the City of Moundsville and the related Amendment must be approved by our agency prior to closing.

The following items should be submitted to our office as soon as possible but not later than September 6, 2007:

1. The District's engineer must provide a resume of the proposed inspector(s).

2. The District must provide a letter accepting the proposed inspector(s).

3. The District's accountant must certify that the accounts and records as required by the District's bond resolution have been established and are operational.

4. The District must provide evidence that it has acquired insurance and bond coverage in accordance with Item 11 of the Letter of Conditions. The District's position fidelity coverage must be increased to at least the amount of the estimated highest monthly construction drawdown. Once construction is complete, the position fidelity coverage may be decreased to not less than the amount of one annual installment on your Rural Development loan. The additional premium for this coverage is an eligible project expense and may be reimbursed from project funds.

P.O. Box 303 Parkersburg, WV 26102-0303
Phone: (304) 420-6666 • Fax: (304) 420-6876 • TDD: (304) 284-4836 • Web: http://www.rurdev.usda.gov/wv

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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)

5. The District must furnish evidence that it provides State Workers' Compensation Insurance. A certificate of good standing will be satisfactory.

6. An advance copy of the first drawdown.

On the day of preclosing, the following documents must be provided:

1. The District's attorney will need to provide Form RD 442-22 "Opinion of Counsel Relative to Rights of Way," showing no exceptions. This form should be dated September 26, 2007.

2. The District's attorney must furnish a Form RD 1927-10 "Final Title Opinion," on all property being acquired and for all existing property owned by the District in connection with the water system. A single final title opinion may be provided if it includes an attachment which adequately addresses each of the parcels identified in the preliminary title opinions. The opinion should be dated September 26, 2007.

3. The District must furnish evidence that all applicable West Virginia Public Service Commission certificates and/or approvals have been obtained relative to the project.

If you have any questions regarding these or any other matters pertaining to your loan and grant, please contact our office at your earliest convenience.

Sincerely,

Virginia M. McDonald

VIRGINIA M. McDONALD
Rural Development Specialist

Enclosure

cc: Acting State Director
USDA – Rural Development
Morgantown, WV

Manning Frymier, P.E.
Cerrone Associates, Inc.
Wheeling, WV

David White, Esquire
Moundsville, WV

Samme Gee, Esquire
Jackson Kelly, PLLC
Charleston, WV

Jeff Brady, Executive Secretary
WV Infrastructure and Jobs Development Council
Charleston, WV

John C. Stump, Esquire
Steptoe & Johnson, PLLC
Charleston, WV

S.R. Snodgrass, CPA
Wheeling, WV

Scott Hicks, Grant Coordinator
Bel-O-Mar Regional Council
Wheeling, WV

Bob DeCrease, Manager
WV Bureau of Public Health
Charleston, WV

Mark Kauffelt, Esquire
Charleston, WV

CLOSING GUIDELINES FOR COMMUNITY FACILITY LOANS TO PUBLIC BODIES

At or before the closing for the financing, the following conditions must be satisfied:

1. General Requirements. There must be full compliance with all requirements specified in (a) applicable Farmers Home Administration Instructions, (b) correspondence from OGC, (c) any applicable correspondence from the Administrator's office, (d) FmHA letter of conditions, (e) clearinghouse comments, and (f) any state office memorandum of approval.

2. Loan Resolution. Confirm that the Applicant has duly adopted the fully executed Form FmHA 1942-47, Loan Resolution (Public Bodies).

3. Grant Agreement. In the event that a grant is also to be made to the Applicant, then the grant may be closed in accordance with FmHA Instructions provided that these Closing Instructions have also been complied with and duly authorized officials of the Applicant have fully executed Form FmHA 1942-31, Grant Agreement.

4. Civil Rights. Confirm that the following fully executed civil rights forms are in the docket:

   a. Form RD 400-1, Equal Opportunity Agreement.

   b. Form RD 400-4, Assurance Agreement.

   c. Form FmHA 400-8, Compliance Review (Pre-loan closing).

5. Environmental Impact. Confirm that a completed and executed Environmental Impact Assessment, is in the docket. If the Assessment indicates that an Environmental Impact Statement must be filed, this must be accomplished prior to loan closing.

6. Clearinghouse Comments. Confirm that A-95 approvals have been received from both state and regional clearinghouses. Note any comments received and confirm that the Applicant intends to comply with such comments. If the Applicant expresses a contrary intention, the State Office should be notified immediately in detail. The State Office should consult OGC with respect to the legal ramification of any such noncompliance.

7. Specimen Bond(s). Prior to closing, confirm that the terms of the specimen bond(s) are consistent with FmHA Instructions, the FmHA Letter of Conditions and other obligating documents. Amortization schedules and maturity dates should be checked very carefully.

8. Certification of Payment. If FmHA loan proceeds will be used to retire interim indebtedness, the Applicant must provide FmHA with written statements in accordance with FmHA Instruction 1942-A, 1942.17(n)(2) [7 C.F.R. 1942.17].

e. Certified documents evidencing that the Applicant has complied fully with all statutory requirements incident to advertising the consideration and/or adoption of the bond ordinance unless Bond Counsel advises you that this is not applicable.

f. Certified copies of the resolutions or ordinances or other documents, such as the bond authorizing resolution or ordinance and any resolution establishing rates and regulating the use of the improvements, if such documents are not included in the minutes furnished.

g. Copies of official Notice of Sale and Affidavit of Publication of Notice of Sale unless Bond Counsel advises you that this is not applicable.

h. Specimen Bond (of each denomination), with any attached coupons.

i. No Litigation Certificate of Local Counsel (See Item 12 below).

j. Certified copies of resolutions or other documents pertaining to the award of the Bond(s).

k. Non-Arbitrage Certificate.

l. Any additional or supporting documents required by Bond Counsel.

m. Preliminary approving opinion, if any, and final unqualified approving opinion of Bond Counsel, including opinion regarding interest on bonds being exempt from Federal and any State income taxes.

Any omissions from the Bond transcript should be supplied by the Rural Development Specialist with the assistance of the Applicant and Bond Counsel. Obviously, certain of the documents listed above will normally be delivered prior to the closing.

12. Attorney's No-Litigation Certificate. Local Counsel should deliver a manually-executed original attorney's no-litigation certificate dated the date of closing.

13. Evidence of Title. In all cases, confirm that Local Counsel has supplied FmHA with his or her title opinion regarding the sites for any project structures such as treatment plants and community buildings. The opinion should be on Form FmHA 1927-10 with any changes necessary to reflect the circumstances of this financing. In the case of utility-type financings, confirm that executed Form FmHA 442-21 and 442-22 concerning rights-of-way are also in the docket. Any title exceptions should either be removed prior to closing or be specifically cleared through OGC.

14. Additional Instructions. OGC will normally issue additional closing instructions on a case-by-case basis containing special requirements for specific loans. The District Director should review the Closing Instructions prepared by OGC relating to the specific case and close the loan in accordance with those instructions.

USDA

United States
Department of
Agriculture

Rural Development

ral Building, Room 320
75 High Street
Morgantown, WV 26505
Tel: (304) 291-4796
Fax: (304) 291-4159

July 30, 1998

COPY

David L. Glover, Chairman
Marshall County Public Service District No. 4
P. O. Box 709
Moundsville, WV 26041

Dear Mr. Glover:

This letter, with Attachments 1 through 11 and enclosures, establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. 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 the Rural Utilities Service (RUS) by written amendment to this letter. Any changes not approved by RUS shall be cause for discontinuing processing of the application.

The Rural Utilities Service Water and Waste Disposal Loan and Grant Program is administered by USDA - Rural Development, formerly known as the Farmers Home Administration.

This letter is not to be considered as loan and grant approval or as representation to the availability of funds. The docket may be completed on the basis of an RUS loan in the amount of $3,750,090 and an RUS grant in the amount of $1,446,700, and other funding in the amount of $1,400,000, for a total project cost of $6,596,790. The other funding is planned in the form of grants from the Marshall County Commission and the State of West Virginia.

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

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

Rural Development is an Equal Opportunity Lender. Complaints of discrimination should be sent to: Secretary of Agriculture, Washington, DC 20250.

PRINTED WITH SOYINK

Attachment No. 1 - Project Construction Budget (All Copies)
Attachment No. 2 - Loan and Grant Docket Table of Contents (All Copies)
Attachment No. 3 - RUS Instruction 1780, Subparts A and B (Applicant Copy)
Attachment No. 4 - RUS Instruction 1780, Subpart C (Engineer Copy)
Attachment No. 5 - RUS Instruction 1780, Subpart D (Attorney and Bond Counsel Copies)
Attachment No. 6 - Agreement (RUS Bulletin 1780-13) (Engineer Copy)
Attachment No. 7 - Supplemental General Conditions (RUS Bulletin 1780-14) (Engineer Copy)
Attachment No. 8 - Government Auditing Standards (Revision 1994) (Accountant Copy)
Attachment No. 9 - Water Users Agreement (Applicant and Attorney Copies)
Attachment No. 10 - Declination Statement (Applicant and Attorney Copies)
Attachment No. 11 - Various other RD Forms as identified on Attachment No. 2

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

The conditions referred to above are as follows:

1. Loan Repayment - The loan will be scheduled for repayment over a period of 40 years. The payments due the first 24 months will consist of interest only. Payments for the remaining 456 months will be equal amortized monthly installments. For planning purposes use a 4.75% interest rate and a monthly amortization factor of .00475, which provides for a monthly payment of $17,813. 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 and a depreciation reserve account, which together equal 10% of the annual debt service each year for the life of the loan. Five percent (5%) will be deposited into both accounts until an annual debt payment has been accumulated. Thereafter, the entire 10% will be deposited into the depreciation reserve account.

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

2. Security - The loan must be secured by a statutory lien on parity with Marshall County Public Service District No. 4's outstanding bond indebtedness, 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 Form RD 1942-47 which are mentioned later.

3. Users - This conditional commitment is based upon you providing evidence that you will have at least 2,136 bona fide users on the proposed system when it has been completed and is placed in operation. This evidence will consist of 274 signed users agreements and a certification from you that identifies and attests to the number of users actually connected to and using the District's existing water system, which is to be partially replaced by the new system, at the time you request authorization to advertise the proposed project for construction bids.

   The enclosed Water Users Agreement will be used. Each user signing an agreement must make a users contribution of $100.00. Each potential user who is located along planned lines and declines the offered service will be provided an opportunity to sign a "Service Declination Statement." A guide "Service Declination Statement" is attached for your use. If a potential user refuses to sign either a users agreement or a declination statement, the individual making the contact for the District should complete the declination statement for that potential user and note thereon his/her visit with the potential user, the potential user's refusal to sign, and the reason therefore. The declination statement should also be dated and signed by the individual making contact.

   Before RUS can agree to the project being advertised for construction bids, you must provide evidence that the total required number of bona fide users has been acquired and that all potential users have been offered the proposed service.

Information and material evidencing compliance with this requirement must consist of (1) your certification (written) as to the number of users connected to and using the water service of the existing system (paying monthly bills), (2) signed users agreements, (3) signed service declination statements, (4) records evidencing users contributions having been paid, (5) a map locating each potential users property in the new service area identifying it by number, (6) a list of all signed bona fide users numbered so as to be a cross-reference with the map, and (7) a list of all declination statements numbered so as to be a cross-reference with the map.

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

5. Engineering Services - It will be necessary for you to obtain the services of an engineer. For your convenience, Form RD 1942-19, "Agreement for Engineering Services," or EJCDC No. 1910-1, "Standard Form of Agreement between Owner and Engineer for Professional Services" may be used to obtain the services of an engineer and are enclosed for your use.

6. Legal Services - You must obtain the services of a local attorney. For your convenience RUS Bulletin 1780-7, "Legal Services Agreement" is enclosed for your use.

7. Accounting Services - You must obtain the services of a qualified accountant. The accountant must agree to develop and provide the following:

   a. All necessary accounting material required by the Public Service Commission of West Virginia (Rule 42 Exhibit).

   b. Prior to the advertisement of bids, your accountant must certify that the accounts and records as required by your bond resolution have been established and are operational.

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

RUS regulations (Attachment No. 3) outline requirements for the submission of management reports and audits. Appropriate state statutes place certain audit requirements for your District. The attached booklet, "Government Auditing Standards (Revised 1994)" (Attachment No. 8) outlines audit requirements. You are reminded that certain provisions of the Office of Management and Budget Circular A-133 are applicable to any public body or nonprofit association that expends $300,000 or more in federal funds in any one fiscal year. You must enter into an agreement annually with an accountant (or the State Tax Department) to perform the audit. The agreement must be in accordance with the requirements of the State Tax Commissioner of West Virginia. Compensation for preparation of the audit of the A-133 audit or your annual audit are not included in project funds and should be paid from the operational revenues generated from your system operation.

8. Facility Control - Prior to advertisement for construction bids, you must furnish satisfactory evidence that you have or can obtain adequate continuous and valid control over the lands and rights needed for the project. Such evidence must be in the following form:

   a. A right-of-way map showing clearly the location of all lands and rights needed for the project. The map must designate public and private lands and rights and the appropriate legal ownership thereof.

   b. A copy of deeds, contracts or options for any lands needed other than rights-of-way, along with a preliminary title opinion covering such lands. Form RD 1927-9, "Preliminary Title Opinion" may be used. In the case of your existing system or where the District 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 442-22 must be provided which does not provide for any exceptions.

e. On the day of loan closing, the District'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 District has already acquired real property(s) (land or facilities), the District's attorney will provide a separate final title opinion(s) covering such property(s) on the day of loan closing.

9. Permits - Copies of all permits needed for the project must be provided for review prior to advertisement for construction bids. Such permits will include but are not limited to the following:

- West Virginia Department of Highways
- State Department of Health
- Department of Environmental Protection
- Public Land Corporation

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

a. A Certificate of Convenience and Necessity.

b. Approval of user charges that are acceptable to you and the Rural Utilities Service.

c. Approval of financing for the project's proposed financing arrangements.

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

11. Insurance and Bonding Requirements -

Prior to preliminary loan closing, you must acquire the following insurance and bond coverage:

a. Liability Insurance - Personal Liability - $500,000; Property Damage - $200,000 - $200,000. The limits of liability coverage noted herein should be considered as suggested amounts only. RUS recommends that you consider analyzing your actual needs in detail before you obtain coverage in a specific amount.

b. Workers' Compensation - In accordance with appropriate State laws.

c. Position Fidelity Bond(s) - All positions occupied by persons entrusted with the receipt and/or disbursement of funds must be bonded. As a good business practice you will probably wish to have each position bonded in an amount equal to the maximum amount of funds to be under the control of that position at any one time. The minimum coverage acceptable to RUS will be for each position to be bonded for an amount at least equal to one annual installment on your loan(s).

d. National Flood Insurance - In addition to meeting the requirements for the type of assistance requested, the following requirements must be met for financial assistance for acquisition and/or construction in designated special flood or mudslide prone areas:

(1) If flood insurance is available, you must purchase a flood insurance policy at the time of loan closing.

(2) Applicants whose buildings, machinery or equipment are to be located in a community which has been notified as having special flood or mudslide prone areas will not receive financial assistance where flood insurance is not available.

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

12. Contract Documents, Final Plans and Specifications -

a. The contract documents should consist of the following:

(1) "Agreement" (RUS Bulletin 1780-13) and Attachments 1 through 9 (Attachment No. 6) or other agreement approved by RUS.

(2) "Supplemental General Conditions" (RUS Bulletin 1780-14). One copy of this item is attached hereto (Attachment No. 7). Additional copies must be reproduced by the engineer.

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

(1) Liability Insurance - Personal Liability - $500,000; Property Damage - $200,000 - $200,000. This coverage must include indemnification of the District and its engineer. RUS Bulletin 1780-13, Attachment 9, suggests certain limits of liability for insurance coverage. Those limits should be considered as minimum requirements only. It is recommended you consider increasing the given limits of liability after analyzing your specific needs.

(2) Builder's Risk Insurance - On all structures and mechanical and electrical equipment in place or stored on the site to the full insurable value thereof.

(3) Workers' Compensation - In accordance with applicable State laws.

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

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

13. Interim Financing - Interim financing will be used for the RUS loan if it is available at reasonable rates and terms. You must provide RUS with a copy of the tentative agreement reached in connection with interim financing. A copy of the proposed agreement should be provided for RUS review.

14. Disbursement of Funds - The RUS funds will be advanced as they are needed in the amount(s) necessary to cover the RUS proportionate share of any disbursements required of your District, over 30 day periods. Any funds not disbursed immediately upon receipt must be deposited in an interest bearing account in accordance with OMB Circular A-133. Interest earned on these funds must be remitted promptly, at least quarterly, to the Rural Utilities Service. The District must assure that all project funds are expended only for the eligible items included in the final project budget or as may be later approved by RUS.

15. Other Grants - Prior to advertisement for construction bids, you must provide evidence showing the approval of the other grants. This evidence should include a copy of the grant award. Prior to award of the contract(s) to the contractor(s), you must provide evidence that the "other" grant funds are available for expenditure. This evidence should consist of at least a letter from the grantor stating the funds are available for expenditure.

16. At a properly called meeting, you must adopt and properly execute the following forms, and minutes showing the adoption must be provided:

    Form RD 442-7 - "Operating Budget"
    Form RD 1940-1 - "Request for Obligation of Funds"
    RUS Bulletin 1780-12 - "Water or Waste System Grant Agreement"
    Form RD 1942-47 - "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"

17. The enclosed Water and Waste Processing Checklist (Attachment No. 2) outlines the items needed to complete the loan and grant docket. All the items listed must be included in the loan and grant docket when it is forwarded to the USDA - Rural Development State Office with a request for loan closing instructions to be issued.

18. Upon receipt of the loan and grant docket, which contains all the items required above, RUS may authorize you to advertise the project for construction bids. Such advertisement must be in accordance with appropriate State statutes. Immediately after bid opining 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.

Attached is a copy of RUS Bulletin 1780-12, "Water and Waste System Grant Agreement," for your review. You will be required to execute a completed form at the time of grant closing.

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.

In accordance with the intent of Congress as expressed in the FY 1997 Appropriations Act, recipients of water and waste assistance provided by the Rural Utilities Service are encouraged, in expending the assistance, to purchase only American-made equipment and products.

Please complete and return the enclosed Form RD 1942-46, "Letter of Intent to Meet Conditions," if you desire further consideration be given your application.

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

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

Sincerely yours,

BOBBY LEWIS
State Director

Enclosures

(See Page 11)

cc: Administrator, RUS
ATTN: Water and
Environmental Programs
Washington, DC

Rural Development Specialist
Parkersburg, WV

Accountant

Attorney

Bond Counsel

Cerrone and Associates, Inc.
Wheeling, WV

Attachment No. 1 to Letter of Co `tions
Marshall County Public Service District No. 4

Project Construction Budget

Project Cost	Co. Comm Grant	Small Cities Block Grant	RUS Grant	RUS Loan	Total
Administration		50,000			50,000
Construction		1,200,000	1,129,900	2,695,100	5,025,000
Construction Contg.			88,600	211,400	300,000
Land and Rights			14,800	35,200	50,000
Legal Fees			8,900	21,100	30,000
Engineering	150,000		169,800	405,200	725,000
Basic $375,000					
Inspection $300,000					
Special $50,000					
Bond Counsel			6,000	14,000	20,000
Interest				300,000	300,000
Project Contg.			28,700	68,090	96,790
Total	$150,000	$1,250,000	$1,446,700	$3,750,090	$6,596,790

Rates - Available for general domestic commercial, and industrial service.

First 3,000 gals. @ $5.10 per M gals.
Next 7,000 gals. @ $4.65 per M gals.
Next 10,000 gals. @ $3.63 per M gals.
Next 30,000 gals. @ $2.70 per M gals.
Over 50,000 gals. @ $1.93 per M gals.

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

5/8" x 3/4" meter -	$15.30 per month
3/4" meter -	$22.95 per month
1" meter -	$38.25 per month
1 1/2" meter -	$76.50 per month
2" meter -	$122.40 per month
3" meter -	$229.50 per month
4" meter -	$382.50 per month
6" meter -	$765.00 per month

(Minimum Monthly Bill $15.30 for 3,000 gallons)

Delayed Payment Penalty

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

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

Connection Charge

Prior to Construction - $100.00

After the start of construction, there shall be a charge of $250.00 connection to the system.

Reconnection Charge

$20.00

Use and Income Analysis

694	users @	3,000	gallons @	15.30	per user =	10,618.20	monthly
480	users @	4,000	gallons @	19.95	per user =	9,576.00	monthly
374	users @	5,000	gallons @	24.60	per user =	9,200.40	monthly
292	users @	6,000	gallons @	29.25	per user =	8,541.00	monthly
112	users @	8,000	gallons @	38.55	per user =	4,317.60	monthly
87	users @	10,000	gallons @	47.85	per user =	4,162.95	monthly
39	users @	15,000	gallons @	66.00	per user =	2,574.00	monthly
23	users @	18,000	gallons @	76.89	per user =	1,768.47	monthly
18	users @	20,000	gallons @	84.15	per user =	1,514.70	monthly
17	users @	144,000	gallons @	346.57	per user =	5,891.69	monthly

2,136 Total Users

$58,165.01 Monthly x 12 = $697,980 Annual Revenue

Budget

Income		$ 697,980
Expenses		
O & M	$ 315,000	
Debt Service	347,508*	
Reserve	34,750**	
		$ 697,258
Balance and Depreciation		$ 722

Operation and Maintenance Expenses

Purchased Water	$ 8,000
Pumping Expenses	32,000
Chemicals and Supplies	13,000
Wages and Benefits	87,000
Office Supplies and Expenses	8,000
Maintenance and Repairs	49,000
Ins., Bonds, Taxes and Fees	18,000
Customer Accounting	58,000
Misc. General Expenses	42,000
TOTAL	$ 315,000

*Existing Debt Service	$133,752
Proposed Debt Service	213,756
Total Debt Service	347,508

** Existing Debt Service Reserve	$ 13,375
Proposed Debt Service Reserve	21,375
Total Debt Service Reserve	34,750

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

Form No.	Document or Action	No. Needed	Proced. Ref.	Provided by	Target Date	Date Rec'd	File Pos.
SF 424.2	Application for Federal Assistance	3	1780.33(b)	App.			3
	Public Notice of Intent to File App. / Environ. Notice	1	1780.19(a) 1940-G	App.			3
	Regional Planning & Development Council Review	2	1780.33(b)	App.			3
	State Clearing-house Review or IJDC Review	2	1780.33(b)	App.			3
Bulletins 1780-2 1780-3	Preliminary Engineering Report	2	1780.33(c)	Eng.			6
	Audit for last year of operation	1	1780.33(e)	App./Acct.			1
AD 1049	Certification Regarding Drug-Free Workplace	1	1780.33(h)	App.			5
	Minutes Adopting Drug-Free Workplace Program	1	LOC	App.			5
RD 1940-20	Request for Env. Info/ Attachments	2	1780.33(f)	App./Eng.			3

Bulletin 1780-22	Applicant Eligibility Certification/ Other Credit Certification	1	1780.33(d)	App.	3
Exhibit A / A-1	Certifications Regarding Lobbying	2	1780.33(h)	App.	2
	Env. Assessment for Class II Actions (Exhibit H, 1940-G)	2	1940-G	RUS/Eng.	3
	Site Visit		S.I. 1780-2	RUS	3
	Statement from Historical Preservation Office	2	Exhibit H 1940-G	App.	3
	Comments from Dept. of Commerce, Labor & Environ. Resources (DEP)	2	Exhibit H 1940-G	App.	3
	Comments from U.S. Fish and Wildlife Service (Endangered Species)	2	Exhibit H 1940-G	App.	3
	Farmland Conversion Impact Rating	1	Exhibit H 1940-G	RUS/ NRCS	3
	FONSI / Evidence of Publication	1	Exhibit 1 RD 1940-G News Ad	RUS/App.	3
	Copy of Existing Rate Tariff	2	1780.33	App.	8
	Applicant's IRS Tax Number (TIN)	1	1780.33(g)	App.	3

	Agency Determination on the Availability of "Other Credit" with Documentation	1	1780.7(d)	RUS	3
	Agency Determination on Procurement	1	1780.70(d)	RUS	6
	Review for Outstanding Judgment	1	1780.7(g)	RUS	3
	Processing Conference	1	1780.39(a)	RUS	3
	Staff Engineer PER Review	1	1780.33(c)	RUS	6
	Staff Review Financial Statements	1	S.I. 1780.2	RUS	1
	Bill Analysis for existing system(s)	2	1780.33(c)	App./Eng.	8
	Projected Bill Analysis for New Users	2	1780.33(c)	App./Eng.	8
	Statement reporting the total number of potential users		1780.33(c)	App./Eng.	8
RD 1942-19 or other approved	Agreement between Owner & Engineer	3	1780.39(b)	App./Eng.	6

Bulletin 1780-7 or other approved	Legal Services Agreement with Local Attorney	3	1780.39 (b)(2)	App./Att.	5
	Legal Services Agreement with Bond Counsel	1	1780.39 (b)(3)	App./ Bond Counsel	5
	Agreement for Accounting Services	1	1780.39 (b)(2)	App./Acct.	5
	Survey conducted by uninterested party to determine MHI	1	1780.1	App./RUS	3
	S/O concurrence in results of survey to determine MHI	1	1780.1	RUS - S/O	3
	Documentation on Service Area	1	1780.11	RUS	3
	Relationships/ Associations with Agency Employees	1	1780.1(f)		3
Auto. Form	Grant Determination	3	1780.35(b)	RUS	
RD 1942-45	Project Summary	3	1780.41(a)	RUS	1
RD 442-7	Operating Budget	3	1780.33(h)	App.	3
RD 1942-14	Project Fund Analysis	3	1780.41(a)	RUS	2
Bulletin 1780-1	Project Selection Criteria	2	1780.17	RUS	1

	Letter of Conditions	7	1780.41 (a)(5)	RUS	3
RD 1942-46	Letter of Intent to Meet Conditions	2	1780.41 (a)(6)	App.	3
RD 1940-1	Request for Obligation of Funds	4	1780.41(a)	RUS/App.	2
Bulletin 1780-12	Association Water or Sewer System Grant Agreement	2	1780.45(c)	RUS/App.	2
	Evidence of "Other Funds"	1	1780.44(f)	App.	2
	Evidence of Applicant Contribution	1	1780.44(f)	App.	2
Bulletin 1780-12	Water Users Agreement (Copy)	1	1780.39(c)	App.	5
AD 1047	Certification Regarding Debarment (Primary)	1	1780.33(h)	App.	5
AD 1048	Certification Regarding Debarment (Contractor)	1 ea.	1780.33(h)	All Appropriate Vendors	5
RD 1910-11	Applicant Certification, Federal Collection Policies	1	1780.33(h)	App.	3

Evidence of Users:				
1. Map of Users with each identified by number	1	LOC	App.	Sep. File
2. List of Signed Users Numbered to Map	1	LOC	App.	5
3. List of Declination Statement Numbered to Map	1	LOC	App.	5
4. Evidence of Tap Fees Being Paid	1	LOC	App.	5
5. Having Users Agreements and Declination Statements Available		LOC	App.	
Positive Program to Encourage Connections when Completed	1	1780.39 (c)(5)	App.	5
Verification of Users	1	1780.44(b)	RUS	3
Preliminary Bond Transcript Documents w/o Defeasance Provisions	2	1780.83	Bond Counsel	2
Right-of-Way Map	1	1780.44(g)	Eng.	Sep. File

	Deeds and/or Options		1780.44(g)	App./Att.	
RD 1927-9	Preliminary Title Opinion	1	1780.44 (g)(2)	App./Att.	5
RD 1927-10	Final Title Opinion	1	1780.44 (g)(2)	App./Att.	5
	Narrative Opinion from Attorney	1	1780.44(g)	Att.	5
RD 442-22	Opinion of Counsel Relative to R/Ways		1780.44 (g)(1)	Att.	5
RD 1942-47	Loan Resolution	1	1780.45 (a)(2)	App.	5
	Copy of PSC Rule 42 Exhibit	1	State	Att./Acct.	3
	Agreement with Accountant	1	1780.39 (b)(2)	App./Acct.	6
Lender Agrmnt/ Bulletin 1780-10/ 1780-10a	Interim Financing Documentation	1	1780.39(d)	App./RUS	1
RD 400-1	Equal Opportunity Agreement	1	1901-E	App.	6
RD 400-4	Assurance Agreement	1	1901-E	App.	3
	Bond Transcript Documents w/o Defeasance Provisions	3	1780.83	Bond Counsel	Sep. File
	OGC Closing Instructions	1	1780.44(h)	RUS	5

	S/O Closing Instructions	1	1780.44(h)	RUS	5
	DOH Permit	1	1780.15(d)	App.	6
	Public Land Corp. Permit	1	1780.15(d)	App.	6
	Corps of Engineers Permit	1	1780.15(d)	App.	6
	Contract Documents, Plans and Specifications	2		Eng.	Sep. File
	Dept. of Health Approval	1	1780.15(d)	Eng.	6
	Dept. of Environmental Protection Permit	1		Eng.	6
400-8	Comp. Review	1	1901-H 1901.204	RUS	5
1924-16	Record of PreConstruction Conference	1	1780.76(a)	RUS/Eng.	6
	Bid Tabulation	1	1780.61(b)	Eng.	6
	Resume' of Inspector	1	1780.76(c)	Eng.	6
	Liability Insurance		1780.39(g)	App.	7
	Workers' Compensation Certificate	1	1780.39(g)	App.	7

	Flood Insurance Policy	1	1780.39(g)	App.	7
440-24	Fidelity Bond	1	1780.39(g)	App.	7
	OGC Final Opinion	1	1780.45(g)	RUS	5

USDA UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

75 High Street Federal Building, Suite 320, Morgantown, WV 26505-7500
304.284.4860 • 1.800.295.8228 • fax 304.284.4893 • TTY/TDD 304.284.4836

August 4, 2004

David L. Glover, Chairman
Marshall County Public Service District No. 4
P.O. Box 709
Moundsville, WV 26041-0709

RE: Amendment No. 1 to
Letter of Conditions

Dear Mr. Glover:

This letter, with Attachment No. 1, amends the letter of conditions dated July 28, 1998, and further establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan and grant will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

The docket may be completed on the basis of a reduced RUS loan in the amount of $2,328,300, an initial RUS grant in the amount of $1,446,700, and other funding in the amount of $2,325,000, for a total project cost of $6,100,000. The other funding is planned in the form of grants from the Marshall County Commission and the State of West Virginia. The RUS loan is being reduced from $3,750,090 to $2,328,300.

Subject to the requirements noted herein, all of the conditions of the July 28, 1998 letter of conditions remain in effect and must be satisfied prior to loan and grant closing.

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

Enclosed are the following:

Attachment No. 1 – Project Construction Budget (All Copies)

The conditions referred to above are as follows:

1. Loan Repayment – The reduced loan will be scheduled for repayment over a period of 40 years. The payments due the first 24 months will consist of interest only. The remaining 456 months will be equal amortized monthly installments. For planning purposes, use a 4.75% interest rate and a monthly amortization factor of .00475 which provides for a monthly payment of $11,060 on the reduced loan.

2. Users – This conditional commitment is based upon the District having obtained properly signed user agreements with at least 276 bona fide full-time users located within the planned service area. You must provide evidence you have not signed user agreements from individuals located outside the planned service area.

   The enclosed Water Users Agreement will be used. Each user signing an agreement must make a users contribution of $100.00. Each potential user who is located along planned lines and declines the offered service will be provided an opportunity to sign a "Service Declination Statement." A guide "Service Declination Statement" is attached for your use. If a potential user refuses to sign either a user agreement or a declination statement, the individual making the contact for the District should complete the declination statement for that potential user and note thereon his/her visit with the potential user, the potential user's refusal to sign, and the reason therefore. The declination statement should also be dated and signed by the individual making contact.

   Before RUS can agree to the project being advertised for construction bids, you must provide evidence that the total required number of bona fide users has been acquired and that all potential users have been offered the proposed service.

   Information and material evidencing compliance with this requirement must consist of (1) signed user agreements, (2) signed or completed Service Declination Statements, (3) records of user contributions being paid, (4) a map locating each potential user's property and identifying it by a number, (5) a list of all signed bona fide users numbered so as to be a cross-reference with the map, and (6) a list of all declination statements numbered so as to be a cross-reference with the map.

3. Bond Counsel – Your bond counsel should be provided a copy of this letter immediately.

4. Public Service Commission Approval - You must obtain approval of the project's proposed financing arrangements from the West Virginia Public Service Commission.

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

Form RD 442-7 -	"Initial Operating Budget"
Form 1940-1 –	"Request for Obligation of Funds"
RUS Bulletin 1780-27 -	"Loan Resolution (Public Bodies)"
Form RD 1942-46 -	"Letter of Intent to Meet Conditions"

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 Public Service District 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,

Jenny N. Phillips

JENNY N. PHILLIPS
State Director

Enclosures

cc: RUS Rural Development Specialist
Parkersburg, WV

S.R. Snodgrass, A.C.
Wheeling, WV

David White, Esquire
Moundsville, WV

John C. Stump, Esquire
Steptoe & Johnson
Charleston, WV

Cerrone Associates, Inc.
Wheeling, WV

Attachment No. 1 to Letter of Conditions
For: Marshall County Public Service District No. 4
Date: August 4, 2004

Project Construction Budget

PROJECT COST	STAG GRANT	CO. COMM. GRANT	SCB GRANT	RUS GRANT	RUS LOAN	TOTAL
CONSTRUCTION	$ 970,000		$ 897,150	$ 1,065,000	$ 1,614,850	$ 4,547,000
CONST. CONTINGENCY				$ 90,600	$ 137,400	$ 228,000
LAND & RIGHTS				$ 20,000	$ 30,000	$ 50,000
LEGAL FEES				$ 28,000	$ 42,000	$ 70,000
BOND COUNSEL				$ 8,000	$ 12,000	$ 20,000
ACCOUNTING			$ 3,850	$ 3,000	$ 5,900	$ 12,750
ENGINEERING FEES		$ 150,000	$ 225,000	$ 175,000	$ 265,000	$ 815,000
Basic - $375,000						$ -
Add. Basic - $60,000						
Insp. - $300,000						$ -
Spec. - $80,000						$ -
INTEREST					$ 134,000	$ 134,000
ADMINISTRATION	$ 30,000		$ 45,000			$ 75,000
SCBG TAP FEE ASST.			$ 4,000			$ 4,000
EQUIPMENT				$ 12,000	$ 18,000	$ 30,000
PROJECT CONTG.				$ 45,100	$ 69,150	$ 114,250
TOTAL	**$1,000,000**	**$ 150,000**	**$1,175,000**	**$ 1,446,700**	**$ 2,328,300**	**$ 6,100,000**

Rates

Available for general domestic, commercial, and industrial service.

First	3,000	gallons @	8.06	per M gallons
Next	7,000	gallons @	7.35	per M gallons
Next	10,000	gallons @	5.77	per M gallons
Next	30,000	gallons @	4.32	per M gallons
Over	50,000	gallons @	3.11	per M gallons

Minimum Charge

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

5/8" x 3/4"	meter	$ 24.18	per month
3/4"	meter	$ 36.27	per month
1"	meter	$ 60.45	per month
1 1/2"	meter	$ 120.90	per month
2"	meter	$ 193.44	per month
3"	meter	$ 362.70	per month
4"	meter	$ 604.50	per month
6"	meter	$ 1,209.00	per month
8"	meter	$ 1,934.40	per month

Minimum Monthly Bill $ 24.18 for 3,000 gallons

Delayed Payment Penalty

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

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

Connection Charge

Prior to Construction - $100.00

After the start of construction, there shall be a charge of $300.00 for connection to the system.

Reconnection Charge

$20.00

Use and Income Analysis - See Attached

Cash Flow Analysis - See Attached

Marshall Co. PSD #4
Bill Analysis - Existing Customers

EXISTING CUSTOMERS - QUARTERLY BILLING

Rate Block	No. Bills	No. Mgals	5/8 x 3/4 Minimum Bills	First 9 Mgals	Next 21 Mgals	Next 30 Mgals	Next 90 Mgals	Over 150 Mgals
0 - 9 Mgals	1,851	9,604	1,851					
9.1 - 30 Mgals	3,077	49,284	-	27,693	21,591			
30.4 - 60 Mgals	135	5,295	-	1,215	2,835	1,245		
60.1 - 150 Mgals	28	2,328	-	252	588	840	648	
Over 150 Mgals	6	1,094	-	54	126	180	540	194
	5,097	67,605	1,851	29,214	25,140	2,265	1,188	194
Proposed Rate			$ 72.54	$ 8.06	$ 7.35	$ 5.77	$ 4.32	$ 3.11
			$ 134,272	$ 235,465	$ 184,779	$ 13,069	$ 5,132	$ 603

$ 573,320

EXISTING CUSTOMERS - MONTHLY BILLING

Rate Block	No. Bills	No. Mgals	5/8 x 3/4 Minimum Bills	2" Minimum Bills	First 3 Mgals	Next 7 Mgals	Next 10 Mgals	Next 30 Mgals	Over 50 Mgals
2" Minimum	10	142		10					
0 - 3 Mgals	42	81	42	-					
3.1 - 10 Mgals	10	69	-	-	30	39			
10.1 - 20 Mgals	33	503	-	-	99	231	173		
20.1 - 50 Mgals	24	654	-	-	72	168	240	174	
Over 50 Mgals	25	8,668	-	-	75	175	250	750	7,418
	144	10,117	42	10	276	613	663	924	7,418
Proposed Rate			$ 24.18	$ 193.44	$ 8.06	$ 7.35	$ 5.77	$ 4.32	$ 3.11
			$ 1,016	$ 1,934	$ 2,225	$ 4,506	$ 3,826	$ 3,992	$ 23,070

$ 40,567

$ 613,887

Correction Factor 1.0151653

$ 623,197

BILL ANALYSIS - PROPOSED CUSTOMERS

Rate Block	No. Bills	No. Mgallons	Minimum Bills	First 9 Mgals	Next 21 Mgals	Next 30 Mgals	Next 90 Mgals	Over 150 Mgals
0 - 9 Mgals	478	2,275	478					
9.1 - 30 Mgals	586	10,203	-	5,274	4,929			
30.1 - 60 Mgals	40	2,300	-	360	840	1,100		
60.1 - 150 Mgals	-	-	-	0	0	0	0	
Over 150 Mgals	-	-	-	0	0	0	0	0
	1,104	14,778	478	5,634	5,769	1,100	0	0
Proposed Rate			$72.54	$8.06	$7.35	$5.77	$4.32	$3.11
			$34,674.12	$45,410.04	$42,402.15	$6,347.00	$0.00	$0.00

$128,833.31

752,030.28

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4
OPERATING BUDGET - EXISTING SYSTEM

OPERATING INCOME		
Metered Sales - Existing	$ 623,197	
Forfeited Discounts	$ 14,115	
Miscellaneous Income	$ 76	
Other Income	$ 1,115	
TOTAL OPERATING INCOME		$ 638,503
NON OPERATING INCOME		
Interest income	$ 5,557	
TOTAL NON OPERATING INCOME		$ 5,557
TOTAL INCOME		$ 644,060
EXPENSES		
O & M - Existing	$ 334,909	
Taxes	$ 9,204	
TOTAL EXPENSES		$ 344,113
INCOME AVAILABLE FOR D/S (A)		$ 299,947
DEBT SERVICE		
Existing Bond P & I (B)	$ 133,752	
TOTAL DEBT SERVICE		$ 133,752
DEBT SERVICE RESERVE		
Existing Debt Service Reserve	$ 5,309	
TOTAL DEBT SERVICE RESERVE		$ 5,309
SURPLUS (DEFICIT)		$ 160,886
SUBSIDY TO PROPOSED EXTENSION		$ 146,000
SURPLUS		$ 14,886
DEBT COVERAGE (A/B)		224%

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4
OPERATING BUDGET - PROPOSED EXTENSION

OPERATING INCOME		
Metered Sales - Extension	$ 128,833	
Existing System Surplus	$ 146,000	
TOTAL OPERATING INCOME		$ 274,833
NON OPERATING INCOME		
Interest income		
TOTAL NON OPERATING INCOME		$ -
TOTAL INCOME		$ 274,833
EXPENSES		
O & M - Extension	$ 121,874	
Taxes		
TOTAL EXPENSES		$ 121,874
INCOME AVAILABLE FOR D/S (A)		$ 152,959
DEBT SERVICE		
Proposed Bond P & I (B)	$ 132,720	
TOTAL DEBT SERVICE		$ 132,720
DEBT SERVICE RESERVE		
Proposed Debt Service Reserve	$ 13,272	
TOTAL DEBT SERVICE RESERVE		$ 13,272
SURPLUS (DEFICIT)		$ 6,967
DEBT COVERAGE (A/B)		115%

Marshall County PSD #4
Various Extensions Project
May 7, 2004

Items needed by RUS prior to authorizing advertisement for bids:

Preliminary Bond Transcript Documents

Deeds and/or Options

1927-9 "Preliminary Title Opinion"

Narrative Opinion from Attorney

442-21 "Opinion of Counsel Relative to ROW"

Interim Financing Documentation

DOH Permit

Public Land Corp. Permit

Contract Documents, Plans, Specs.

Health Dept. Approval

DEP Permit

PSC Approval

PSC Application

~~Agreement(s) with sponsors of WV Dam No. 3.~~

Copy of Water Purchase Contracts
with Moundsville and Marshall Co. PSD #2

DWTRF
(11/01/04)

LOAN AGREEMENT

THIS DRINKING WATER TREATMENT REVOLVING FUND LOAN AGREEMENT (the "Loan Agreement"), made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), acting under the direction of the WEST VIRGINIA BUREAU FOR PUBLIC HEALTH, a division of the West Virginia Department of Health and Human Resources (the "BPH"), and the local entity designated below (the "Local Entity").

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4
(Local Entity)

W I T N E S S E T H:

WHEREAS, the United States Congress under Section 1452 of the Safe Drinking Water Act, as amended (the "Safe Drinking Water Act"), has provided for capitalization grants to be awarded to states for the express purpose of establishing and maintaining drinking water treatment revolving funds for the construction, acquisition and improvement of drinking water systems;

WHEREAS, pursuant to the provisions of Chapter 16, Article 13C of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a drinking water treatment revolving fund program (the "Program") to direct the distribution of loans to eligible Local Entities pursuant to the Safe Drinking Water Act;

WHEREAS, under the Act the BPH 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 BPH has been awarded capitalization grants to partially fund the Program;

WHEREAS, the Act establishes a permanent perpetual fund known as the "West Virginia Drinking Water Treatment Revolving Fund" (hereinafter the "Fund"), which fund is to be administered and managed by the Authority under the direction of the BPH;

WHEREAS, pursuant to the Act, the Authority and BPH are empowered to make loans from the Fund to Local Entities for the acquisition or construction of drinking water projects by such Local Entities, all subject to such provisions and limitations as are contained in the Safe Drinking Water Act and the Act;

WHEREAS, the Local Entity constitutes a local entity as defined by the Act;

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

WHEREAS, the Local Entity is authorized and empowered by the statutes of the State to acquire, construct, improve, operate and maintain a drinking water 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 Entity;

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

WHEREAS, the Local Entity has completed and filed with the Authority and BPH an Application for a Construction Loan with attachments and exhibits and an Amended Application for a Construction 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 BPH are willing to lend the Local Entity the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Local Entity with moneys held in the Fund, subject to the Local Entity'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 Entity, BPH 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 entity," and "project" have the definitions and meanings ascribed to them in the Act or in the DWTRF 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 BPH to the Local Entity through the purchase of Local Bonds, as hereinafter defined, pursuant to this Loan Agreement.

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

1.5 "Local Bonds" means the revenue bonds to be issued by the Local Entity 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 Loan 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.

1.8 "Program" means the drinking water facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Safe Drinking Water Act and administered by BPH.

1.9 "Project" means the drinking water project hereinabove referred to, to be constructed or being constructed by the Local Entity in whole or in part with the net proceeds of the Local Bonds or being or having been constructed by the Local Entity 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 "DWTRF Regulations" means the regulations set forth in the West Virginia Code of State Regulations.

1.11 "System" means the drinking water system owned by the Local Entity, 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 Loan 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 Entity by the Consulting Engineers, the BPH 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 Loan Agreement and the Local Act, the Local Entity 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 Entity 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 Entity, 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 BPH and the Authority.

2.4 The Local Entity agrees that the Authority and BPH 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 Entity further agrees that the Authority and BPH 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 BPH with respect to the System pursuant to the pertinent provisions of the Act.

2.5 The Local Entity 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 Entity shall permit the Authority and BPH, 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 Entity shall submit to the Authority and BPH 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 Entity agrees that it will permit the Authority and BPH and their respective agents to have access to the records of the Local Entity 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 Entity 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 Entity 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 BPH and shall verify or have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Local Entity, the Local Entity or (at the option of the Local Entity) 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 Entity, 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 Entity 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 Entity 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 Entity shall provide and maintain competent and adequate engineering services satisfactory to the Authority and BPH 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, BPH and the Local Entity 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 Entity shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the DWTRF Regulations, to it within 60 days of the completion of the Project. The Local Entity shall notify BPH in writing of such receipt.

2.10 The Local Entity shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the DWTRF Regulations, to BPH when the Project is 90% completed. The Local Entity shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Entity 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 Loan Agreement. The Local Entity shall notify BPH in writing of the certified operator employed at the 50% completion stage.

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

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

ARTICLE III

Conditions to Loan;
Issuance of Local Bonds

3.1 The agreement of the Authority and BPH to make the Loan is subject to the Local Entity's fulfillment, to the satisfaction of the Authority and BPH, 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 Entity shall have delivered to BPH and the Authority 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 Entity shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Loan Agreement;

(c) The Local Entity 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 Entity 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 Entity 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 BPH shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit C;

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

(f) The Local Entity 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 BPH shall have received an opinion of counsel to the

Local Entity, which may be local counsel to the Local Entity, bond counsel or special PSC counsel but must be satisfactory to the Authority and BPH, to such effect;

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

(h) The Local Entity 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 BPH shall have received an opinion of counsel to the Local Entity, which may be local counsel to the Local Entity, bond counsel or special PSC counsel but must be satisfactory to the Authority and BPH, 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 BPH shall have received a certificate of the accountant for the Local Entity, or such other person or firm experienced in the finances of local entities and satisfactory to the Authority and BPH, 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 BPH shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of drinking water projects and satisfactory to the Authority and BPH, to such effect, such certificate to be in form and substance satisfactory to the Authority and BPH, and evidence satisfactory to the Authority and BPH of such irrevocably committed grants.

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the BPH, including the DWTRF Regulations, or any other appropriate State agency and any applicable rules, regulations and procedures promulgated from time to time by the federal government, it is hereby agreed that the Authority shall make the Loan to the Local Entity and the Local Entity shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Local Entity 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 Loan 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 Entity 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, BPH and the Local Entity. 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 Loan Agreement by the Authority.

3.5 The Local Entity understands and acknowledges that it is one of several local entities which have applied to the Authority and BPH for loans from the Fund to finance drinking water projects and that the obligation of the Authority to make any such loan is subject to the Local Entity's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing and to the requirements of the Program. The Local Entity 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 execution of this Loan Agreement, the Authority may purchase the bonds of other local entities set out in the State Project Priority List, as defined in the DWTRF Regulations. The Local Entity further specifically recognizes that all loans will be originated in conjunction with the DWTRF Regulations and with the prior approval of BPH or such later date as is agreed to in writing by the BPH.

3.6 The Local Entity shall provide BPH with the appropriate documentation to comply with the special conditions regarding the public release requirements established by federal and State regulations as set forth in Exhibit D 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 Entity shall, as one of the conditions of the Authority and BPH to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Local Entity in accordance with the Local Statute, which shall, as adopted or enacted, contain provisions and covenants in substantially the form as follows:

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

(i) to pay Operating Expenses of the System;

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

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

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

Provided that if the Local Entity 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 gross or net revenues, as applicable, of the System as provided in the Local Act;

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

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

(iv) That, except as otherwise required by State law or the DWTRF Regulations, 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 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 the 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 Entity 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 BPH;

(vi) That the Local Entity 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 Entity 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 Entity 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 Entity will not grant any franchise to provide any services which would compete with the System;

(xi) That the Local Entity shall annually, within six months of the end of the fiscal year, 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 BPH. If the Local Entity receives $500,000 or more (in federal funds) in a fiscal year, the audit shall be obtained in accordance with the Single Audit Act (as amended from time to time) and the applicable OMB Circular (or any successor thereto). Financial statement audits are required once all funds have been received by the Local Entity. The audit 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 Entity's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

(xii) That the Local Entity 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 BPH 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 Entity 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 funding of such Local Entity, the proceeds of which were used to finance the construction of the Project; provided that, with the prior written consent of the Authority and BPH, 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 Entity may authorize redemption of the Local Bonds with 30 days written notice to BPH and 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 Entity 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 Entity shall complete the Monthly Payment Form, attached hereto as Exhibit E and incorporated herein by reference, and submit a copy of said form along with a copy of the check or electronic transfer to the Authority by the 5th day of such calendar month;

(xviii) That, unless it qualifies for an exception to the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, which exception shall be set forth in an opinion of bond counsel, the Local Entity 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 Entity 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 BPH, the Project is adequate for the purposes for which it was designed, the funding plan

as submitted to the Authority and BPH 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 Entity shall, to the full extent permitted by applicable law and the rules and regulations of the PSC, terminate its services to any customer of the System who is delinquent in payment of charges for services provided by the System and will not restore such services until all delinquent charges for the services of the System have been fully paid; and

(xxi) That the Local Entity shall submit all proposed change orders to the BPH for written approval. The Local Entity shall obtain the written approval of the BPH 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 Entity shall obtain the written approval of the BPH before expending any proceeds of the Local Bonds available due to bid/construction/project underruns.

The Local Entity 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 F.

4.2 The Loan shall be secured by the pledge and assignment by the Local Entity, as effected by the Local Act, of the fees, charges and other revenues of the Local Entity 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 Authority monthly as required by the Local Entity 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 Entity, the BPH 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 DWTRF 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 Entity. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series.

4.5 As provided by the DWTRF Regulations, the Local Entity agrees to pay from time to time, if required by the Authority and BPH, the Local Entity's allocable share of the reasonable administrative expenses of the BPH and the Authority relating to the Program. Such administrative expenses shall be determined by the BPH and the Authority and shall include, without limitation, Program expenses, legal fees paid by the BPH and the Authority and fees paid for any bonds or notes to be issued by the Authority for contribution to 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 Entity; Imposition and Collection of User Charges; Payments To Be Made by Local Entity to the Authority

5.1 The Local Entity hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Local Entity 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 Loan Agreement, the Local Entity 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 Loan Agreement.

5.3 In the event the Local Entity defaults in any payment due to the Authority pursuant to this Loan 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 Entity hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Entity, 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 Entity

6.1 The Local Entity hereby acknowledges to the Authority and BPH its understanding of the provisions of the Act, vesting in the Authority and BPH certain powers, rights and privileges with respect to drinking water projects in the event of default by local entities in the terms and covenants of this Loan Agreement, and the Local Entity hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Local Entity 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 Loan Agreement.

6.2 The Local Entity hereby warrants and represents that all information provided to the Authority and BPH in this Loan 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 BPH shall have the right to cancel all or any of their obligations under this Loan Agreement if (a) any representation made to the Authority and BPH by the Local Entity in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Local Entity 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 DWTRF Regulations or this Loan Agreement.

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

6.4 The Local Entity hereby covenants that it will rebate any amounts required by Section 148 of the Internal Revenue Code of 1986, as amended, and will take all steps necessary to make any such rebates. In the event the Local Entity fails to make any such rebates as required, then the Local Entity shall pay any and all penalties, obtain a waiver from the Internal Revenue Service and take any other actions necessary or desirable to preserve the exclusion from gross income for federal income tax purposes of interest on the Local Bonds.

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

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

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

ARTICLE VII

Miscellaneous

7.1 Schedules X and Y shall be attached to this Loan 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 Entity supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

7.2 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.

7.3 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.

7.4 No waiver by any 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.

7.5 This Loan 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 Loan Agreement, notwithstanding the date hereof, the Local Entity 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 Loan Agreement shall terminate upon the earlier of:

(i) written notice of termination to the Local Entity from either the Authority or BPH;

(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 the BPH if the Local Entity has failed to deliver the Local Bonds to the Authority;

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

(iv) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Local Entity to the Authority or BPH.

In the event funds are not available to make all of the Loan, the responsibility of the Authority and BPH to make all the Loan is terminated; provided further that the obligation of the Local Entity to repay the outstanding amount of the Loan made by the Authority and BPH is not terminated due to such non-funding on any balance of the Loan. The BPH agrees to use its best efforts to have the amount contemplated under this Loan Agreement included in its budget. Non-funding of the Loan shall not be considered an event of default under this Loan Agreement.

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

MARSHALL COUNTY PSD NO. 4

(SEAL)

By: _____

Its: Chairman

Attest:

Date: September 26, 2007

Donna Crawford

Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: _____

Its: Director

Attest:

Date: September 26, 2007

Barbara B Meadows

Its: Secretary-Treasurer

000832/00520
11/01/04

EXHIBIT A

MONTHLY FINANCIAL REPORT

Name of Local Entity _____
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 Entity 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 Entity 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 Entity.

The Local Entity 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 B

PAYMENT REQUISITION FORM

EXHIBIT C

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 used herein and not defined herein shall have the same meaning set forth in the bond _____ adopted or enacted by the Issuer on _____, and the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), 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 BPH and any change orders approved by the Issuer, BPH 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 B attached hereto as Exhibit A, and my firm[1] has ascertained that all successful bidders have made

[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

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 BPH and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof[2], the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by BPH; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

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

[SEAL]

_____

By: _____

_____

West Virginia License No. _____

---

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 (ix).

EXHIBIT D

SPECIAL CONDITIONS

The Local Entity 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.

Sixty days prior to the date of the first monthly payment to the Municipal Bond Commission, the Governmental Agency shall provide the Authority and the BPH with a written report stating the date on which the Project received a Certificate of Completion from the Consulting Engineers, the date on which the new rates became effective, the date on which the Governmental Agency began or will begin billing the new rates and the date when the Governmental Agency anticipates receiving revenues from the rate increase. If on the sixtieth day preceding the first monthly payment to the Municipal Bond Commission, the Governmental Agency has not received a Certificate of Completion, it covenants and agrees to petition the PSC for approval to immediately implement the new rates.

Additionally, the Governmental Agency shall provide the Authority and the BPH notice of any other rate changes.

EXHIBIT E

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 _____ on _____.
[Local Entity] [Date]

Sinking Fund:

Interest $_____

Principal $_____

Total: $_____

Reserve Account: $_____

Witness my signature this ___ day of _____.

_____
[Name of Local Entity]

By: _____
Authorized Officer

Enclosure: wire transfer form

EXHIBIT F

OPINION OF BOND COUNSEL FOR LOCAL ENTITY

[To Be Dated as of Date of Loan Closing]

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

West Virginia Bureau for Public Health
815 Quarrier Street, Suite 418
Charleston, WV 25301-2616

Ladies and Gentlemen:

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

We have examined a certified copy of proceedings and other papers relating to the authorization of a (i) loan agreement dated _____, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Local Entity and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), and (ii) the issue of a series of revenue bonds of the Local Entity, dated _____ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan 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 Loan 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 Entity on _____, as supplemented by the supplemental resolution duly adopted by the Local Entity on _____ (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan 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 Loan 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 Loan Agreement has been duly authorized by and executed on behalf of the Local Entity and is a valid and binding special obligation of the Local Entity, enforceable in accordance with the terms thereof.

2. The Loan Agreement inures to the benefit of the Authority and the BPH and cannot be amended so as to affect adversely the rights of the Authority or the BPH or diminish the obligations of the Local Entity without the consent of the Authority and the BPH.

3. The Local Entity 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 Entity and constitute valid and binding obligations of the Local Entity, enforceable against the Local Entity 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 Loan Agreement.

5. The Local Bonds have been duly authorized, issued, executed and delivered by the Local Entity to the Authority and are valid, legally enforceable and binding special obligations of the Local Entity, payable from the gross or net revenues of the System set forth in the Local Act and secured by a first lien on and pledge of the gross or net 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 executed and authenticated Local Bond numbered R-1, and in our opinion the form of said bond and its execution and authentication are regular and proper.

Very truly yours,

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds	$ 1,225,000
Purchase Price of Local Bonds	$ 1,225,000

The Local Bonds shall bear no interest. Commencing September 1, 2009, principal of the Local Bonds is payable quarterly, with an administrative fee of 1%. 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 Entity 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 Entity 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 Entity 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 and interest, if any, and the Local Bonds shall grant the Authority a first lien on the gross or net revenues of the Local Entity's system as provided in the Local Act.

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

(1) Water Revenue Bonds, Series 1996 A (United States Department of Agriculture), dated July 25, 1996, issued in the original principal amount of $140,000; (2) Water Revenue Bonds, Series 1996 B (United States Department of Agriculture), dated July 25, 1996, issued in the original principal amount of $380,000; (3) Water Revenue Bonds, Series 1989 (United States Department of Agriculture), dated July 23, 1990, issued in the original principal amount of $372,000; (4) Water Revenue Bonds, Series 1982 (United States Department of Agriculture), dated November 3, 1982, issued in the original principal amount of $1,175,000; and (5) Water Revenue Bonds, Series 2007 A (United States Department of Agriculture), issued concurrently herewith in the original principal amount of $2,328,300.

SCHEDULE Y

$1,225,000

Marshall County Public Service District No. 4

0% Interest Rate; 1% Administrative Fee; 30 Years

Closing Date: September 26, 2007

Debt Service Schedule

Date	Principal	Coupon	Total P+I
12/01/2007	-	-	-
03/01/2008	-	-	-
06/01/2008	-	-	-
09/01/2008	-	-	-
12/01/2008	-	-	-
03/01/2009	-	-	-
06/01/2009	-	-	-
09/01/2009	10,209.00	-	10,209.00
12/01/2009	10,209.00	-	10,209.00
03/01/2010	10,209.00	-	10,209.00
06/01/2010	10,209.00	-	10,209.00
09/01/2010	10,209.00	-	10,209.00
12/01/2010	10,209.00	-	10,209.00
03/01/2011	10,209.00	-	10,209.00
06/01/2011	10,209.00	-	10,209.00
09/01/2011	10,209.00	-	10,209.00
12/01/2011	10,209.00	-	10,209.00
03/01/2012	10,209.00	-	10,209.00
06/01/2012	10,209.00	-	10,209.00
09/01/2012	10,209.00	-	10,209.00
12/01/2012	10,209.00	-	10,209.00
03/01/2013	10,209.00	-	10,209.00
06/01/2013	10,209.00	-	10,209.00
09/01/2013	10,209.00	-	10,209.00
12/01/2013	10,209.00	-	10,209.00
03/01/2014	10,209.00	-	10,209.00
06/01/2014	10,209.00	-	10,209.00
09/01/2014	10,209.00	-	10,209.00
12/01/2014	10,209.00	-	10,209.00
03/01/2015	10,209.00	-	10,209.00
06/01/2015	10,209.00	-	10,209.00
09/01/2015	10,209.00	-	10,209.00
12/01/2015	10,209.00	-	10,209.00
03/01/2016	10,209.00	-	10,209.00
06/01/2016	10,209.00	-	10,209.00
09/01/2016	10,209.00	-	10,209.00
12/01/2016	10,209.00	-	10,209.00
03/01/2017	10,209.00	-	10,209.00
06/01/2017	10,209.00	-	10,209.00
09/01/2017	10,209.00	-	10,209.00
12/01/2017	10,209.00	-	10,209.00
03/01/2018	10,209.00	-	10,209.00
06/01/2018	10,209.00	-	10,209.00
09/01/2018	10,209.00	-	10,209.00

$1,225,000
Marshall County Public Service District No. 4
0% Interest Rate; 1% Administrative Fee; 30 Years
Closing Date: September 26, 2007

Debt Service Schedule

Date	Principal	Coupon	Total P+I
12/01/2018	10,209.00	-	10,209.00
03/01/2019	10,209.00	-	10,209.00
06/01/2019	10,209.00	-	10,209.00
09/01/2019	10,208.00	-	10,208.00
12/01/2019	10,208.00	-	10,208.00
03/01/2020	10,208.00	-	10,208.00
06/01/2020	10,208.00	-	10,208.00
09/01/2020	10,208.00	-	10,208.00
12/01/2020	10,208.00	-	10,208.00
03/01/2021	10,208.00	-	10,208.00
06/01/2021	10,208.00	-	10,208.00
09/01/2021	10,208.00	-	10,208.00
12/01/2021	10,208.00	-	10,208.00
03/01/2022	10,208.00	-	10,208.00
06/01/2022	10,208.00	-	10,208.00
09/01/2022	10,208.00	-	10,208.00
12/01/2022	10,208.00	-	10,208.00
03/01/2023	10,208.00	-	10,208.00
06/01/2023	10,208.00	-	10,208.00
09/01/2023	10,208.00	-	10,208.00
12/01/2023	10,208.00	-	10,208.00
03/01/2024	10,208.00	-	10,208.00
06/01/2024	10,208.00	-	10,208.00
09/01/2024	10,208.00	-	10,208.00
12/01/2024	10,208.00	-	10,208.00
03/01/2025	10,208.00	-	10,208.00
06/01/2025	10,208.00	-	10,208.00
09/01/2025	10,208.00	-	10,208.00
12/01/2025	10,208.00	-	10,208.00
03/01/2026	10,208.00	-	10,208.00
06/01/2026	10,208.00	-	10,208.00
09/01/2026	10,208.00	-	10,208.00
12/01/2026	10,208.00	-	10,208.00
03/01/2027	10,208.00	-	10,208.00
06/01/2027	10,208.00	-	10,208.00
09/01/2027	10,208.00	-	10,208.00
12/01/2027	10,208.00	-	10,208.00
03/01/2028	10,208.00	-	10,208.00
06/01/2028	10,208.00	-	10,208.00
09/01/2028	10,208.00	-	10,208.00
12/01/2028	10,208.00	-	10,208.00
03/01/2029	10,208.00	-	10,208.00
06/01/2029	10,208.00	-	10,208.00
09/01/2029	10,208.00	-	10,208.00

$1,225,000
Marshall County Public Service District No. 4
0% Interest Rate; 1% Administrative Fee; 30 Years
Closing Date: September 26, 2007

Debt Service Schedule

Date	Principal	Coupon	Total P+I
12/01/2029	10,208.00	-	10,208.00
03/01/2030	10,208.00	-	10,208.00
06/01/2030	10,208.00	-	10,208.00
09/01/2030	10,208.00	-	10,208.00
12/01/2030	10,208.00	-	10,208.00
03/01/2031	10,208.00	-	10,208.00
06/01/2031	10,208.00	-	10,208.00
09/01/2031	10,208.00	-	10,208.00
12/01/2031	10,208.00	-	10,208.00
03/01/2032	10,208.00	-	10,208.00
06/01/2032	10,208.00	-	10,208.00
09/01/2032	10,208.00	-	10,208.00
12/01/2032	10,208.00	-	10,208.00
03/01/2033	10,208.00	-	10,208.00
06/01/2033	10,208.00	-	10,208.00
09/01/2033	10,208.00	-	10,208.00
12/01/2033	10,208.00	-	10,208.00
03/01/2034	10,208.00	-	10,208.00
06/01/2034	10,208.00	-	10,208.00
09/01/2034	10,208.00	-	10,208.00
12/01/2034	10,208.00	-	10,208.00
03/01/2035	10,208.00	-	10,208.00
06/01/2035	10,208.00	-	10,208.00
09/01/2035	10,208.00	-	10,208.00
12/01/2035	10,208.00	-	10,208.00
03/01/2036	10,208.00	-	10,208.00
06/01/2036	10,208.00	-	10,208.00
09/01/2036	10,208.00	-	10,208.00
12/01/2036	10,208.00	-	10,208.00
03/01/2037	10,208.00	-	10,208.00
06/01/2037	10,208.00	-	10,208.00
09/01/2037	10,208.00	-	10,208.00
12/01/2037	10,208.00	-	10,208.00
03/01/2038	10,208.00	-	10,208.00
06/01/2038	10,208.00	-	10,208.00
09/01/2038	10,208.00	-	10,208.00
12/01/2038	10,208.00	-	10,208.00
03/01/2039	10,208.00	-	10,208.00
06/01/2039	10,208.00	-	10,208.00
Total	**$1,225,000.00**	-	**$1,225,000.00** *

***Plus $1,543.98 one-percent Administrative Fee paid quarterly. Total fee paid over life of loan is $185,277.60.**

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 30th day of August, 2007.

CASE NO. 06-1513-PWD-CN-PC (REOPENED)

MARSHALL COUNTY PSD NO. 4 , a public utility,
Moundsville, Marshall County.
Application for a certificate of convenience and necessity
to construct certain additions and improvements to its existing
water distribution system and for approval of financing.

COMMISSION ORDER

The Commission grants a second petition to reopen and approves a 40-year term for a water purchase contract.

BACKGROUND

On July 12, 2007, the Commission granted Marshall County Public Service District No. 4 a certificate of convenience and necessity to construct additions and improvements to its water system. The Commission also approved the following funding for the project:

State and Tribal Assistance Grant	$962,200
Small Cities Development Block Grant	$575,000
Marshall County Commission Grant	$150,000
Rural Utilities Service (RUS) grant	$1,446,700
RUS loan @ 4.75% over 40 years	$2,328,300
Drinking Water Treatment Revolving Fund loan @ 0% interest over 30 years & 1% administrative fee	$1,225,000
	$6,687,200

For the RUS Loan, the first 24 monthly payments will be interest only. The utility accepted Staff's recommended rates.

The Commission also granted its prior consent for Marshall County Public Service District No. 4 to enter into a 20-year water purchase contract with the City of Moundsville.

On August 8, 2007, the Commission granted a petition to reopen and approved $1.5 million in additional grant funding and revised the project scope so that Marshall County Public Service District No. 4's lines could further be improved to transport water to the nearby municipality of Cameron. Cameron's plant is deteriorated and it plans to buy water from Moundsville, and Marshall County Public Service District No. 4's lines will transport that water to Cameron.

On August 22, 2007, Marshall County Public Service District No. 4 filed a second petition to reopen, advising that the United States Department of Agriculture's Rural Utilities Service had reviewed the water purchase contract and required that the term be extended to 40 years to match the term of the RUS loan. Both the PSD and Moundsville, by their governing bodies, have approved extending the contract term to 40-years. The documentation reflecting these decisions was attached to the second petition to reopen.

On August 28, 2007, Commission recommended that the second petition to reopen be granted. Initial & Final Joint Staff Memorandum p. 1.

DISCUSSION

The governing bodies of Moundsville and Marshall County Public Service District No. 4 have agreed to extend the term of the water purchase contract to 40-years, as RUS requested. It is reasonable to approve a revised term for the water contract that matches the term of the RUS loan. In all other respects, the water contract will remain as approved on July 12, 2007.

FINDINGS OF FACT

1. On July 12, 2007, the Commission approved the following funding for Marshall County Public Service District No. 4's project:

State and Tribal Assistance Grant	$962,200
Small Cities Development Block Grant	$575,000
Marshall County Commission Grant	$150,000
Rural Utilities Service (RUS) grant	$1,446,700
RUS loan @ 4.75% over 40 years	$2,328,300
Drinking Water Treatment Revolving Fund loan @ 0% interest over 30 years & 1% administrative fee	$1,225,000
	$6,687,200

2. The Commission also granted its prior consent for Marshall County Public Service District No. 4 to enter into a 20-year water purchase contract with the City of Moundsville.

3. On August 22, 2007, Marshall County Public Service District No. 4 advised that the United States Department of Agriculture's Rural Utilities Service had reviewed the water purchase contract and required that the term be extended to 40 years to match the term of the RUS loan.

4. Marshall County Public Service District No. 4 and the City of Moundsville, by their governing bodies, have approved extending the water purchase contract term to 40-years.

5. On August 28, 2007, Commission recommended that the request be approved. Initial & Final Joint Staff Memorandum p. 1.

CONCLUSIONS OF LAW

1. This matter should be reopened to consider Marshall County Public Service District's second petition to reopen.

2. It is reasonable to approve a revised term for the water contract that matches the term of the RUS loan. In all other respects, the water contract remains as was approved on July 12, 2007.

ORDER

IT IS, THEREFORE, ORDERED that this matter is reopened to consider the second petition to reopen.

IT IS FURTHER ORDERED that, pursuant to W. Va. Code § 24-2-12(a), and without expressly approving the underlying terms and conditions, the Commission grants its prior consent for Moundsville and PSD No. 4 to revise the term of the water purchase contract to 40 years.

IT IS FURTHER ORDERED that this matter is removed from the Commission's docket of active cases.

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

A True Copy, Teste:

Sandra Squire
Executive Secretary

CLW/sek
061513cf.wpd

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 8th day of August, 2007.

CASE NO. 06-1513-PWD-CN-PC (Petition to reopen)

MARSHALL COUNTY PSD NO. 4 , a public utility,
Moundsville, Marshall County.
Application for a certificate of convenience and necessity
to construct certain additions and improvements to its existing
water distribution system and for approval of financing.

COMMISSION ORDER

By this Order, the Commission grants a petition to reopen and approves additional grant funding and revised project scope.

Background

By Order issued July 12, 2007, the Commission granted a certificate of convenience and necessity for this water extension project and the utility's entry into a water purchase contract.

During the evidentiary hearing in this case, the applicant, Marshall County Public Service District No. 4 (PSD No. 4) testified regarding the deteriorated water system operated by the nearby municipality of Cameron. (March 13, 2007 Hearing Tr. pp. 48-49; 59-60). PSD No. 4 testified that it plans to serve Cameron in the future but that certain system modifications are required to do so. (Tr. p. 50). Although PSD No. 4 had completed the design and applied to the West Virginia Infrastructure and Jobs Development Council (WVIJDC) for grant funding to pay for modifications to serve Cameron, the WVIJDC had not yet approved the grant. PSD No. 4 expected WVIJDC to approve the grant and make the funds available in July 2007. (Tr. pp. 52, 54). PSD No. 4 testified that once system modifications are made, Cameron plans to decommission its treatment plant and buy water from PSD No. 4. (Tr. pp. 52). PSD No. 4 will buy the water needed to serve Cameron from Moundsville. (Id. p. 53). The additional project cost to serve Cameron is $1,500,000. (Id. p. 54.)

Because the WVIJDC had not yet approved the grant of $1.5 million for upgrades related to future service to Cameron, the April 26, 2007 Recommended Decision and the July 12, 2007 Commission Order on petition for reconsideration approved all project funding except for that grant.

On July 17, 2007, PSD No. 4 filed a Petition to Reopen for Approval of Additional Financing. In this filing, PSD No. 4 explained that the WVIJDC approved the $1.5 million grant on the same date as the Commission's July 12, 2007, Order. The grant monies will permit PSD No. 4 to enlarge certain water lines and make it possible for the City to transport water purchased from the City of Moundsville to Cameron for resale. PSD No. 4 stated that it did not previously request Commission approval of the grant because it had not yet been formally approved by WVIJDC. PSD No. 4 further explained that its project has been put out for bids and contractors were instructed to bid the job with and without the line improvements to serve Cameron. With Commission approval of the WVIJDC grant, PSD No. 4 will be in a position to accept bids including the Cameron-related line work.

DISCUSSION

The hearing evidence indicated that Cameron's current water treatment plant is old, leaking, and that Cameron is unable to serve its customers during certain periods of time. (Tr. pp. 49, 52, 53, 60). PSD No. 4 proposes to make improvements to its system to be funded by a WVIJDC grant that will allow it to serve Cameron in the future as a resale customer. This modification to the funding and scope of the project as originally approved will have no rate impact. The Commission finds that replacing Cameron's deteriorating plant with resale service to be provided by PSD No. 4 is in the public interest. Accordingly, the Commission will reopen this certificate proceeding and grant PSD No. 4's petition to reopen.

FINDINGS OF FACT

1. PSD No. 4 seeks approval of $1.5 million in grant funding from WVIJDC to fund system modifications that will enable the District to serve the nearby municipality of Cameron in the future.

2. The hearing evidence indicated that Cameron's current water treatment plant is old, leaking, and that Cameron is unable to serve its customers during certain periods of time (Tr. pp. 49, 52, 53, 59-60), and that WVIJDC is not inclined to fund a refurbishment of Cameron's plant. (Tr. pp. 59-60).

3. The revised funding and scope of this project will have no rate impact.

CONCLUSION OF LAW

The modification to the funding and scope of the project as originally approved is in the public interest . Accordingly, the PSD No. 4's petition to reopen should be granted.

ORDER

IT IS THEREFORE ORDERED that PSD No. 4's petition to reopen filed July 17, 2007, is hereby granted.

IT IS FURTHER ORDERED that the Commission grants consent and approval for PSD No. 4 to accept the WVIJDC grant in the amount of $1.5 million to fund line improvements to provide future service to the municipality of Cameron.

IT IS FURTHER ORDERED that the Commission authorizes modification of the scope of the project to include line improvements to provide future service to Cameron.

IT IS FURTHER ORDERED that if there are any further changes in the plans and/or scope of the project, or any change in the financing affecting rates, the utility shall request a reopening of the certificate for Commission review and approval. If the change in project cost does not affect rates, the utility need not seek reopening of this case but must file an affidavit signed by a certified public accountant that rates will not be affected.

IT IS FURTHER ORDERED that upon entry hereof, this matter is removed from the Commission's docket of active cases.

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

A True Copy, Teste: Sandra Squire

Sandra Squire
Executive Secretary

JML/ljm
061513ce.wpd

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 12th day of July, 2007.

CASE NO. 06-1513-PWD-CN-PC

MARSHALL COUNTY PSD NO. 4 , a public utility,
Moundsville, Marshall County.
Application for a certificate of convenience and necessity
to construct certain additions and improvements to its existing
water distribution system and for approval of financing.

COMMISSION ORDER

The Commission grants a certificate of convenience and necessity for this water extension project and grants its prior consent to the entry into a water purchase contract.

BACKGROUND

On October 6, 2006, Marshall County Public Service District No. 4 applied for a certificate of convenience and necessity to construct additions and improvements to its existing water system. The Commission received a large number of protest letters concerning the project.

On October 24, 2006, the Moundsville Water Board's petition to intervene was granted. The case was referred to the Division of Administrative Law Judges for further proceedings.

About 15 customers made public comment at the evidentiary hearing, generally expressing concern about having to pay higher rates.

PSD No. 4 provided the testimony of Manning Frymier, a registered civil engineer, who explained that the utility has been buying water from Moundsville since its inception in the early 1970s. PSD No. 4 has approximately 1,250 customers, several water storage tanks and approximately 95 miles of water distribution lines. Tr. pp. 36-38. The new project involves about 45 miles of new distribution lines, and water purchase agreements have been signed by 252 prospective customers. Tr. 39.

PSD No. 4 currently buys water from Marshall County Public Service District No. 2 for the utility's southern lines. Tr. p. 41. Part of the project involves increasing the number of customers that can be served with water purchased from PSD No. 2. Tr. p. 42.

New mining in the area has increased the need for water. Id. Many individuals haul their water. PSD No. 4 provides water via water buffaloes, and wells in the area have gone dry. Mr. Frymier believes that there is a need for the project. Tr. p. 55.

Cameron, a small municipality, currently provides water service, but its distribution system is old and leaky. Further, Cameron's treatment plant does not meet environmental standards and Cameron's reservoir cannot provide sufficient water during dry periods. PSD No. 4 has an emergency connection with Cameron that has been used a couple of times. Tr. pp. 48-49.

Eventually, PSD No. 4 plans to serve Cameron. Shifting some customers from Moundsville water to water produced by PSD No. 2 is necessary, and one of PSD No. 4's lines and tanks will have to be modified. Tr. p. 50. PSD No. 4 has completed the design and its application for grant funding has been approved by the Infrastructure Council. The money for the project will not be available until July 2007. Tr. pp. 52, 54. Cameron will decommission its treatment plant and buy water from PSD No. 4. Tr. p. 52. PSD No. 4 will buy the water needed to serve Cameron from Moundsville. Id. p. 53. The additional project cost to serve Cameron is $1,500,000. Id. p. 54.

With the exception of the Infrastructure grant to serve Cameron, PSD No. 4 has all other funding in place:

State and Tribal Assistance Grant	$962,200
Small Cities Development Block Grant	$575,000
Marshall County Commission Grant	$150,000
Rural Utilities Service (RUS) grant	$1,446,700
RUS loan @ 4.75% over 40 years	$2,328,300
Drinking Water Treatment Revolving Fund loan @ 0% interest over 30 years & 1% administrative fee	$1,225,000
	$6,687,200

Tr. p. 58. For the RUS Loan, the first 24 monthly payments will be interest only. The utility accepted Staff's recommended rates. Id. p. 59.

Joseph Marakovits, a technical analyst in the Commission's Engineering Division, recommended that the certificate be approved. Tr. p. 65. He testified that customers in this area are served by inadequate wells, area ground water is of poor quality and short supply, the water table has been affected by ongoing mining activity, many residents haul water for domestic use, any reduction of water usage from Moundsville will save PSD No. 4 money,

and Staff's projected rates are lower than those proposed by the Utility because Staff estimated lower operation and maintenance costs and calculated lower purchased water costs.[1] Tr. pp. 69-72 & Staff. Ex. 1. Staff also recommended the approval of a new water purchase contract between PSD No. 2 and PSD No. 4. Tr. p. 73.

Nathan Nelson, a utilities analyst, performed the project's financial study and testified that PSD No. 4's rates, after Moundsville's new treatment plant is operational, will average $44.75 a month. For PSD No. 4's project, $2 more per month per customer is needed. Tr. pp. 78-79. The total project is estimated to cost $6,700,000, equating to $4,249 per customer, which Staff views as reasonable. Staff's recommended rates provide a cash flow surplus of $37,730 and debt service coverage of 131.43%. Thus, Staff advised that the project was financially feasible and should be approved. Staff Ex. 1.

At the evidentiary hearing, PSD No. 4 and Moundsville advised that they had agreed on several terms of a new water purchase agreement – that PSD No. 4 would buy at least 60,000,000 gallons a year from Moundsville for 20 years, Moundsville would ask Staff to review its rates once Cameron becomes a permanent customer PSD No. 4, Moundsville would pass an ordinance based on Staff's rate recommendations, including a resale rate, PSD No. 4 and Moundsville would file a formal complaint if they cannot finalize terms for the contract, and Moundsville and PSD No. 4 would submit any final contract to the Commission for its review and approval. Tr. pp. 32-33.

Recommended Decision

On April 26, 2007, the ALJ recommended that the certificate be granted, contingent upon the project costs not exceeding $6,700,000 and that the Commission approve Staff's proposed rates and a new water purchase contract. Rec. Dec. pp. 9-10. The ALJ modified the case caption to add "-PC" to reflect the Commission's consideration of the new water purchase contract. Id.

Regarding needs for the project and financial feasibility, the ALJ wrote as follows:

> Although there is substantial public opposition to the project, the application should be approved. There is a critical need for the project. Numerous wells in the project area have gone dry. What little ground water exists in the area is of low quality. Many residents are hauling water. New mining activity in the project area has intensified the need for potable water in the area.

---

[1] Staff expects the project will increase O&M by $27,319, instead of PSD No. 4's projected $142,523, primarily because Staff recommended only one new employee instead of two as PSD No. 4 had proposed. Staff Ex. 1.

> The proposed financing is reasonable. It includes a significant amount of grant money and very low cost loans. The resulting rates, although high, are not unreasonable. Most of the increase in rates that will occur results from the already approved project for Moundsville which allowed Moundsville to upgrade its treatment plant. The improved treatment facility for Moundsville should result in a much higher quality of water for all of the Utility's customers who are served with water produced by Moundsville. The project at issue in this proceeding has a relatively small rate impact, amounting to about $2.00 a month per customer.

Rec. Dec. p. 7.

Exceptions

On May 11, 2007, Moundsville excepted to the ALJ's recommendation, arguing that Moundsville and PSD No. 4 had not reached full agreement on a new water purchase contract and that the Recommended Decision did not approve the stipulated facts between Moundsville and PSD No. 4. Moundsville suggested that portions of language in the Findings of Fact, Conclusions of Law and Order paragraphs of the Recommended Decision be modified as follows:

FINDINGS OF FACT

> 1. The Utility and Moundsville have come to an agreement ~~agreed~~ that the Utility will ~~would~~ purchase a minimum of 60,000,000 gallons a year from Moundsville. (Tr. 30.) The Utility is willing to enter into a 20-year contract guaranteeing the annual minimum purchase. In return, Moundsville has agreed to have the Public Service Commission Assistance Staff look at its rates once Cameron becomes a permanent customer of the Utility. (Tr. 30, 31.) Moundsville has agreed to pass an ordinance based upon the recommendations of Assistance Staff regarding the proper resale rate once Cameron comes on line. (Tr. 31.) The parties anticipate a formal complaint filing if they are unable to enter into appropriate terms for the contract. (Tr. 32.) The parties anticipate submitting any contract to the Public Service commission for its review and approval. Staff indicated that it agreed with the terms of the settlement. (Tr. ~~30, 31,~~ 33).
>
> 2. The Utility has been buying water from Moundsville since its inception in the early 1970s. The Utility also purchases water from PSD 2. The bulk water from PSD 2 serves most of the Utility's southern customers. PSD 2's rate is $1.14 per 1,000 and the Moundsville rate will be $3.59 ~~$4.59~~ per 1,000. (Tr. 38, 41, 69).

* * *

5. The project consists of three contracts: (1) a waterline extension north of Big Grove[2] Creek which will add 157 new customers, all of whom will receive water purchased from Moundsville; (2) a waterline extension south of Big Grove Creek which will add 95 customers, all of whom will receive water purchased from PSD 2; and (3) construction of one 105,000 gallon and one 107,000 gallon water tank, with SCADA telemetry system and all necessary valves and appurtenances. The project also includes the diversion of 156 existing customers, with consumption equivalent to 302 dwelling units, from the City of Moundsville as a source to PSD 2 as a source. Id., at 2. Staff believes this will result in the Utility purchasing 700,000 fewer gallons from Moundsville per month, Id., while the Utility's engineer believes the amount of the reduction in volume of water purchased by the Utility from Moundsville was "in debate." Tr., at 43. ~~Part of the project involves increasing the number of customers who can be served with water purchased from PSD 2. Roughly an equal number of customers will be transferred from bulk water provided by Moundsville to water provided by PSD 2 as there will be new customers. The new customers created by the project eventually will be served completely by water produced by Moundsville. (Tr. 42, 43).~~

* * *

CONCLUSIONS OF LAW

1. The stipulation between the Utility, Moundsville and Staff placed on the record at hearing, as related in Finding of Fact No. 1, is reasonable, in the public interest and should be approved.

* * *

ORDER

* * *

IT IS FURTHER ORDERED that the stipulation between the Utility, Moundsville, and Staff placed on the record at hearing, as related in Finding of Fact No. 1, be, and hereby is, approved.

* * *

Moundsville argued that Finding of Fact No. 1 did not fully reflect the Stipulation, Finding of Fact No. 2 incorrectly stated the rate Moundsville will charge PSD No. 4 when Moundsville's new treatment plant is complete, and Finding of Fact No. 5 was incomplete

[2] "Grove" seems to be a typographical error. There is a Big Grave Creek in the area.

in some respects and incorrect in others. Brief in support of Exceptions pp. 1-5. Also, the Recommended Decision did not address the Stipulation in the Conclusions of Law or in the ordering paragraphs. Id.

On May 21, 2007, PSD No. 4 argued that the Recommended Decision should not be modified and that Moundsville proposed inconsequential changes. Response p. 1. To the extent that Moundsville asked that a new water purchase contract be approved, PSD No. 4 objected because the parties had only agreed to the facts listed in the Recommended Decision, not on the complete terms of a new contract. Id. pp. 1-2. The contract needs finalized, and there is nothing for the Commission to approve at this time, PSD No. 4 wrote.

PSD No. 4 opened bids on June 9, and it needs a final, nonappealable order to accept those bids. Id. p. 2. Therefore, PSD No. 4 asked the Commission to rule expeditiously.

On May 31, 2007, Staff argued that the agreed terms of the water purchase contract were clear in the record a 20-year term, PSD No. 4 will pay for an average of 5 million gallons month, the purchase rate will be set in Moundsville's tariff until Cameron comes on line and rates are established by a class cost of service study, and disagreements would be resolved by the Commission. Response p. 6, as amended June 6, 2007. Technical Staff advised that Moundsville's proposed revisions did not set forth major changes, but they provided further clarification and should be adopted.

On June 11, 2007, the Commission recognized that Moundsville sought clarification of the facts that appeared to have been settled at the ALJ's hearing. Therefore, the Commission required Moundsville and PSD No. 4 to jointly file a written stipulation and water purchase agreement within 10 days to avoid future disagreements as to the parties' stipulation in this case. Comm'n Order p. 2.

The same day as the Commission's order issued, PSD No. 4 argued that no issues remained unresolved that justify the granting of Exceptions. Ltr. p. 1 (June 11, 2007).

Petition to reconsider

On June 18, 2007, PSD No. 4 argued that the June 11, 2007, order misinterprets the parties' Stipulation and its purpose, and, accordingly, PSD No. 4 asked the Commission to reconsider. The Stipulation was intended to eliminate points of dispute and remove the negotiation of a new water purchase contract from the certificate proceeding. Petition for reconsideration p. 1. If the water purchase contract remains in this case, there is no purpose for the Stipulation. Id. p. 2. The parties have not reached agreement on the remaining terms of a new water purchase contract.

On June 19, 2007, the Commission set an emergency hearing for June 25, 2007, if the parties were not able to promptly file the documents required by the June 11, 2007, order.

The Commission noted its concern that an agreement was alleged to have been reached, but apparently could not be put to writing by the parties. Comm'n Order pp. 2-3.

On June 21, 2007, Moundsville opposed the petition to reconsider, arguing that filing a water purchase agreement would be the optimal resolution of this case and would effectively constitute a waiver by the parties of the right to appeal that would enable PSD No. 4 to award bids for the project. Reply p. 1. Moundsville attached a proposed water purchase agreement and noted that several issues remained outstanding, including a "take-or-pay" provision. Id. p. 6.

Emergency hearing

At the emergency hearing, PSD No. 4 and Moundsville discussed the status of the case and advised that they had agreed to terms for a new water purchase contract. Because meetings of each utility's board to act upon the agreed terms could not be completed until July 3, 2007, Marshall County asked the Commission to toll and extend the deadline to process this certificate matter for 10 days. The Commission granted the motion and extended the deadline until July 13, 2007. Comm'n Order pp. 1-2.

On July 5, 2007, Moundsville advised that the new water purchase contract had been executed by PSD No. 4 and was approved by Moundsville's Water Board. Moundsville provided the Commission with an unexecuted copy of the new contract to review. Moundsville's City Council was scheduled to act on the contract at its July 3, 2007, meeting, but no quorum was present. A special meeting of Moundsville's City Council was scheduled for July 10, 2007, and the new water purchase contract would be considered then. Ltr. p. 1. Moundsville's Water Board advised that it expected to file a fully executed contract with the Commission on July 11, 2007.

On July 12, 2007, Moundsville and PSD No. 4 filed a fully executed copy of the new water purchase contract.

DISCUSSION

Certificate of *Convenience and Necessity*

No one disputes that this project is needed and financially feasible. Therefore, the Commission agrees with the ALJ that the certificate should be granted.

Moundsville proposed revisions to the Recommended Decision to more fully describe the project. The revisions to Finding of Fact No. 5 are reasonable and should be granted.

Water purchase contract

The parties have filed a proposed water purchase agreement. The provisions of W. Va. Code § 24-2-12 require a public utility to receive permission from the Commission prior to entering into transactions with other utilities.

We conclude that the terms and conditions of the new water purchase agreement are reasonable, neither party is given an undue advantage over the other, the transaction does not adversely affect the public in this state, and the transaction likely will have no effect on other utilities. Therefore, the Commission should grant its prior consent for Moundsville and PSD No. 4 to enter into the proposed agreement.

Moundsville proposed revisions to the Recommended Decision to more accurately reflect the status of the parties' agreement at the time of the ALJ's hearing. Those revisions are reasonable and should be adopted.

PSD No. 4 asked the Commission to reconsider its June 11, 2007, requirement that the parties jointly file a written stipulation and water purchase agreement. Because the parties have filed a new water purchase contract, the petition to reconsider is moot.

FINDINGS OF FACT

1. On October 6, 2006, Marshall County Public Service District No. 4 applied for a certificate of convenience and necessity to construct additions and improvements to its existing water system.

2. On April 26, 2007, the ALJ recommended that the certificate be granted, contingent upon the project costs not exceeding $6,700,000, and that the Commission approve the proposed financing, Staff's proposed rates and a new water purchase contract. Rec. Dec. pp. 9-10.

3. On May 11, 2007, Moundsville filed Exceptions to the ALJ's recommendation, arguing that Moundsville and PSD No. 4 had not reached full agreement on a new water purchase contract; Finding of Fact No. 1 did not fully relate the Stipulation; Finding of Fact No. 2 incorrectly stated the rate Moundsville will charge PSD No. 4 when Moundsville's new treatment plant is complete; Finding of Fact No. 5 was incomplete in some respects and incorrect in others; and the Recommended Decision did not address the parties' stipulation in the Conclusions of Law or in the ordering paragraphs.

4. On May 21, 2007, PSD No. 4 argued that the Recommended Decision did not need modified and that Moundsville proposed inconsequential changes. Response p. 1.

5. On May 31, 2007, Staff advised that Moundsville's proposed revisions did not set forth major changes, but they provided further clarification and should be adopted. Response p. 6, as amended June 6, 2007.

6. On June 11, 2007, the Commission required Moundsville and PSD No. 4 to jointly file a written stipulation and water purchase agreement within 10 days to avoid future disagreements as to the parties' stipulation in this case. Comm'n Order p. 2.

7. On June 18, 2007, PSD No. 4 argued that the June 11, 2007, order misinterpreted the Stipulation and its purpose, and, accordingly, PSD No. 4 asked the Commission to reconsider.

8. At the emergency hearing, PSD No. 4 and Moundsville advised that they had agreed to terms for a new water purchase contract. Because meetings of each utility's board to act upon the agreed terms could not be completed until July 3, 2007, Marshall County asked the Commission to toll and extend the deadline to process this certificate matter for 10 days.

9. On June 25, 2007, the Commission granted Marshall County's motion and extended the time period to process this case until July 13, 2007. Comm'n Order pp. 1-2.

10. On July 5, 2007, Moundsville advised that there was a delay in the Moundsville City Council's consideration of the proposed new water purchase contract, but that the new contract should be filed with the Commission on July 11, 2007. Ltr. p. 1. Moundsville provided the Commission with a copy of the proposed water purchase agreement.

CONCLUSIONS OF LAW

Certificate

1. Moundsville proposed revisions to the Recommended Decision to more fully describe the project. The revisions to Finding of Fact No. 5 are reasonable and should be granted.

2. No one disputes that this project is needed and financially feasible. Therefore, the Commission agrees with the ALJ that the certificate should be granted.

Water purchase contract

3. The terms and conditions of the new water purchase agreement are reasonable, neither party is given an undue advantage over the other, the transaction does not adversely affect the public in this state, and the transaction likely will have no effect on other utilities. Therefore, pursuant to W. Va. Code § 24-2-12(a), and without specifically approving the

underlying terms and conditions, the Commission should grant its prior consent for Moundsville and PSD No. 4 to enter into the proposed agreement that was filed with the Commission on July 5, 2007.

4. Moundsville's proposed revisions to the Recommended Decision to more accurately reflect the status of the parties' agreement regarding a new water purchase agreement at the time of the ALJ's hearing are reasonable and should be adopted.

5. Because the parties have filed a new water purchase contract, PSD No. 4's petition to reconsider is moot.

ORDER

IT IS, THEREFORE, ORDERED that Recommended Decision is modified as follows:

FINDINGS OF FACT

1. The Utility and Moundsville have come to an agreement ~~agreed~~ that the Utility will ~~would~~ purchase a minimum of 60,000,000 gallons a year from Moundsville. (Tr. 30.) The Utility is willing to enter into a 20-year contract guaranteeing the annual minimum purchase. In return, Moundsville has agreed to have the Public Service Commission Assistance Staff look at its rates once Cameron becomes a permanent customer of the Utility. (Tr. 30, 31.) Moundsville has agreed to pass an ordinance based upon the recommendations of Assistance Staff regarding the proper resale rate once Cameron comes on line. (Tr. 31.) The parties anticipate a formal complaint filing if they are unable to enter into appropriate terms for the contract. (Tr. 32.) The parties anticipate submitting any contract to the Public Service commission for its review and approval. Staff indicated that it agreed with the terms of the settlement. (Tr. ~~30, 31,~~ 33).

2. The Utility has been buying water from Moundsville since its inception in the early 1970s. The Utility also purchases water from PSD 2. The bulk water from PSD 2 serves most of the Utility's southern customers. PSD 2's rate is $1.14 per 1,000 and the Moundsville rate will be $3.59 ~~$4.59~~ per 1,000. (Tr. 38, 41, 69).

* * *

5. The project consists of three contracts: (1) a waterline extension north of Big Grave Creek which will add 157 new customers, all of whom will receive water purchased from Moundsville; (2) a waterline extension south of Big Grave Creek which will add 95 customers, all of whom will receive water purchased from PSD 2; and (3) construction of one 105,000 gallon and one 107,000 gallon water tank, with SCADA telemetry system and all necessary valves and appurtenances. The project also includes the diversion of 156 existing customers, with consumption equivalent to 302 dwelling units, from the City of Moundsville as a source to PSD 2 as a source. Id., at 2. Staff believes this will result in the Utility purchasing 700,000 fewer gallons from Moundsville per month, Id., while the Utility's engineer believes the amount of the reduction in volume of water purchased by the Utility from Moundsville was "in debate." Tr., at 43. ~~Part of the project involves increasing the number of customers who can be served with water purchased from PSD 2. Roughly an equal number of customers will be transferred from bulk water provided by Moundsville to water provided by PSD 2 as there will be new customers. The new customers created by the project eventually will be served completely by water produced by Moundsville. (Tr. 42, 43).~~

* * *

CONCLUSIONS OF LAW

1. The stipulation between the Utility, Moundsville and Staff placed on the record at hearing, as related in Finding of Fact No. 1, is reasonable, in the public interest and should be approved.

* * *

ORDER

* * *

IT IS FURTHER ORDERED that the stipulation between the Utility, Moundsville, and Staff placed on the record at hearing, as related in Finding of Fact No. 1, be, and hereby is, approved.

* * *

As modified, the Recommended Decision is adopted.

IT IS FURTHER ORDERED that, pursuant to W. Va. Code § 24-2-12(a), and without expressly approving the underlying terms and conditions, the Commission grants its prior consent for Moundsville and PSD No. 4 to enter into the new water purchase contract filed with the Commission on July 5, 2007.

IT IS FURTHER ORDERED that Moundsville's Exceptions are granted.

IT IS FURTHER ORDERED that PSD No. 4's petition to reconsider is moot.

IT IS FURTHER ORDERED that this matter is removed from the Commission's docket of active cases.

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

A True Copy, Teste:

Sandra Squire
Executive Secretary

CLW/sek
061513cd.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

EXCEPTIONS FILED

Entered: April 26, 2007

CASE NO. 06-1513-PWD-CN-PC

MARSHALL COUNTY PUBLIC SERVICE
DISTRICT NO. 4, a public utility, Moundsville,
Marshall County.
Application for a certificate of convenience and necessity to construct certain additions and improvements to its existing water distribution system and for approval of financing.

RECOMMENDED DECISION

On October 6, 2006, Marshall County Public Service District No. 4 (Utility), filed an application for a certificate of convenience and necessity to construct certain additions and improvements to its existing water system.

On October 24, 2006, the Moundsville Water Board (Moundsville) petitioned to intervene.

The Commission has received a large number of protest letters concerning the project.

On December 6, 2006, the Commission referred the matter requiring a decision on or before May 24, 2007. The order also granted Moundsville's petition to intervene.

By Procedural Order issued February 5, 2007, the matter was set for hearing on March 13, 2007. The Utility was required to publish notice of the hearing in Marshall County.

The hearing was held as scheduled. Mark E. Kauffelt, Esquire, and David C. White, Esquire, appeared on behalf of the Utility. James V. Kelsh, Esquire, appeared on behalf of Moundsville. Cassius H. Toon, Esquire, appeared on behalf of Staff.

PUBLIC COMMENT

Rebecca Bucelick does not want to pay higher rates in order to extend service to new customers. Ms. Bucelick indicated that the Utility's facilities on Roberts Ridge were in poor condition and suffered numerous breaks. Ms. Bucelick believes that the customers on Roberts Ridge had to pay for the extension that serves them. Although Ms. Bucelick can afford the higher rates, she has numerous relatives served by the Utility who cannot. Ms. Bucelick does not want water produced by

Moundsville, but prefers her water to be from Marshall County Public Service District No. 2 (PSD 2). The only complaint Ms. Bucelick has with her current water is that she cannot use chlorine bleach in laundry. She has relatives who are served by the Utility on the portion of the Utility's system that gets its bulk water from Moundsville and they can't drink their water. Ms. Bucelick understands that the Moundsville water is brown more often than not. (Tr. 86, 87, 88).

Donna Snyder agrees that the Utility's facilities on Robert Ridge are in poor condition. She is concerned about a Utility that does not take care of its existing facilities getting more customers. Ms. Snyder is concerned about the customers on fixed incomes who cannot afford the rate increase. (Tr. 90, 91).

Mary Holmes is a Utility customer and believes that it is ridiculous to expect low-income customers to pay much more for water. Ms. Holmes believes that the area's economy has suffered in the last twenty years and that the people simply cannot afford higher rates. (Tr. 92).

Rachael Kerkes is concerned for her son who is a customer of the Utility. Ms. Kerkes believes that an increase in his water bill will result in his children having less food on the table. She indicated that her son suffered from frequent water outages. She believes that further increases in water rates are "downright criminal." (Tr. 92, 93, 94).

Merle Chaplin is one of the last dairy farmers left in the county. Mr. Chaplin would like to see the Utility save money. He believes that some of the public service districts in the county should be consolidated. Mr. Chaplin believes that an extension should be paid for from county taxes. Mr. Chaplin believes that it would save money to read the meters less often than once a month. He believes the Utility wastes money with excessive line flushing. Mr. Chaplin does not believe that he should have to pay water service all year for his dairy farm when he only needs it for three months of the year. (Tr. 7, 8, 9, 10).

Burt Richmond believes that every time there is an extension of service the rates go up. Mr. Richmond believes that charging higher rates in order to get extensions means customers are being charged for something they are not getting. (Tr. 11, 12).

Patty Schwing complained that she had terrible brown water. The water ruins her laundry. When Ms. Schwing complains about the water service, the Utility usually indicates that there was a leak. Ms. Schwing's neighborhood has no fire hydrants because the lines are too small. She would receive a substantial financial break on her fire insurance if there were fire hydrants in the area. The Utility had informed her that it won't put in higher diameter water lines because there are other individuals in the county with no water service at all. Ms. Schwing uses expensive filters on her lines and has expensive water softening equipment. She believes increasing the water rate is outrageous. (Tr. 12, 13, 14).

Loren Hartley has been a customer of the Utility for thirty years. Mr. Hartley paid $1,500 for his Culligan water softener. Mr. Harley indicated that the long wall mining frequently eliminates well water. He suspects that the new customers who are so desperate for water are desperate for water because the mines have destroyed their water. Mr.

Hartley is on a fixed income and cannot afford continued increases in rates. (Tr. 14, 15, 16).

Tom Boner believes half of the people on the Utility's system are retired. He gets water supplied from PSD 2 and doesn't understand why he would have to pay higher rates because the Moundsville rates are going up. Mr. Boner believes that, if there are new customers who want water, they should start a new public service district. (Tr. 16, 17).

Jeff Holmes is a customer of the Utility. Seventeen years ago, Mr. Holmes and two other customers on his rural road put an extension in so they could have water. He recently purchased new property to build and had to run 6/10th of a mile of water line in order to get water. He had to pay $4,800, along with another customer who also had to pay $4,800, in order to get the extension. Mr. Holmes has not yet built on the property, but pays for the meter anyway. Mr. Holmes did not believe that the Utility properly supervised the contractor who did the water line extension. He also believes that the contractor was not very good. (Tr. 17, 18, 19).

Roger Baker is a customer of the Utility and believes that there are many on fixed incomes and widowers on the system. Mr. Baker is opposed to any merger of public service districts. Mr. Baker believes that each of the public service districts could save money. (Tr. 19, 20).

Sharon Roupe does not have public water service and is hoping to get water service with this extension. Ms. Roupe paid her tap fee twelve years ago for this project. Coal mining has devastated the water on the Cameron Ridge. Ms. Roupe has trouble with her existing well and believes that it will get worse. (Tr. 21, 22).

Ralph Chaplin is a customer of the Utility and an employee of PSD 2. Mr. Chaplin believes that the Utility marks up its water too much above the bulk rates. Mr. Chaplin believes that PSD 2 could provide enough water to supply the entire system. Mr. Chaplin does not believe that he should pay for some else's water extension. (Tr. 22, 23, 24).

Connie Crow is a customer of the Utility and believes that, if coal mining destroyed water, then the coal mines should pay for the extension. Ms. Crow has known friends and family who have lost their springs and wells because of coal mining. She has known circumstances where the coal mines have paid for water extensions because they have destroyed water sources. Ms. Crow believes that there are many who will have to do without necessities in order to pay higher water rates. (Tr. 25, 26).

Steve Higginbotham believes that the water was never good in the Cameron Ridge even before the coal mining. Mr. Higginbotham believes that there were employees of the Utility that were let go because they had been embezzling money. Mr. Higginbotham complained that the Utility left pipes in his field after recent repair work. (Tr. 26, 27).

EVIDENCE

Manning Frymier is a civil engineer registered in West Virginia. (Tr. 36). Although the Utility originally planned to build it own treatment plant, the treatment plant has been dropped. (Tr. 37). The

Utility has been buying water from Moundsville since its inception in the early 1970s. The Utility has approximately 1,250 customers. The Utility has several water storage tanks and approximately 95 miles of water distribution lines. (Tr. 38).

The new project involves about 45 miles of new distribution lines. Water purchase agreements have been signed by 252 prospective customers. (Tr. 39). Currently, the Utility purchases water from both Moundsville and PSD 2. PSD 2 provides water for the Utility's southern lines. (Tr. 41). Part of the project involves increasing the number of customers that can be served with water purchased from PSD 2. (Tr. 42). Roughly the same number of customers will be transferred from bulk water provided by Moundsville to water provided by PSD 2 as there will be new customers added by the project. The new customers will be eventually served completely by water produced by Moundsville. (Tr. 43).

Part of the project has already been completed because there was an emergency need for the water by certain coal mines on Grapevine Ridge. No certificate was obtained from the Commission for that project given that it was an emergency and funded completely through grant money. (Tr. 44, 45).

Cameron is a small municipality that currently treats its own water. Cameron uses surface water, but is having trouble with its system. Cameron's distribution system is old and leaky and it does not even know the location of all its lines. Cameron is undergoing a project to improve its distribution system. (Tr. 48). Cameron's treatment plant is old and unable to meet environmental standards. (Tr. 46). Cameron's reservoir is undersized and it is unable to meet its water requirements during dry periods. The Utility has an emergency connection with Cameron which has been used a couple of times. (Tr. 49).

The Utility cannot serve Cameron with this project because of a hydraulic bottleneck. The shifting of customers from water produced by Moundsville to water produced by PSD 2 will help alleviate the bottleneck. One of the Utility's lines and one of its tanks would have to be modified in order to serve Cameron. (Tr. 50). The Utility has designed the necessary modifications in order to serve Cameron and has applied for grant funding to do so. The Utility's application has been approved by the Infrastructure Council, but the Infrastructure Council's grants will not be available until July 2007. (Tr. 52). The grant money for the upgrade to serve Cameron has been deemed to be grant-eligible and is the first priority for Congressional District No. 1. (Tr. 54).

The state funding agencies have indicated that they will not put more money into the Cameron treatment plant. (Tr. 60). Once the Utility is able to serve Cameron, Cameron would likely decommission its treatment plant and become a purchaser of water from the Utility. (Tr. 52). The Utility would purchase the water needed to serve Cameron from Moundsville. (Tr. 53).

The bids for the project are structured so that the last work to be done by the contractor would be the work necessary to serve Cameron that would be paid for by the grant money. (Tr. 53). If the grant money comes through, the Utility could issue a change order. (Tr. 53, 54). The additional project cost is $1,500,000. (Tr. 54).

Regarding the project at issue, there has been a large public outcry for the water. The new mining activity has increased the need for water. (Tr. 54). There are a lot of individuals who have to haul their water. The Utility operates water buffaloes which see a lot of use. Wells in the area have gone dry. Mr. Frymier believes that there is a need for the project. (Tr. 55).

The increases in the boosting capacity that are part of the project will make the entire system more reliable. The project will make it possible to have a dual source of water supply for some parts of the system. (Tr. 56).

Exhibit No. 7 contains the funding for the project, but also lists a $1,500,000 Infrastructure grant which is part of the project to serve Cameron. (Tr. 57). But for the Infrastructure grant to serve Cameron, the Utility has all other funding in place. (Tr. 58).

The funding includes a State and Tribal Assistance Grant (STAG) grant of $962,200; a Small Cities Development Block Grant (Block Grant) of $575,000; a County Commission Grant of $150,000; a Rural Utilities Service (RUS) grant of $1,466,700; a RUS loan of $2,328,300; and a Drinking Water Treatment Revolving Fund (DWTRF) loan in the amount of $1,225,000. (Tr. 58). The Utility agrees with the Staff-recommended rates. (Tr. 59).

The RUS Loan will accrue interest at an interest rate of 4.75% over 40 years, with the first 24 monthly payments being interest only. The DWTRF fund loan will be repayable over 30 years with 0% interest and a 1% administrative fee. Staff noted that the project cost exceeds the committed funding by $12,800 due to the reduction of funds committed from the STAG Grant. Staff recommended that the Utility request that the Marshall County Commission increase its grant by $12,800 or that the amount be taken out of project contingency funds. (Staff Ex. 1).

Mr. Frymier does not believe that the Utility will have any trouble meeting an annual 60,000,000 minimum gallons purchase requirement from Moundsville. (Tr. 61). Mr. Frymier believes that the project will take nine months to a year to actually construct. (Tr. 45).

Joseph Marakovits is a Technical Analyst in the Engineering Division. (Tr. 65). The customers in this area are served by inadequate wells. (Tr. 66). Since PSD 2's rate is $1.14 per 1,000 and the Moundsville rate will be $4.59 per 1,000, any reduction of water usage from Moundsville will be a cost-saver for the Utility. Mr. Marakovits calculates that the Utility will save $4,000 a year in purchased water costs through this project. (Tr. 69). The Staff's projected rates for the project are lower than those anticipated by the Utility because Staff estimated lower operation and maintenance costs and calculated lower purchased water costs. (Tr. 70). Even with the reduction of purchases from Moundsville, the Utility should be able to meet an annual 60,000,000 gallon minimum purchase. (Tr. 71-72).

Mr. Marakovits doubts that the Utility could further reduce its purchases from Moundsville given the hydraulic characteristics of the system. (Tr. 72, 73). Staff recommends the approval of the new water purchase contract between PSD No. 2 and the Utility. (Tr. 73).

The existing ground water in the area to be served is of poor quality and short supply. The water table has been affected by ongoing mining activity. Many customers have to haul water for domestic use. (Staff Ex. 1).

Staff calculates that, by diverting some of the Utility's customers to PSD No. 2 as a bulk water source, the project will result in the Utility purchasing 700,000 gallons less a month from Moundsville. Staff views the diversion as helping to facilitate a future bulk sale of water to Cameron. (Staff Ex. 1)

The project plans and specifications have been approved by the West Virginia Office of Environmental Health Services which has issued Permit No. 15785 and Permit No. 17025. Staff's review of the plans and specifications does not reveal conflicts with the Public Service Commissions rules and regulations. (Staff Ex. 1).

Nathan Nelson is a Utilities Analyst with the Public Service Commission. (Tr. 75). Mr. Nelson conducted a financial study regarding the project. (Tr. 76; Staff Ex. 1). The Utility's rates after Moundsville's new treatment plant comes on line will be an average rate of $44.75 a month. (Tr. 78). It will require an additional $2.00 a month per customer to pay for the project. (Tr. 79).

The total project is estimated to cost $6,700,000, equating to $4,249 per customer, which Staff views as reasonable. The customer density for the extension is 5.6 customers per mile, which Staff considers low. (Staff Ex. 1).

Staff anticipates increases in O&M of $27,319 as a result of the project, which is much lower than the Utility's estimate of $142,523. (Staff Ex. 1).

The Utility's customers face a rate increase of 57.5% based solely on Moundsville's new treatment plant. A major reduction in O&M expenses came because Staff recommends only one new employee as opposed to the two new employees suggested by the Utility. (Staff Ex. 1).

Staff believes the project is financially feasible and should be approved. The Staff-recommended rates provide a cash flow surplus of $37,730 and debt service coverage of 131.43%. (Staff Ex. 1).

At hearing, the parties reported that the Utility and Moundsville had come to an agreement that the Utility would purchase a minimum of 60,000,000 gallons a year from Moundsville. (Tr. 30). The Utility is willing to enter into a 20-year contract guaranteeing the annual minimum purchase. In return, Moundsville agreed to have the Public Service Commission Assistance Staff look at its rates once Cameron becomes a permanent customer of the Utility. (Tr. 30, 31). Moundsville has agreed to pass an ordinance based upon the recommendations of Staff regarding the proper resale rate once Cameron comes on line. (Tr. 31). The parties anticipate a formal complaint filing if they are unable to enter into appropriate terms for the contract. (Tr. 32). The parties anticipate submitting any contract they enter to the Public Service Commission for its review and approval. Staff indicated that it agreed with the terms of the settlement. (Tr. 33).

DISCUSSION

Although there is substantial public opposition to the project, the application should be approved. There is a critical need for the project. Numerous wells in the project area have gone dry. What little ground water exists in the area is of low quality. Many residents are hauling water. New mining activity in the project area has intensified the need for potable water in the area.

The proposed financing is reasonable. It includes a significant amount of grant money and very low cost loans. The resulting rates, although high, are not unreasonable. Most of the increase in rates that will occur results from the already approved project for Moundsville which allowed Moundsville to upgrade its treatment plant. The improved treatment facility for Moundsville should result in a much higher quality of water for all of the Utility's customers who are served with water produced by Moundsville. The project at issue in this proceeding has a relatively small rate impact, amounting to about $2.00 a month per customer.

FINDINGS OF FACT

1. The Utility and Moundsville have agreed that the Utility would purchase a minimum of 60,000,000 gallons a year from Moundsville. In return, Moundsville agreed to have the Public Service Commission Assistance Staff look at its rates once Cameron becomes a permanent customer of the Utility. Moundsville has agreed to pass an ordinance based upon the recommendations of Staff regarding the proper resale rate once Cameron comes on line. Staff indicated that it agreed with the terms of the settlement. (Tr. 30, 31, 33).

2. The Utility has been buying water from Moundsville since its inception in the early 1970s. The Utility also purchases water from PSD 2. The bulk water from PSD 2 serves most of the Utility's southern customers. PSD 2's rate is $1.14 per 1,000 and the Moundsville rate will be $4.59 per 1,000. (Tr. 38, 41, 69).

3. The Utility currently has approximately 1,250 customers. The Utility has several water storage tanks and approximately 95 miles of water distribution lines. (Tr. 38).

4. The new project involves about 45 miles of new distribution lines. As of the hearing, 252 customers have signed water purchase agreements. (Tr. 39).

5. Part of the project involves increasing the number of customers who can be served with water purchased from PSD 2. Roughly an equal number of customers will be transferred from bulk water provided by Moundsville to water provided by PSD 2 as there will be new customers. The new customers created by the project eventually will be served completely by water produced by Moundsville. (Tr. 42, 43).

6. Part of the project has already been completed because there was an emergency need for the water by certain coal mines on Grapevine Ridge. No certificate was obtained from the Commission for that project given

that it was an emergency and funded completely through grant money. (Tr. 44, 45).

7. Cameron is currently unable to meet its water needs during dry periods. The Utility has an emergency connection with Cameron which has been used in the past. (Tr. 49).

8. The Utility cannot presently serve Cameron completely because of a hydraulic bottleneck. One of the Utility's lines and one of its tanks would have to be modified in order to serve Cameron. The Utility has designed the necessary modifications in order to serve Cameron and has applied for grant funding to do so in the amount of $1,500,000. The Utility's application has been approved by the Infrastructure Council, but the Infrastructure Council's grants will not be available until July 2007. The grant money for the upgrade to serve Cameron has been deemed to be grant-eligible and is the first priority for Congressional District No. 1. (Tr. 50, 52, 54).

9. The state funding agencies have indicated that they will not put more money into the Cameron treatment plant. Once the Utility is able to serve Cameron, it is believed that Cameron will decommission its treatment plant and become a purchaser of water from the Utility. The Utility would purchase the water needed to serve Cameron from Moundsville. (Tr. 52, 53, 60).

10. Regarding the project at issue, there has been a large public outcry for the water. The new mining activity has increased the need for water. There are a lot of individuals who have to haul their water. Wells in the area have gone dry or are inadequate. The ground water in the area is of poor quality. (Tr. 54, 55, 66; Staff Ex. 1).

11. The increases in the boosting capacity that are part of the project will make the entire system more reliable. The project will make it possible to have a dual source of water supply for some parts of the system. (Tr. 56).

12. The proposed funding for the project includes a STAG grant of $962,200; a Block Grant of $575,000; a County Commission Grant of $150,000; a RUS grant of $1,466,700; a RUS loan of $2,328,300 (at 4.75% interest over 40 years—1st 24 months interest only); and a DWTRF loan of $1,225,000 (0% interest, 1% administrative fee over 30 years). The project cost exceeds the committed funding by $12,800 due to the reduction of funds committed from the STAG grant. Staff recommended that the Utility request that the Marshall County Commission increase its grant by $12,800 or simply that the project contingency funds be reduced by the same amount. (Id.; Tr. 58).

13. The Utility agrees with the Staff-recommended rates. (Tr. 59).

14. Regardless of whether or not this project is approved, the Utility's rates after Moundsville's new treatment plant comes on line will be an average rate of $44.75 a month. It will require an additional $2.00 a month per customer to pay for this project. The Utility's customers face a rate increase of 57.5% based solely on the already approved new treatment plant for Moundsville. (Tr. 78, 79; Staff Ex. 1).

15. The total project is estimated to cost $6,700,000, equating to $4,249 per customer, which Staff views as reasonable. The customer density for the extension is 5.6 customers per mile, which Staff considers low. (Staff Ex. 1).

16. The Staff-recommended rates provide a cash flow surplus of $37,730 and debt service coverage of 131.43%. (Staff Ex. 1).

17. Staff anticipates increases in O&M of $27,319 as a result of the project, which are much lower than the Utility's estimate of $142,523. A major reduction in O&M expenses came because Staff recommends only one new employee as opposed to the two new employees suggested by the Utility. (Staff Ex. 1).

18. The project plans and specifications have been approved by the West Virginia Office of Environmental Health Services which has issued Permit No. 15785 and Permit No. 17025. Staff's review of the plans and specifications do not reveal conflicts with the Public Service Commissions rules and regulations. (Staff Ex. 1).

19. Staff calculates that, by diverting some of the Utility's customers to PSD No. 2 as a bulk water source, the project will result in the Utility purchasing 700,000 gallons less a month from Moundsville. The diversion will facilitate a future bulk sale of Moundsville-produced water to Cameron. Staff calculates the Utility will save $4,000 a year in purchased water costs because of the diversion. (Id.; Tr. 50, 69).

20. Staff recommends the approval of the water purchase contract between PSD 2 and the Utility. (Staff Ex. 1; PSD 4 Ex. 8; Tr. 73).

21. Staff concluded that the project is needed and financially feasible and should be approved. (Staff Ex. 1).

CONCLUSIONS OF LAW

1. Public convenience and necessity require the project.

2. The Utility's proposed financing is reasonable and should be approved.

3. The purchase water contract between PSD 2 and the Utility is reasonable, in the public interest, and should be approved.

4. The Staff recommended rates are reasonable, just, based primarily on the cost of service and should be approved for use by the Utility upon the substantial completion of the project.

ORDER

IT IS, THEREFORE, ORDERED that application for a certificate of convenience and necessity to construct a proposed extension, filed by Marshall County Public Service District No. 4 on October 6, 2006, be, and hereby is, approved, contingent on the project costs not exceeding $6,700,000.

IT IS FURTHER ORDERED that the proposed project financing, consisting of a Rural Utilities Service Loan in the amount of $2,328,300 at 4.75% interest for 40 years; a Drinking Water Treatment Revolving Fund Loan in the amount of $1,225,000 at 0% interest and 1% administrative fee for 30 years; a $1,446,700 RUS Grant; a $962,200 State and Tribal Assistant Grant; a $575,000 Small Cities Block Grant; and a grant from the Marshall County Commission for $150,000, is hereby approved.

IT IS FURTHER ORDERED that the rates attached hereby as Appendix A be, and hereby are, approved for all service rendered by Marshall County Public Service District No. 4 upon the substantial completion of the project.

IT IS FURTHER ORDERED that the case number of this proceeding be modified to 06-1513-PWD-CN-PC to reflect the fact that the parties requested review and approval of a purchased water contract in this proceeding.

IT IS FURTHER ORDERED that the purchased water contract between the Marshall County Public Service District No. 4 and the Marshall County Public Service District No. 2, dated October 3, 2005 (PSD 4, Ex. 8), be, and hereby is, approved.

IT IS FURTHER ORDERED that, if there are any changes in the plans and/or scope of the project, or where a change in financing affects rates, the Utility shall request a reopening of the certificate for Commission review and approval. If the change in project cost does not affect rates, the Utility does not need to seek reopening of the approval, but must file an affidavit signed by a Certified Public Accountant verifying that rates will not be affected.

IT IS FURTHER ORDERED that the Utility submit a certified copy of the bid tabulations for all contracts as soon as they are available.

IT IS FURTHER ORDERED that the Utility submit a copy of the certificate of substantial completion issued for each contract as soon as it becomes available.

IT IS FURTHER ORDERED that the Utility comply with all of the rules and regulations of the Division of Highways regarding the use of any DOH rights-of-way used in the construction of this project.

IT IS FURTHER ORDERED that the Utility file with the Commission a proper tariff and at least five (5) copies within 30 days of the date that this Order becomes a final Order of the Commission.

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 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 the exceptions.

If no exceptions are filed, this order shall become the order of the Commission, without further action, five (5) days following the expiration of the fifteen (15) day time period, unless it is ordered stayed 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 the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.

K. A. George

Keith A. George
Administrative Law Judge

KAG:lc
061513aa.wpd

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4
CASE NO. 06-1513-PWD-CN

APPROVED RATES

APPLICABILITY
Applicable within the entire territory served.

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

RATES (customers with metered water supply)

First	3,000 gallons used per month	$10.72 per 1,000 gallons
Next	7,000 gallons used per month	$ 9.76 per 1,000 gallons
Next	10,000 gallons used per month	$ 7.66 per 1,000 gallons
Next	30,000 gallons used per month	$ 5.73 per 1,000 gallons
All over	50,000 gallons used per month	$ 4.13 per 1,000 gallons

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

5/8	inch meter	$ 32.16 per month
3/4	inch meter	$ 48.24 per month
1	inch meter	$ 80.40 per month
1 - ½	inch meter	$ 160.80 per month
2	inch meter	$ 257.28 per month
3	inch meter	$ 514.56 per month
4	inch meter	$ 804.00 per month
6	inch meter	$1,608.00 per month
8	inch meter	$2,572.80 per month

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

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

A tap fee of $300 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.

RECONNECTION FEE $25.00
To be charged whenever the supply of water is turned off for violations of rules, non-payment of bills or fraudulent use of water.

LEAK ADJUSTMENT

$2.84 per 1,000 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 customer's historical average usage.

RETURNED CHECK CHARGE

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

Form No. 12
VERIFICATION

RECEIVED
2007 FEB 14 AM 9:00
W VA PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

[To be added to all complaints, answers, applications and petitions.]

State of West Virginia,

County of Marshall, ss.

Marshall Co P.S.D. #4, the Affidavit of Publication of P.S.C. Filing, the Application/Certificate of Convenience and Necessity named in Case No. 06-1513-PWD-CN being duly sworn, says that the facts and allegations therein contained are true, except so far as they are therein stated to be on information, and that, so far as they are therein stated to be on information, he believes them to be true.

George C Lagos
Affiant

Taken, sworn to and subscribed before me this 12th day of February, 2007.

Patti Burch
Notary Public in and for said County.

My commission expires on the 17th day of March 2016.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
PATTI K. BURCH
Law Offices Of Neiswonger & White
409 Morton Avenue
Moundsville, West Virginia 26041
My Commission Expires Mar. 17, 2016

LEGAL ADVERTISEMENT

LEGAL ADVERTISEMENT

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA CHARLESTON

Entered by the Public Service Commission of West Virginia, in the City of Charleston on the 6th day of October, 2006.

CASE NO. 06-1513-PWD-CN

Marshall County Public Service District No. 4

P.O. Box 709

Moundsville, WV 26041

Application for a Certificate of Convenience and Necessity to construct certain additions and improvements to its existing water distribution system and for approval of financing thereof.

NOTICE OF FILING

WHEREAS, on October 6, 2006, the Marshall County Public Service District No. 4 filed an application, duly verified, for a Certificate to construct certain additions and improvements to the water system in Marshall 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, the Marshall County Public Service District No. 4 estimates that construction will cost approximately $6,700,000. It is proposed that the construction will be financed as follows: Rural Utilities Service Loan in the amount of $2,328,300; West Virginia Water Development Authority Loan in the amount of $1,225,000; Rural Utilities Service Grant in the amount of $1,446,700; State and Tribal Assistance Grant in the amount of $975,000; Small Cities Grant in the amount of $575,000 and grant from the Marshall County Commission in the amount of $150,000.

WHEREAS, the utility anticipates charging the following water rates for its customers:

(A) RATES

First 3,000 gallons used per month $12.68 per 1,000 gallons

Next 7,000 gallons used per month $11.54 per 1,000 gallons

Next 10,000 gallons used per month $9.05 per 1,000 gallons

Next 30,000 gallons used per month $6.78 per 1,000 gallons

All over 50,000 gallons used per month $5.49 per 1,000 gallons

(A) MINIMUM CHARGE

5/8 inch meter, $38.04 per month

3/4 inch meter, $57.06 per month

1 inch meter, $95.10 per month

1 1/2 inch meter, $190.20 per month

2 inch meter, $304.32 per month

3 inch meter, $570.60 per month

4 inch meter, $951.00 per month

6 inch meter, $1,902.00 per month

8 inch meter, $3,043.20 per month

MINIMUM MONTHLY BILL for 3,000 gallons of water - $38.04 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.

CONNECTION CHARGE

Prior to construction - $100.00

After construction passes the premises to be served, charge for connection to system - $300.00

These rates represent the following project-related increases:

Residential—($) INCREASE, $16.41; (%) INCREASE, 42.1%

Commercial—($) INCREASE, $132.57; (%) INCREASE, 43.1%

Industrial—not applicable

Resale—not applicable

Other—not applicable

The proposed increased rates and charges will produce approximately $285,000 annually in additional revenue, an increase of 42.2%.

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 Marshall County Public Service District No. 4 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 Marshall 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 protect 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.

A True Copy, Teste:

/s/Sandra Squire

Sandra Squire

Executive Secretary

PUBLISH: October 26, 2006.

RECEIVED
2007 FEB 14 AM 9:01
W VA PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

MOUNDSVILLE DAILY ECHO

SINCE 1891

(304) 845-2
P.O. BOX 3
MOUNDSVIL
WEST VIRGI
26041

AFFIDAVIT OF PUBLICATION

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

I, Mariah Walton, being first duly swor
my oath, do depose and say:

- that I am Co-Publisher of the MOUND$VILLE DAILY ECHO, a Rep newspaper;
- that I have been duly authorized to execute this affidavit;
- that such newspaper has been published for over 103 years, is regular lished afternoons daily except Sundays, for at least fifty weeks during the dar year, in the municipality of Moundsville, Marshall County, West Virgin
- that such newspaper is a newspaper of "general circulation" as defined 3, Chap. 59 of the Code of West Virginia 1931 as amended, within Mou and Marshall County;
- that such newspaper averages in length four or more pages, exclusive cover, per issue;
- that such newspaper is circulated to the general public at a definite p consideration;
- that such newspaper is a newspaper to which the general public res passing events of a political, religious, commercial and social nature and rent happenings, announcements, miscellaneous reading matters, advertis and other notices;
- and that the annexed notice described as follows:

PARTY(ies)

MARSHALL COUNTY PSD 4

NATURE (and agency if heard before one)

PSC filing

CERTIF-BILL TO

MARSHALL CO. PSD. 4
POB
Moundsville, WV 26041

WAS PUBLISHED IN SAID NEWSPAPER AS FOLLOWS:

TIMES	DATES
one	December 19, 2006

BY WORDS	PUBLICATION CHARGES
984@.115	$113.16

(signed) Mariah Walton

NOTARIZATION

Taken, subscribed to and sworn before me this 3rd day of January 2007

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
LINDA M. MASSIE
Moundsville Daily Echo
P.O. Box 3
Moundsville, West Virginia 26041
My Commission Expires Jan. 9, 2010

Notary Public

Linda Massie

RECEIVED
2007 FEB 14 AM 8:59
W VA PUBLIC SERVICE COMMISSION SECRETARY'S OFFICE

LEGAL ADVERTISEMENT

[illegible] PUBLIC SERVICE COMMI[illegible] WEST VIRGINIA

CHARLESTON

[illegible] Public Service Commission of West Virginia, in the City of Charleston, on the ninth day of October, 2006

CASE NO. 06-0[illegible]-PWD-CN

Marshall County Public Service District No. 4
P.O. Box 709
Moundsville, WV 26041

Application for a Certificate of Convenience and Necessity to construct certain additions and improvements to its existing water distribution system and for approval of financing thereof.

NOTICE OF FILING

WHEREAS, on October 6, 2006, the Marshall County Public Service District No. 4 [illegible] duly verified, for a Certificate of Convenience and Necessity to construct certain additions and improvements to its existing water distribution system, [illegible] and available for public inspection at the Public Service Commission's [illegible] Brooks Street in Charleston, West Virginia;

WHEREAS, the Marshall County Public Service District No. 4 estimates that construction will cost approximately $6,700,000. It is proposed that the construction will be financed as follows: Rural Utilities Service Loan in the amount of $2,323,300; West Virginia Water Development Authority Loan in the amount of $1,225,000; Rural Utilities Service Grant in the amount of $1,446,700; State and Tribal Assistance Grant in the amount of $[illegible]; Small Cities Grant in the amount of $[illegible]; and [illegible] in the amount of $[illegible]. [illegible]

[illegible]

RATES

[illegible]

Next 10,000 gallons used per month $9.05 per 1,000 gallons

Next 30,000 gallons used per month $6.78 per 1,000 gallons

All over 50,000 gallons used per month $5.89 per 1,000 gallons

(A) MINIMUM CHARGE:

5/8 inch meter, $38.04 per month

¾ inch meter, $57.06 per month

1 inch meter, $95.10 per month

1-½ inch meter, $190.20 per month

2 inch meter, $304.32 per month

3 inch meter, $570.60 per month

4 inch meter, $951.00 per month

6 inch meter, $1,902.00 per month

8 inch meter, $3,043.20 per month

NON-CONSUMING WITHIN 300 feet of water line, $19.00 per month

DELAY PAYMENT PENALTY

The above rates are net, the gross amount not paid within twenty (20) days of the date of the bill, [illegible] will be added to the net amount for unpaid bills. Delayed payments are not interest and is [illegible] only upon the net bill when it is appropriate.

CONNECTION CHARGE

Prior to construction - $100.00

After construction passes the premises to be served, charge for connection to system - $300.00

These rates represent the following project-related increases:

Residential—($) INCREASE, $16.41; (%) INCREASE, 42.1%

Commercial—($) INCREASE, $132.57; (%) INCREASE, 43.1%

Industrial—not applicable

Resale—not applicable

Other—not applicable

The proposed increased rates and charges will produce approximately [illegible] annually [illegible]

The increases shown are based on a review of all customers under [illegible] class and which customers may receive increases that are greater or less than average. Nonetheless, 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 Marshall County Public Service District No. 4 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 Marshall County making due return to this Commission of proper certificate of publication immediately [illegible] Anyone desiring to [illegible] should file a [illegible] this publication unless otherwise [illegible] Commission [illegible] the [illegible] 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 [illegible] day period, the Commission may waive formal hearing and grant the application based on the evidence submitted with said application [illegible] review thereof.

[illegible]

/s/ Sandra Squire
Sandra Squire
Executive Secretary

PUBLISH: December 19, 2006

The MOUNDSVILLE DAILY ECHO
SINCE 1891

(304) 845-266
P.O. BOX 369
MOUNDSVILL
WEST VIRGINI
26041

AFFIDAVIT OF PUBLICATION

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

I, Marian Walton, being first duly sworn u my oath, do depose and say:

- that I am Co-Publisher of the MOUNDSVILLE DAILY ECHO, a Republ newspaper;
- that I have been duly authorized to execute this affidavit;
- that such newspaper has been published for over 103 years, is regularly p lished afternoons daily except Sundays, for at least fifty weeks during the ca dar year, in the municipality of Moundsville, Marshall County, West Virginia.
- that such newspaper is a newspaper of "general circulation" as defined in 3, Chap. 59 of the Code of West Virginia 1931 as amended, within Moundsv and Marshall County;
- that such newspaper averages in length four or more pages, exclusive of a cover, per issue;
- that such newspaper is circulated to the general public at a definite price consideration;
- that such newspaper is a newspaper to which the general public resorts passing events or a political, religious, commercial and social nature and for cu rent happenings, announcements, miscellaneous reading matters, advertisemen and other notices;
- and that the annexed notice described as follows:

PARTY(ies)

Marshall Co. PSD 4

NATURE (and agency if heard before one)

PSC application

CERTIF-BILL TO

Marshall Co. PSD 4
POB 709
MOUNDSVILLE WV 26041

WAS PUBLISHED IN SAID NEWSPAPER AS FOLLOWS:

TIMES	DATES
one	October 26,2006

BY WORDS	PUBLICATION CHARGES
984@.115	$113.16

(signed) Marian L Walton

NOTARIZATION

Taken, sworn to and subscribed before me this 2nd

Nov 2006

Notary public

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
LINDA M. MASSIE
Moundsville Daily Echo
P. O. Box 369
Moundsville, West Virginia 26041
My Commission Expires Jan. 9, 2010

Linda M. Massie

LEGAL ADVERTISEMENT

LEGAL ADVERTISEMENT

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA CHARLESTON

Entered by the Public Service Commission of West Virginia, in the City of Charleston on the 6th day of October, 2006.

CASE NO. 06-1513-PWD-CN

Marshall County Public Service District No. 4
P.O. Box 709
Moundsville, WV 26041

Application for a Certificate of Convenience and Necessity to construct certain additions and improvements to its existing water distribution system and for approval of financing thereof.

NOTICE OF FILING

WHEREAS, on October 6, 2006, the Marshall County Public Service District No. 4 filed an application duly verified for a Certificate to construct certain additions and improvements to the water system in Marshall 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, the Marshall County Public Service District No. 4 estimates that construction will cost approximately $6,700,000. It is proposed that the construction will be financed as follows: Rural Utilities Service Loan in the amount of $2,228,300; West Virginia Water Development Authority Loan in the amount of $1,225,000; Rural Utilities Service Grant in the amount of $1,446,700; State and Tribal Assistance Grant in the amount of $9,[illegible],000; Small Cities Grant in the amount of $[illegible],000; and grant from the Marshall County Commission in the amount of $150,000.

WHEREAS, the utility anticipates charging the following water rates for its customers:

(A) RATES

First 3,000 gallons used per month $12.68 per 1,000 gallons

Next 7,000 gallons used per month $11.54 per 1,000 gallons

Next 10,000 gallons used per month $9.05 per 1,000 gallons

Next 30,000 gallons used per month $6.78 per 1,000 gallons

All over 50,000 gallons used per month $5.49 per 1,000 gallons

(A) MINIMUM CHARGE

5/8 inch meter, $38.04 per month

[illegible] inch meter, $57.06 per month

[illegible] inch meter, $95.10 per month

1½ inch meter, $190.20 per

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.

A True Copy, Teste:
/s/Sandra Squire
Sandra Squire
Executive Secretary

PUBLISH: October 26, 2006

06-1513-PWD-CN

RECEIVED
2006 NOV 13 AM 9:00
W VIRGINIA PUBLIC SERVICE COMMISSION
OFFICE

2 inch meter, $[illegible] per month
3 inch meter, $570.60 per month
4 inch meter, $951.00 per month
6 inch meter, $1,902.00 per month
8 inch meter, $3,043.20 per month
MINIMUM MONTHLY BILL for 3,000 gallons of water - $38.04 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.

CONNECTION CHARGE

Prior to construction - $100.00
After construction passes the premises to be served, charge for connection to system - $300.00

These rates represent the following project related increases:

Residential—($) INCREASE, $16.41; (%) INCREASE, 42.1%
Commercial—($) INCREASE, $132.57; (%) INCREASE, 43.1%
Industrial—not applicable
Resale—not applicable
Other—not applicable

The proposed increased rates and charges will produce approximately $285,000 annually in additional revenue, an increase of 42.2%.

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 hereby ORDERED that the Marshall County Public Service District No. 4 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 Marshall 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 protect aspects of this certificate case, including any associated rate increases, or to participate in future proceedings. All protests or requests to intervene should

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

October 5, 2006

David Glover, Chairman
Marshall County Public Service District #4
P.O. Box 709
Moundsville, West Virginia 26041

Re: Marshall County Public Service District #4
Water Project 2006W-957

Dear Mr. Glover:

The West Virginia Infrastructure and Jobs Development Council (the "Council") has reviewed the Marshall County Public Service District #4's (the "District") preliminary application to construct waterline extensions and make improvements including 45 miles of waterline, two storage tanks, three pumping stations and improvements to the existing system (the "Project").

Based on the findings of the Water 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 Water 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 utilize a $962,200 Environmental Protection Agency State Tribal Assistance Grant, a $575,000 Small Cities Block Grant, a $150,000 Marshall County Commission contribution, a $1,446,700 Rural Utilities Service grant, a $2,328,300 Rural Utilities loan and pursue a $1,225,000 Drinking Water Treatment Revolving Fund loan to fund this $8,187,200 project. Please contact the West Virginia Bureau for Public Health office at 558-6715 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 this agency.**

The Council also determined that the District may be eligible for a $1,500,000 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 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: Pat Taylor, BPH (w/o enclosure)
Debbie Legg, WVDO (w/o enclosure)
Marshall County Commission
Virginia McDonald, RUS
Region X Planning & Development Council
Cerrone Associates, Inc.

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

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

RECEIPT FOR SERIES 2007 A BONDS

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

1. On the 26th day of September, 2007, at Moundsville, West Virginia, the undersigned received for the Purchaser the Marshall County Public Service District No. 4 Water Revenue Bonds, Series 2007 A (United States Department of Agriculture), No. AR-1 (the "Series 2007 A Bonds"), issued as a single, fully registered Bond, in the principal amount of $2,328,300, dated the date hereof, bearing interest at the rate of 4.25% per annum, payable in monthly installments as stated in the Bond. The Series 2007 A Bonds represent the entire above captioned Bond issue.

2. At the time of such receipt, the Series 2007 A Bonds had been executed and sealed by the designated officials of the Public Service Board of Marshall County Public Service District No. 4 (the "Issuer").

3. At the time of such receipt, there was paid to the Issuer the sum of $94,700, being a portion of the principal amount of the Series 2007 A Bonds. The balance of the principal amount of the Series 2007 A Bonds will be advanced by the Purchaser to the Issuer as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

WITNESS my signature on the dated as of the day and year first written above

Virginia M McDonald
Authorized Representative

04.07.07
553380.00001

CH885750.1

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

Water Revenue Bonds, Series 2007 B
(West Virginia DWTRF Program)

CROSS-RECEIPT FOR SERIES 2007 B BONDS AND BOND PROCEEDS

On this 26th day of September, 2007, 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 the Public Service Board of Marshall County Public Service District No. 4 (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the Marshall County Public Service District No. 4 Water Revenue Bonds, Series 2007 B (West Virginia DWTRF Program), issued in the principal amount of $1,225,000, as a single, fully registered Bond, numbered BR-1 and dated September 26, 2007 (the "Series 2007 B Bonds").

2. At the time of such receipt of the Series 2007 B Bonds upon original issuance, the Series 2007 B Bonds had been executed by the Chairman and Secretary of the Public Service Board of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Series 2007 B Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2007 B Bonds, of $40,625, being a portion of the principal amount of the Series 2007 B Bonds. The balance of the principal amount of the Series 2007 B Bonds will be advanced by the Authority and the West Virginia Bureau for Public Health to the Issuer as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Authorized Representative

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

Chairman

553380.00001

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

Water Revenue Bonds, Series 2007 B
(West Virginia DWTRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER SERIES 2007 B BONDS

The Huntington National Bank, as
Bond Registrar for the Series 2007 B Bonds
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith on this 26th day of September, 2007.

(1) Bond No. BR-1, constituting the entire original issue of Marshall County Public Service District No. 4 Water Revenue Bonds, Series 2007 B (West Virginia DWTRF Program), in the principal amount of $1,225,000 dated September 26, 2007 (the "Series 2007 B Bonds"), executed by the Chairman and the Secretary of the Public Service Board of Marshall County Public Service District No. 4 (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 September 24, 2007, and a Supplemental Resolution duly adopted by the Issuer on September 24, 2007 (collectively, the "Bond Legislation");

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

(3) Executed counterparts of the loan agreement dated September 26, 2007 (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"); and

(4) An executed opinion of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Series 2007 B Bonds.

You are hereby requested and authorized to deliver the Series 2007 B Bonds to the Authority upon payment to the Issuer of the sum of $40,625, representing a portion of the principal amount of the Series 2007 B Bonds. Prior to such delivery of the Series 2007 B Bonds, you will please cause the Series 2007 B Bonds to be authenticated and registered by an authorized officer, as Bond Registrar for the Series 2007 B Bonds, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

MARSHALL COUNTY PUBLIC SERVICE
DISTRICT NO. 4

Chairman

582180.00003

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4
WATER REVENUE BOND, SERIES 2007 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

No. AR-1 Date: September 26, 2007

FOR VALUE RECEIVED, MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4 (the "Borrower") promises to pay to the order of the UNITED STATES OF AMERICA (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of TWO MILLION THREE HUNDRED TWENTY-EIGHT THOUSAND AND THREE HUNDRED DOLLARS ($2,328,300), plus interest on the unpaid principal balance at the rate of 4.25 % per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of this Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $10,315, 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 acquisition and construction of improvements and extensions to the existing public waterworks system (the "System") of the Borrower, is payable solely from the net revenues to be derived from the operation of the System in the manner provided in the hereinafter defined Resolution. This Bond does not in any manner constitute an indebtedness of 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 Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Resolution 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 on September 24, 2007, and a Supplemental Resolution of the Borrower duly adopted on September 24, 2007, 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 Farmer and Rural Development Act of 1965. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

THIS BOND IS ISSUED ON A PARITY, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE BORROWER'S:

(1) WATER REVENUE BONDS, SERIES 1996 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED July 25, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $140,000 (THE "SERIES 1996 A BONDS");

(2) WATER REVENUE BONDS, SERIES 1996 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 25, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $380,000 (THE "SERIES 1996 B BONDS");

(3) WATER REVENUE BONDS, SERIES 1989 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 23, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $372,000 (THE "SERIES 1989 BONDS");

(4) WATER REVENUE BONDS, SERIES 1982 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED NOVEMBER 3, 1982, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,175,000 (THE "SERIES 1982 BONDS"); (COLLECTIVELY, THE "PRIOR BONDS"), AND

(5) WATER REVENUE BONDS, SERIES 2007 B (WEST VIRGINIA DWTRF PROGRAM), DATED SEPTEMBER 26, 2007, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,225,000.

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, MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4 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.

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4
(Name of Borrower)

[CORPORATE SEAL]

SPECIMEN

(Signature of Executive Official)

Chairman
(Title of Executive Official)

P.O. Box 709
(P.O. Box No. or Street Address)

Moundsville , West Virginia 26041
(City, State and Zip Code)

ATTEST:

SPECIMEN

Donna Crawford
(Signature of Attesting Official)

Secretary
(Title of Attesting Official)

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$94,700	September 26, 2007	(19)	$	
(2)	$		(20)	$	
(3)	$		(21)	$	
(4)	$		(22)	$	
(5)	$		(23)	$	
(6)	$		(24)	$	
(7)	$		(25)	$	
(8)	$		(26)	$	
(9)	$		(27)	$	
(10)	$		(28)	$	
(11)	$		(29)	$	
(12)	$		(30)	$	
(13)	$		(31)	$	
(14)	$		(32)	$	
(15)	$		(33)	$	
(16)	$		(34)	$	
(17)	$		(35)	$	
(18)	$		(36)	$	

TOTAL $_____

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to__ _____ 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 Borrower with full power of substitution in the premises.

Dated: _____,20__.

_____

In presence of:

_____

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4
WATER REVENUE BOND, SERIES 2007 B
(WEST VIRGINIA DWTRF PROGRAM)

No. BR-1 $1,225,000

KNOW ALL MEN BY THESE PRESENTS: That on the 26th day of September, 2007, MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4, a public service district and public corporation and political subdivision of the State of West Virginia in Marshall County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of ONE MILLION TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS ($1,225,000), 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, 2009, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear no interest. The 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 September1, 2009, as set forth on EXHIBIT B attached hereto.

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 Bureau for Public Health (the "BPH"), 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 BPH, dated September 26, 2007.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of improvements and extensions to the existing public waterworks system 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 waterworks system of th Issuer, the

Project and any further additions, betterments or improvements 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 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on September 24, 2007, and a Supplemental Resolution duly adopted by the Issuer on September 24, 2007 (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, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE BORROWER'S:

(1) WATER REVENUE BONDS, SERIES 1996 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED July 25, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $140,000 (THE "SERIES 1996 A BONDS");

(2) WATER REVENUE BONDS, SERIES 1996 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 25, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $380,000 (THE "SERIES 1996 B BONDS");

(3) WATER REVENUE BONDS, SERIES 1989 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JULY 23, 1990, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $372,000 (THE "SERIES 1989 BONDS");

(4) WATER REVENUE BONDS, SERIES 1982 (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED NOVEMBER 3, 1982, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,175,000 (THE "SERIES 1982 BONDS"); (COLLECTIVELY, THE "PRIOR BONDS"), AND

(5) WATER REVENUE BONDS, SERIES 2007 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED SEPTEMBER 26, 2007, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,328,300 (THE "SERIES 2007 A 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 2007 A Bonds and the Prior Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2007 B 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 which 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 2007 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, 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 Series 2007 A Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2007 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 the Bonds, including the Series 2007 A Bonds and the Prior 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.

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, 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.

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, MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4 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 date first written above.

[SEAL]

SPECIMEN

Chairman

ATTEST:

SPECIMEN

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2007 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: September 26, 2007

THE HUNTINGTON NATIONAL BANK,
as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$40,625	September 26, 2007	(19)	$	
(2)	$		(20)	$	
(3)	$		(21)	$	
(4)	$		(22)	$	
(5)	$		(23)	$	
(6)	$		(24)	$	
(7)	$		(25)	$	
(8)	$		(26)	$	
(9)	$		(27)	$	
(10)	$		(28)	$	
(11)	$		(29)	$	
(12)	$		(30)	$	
(13)	$		(31)	$	
(14)	$		(32)	$	
(15)	$		(33)	$	
(16)	$		(34)	$	
(17)	$		(35)	$	
(18)	$		(36)	$	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

$1,225,000
Marshall County Public Service District No. 4
0% Interest Rate; 1% Administrative Fee; 30 Years
Closing Date: September 26, 2007

Debt Service Schedule

Date	Principal	Coupon	Total P+I
12/01/2007	-	-	-
03/01/2008	-	-	-
06/01/2008	-	-	-
09/01/2008	-	-	-
12/01/2008	-	-	-
03/01/2009	-	-	-
06/01/2009	-	-	-
09/01/2009	10,209.00	-	10,209.00
12/01/2009	10,209.00	-	10,209.00
03/01/2010	10,209.00	-	10,209.00
06/01/2010	10,209.00	-	10,209.00
09/01/2010	10,209.00	-	10,209.00
12/01/2010	10,209.00	-	10,209.00
03/01/2011	10,209.00	-	10,209.00
06/01/2011	10,209.00	-	10,209.00
09/01/2011	10,209.00	-	10,209.00
12/01/2011	10,209.00	-	10,209.00
03/01/2012	10,209.00	-	10,209.00
06/01/2012	10,209.00	-	10,209.00
09/01/2012	10,209.00	-	10,209.00
12/01/2012	10,209.00	-	10,209.00
03/01/2013	10,209.00	-	10,209.00
06/01/2013	10,209.00	-	10,209.00
09/01/2013	10,209.00	-	10,209.00
12/01/2013	10,209.00	-	10,209.00
03/01/2014	10,209.00	-	10,209.00
06/01/2014	10,209.00	-	10,209.00
09/01/2014	10,209.00	-	10,209.00
12/01/2014	10,209.00	-	10,209.00
03/01/2015	10,209.00	-	10,209.00
06/01/2015	10,209.00	-	10,209.00
09/01/2015	10,209.00	-	10,209.00
12/01/2015	10,209.00	-	10,209.00
03/01/2016	10,209.00	-	10,209.00
06/01/2016	10,209.00	-	10,209.00
09/01/2016	10,209.00	-	10,209.00
12/01/2016	10,209.00	-	10,209.00
03/01/2017	10,209.00	-	10,209.00
06/01/2017	10,209.00	-	10,209.00
09/01/2017	10,209.00	-	10,209.00
12/01/2017	10,209.00	-	10,209.00
03/01/2018	10,209.00	-	10,209.00
06/01/2018	10,209.00	-	10,209.00
09/01/2018	10,209.00	-	10,209.00

$1,225,000
Marshall County Public Service District No. 4
0% Interest Rate; 1% Administrative Fee; 30 Years
Closing Date: September 26, 2007

Debt Service Schedule

Date	Principal	Coupon	Total P+I
12/01/2018	10,209.00	-	10,209.00
03/01/2019	10,209.00	-	10,209.00
06/01/2019	10,209.00	-	10,209.00
09/01/2019	10,208.00	-	10,208.00
12/01/2019	10,208.00	-	10,208.00
03/01/2020	10,208.00	-	10,208.00
06/01/2020	10,208.00	-	10,208.00
09/01/2020	10,208.00	-	10,208.00
12/01/2020	10,208.00	-	10,208.00
03/01/2021	10,208.00	-	10,208.00
06/01/2021	10,208.00	-	10,208.00
09/01/2021	10,208.00	-	10,208.00
12/01/2021	10,208.00	-	10,208.00
03/01/2022	10,208.00	-	10,208.00
06/01/2022	10,208.00	-	10,208.00
09/01/2022	10,208.00	-	10,208.00
12/01/2022	10,208.00	-	10,208.00
03/01/2023	10,208.00	-	10,208.00
06/01/2023	10,208.00	-	10,208.00
09/01/2023	10,208.00	-	10,208.00
12/01/2023	10,208.00	-	10,208.00
03/01/2024	10,208.00	-	10,208.00
06/01/2024	10,208.00	-	10,208.00
09/01/2024	10,208.00	-	10,208.00
12/01/2024	10,208.00	-	10,208.00
03/01/2025	10,208.00	-	10,208.00
06/01/2025	10,208.00	-	10,208.00
09/01/2025	10,208.00	-	10,208.00
12/01/2025	10,208.00	-	10,208.00
03/01/2026	10,208.00	-	10,208.00
06/01/2026	10,208.00	-	10,208.00
09/01/2026	10,208.00	-	10,208.00
12/01/2026	10,208.00	-	10,208.00
03/01/2027	10,208.00	-	10,208.00
06/01/2027	10,208.00	-	10,208.00
09/01/2027	10,208.00	-	10,208.00
12/01/2027	10,208.00	-	10,208.00
03/01/2028	10,208.00	-	10,208.00
06/01/2028	10,208.00	-	10,208.00
09/01/2028	10,208.00	-	10,208.00
12/01/2028	10,208.00	-	10,208.00
03/01/2029	10,208.00	-	10,208.00
06/01/2029	10,208.00	-	10,208.00
09/01/2029	10,208.00	-	10,208.00

$1,225,000
Marshall County Public Service District No. 4
0% Interest Rate; 1% Administrative Fee; 30 Years
Closing Date: September 26, 2007

Debt Service Schedule

Date	Principal	Coupon	Total P+I
12/01/2029	10,208.00	-	10,208.00
03/01/2030	10,208.00	-	10,208.00
06/01/2030	10,208.00	-	10,208.00
09/01/2030	10,208.00	-	10,208.00
12/01/2030	10,208.00	-	10,208.00
03/01/2031	10,208.00	-	10,208.00
06/01/2031	10,208.00	-	10,208.00
09/01/2031	10,208.00	-	10,208.00
12/01/2031	10,208.00	-	10,208.00
03/01/2032	10,208.00	-	10,208.00
06/01/2032	10,208.00	-	10,208.00
09/01/2032	10,208.00	-	10,208.00
12/01/2032	10,208.00	-	10,208.00
03/01/2033	10,208.00	-	10,208.00
06/01/2033	10,208.00	-	10,208.00
09/01/2033	10,208.00	-	10,208.00
12/01/2033	10,208.00	-	10,208.00
03/01/2034	10,208.00	-	10,208.00
06/01/2034	10,208.00	-	10,208.00
09/01/2034	10,208.00	-	10,208.00
12/01/2034	10,208.00	-	10,208.00
03/01/2035	10,208.00	-	10,208.00
06/01/2035	10,208.00	-	10,208.00
09/01/2035	10,208.00	-	10,208.00
12/01/2035	10,208.00	-	10,208.00
03/01/2036	10,208.00	-	10,208.00
06/01/2036	10,208.00	-	10,208.00
09/01/2036	10,208.00	-	10,208.00
12/01/2036	10,208.00	-	10,208.00
03/01/2037	10,208.00	-	10,208.00
06/01/2037	10,208.00	-	10,208.00
09/01/2037	10,208.00	-	10,208.00
12/01/2037	10,208.00	-	10,208.00
03/01/2038	10,208.00	-	10,208.00
06/01/2038	10,208.00	-	10,208.00
09/01/2038	10,208.00	-	10,208.00
12/01/2038	10,208.00	-	10,208.00
03/01/2039	10,208.00	-	10,208.00
06/01/2039	10,208.00	-	10,208.00
Total	**$1,225,000.00**	-	**$1,225,000.00** *

***Plus $1,543.98 one-percent Administrative Fee paid quarterly. Total fee paid over life of loan is $185,277.60.**

File | Marshall County PSD Loans.sf | DWTRF 8-29-07 | 8/29/2007 | 3:55 PM

(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: _____, 20___.

_____

In the presence of:

_____

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

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

$2,328,300

REGISTRATION BOOKS

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

Bond No.	Date of Registration	In Whose Name Registered	Signature of Secretary of Registrar
AR-1	September 26 , 2007	United States Department of Agriculture	Donna Crawford

553380.00001

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW
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Writer's Contact Information

September 26, 2007

Marshall County Public Service District No. 4
Water Revenue Bonds, Series 2007 A
(United States Department of Agriculture)

Marshall County Public Service District No. 4
Moundsville, West Virginia

United States Department of Agriculture
Morgantown, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Marshall County Public Service District No. 4 in Marshall County, West Virginia (the "Issuer"), of its $2,328,300 Water Revenue Bonds, Series 2007 A (United States Department of Agriculture) dated the date hereof (the "Bonds"), pursuant to Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), a Bond Resolution duly adopted by the Issuer on September 24 , 2007, and a Supplemental Resolution duly adopted by the Issuer on September 24, 2007 (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 (i) Water Revenue Bonds, Series 1996 A (United States Department of Agriculture), dated July 25, 1996, issued in the original aggregate principal amount of $140,000 (the "Series 1996 A Bonds"); (ii) Water Revenue Bonds, Series 1996 B (United States Department of Agriculture), dated July 25, 1996, issued in the original aggregate principal amount of $380,000 (the "Series 1996 B Bonds"); (iii) Water Revenue Bonds, Series

1989 (United States Department of Agriculture), dated July 23, 1990, issued in the original aggregate principal amount of $372,000 (the "Series 1989 Bond"); and (iv) Water Revenue Bonds, Series 1982 (United States Department of Agriculture), dated November 3, 1982, issued in the original aggregate principal amount of $1,175,000 (the "Series 1982 Bonds") (collectively, the "Prior Bonds"), and (v) Water Revenue Bonds, Series 2007 B (West Virginia DWTRF Program), dated September 26, 2007, issued concurrently herewith in the original aggregate principal amount of $1,225,000.

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

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

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

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

Very truly yours,

STEPTOE & JOHNSON PLLC

553380.00001

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Writer's Contact Information

September 26, 2007

Marshall County Public Service District No. 4
Water Revenue Bonds, Series 2007 B
(West Virginia DWTRF Program)

Marshall County Public Service District No. 4
Moundsville, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Bureau for Public Health
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Marshall County Public Service District No. 4 (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 $1,225,000 Water Revenue Bonds, Series 2007 B (West Virginia DWTRF Program), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated September 26, 2007, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2009, to and including June1, 2039, all as set forth in the "Schedule Y" attached to the Loan 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 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purpose of (i) paying a portion of the costs of acquisition and construction of improvements and extensions to the existing public waterworks system of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs.

TERRALEX
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We have also examined the applicable provisions of the Act, the Bond Resolution duly adopted by the Issuer on September 24, 2007, as supplemented by a Supplemental Resolution duly adopted by the Issuer on September 24, 2007 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan 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 Bond Legislation and to issue and sell the Bonds, all under the Act and other applicable provisions of law.

2. The Loan 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 BPH and cannot be amended so as to affect adversely the rights of the Authority or the BPH or diminish the obligations of the Issuer without the written consent of the Authority and the BPH.

3. The Bond Legislation and all other necessary orders and resolutions have been duly adopted by the Issuer in connection with the issuance and sale of the Bonds and constitute valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms. The Bond Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's (i) Water Revenue Bonds, Series 1996 A (United States Department of Agriculture), dated July 25, 1996, issued in the original aggregate principal amount of $140,000 (the "Series 1996 A Bonds"); (ii) Water Revenue Bonds, Series 1996 B (United States Department of Agriculture), dated July 25, 1996, issued in the original aggregate principal amount of $380,000 (the "Series 1996 B Bonds"); (iii) Water Revenue Bonds, Series 1989 (United States Department of Agriculture), dated July 23, 1990, issued in the original aggregate principal amount of $372,000 (the "Series 1989 Bond"); and (iv) Water Revenue Bonds, Series 1982 (United States Department of Agriculture), dated November 3, 1982, issued in the original aggregate principal amount of $1,175,000 (the "Series 1982 Bonds");(collectively, the "Prior Bonds"); and (v) Water Revenue Bonds, Series 2007 A (United States Department of Agriculture), dated September 26, 2007, issued concurrently herewith in

the original aggregate principal amount of $2,328,300, all in accordance with the terms of the Bonds and the Bond Legislation.

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

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

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

553380.00001

Kevin L. Neiswonger, Esq.

409 Morton Avenue, Moundsville, WV 26041

David C. White, Esq.

Telephone: 304.843.1714 Fax : 304.843.1837

September 24, 2007

Marshall County Public Service District No. 4
Water Revenue Bonds, Series 2007 A
(United States Department of Agriculture)

Marshall County Public Service District No. 4
Moundsville, West Virginia

United States Department of Agriculture
Morgantown, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to Marshall County Public Service District No. 4, a public service district in Marshall County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson, as bond counsel, a resolution of the Issuer duly adopted September 24, 2007 and a supplemental resolution of the Issuer duly adopted on September 24, 2007 (collectively, the "Resolution"), other documents and papers relating to the Issuer and the above-captioned Bonds of the Issuer (the "Bonds") and documents and orders of The County Commission of Marshall County relating to the creation of the Issuer and the appointment of members of the Public Service Board of the Issuer. All capitalized terms used in the Resolution and not otherwise defined herein shall have the same meanings as defined in the Resolution when used herein.

I am in the opinion that:

1. The Issuer is duly created and validly existing as a public service district and as a public corporation and political subdivision of the State of West Virginia.

2. The members and officers of the Public Service Board of the Issuer have been duly, lawfully and properly appointed and elected, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.

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

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

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

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

David C. White, Esq.
Law Offices of
Neiswonger and White
409 Morton Avenue
Moundsville, WV 26041
Counsel for: Marshall County PSD #4

Kevin L. Neiswonger, Esq.

David C. White, Esq.

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Telephone: 304.843.1714 Fax : 304.843.1837

September 26, 2007

Marshall County Public Service District No. 4
Water Revenue Bonds, Series 2007 B
(West Virginia DWTRF Program)

Marshall County Public Service District No. 4
Moundsville, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to Marshall County Public Service District No. 4, a public service district in Marshall County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a loan agreement for the Series 2007 B Bonds dated September 26, 2007 including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), the Bond Resolution duly adopted by the Issuer on September 24, 2007 as supplemented by the Supplemental Resolution duly adopted by the Issuer on September 24, 2007 (collectively, the "bond Legislation"), and other documents, papers, agreements, instruments and certificates relating to the above-captioned Bonds of the Issuer (collectively, the "Bonds") and orders of The County Commission of Marshall County relating to the Issuer and the appointment of the members of the Public Service Board of the Issuer. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreement when used herein.

I am in 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 Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the Authority, constitutes a valid and binding agreement of the Issuer, enforceable in accordance with its terms.

3. 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.

4. The Bond Legislation has been duly adopted by the Issuer and is in full force and effect.

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

6. The Issuer has received all permits, license, approvals, consents, exemptions, orders, certificates and authorizations necessary for the creation and 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 for use of the System, including, without limitation, the receipt of all requisite orders, certificates and approvals from the West Virginia Bureau for Public Health, The County Commission of Marshall County, and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of resolution prescribing such rates and charges.

7. To the best of my knowledge, there is no litigation, action, 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 Loan Agreement, the Bond Legislation, the acquisition and construction of the Project, the operation of the System, the validity of the Bonds or the collection or pledge of the Net Revenues therefore.

8. I have verified that all successful bidders have made required provisions for all insurance and payment and performance bonds and I have reviewed such insurance policies or binders and such bonds for accuracy. I have reviewed the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project and verified that such surety bonds and policies (1) are in compliance wit 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 property parties; (4) meet the requirements of the Act, the Bond Legislation and the Loan 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.

David C. White, Esq.
Law Offices of
Neiswonger and White
409 Morton Avenue
Moundsville, WV 26041
Counsel for: Marshall County PSD #4

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September 26, 2007

Marshall County Public Service District No. 4
Moundsville, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Bureau for Public Health
Charleston, West Virginia

United States Department of Agriculture
Morgantown, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Re: Marshall County Public Service District No. 4
Water Revenue Bonds, Series 2007 A; and
(United States Department of Agriculture)
Water Revenue Bonds, Series 2007 B
(West Virginia DWTRF Program)

Ladies and Gentlemen:

I am special counsel to the Marshall County Public Service District No. 4, a public service district in Marshall County, West Virginia (the "Issuer"). As such counsel, I 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 Loan Agreement when used herein.

I am of the opinion that the Issuer has received all orders, certificates and authorizations from the Public Service Commission of West Virginia necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the implementation of rates and charges, and the Issuer has taken any other action required for the

imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges. The Issuer has received a Recommended Decision of the Public Service Commission of West Virginia entered April 26, 2007, Commission Order dated July 12, 2007, Commission Order dated August 8, 2007 and Commission Order dated August 30, 2007 (collectively, the "Order") in Case No. 06-1513-PWD-CN, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project, which consists of a Rural Utilities Service Loan in the amount of $2,328,300 at 4.75% interest for 40 years; a Drinking Water Treatment Revolving Fund Loan in the amount of $1,225,000 at 0% interest and 1% administrative fee for 30 years; a $1,446,700 RUS Grant; a $962,200 State and Tribal Assistant Grant; a $575,000 Small Cities Block Grant; and a grant from the Marshall County Commission for $150,000.

The time for appeal of the Commission Order dated August 30, 2007, has not expired prior to this date. The parties to the case have notified counsel in writing that they will not file an appeal of this case with the Supreme Court of Appeals of West Virginia. Such Order is not subject to any appeal, further hearing, reopening or rehearing by any other customer, protestant, intervenor, or other person not a party to such Order.

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

Very truly yours,

Mark E. Kauffelt

MEK/mmw

Kevin L. Neiswonger, Esq.

409 Morton Avenue, Moundsville, WV 26041

David C. White, Esq.

Telephone: 304.843.1714 Fax : 304.843.1837

FINAL TITLE OPINION

September 26, 2007

West Virginia Bureau for Public Health
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

RE: Marshall County Public Service District No.4

Dear Ladies and Gentlemen:

This firm represents Marshall County Public Service District No. 4 (the "District") with regard to a proposed project to construct new distribution lines to serve approximately 252 prospective customers, together with all appurtenant facilities (the "Project"), and provides this final title opinion on behalf of the District to satisfy the requirements of the West Virginia Bureau for Public Health with regard to the financing proposed for the Project. Please be advised of the following:

1. That I am of the opinion that the District is a duly created and existing public service district possessed with all the powers and authority granted to public service districts under the laws of the State of West Virginia and has the full power and authority to construct, operate and maintain the Project as approved by the Bureau for Public Health.

2. That the District has obtained approval for all necessary permits and approvals for the construction of the Project.

3. That 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 Cerrone Associates, Inc., the consulting engineers for the Project.

4. That I have examined the records on file in the Office(s) of the Clerk of the County Commission of Marshall County, West Virginia, the county in which the Project is to be located, and, in my opinion, the District has acquired legal title or such other estate or interest in the necessary site components for the Project sufficient to assure undistributed use and possession for the purpose of construction, operation and

maintenance for the estimated life of the facilities to be constructed **[,except and subject to the following:**

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

Attached as Exhibit "A"

5. That all deeds or other documents which have been acquired to date by the District have been duly recorded in the aforesaid Clerk's Office(s) in order to protect the legal title to and interest of the District.

David C. White, Esq.
Law Offices of
Neiswonger and White
409 Morton Avenue
Moundsville, WV 26041
Counsel for: Marshall County PSD #4

EXHIBIT "A"

PROPERTY ACQUIRED VIA EMINENT DOMAIN

1.	Keith Berger and Linda K. Berger, his wife	Cameron District, Map 7, parcel 7.2
2.	McElroy Coal Company, a Delaware Corporation	Cameron District, Map 18, parcel 16
3.	Scott A. Hostutler	Mead District, Map 5, parcel 0008 Map 5, parcel 0016
4.	Randy A. Whyte and Reeda K. Whyte, his wife	Cameron District, Map 6, parcel 0043
5.	Ralph Curtis Riggle	Webster District, Map 11, parcel 0020
6.	Roger D. McCracken, single Kathleen J. Luce, single	Webster District, Map 11, parcel 0021
7.	The heirs of T.E. Fish	Webster District, Map 6, parcel 0025 Map 5, parcel 0009 Map 5, parcel 0008
8.	Sherman Knox, Sr. and Amaryliss J. Knox, his wife	Mead District, Map 9, parcel 0008
9.	Martin Davis	Mead District, Map 9, parcel 0010
10.	Donald R. Smith and Linda L. Smith, his wife	Franklin District, Map 12, parcel 0173
11.	Eastern Transmission, L.P. A Delaware Limited Partnership	Franklin District, Map 3A, parcel 0008
12.	Ohio Power Company	Franklin District, Map 5, parcel 0006
13.	Royce L. Wolfe and Sherry Wolfe, his wife	Webster District, Map 5, parcel 0039
14.	Robert Allen Fox	Liberty District, Map 6, parcel 0012
15.	Douglas Wayne Thomas and	Mead District, Map 5, parcel

	Martha Zukoff Thomas, his wife	0005
16.	Mark H. Fox and Retta J. Fox, his Wife	Mead District, Map 5, parcel 0015
17.	Charles R. Kernan and Edith Kernan, his wife	Mead District, Map 22, parcel 0001
18.	Geneva Phillips Lowe and Stella Evan Phillips	Cameron District, Map 9, parcel 0008
19.	Shannon Roger Hubbs and Lyla Lorraine Hubbs	Clay District, Map 11, parcel 11
20.	Twila Ora Whipkey	Liberty District, Map, parcel 6

FINAL TITAL OPINION

LOAN APPLICANT **MARSHALL COUNTY PSD #4**	ADDRESS OR PROPERTY COVERED BY THIS OPINION **ATTACHED AS EXHIBIT "A"**	
APPLICANT FOR TITLE EXAMINATION **MARSHALL COUNTY PSD #4**	COUNTY **MARSHALL**	STATE **WEST VIRGINIA**

I. I have examined title to the property described in the security instrument described in paragraph II.B. below. My examination covered the period from the time of termination of title search covered by my Preliminary Title Opinion on Form RD 1927-9; or the time of recordation of the initial loan security instrument if this opinion covers land already owned by the loan applicant in a subsequent loan case, to September 20, 2007 at 4:30 p.m.(including the time of filing the current security instrument).

II. Based on said title examination, my preliminary title examination if any, and any additional information concerning the title which has come to my attention, it is my opinion that:

A. Good and marketable title, in accordance with title examination standards prevailing in the area, to said property (real estate and any water rights offered as security) is now vested in Marshall County Public Service District #4.

B. The United States of America holds a valid statutory mortgage lien on said property as required by Rural Development or the Farm Service Agency, or their successor (Agency), by virtue of Chapter 16 Article 13A of the West Virginia Code of 1931, as amended.

C. Said property and lien are subject only to encumbrances, reservations, exceptions, and defects which were approved by written administrative waivers of the Agency attached hereto or to my Preliminary Title Opinion.

III. If a water right is involved and is not covered by the current security instrument, it is subject only to the encumbrances, reservations, exceptions, and defects set forth in said administrative waivers and was made available as security in the following manner (Water stock would normally be reissued in the names of said land owners and the United States of America and delivered to the Agency Official at the time of loan closing):

IV. The term "encumbrances, reservations, exceptions, and defects" means all matters which would prevent the United States from obtaining the required lien on the property identified in paragraph I, including but not limited to (a) mortgages, deeds of trust, and vendors', mechanics', materialmen's, and all other liens, including any provisions thereof for future advances which could take priority over the said lien to the United States, (b) Federal, State, and local taxes, including county, school, improvement, water, drainage, sewer, inheritance, personal property, and income, (c) State and Federal bankruptcy, insolvency, receivership, and probate proceedings, (d) judgments and pending suits, in State and Federal courts, (e) recorded covenants; conditions; restrictions; reservations; liens; encumbrances; easements; rights-of-way; leases; mineral, oil, gas, and geothermal

rights (regardless of the right of surface entry); timber rights; water rights; pending court proceedings and other matters of record which affect the title of the property or the ability of the buyer or seller to convey or accept title.

V. This opinion is issued expressly for the benefit of the above-named applicant for title examination and the United States of America acting through the United States Department of Agriculture Agency which provided the assistance, and I assume liability to each hereunder.

9/26/07
Date

David C. White, Esq.
Law Offices of
Neiswonger and White
409 Morton Avenue
Moundsville, WV 26041
Counsel for: Marshall County PSD #4

REAL ESTATE VESTED IN MARSHALL COUNTY PUBLIC SERVICE DISTRICT #4

1. Fork Ridge, near U.S. Route 250, Cameron District containing 0.1076 acres more or less.

2. Parts of land situate south of Glen Easton in Meade District containing 0.2296 acres.

3. Parcel situate in Clay District containing 2375 feet, more or less.

4. Blair's Ridge Road, near Middle Grave Creek containing 0.1291 acres, more or less.

5. 0.037 acre tract of land located along the southerly side of Robert's Ridge Road.

6. Number of parcel land situate along Middle Grave Creek Road and it's in a section of Tom's Run and Washington District containing 2607 feet.

7. Parcel of land situtated on U.S. Route 250, Cameron District Marshall County containing 0.0308 acres.

8. Parcel of land in Clay District containing 4000 square feet.

9. Parcel of land situated on Middle Grave Creek and Blair's Ridge Road in Webster District containing .0245 acres, more or less.

10. Parcel of land situated along Santee Ridge Road in Cameron District containing 0.373 acres, more or less.

11. Real estate situate in Franklin District, Marshall County, West Virginia, containing 2500 square feet.

12. 5 acres; Clay District with right of engress and egress.

13. Parcel of land situate on West side of Cameron Ridge Road in Liberty District containing 0.337 acres, more or less.

14. A parcel of land located on the southerly side of Santee Ridge Road containing 0.373 acres, more or less. (acquired July 23, 2007)

15. A parcel of land located the westerly side of Cameron Ridge Road, County Road 23, containing 0.337 acres, more or less.

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

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

COMBINED CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. AUTHORIZATION AND AWARD OF BONDS
2. NO LITIGATION/GOVERNMENTAL APPROVALS
3. PUBLIC SERVICE COMMISSION ORDERS
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 Marshall County Public Service District No. 4, in Marshall 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 September, 2007, in connection with the Marshall County Public Service District No. 4 Water Revenue Bonds, Series 2007 A (United States Department of Agriculture), No. AR-1, dated the date hereof, fully registered, in the principal amount of $2,328,300 (the "Series 2007 A 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 2007 A Bonds have been duly awarded to the United States of America, acting by the United States Department of Agriculture, Rural Utilities Service (the "Purchaser"), pursuant to a Letter of Conditions from the Purchaser, dated July 30, 1998 , and all amendments thereto, and as appears in

Section 7.03 of the Resolution of the Issuer duly adopted on September 24, 2007, and the Supplemental Resolution duly adopted on September 24, 2007, authorizing issuance of the Series 2007 A 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 2007 A Bonds are being issued on this date to finance a portion of the cost of the acquisition and construction of the Project, herein defined and described, located within the boundaries of the Issuer.

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

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

3. PUBLIC SERVICE COMMISSION ORDERS. Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered April 26, 2007, Commission Order entered July 12, 2007, Commission Order entered August 8, 2007, and Commission Order dated August 30, 2007 in Case No. 06-1513-PWD-CN (collectively, the "Orders"), 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 Commission Order dated August 30, 2007 has not expired prior to the date hereof. The parties have certified that they do not intend to appeal such Order. Such Order is not subject to any further appeal, hearing, reopening or rehearing by any customer, protestant, intervenor or other person not a party to such Order. The Orders 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 by the Purchaser of a loan to assist in the acquisition and construction of the Project.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2007 A Bonds as to liens, pledge and source of and security for payment, and in all respects, being the Issuer's (i) Water Revenue Bonds, Series 1996 A (United States Department of Agriculture), dated July 25, 1996, issued in the original aggregate principal amount of $140,000 (the "Series 1996 A Bonds"); (ii) Water Revenue Bonds, Series 1996 B (United States Department of Agriculture), dated July 25, 1996, issued in the original aggregate principal amount of $380,000 (the "Series 1996 B Bonds"); (iii) Water Revenue Bonds, Series 1989 (United States Department of Agriculture), dated July 23, 1990, issued in the original aggregate principal amount of $372,000 (the "Series 1989 Bond"); (iv) Water Revenue Bonds, Series 1982 (United States Department of Agriculture), dated November 3, 1982, issued in the original aggregate principal amount of $1,175,000 (the "Series 1982 Bonds");(collectively, the "Prior Bonds"), and (v) Water Revenue Bonds, Series 2007 B (West Virginia DWTRF Program), dated September 26, 2007, issued concurrently herewith in the original aggregate principal amount of $1,225,000. Other than the Prior Bonds and the Series 2007 B Bonds, there are no other outstanding bonds or obligations of the Issuer which rank prior to or on a parity with the Series 2007 A Bonds as to liens, pledge and/or 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 2007 A Bonds with the official corporate seal of the Issuer, an impression of which seal is on this certificate above our signatures and said officers are the duly elected or appointed (as applicable), qualified and serving officers as indicated by the official titles opposite their signatures below, and are duly authorized to execute and seal the Series 2007 A Bonds for the Issuer.

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

Bond Resolution

Supplemental Resolution

Prior Resolutions

Consent of USDA to Issuance of Parity Bonds

USDA Letter of Conditions, with all amendments

DWTRF Program Loan Agreement for Series 2007 B Bonds

Public Service Commission Orders

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 Filing

Minutes on Adoption of Bond Resolution, Supplemental Resolution and Rules of Procedure

Bureau for Public Health Permit

United States Department of Agriculture Loan Agreement

Evidence of Small Cities Block Grant

Evidence of County Commission Grant

Evidence of US Environmental Protection Agency Grant

Evidence of Insurance

7. INCUMBENCY AND OFFICIAL NAME, ETC.: The proper corporate title of the Issuer is "Marshall County Public Service District No. 4" and its principal office and place of business are in Marshall 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
David Glover	December 31, 2001	December 31, 2007
Mark Fitzsimmons	June 1, 2002	June 1, 2008
Donna Crawford	December 31, 2005	December 31, 2011

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

Chairman	-	David Glover
Secretary	-	Donna Crawford

The duly appointed and acting Attorney for the Issuer is David C. White, Esquire, of Moundsville, West Virginia and duly appointed acting Special PSC Counsel is Mark Kauffelt, Esquire of Charleston, West Virginia.

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

At the time of delivery of the Series 2007 A Bonds, the undersigned Chairman received $94,700, being a portion of the principal amount of the Series 2007 A Bonds. Further advances of the balance of the principal amount of the Series 2007 A Bonds will be paid to the Issuer as acquisition and construction of the Project progresses.

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

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

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

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

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

12. CONNECTIONS, ETC.: The Issuer will serve at least 2,136bona 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, the grant from the Purchaser in the amount of $1,446,700, a $1,500,000 grant Infrastructure & Jobs Development Council, a grant from Small Cities Block Grant in the amount of $575,000, a grant from the County Commission of Marshall County in the amount of$150,000 and the grant from the United States Environmental Protection Agency in the amount of $962,200 are committed and in full force and effect.

15. CONFLICT OF INTEREST: No member, officer or employee of the

Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Series 2007 A Bonds, the Bond Resolution and/or the Project, including, without limitation, with respect to the Depository Bank, as defined in the Bond Resolution. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

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

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

[Remainder of Page Intentionally Left Blank]

WITNESS our signatures and the official corporate seal of MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4 on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Chairman
Donna Crawford _____	Secretary
_____	Attorney for Issuer
_____	Special PSC Counsel (Paragraph 3)

553380.00001

WITNESS our signatures and the official corporate seal of MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4 on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Chairman
_____	Secretary
_____	Attorney for Issuer
_____	Special PSC Counsel (Paragraph 3)

553380.00001

CH885762.2

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

Water Revenue Bonds, Series 2007 B
(West Virginia DWTRF Program)

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; ETC.
7. LAND AND RIGHTS-OF-WAY
8. MEETINGS, ETC.
9. CONTRACTORS' INSURANCE, ETC.
10. LOAN AGREEMENT
11. RATES
12. PUBLIC SERVICE COMMISSION ORDER
13. SIGNATURES AND DELIVERY
14. BOND PROCEEDS
15. PUBLICATION OF NOTICE OF FILING
16. SPECIMEN BONDS
17. CONFLICT OF INTEREST
18. GRANTs
19. PROCUREMENT OF ENGINEERING SERVICES
20. EXECUTION OF COUNTERPARTS

We, the undersigned CHAIRMAN and SECRETARY of the Public Service Board of Marshall County Public Service District No. 4 in Marshall County, West Virginia (the "Issuer"), and the undersigned COUNSEL to the ISSUER, hereby certify, on this the 26th day of September, 2007, in connection with the Issuer's Water Revenue Bonds, Series 2007 B (West Virginia DWTRF Program), dated the date hereof (the "Series 2007 B Bonds" or the "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 September 24, 2007, and the Supplemental Resolution duly adopted September 24, 2007 (collectively, the "Bond Legislation").

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 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 moneys or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the 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 Loan Agreement, and the Issuer has met all conditions prescribed in the Loan Agreement. The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete the Project.

There are outstanding bonds of the Issuer which will rank on a parity with the Series 2007 B Bonds as to liens, pledge and source of and security for payment, and in all respects, being the Issuer's (i) Water Revenue Bonds, Series 1996 A (United States Department of Agriculture), dated July 25, 1996, issued in the original aggregate principal amount of $140,000 (the "Series 1996 A Bonds"); (ii) Water Revenue Bonds, Series 1996 B (United States Department of Agriculture), dated July 25, 1996, issued in the original aggregate principal amount of $380,000 (the "Series 1996 B Bonds"); (iii) Water Revenue Bonds, Series 1989 (United States Department of Agriculture), dated July 23, 1990, issued in the original aggregate principal amount of $372,000 (the "Series 1989 Bond"); and (iv) Water Revenue Bonds, Series 1982 (United States Department of Agriculture), dated November 3, 1982, issued in the original aggregate principal amount of $1,175,000 (the "Series 1982 Bonds");(collectively, the "Prior Bonds"), and (v) Water Revenue Bonds, Series 2007 A (United States Department of Agriculture), dated September 26, 2007, issued concurrently herewith in the original aggregate principal amount of $2,328,300. Other than the Prior Bonds and the Series 2007 A Bonds, there are no other outstanding bonds or obligations of the Issuer which rank prior to or on a parity with the Series 2007 B Bonds as to liens, pledges and/or source of and security for payment.

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 Series 2007 B Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, the Series 2007 A Bonds and the Series 2007 B Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is 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 or changed in any way unless modification appears from later documents also listed below:

Bond Resolution

Supplemental Resolution

Prior Resolutions

Consent of USDA to Issuance of Parity Bonds

USDA Letter of Conditions, with all amendments

DWTRF Program Loan Agreement for Series 2007 B Bonds

Public Service Commission Orders

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

Affidavit of Publication of Notice of Filing

Minutes of Current Year Organizational Meeting

Minutes on Adoption of Bond Resolution, Supplemental Resolution and Rules of Procedure

Bureau for Public Health Permit

United States Department of Agriculture Loan Agreement

Evidence of Small Cities Block Grant

Evidence of Marshall County Commission Grant

Evidence of U.S. Environmental Protection Agency Grant

Evidence of Insurance

6. INCUMBENCY AND OFFICIAL NAME, ETC.: The proper corporate title of the Issuer is "Marshall County Public Service District No. 4." The Issuer is a public service district and public corporation duly created by The County Commission of Marshall County and presently existing under the laws of, and a public corporation and political subdivision of, the State of West Virginia. The governing body of the Issuer is its Public Service Board consisting of 3 duly appointed, qualified and acting members whose names and dates of commencement and termination of current terms of office are as follows:

Name	Date of Commencement of Office	Date of Termination of Office
David Glover	December 31, 2001	December 31, 2007
Mark Fitzsimmons	June 1, 2002	June 1, 2008
Donna Crawford	December 31, 2005	December 31, 2011

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 2007 are as follows:

Chairman	-	David Glover
Secretary	-	Donna Crawford

The duly appointed and acting counsel to the Issuer is David C. White, Esquire of Moundsville, West Virginia and the duly appointed Special PSC Counsel is Mark Kauffelt, Esquire of 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.

8. MEETINGS, ETC.: All actions, resolutions, 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 Loan Agreements is in full force and effect.

10. LOAN AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the dates of the Loan 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 Loan Agreement not misleading; and (iv) the Issuer is in compliance with the Loan Agreement.

11. RATES: The Issuer has received the Recommend Decision of the Public Service Commission of West Virginia entered on April 26, 2007, Commission Order entered July 12, 2007, and Commission Order entered August 8, 2007 in Case No. 06-1513-PWD-CN-PC, 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 Commission 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 Recommend Decision of the Public Service Commission of West Virginia entered on April 26, 2007, Commission Order entered July 12, 2007, Commission Order entered August 8, 2007, and Commission Order entered August 30, 2007 (collectively, the "Orders") in Case No. 06-1513-PWD-CN-PC, 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 Commission Order dated August 30, 2007 has not expired prior to the date hereof. The parties have certified that they do not intend to appeal such Order. Such Order is not subject to any further appeal, hearing, reopening or rehearing by any customer, protestant, intervenor or other person not a party to such Order. The Orders remain in full force and effect.

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 said 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 Loan 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 $40,625 from the Authority and the BPH, being a portion of the principal amount of the Series 2007 B Bonds. The balance of the principal amount of the Series 2007 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, the issuance of the Bonds 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 is a true and accurate specimen 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. GRANTS: As of the date hereof the grant from the Purchaser in the amount of $1,446,700, a grant from the West Virginia Infrastructure & Jobs Development Council of $1,500,000, the Small Cities Block Grant in the amount of $575,000, the grant from The County Commission of Marshall County in the amount of $150,000 and the grant from the United States Environmental Protection Agency in the amount of $962,200 are committed and in full force and effect.

19. 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.

20. 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 Blank]

WITNESS our signatures and the official seal of MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4 on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Chairman
Donna Crawford _____	Secretary
_____	Counsel to the Issuer
_____	Special PSC Counsel (Paragraph 12)

WITNESS our signatures and the official seal of MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4 on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Chairman
_____	Secretary
_____	Counsel to the Issuer
Mark E Kauffelt	Special PSC Counsel (Paragraph 12)

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

Water Revenue Bonds, Series 2007 A
(United States Department of Agriculture), and
Water Revenue Bonds, Series 2007 B
(West Virginia DWTRF Program)

CERTIFICATE OF ENGINEER

I, Manning Frymier, Registered Professional Engineer, West Virginia License No. 8497, of Cerrone Associates, Inc., Wheeling, West Virginia, hereby certify this 26th day of September as follows:

1. My firm is engineer for the acquisition and construction of certain additions, improvements and extensions (the "Project") to the existing waterworks system (the "System") of Marshall County Public Service District No. 4 (the "Issuer") to be constructed primarily in Marshall 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 September 24, 2007, as supplemented by the Supplemental Resolution adopted by the Issuer on September 24, 2007, the Letter of Conditions of the Rural Utilities Service (the "RUS") for the Series 2007 A Bonds dated July 30, 1998, as amended (the "Letter of Conditions'), and the Loan Agreement for the Series 2007 B Bonds, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), dated September 26, 2007 (the "Loan Agreement").

2. The Bonds are being issued for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project; and (ii) 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 BPH, and any change orders approved by the Issuer, RUS, the BPH, the Authority, and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least forty 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, David C. White, Esquire, 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 BPH 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 accountants, S.R. Snodgrass, A.C., 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 Letter of Conditions and the Loan Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by RUS, the Authority and the BPH; 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.

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

CERRONE ASSOCIATES, INC.

(SEAL)

Manning Frymier

Manning Frymier, P. E.
West Virginia License No. 8497

553380.00001

CH885744.1

Schedule B- Final Total Cost of Project,
Sources of Funds and Cost of Financing

(See Attached)

SCHEDULE B
MARSHALL COUNTY PUBLIC SERVICE DISTRICT #4
Water Project 2006W-957

	RUS Loan	RUS Grant	STAG Grant	SCBG Grant	Mar Co Grant	DWTRF 1st Rnd.	DWTRF 2nd Rnd.	IJDC Grant	TOTAL
A. COST OF PROJECT									
1 Construction & Cons. Cont.									
a. Contr. 2 - Alt. Bid & Red. Scope	247,135	156,585	951,200	304,941	0	1,124,406	80,594	0	**2,864,861**
b. Contract 3	989,685	627,080	0	0	0	0	0	883,000	**2,499,765**
c. Contract 4	341,428	216,335	0	0	0	0	0	0	**557,763**
d. Middle Grave Crk Bstr Upgrade	0	0	0	0	0	0	0	20,000	**20,000**
e. Knoxville Booster Station	0	0	0	0	0	0	0	125,000	**125,000**
f. New Fork Ridge #2 Tank	0	0	0	0	0	0	0	300,000	**300,000**
g. Construction contingency	196,000	100,000	0	0	0	0	0	22,000	**318,000**
2 Technical Services									
a. Basic	71,066	34,381	0	0	0	0	0	40,000	**145,447**
b. Inspection	103,934	175,000	0	0	0	0	0	110,000	**388,934**
c. Special Services	34,215	0	0	0	0	0	0	0	**34,215**
3 Legal/Fiscal									
a. Legal	65,000	10,000	0	0	0	0	0	0	**75,000**
b. Accounting	12,000	0	0	0	0	0	0	0	**12,000**
4 Administrative									
a. Administrative Expenses	0	0	11,000	9,000	0	0	0	0	**20,000**
b. SCBG Tap Fees	0	0	0	3,300	0	0	0	0	**3,300**
5 Sites & Other Lands	30,000	0	0	0	0	0	0	0	**30,000**
6 PSD #2 Connection Fee	0	0	0	0	0	10,000	0	0	**10,000**
7 Interest	134,000	0	0	0	0	0	0	0	**134,000**
8 Contingency	84,337	67,319	0	0	0	0	0	0	**151,656**
9 a. Miscellaneous (Equipment)	0	60,000	0	0	0	0	0	0	**60,000**
b. Pre-closing project expenses	0	0	0	257,759	150,000	0	0	0	**407,759**
10 TOTAL of Lines 1 through 9	2,308,800	1,446,700	962,200	575,000	150,000	1,134,406	80,594	1,500,000	**8,157,700**
B. COST OF FINANCING									
11 Funded Reserve	0	0	0	0	0	0	0	0	**0**
12 Registar	500	0	0	0	0	0	0	0	**500**
13 Bond Counsel	19,000	0	0	0	0	10,000	0	0	**29,000**
14 Cost of Financing (Lines 11-13)	19,500	0	0	0	0	10,000	0	0	**29,500**
15 Total Project Cost (Line 10 plus Line 14)	2,328,300	1,446,700	962,200	575,000	150,000	1,144,406	80,594	1,500,000	**8,187,200**
C. SOURCES OF FUNDS									
16 Federal Grants	0	1,446,700	962,200	575,000	0	0	0	0	**2,983,900**
17 State Grants	0	0	0	0	0	0	0	1,500,000	**1,500,000**
18 Other Source	0	0	0	0	150,000	0	0	0	**150,000**
19 Total Grants (Lines 16-18)	0	1,446,700	962,200	575,000	150,000	0	0	1,500,000	**4,633,900**
20 Net Proceeds from Bond Issue	2,328,300	0	0	0	0	1,144,406	80,594	0	**3,553,300**
							1,225,000		

MARSHALL COUNTY PUBLIC SERVICE DISTRICT #4

Authorized Representative

9/24/07

Date

CERRONE ASSOCIATES, INC.

Manning H. Frymier, PE

9/7/2007

Date

jkd301!

SNODGRASS
CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

September 26, 2007

Marshall County Public Service District No. 4
Water Revenue Bonds, Series 2007 A
(United States Department of Agriculture) and
Water Revenue Bonds, Series 2007 B
(West Virginia DWTRF Program)

Marshall County Public Service District No. 4
Moundsville, West Virginia

United States Department of Agriculture
Morgantown, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Bureau for Public Health
Charleston, West Virginia

Steptoe & Johnson, PLLC
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the water rates and charges set forth in the Recommended Decision of the Public Service Commission of West Virginia in Case No. 06-1513-PWD-CN, entered April 26, 2007, and projected operating expenses and anticipated customer usage as furnished to S. R. Snodgrass, A.C. by the staff of the Public Service Commission of West Virginia, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the waterworks system (the "System") of Marshall County Public Service District No. 4 (the "Issuer"), will provide for all Operating Expenses of the System and will 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 (i) Water Revenue Bonds, Series 2007 A (United States Department of Agriculture) to be issued in the amount of $2,328,300; (ii) Water Revenue Bonds, Series 2007 B (West Virginia DWTRF Program) to be issued in the amount of $1,225,000, (collectively, the "Series 2007 Bonds"); and (iii) all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2007 A Bonds and Series 2007 B Bonds, including the Issuer's (i) Water Revenue Bonds, Series 1996 A (United States Department of Agriculture), dated July 25, 1996, issued in the original aggregate principal amount of $140,000 (the "Series 1996 A Bonds"); (ii) Water Revenue Bonds, Series 1996 B (United States Department of Agriculture), dated July 25, 1996, issued in the original aggregate principal amount of $380,000 (the "Series 1996 B Bonds"); (iii) Water Revenue Bonds, Series

1989 (United States Department of Agriculture), dated July 23, 1990, issued in the original aggregate principal amount of $372,000 (the "Series 1989 Bond"); and (iv) Water Revenue Bonds, Series 1982 (United States Department of Agriculture), dated November 3, 1982, issued in the original aggregate principal amount of $1,175,000 (the "Series 1982 Bonds"); (collectively, the "Prior Bonds").

It is further our opinion that (i) the Net Revenues for the Fiscal Year following the year in which the Series 2007 Bonds are issued will be at least 120% of the average annual debt service on the Prior Bonds and the Series 2007 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 2007 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 2007 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 2007 Bonds.

Sincerely,

S. R. Snodgrass, A.C.

S. R. SNODGRASS, A.C.
Certified Public Accountants

MAZ:mag

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

Water Revenue Bonds, Series 2007 B
(West Virginia DWTRF Program)

CERTIFICATE AS TO USE OF PROCEEDS

On this 26th day of September, 2007, the undersigned Chairman of the Public Service Board of Marshall County Public Service District No. 4 in Marshall County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of $1,225,000 Water Revenue Bonds, Series 2007 B (West Virginia DWTRF Program), dated September 26, 2007 (the "Series 2007 B Bonds" or the "Bonds"), hereby certifies 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 September 24, 2007 as supplemented by Supplemental Resolution duly adopted by the Issuer on September 24, 2007 (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 September 26, 2007, the date on which the Bonds are being physically delivered in exchange for an initial advance of the principal amount of the Series 2007 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 Bureau for Public Health (the "BPH"), as the case may be, from which the proceeds of the Bonds are derived, to lose their status as tax-exempt bonds. The Issuer hereby covenants to take all actions necessary to comply with such covenant.

5. The Series 2007 B Bonds were sold on September 26, 2007, to the Authority, pursuant to a loan agreement dated September 26, 2007, by and between the Issuer and the Authority, on behalf of the BPH, for an aggregate purchase price of $1,225,000 (100% of par), at which time, the Issuer received $40,625 from the Authority and the BPH, being the first advance of the principal amount of the Series 2007 B Bonds. No accrued interest has been or will be paid on the Series 2007 B Bonds. The balance of the principal amount of the Series 2007 B Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2007 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 waterworks facilities of the Issuer (the "Project"); and (ii) paying certain costs of issuance of the Series 2007 B Bonds and related costs.

On the date hereof, the Issuer has simultaneously issued its Water Revenue Bonds, Series 2007 A (United States Department of Agriculture) in the aggregate principal amount of $2,328,300 (the "Series 2007 A Bonds") to pay a portion of the costs of the Project.

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 Series 2007 B 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 April 1, 2008 The acquisition and construction of the Project is expected to be completed by October 1, 2008.

8. The total cost of the Project is estimated at $8,187,200. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 2007 A Bond	$2,328,300
Proceeds of the Series 2007 B Bonds	1,225,000
USDA Grant	1,446,700
Small Cities Block Grant	575,000
Marshall County Commission Grant	150,000
U.S. Environmental Protection Agency Grant	962,200

Total Sources	$8,187,200

USES

Costs of Acquisition and Construction of the Project	$8,157,700
Costs of Issuance	$29,500
Total Uses	$8,187,200

9. Pursuant to Article V of the Bond Resolution, the following special funds or accounts have been created or continued relative to the Series 2007 B Bonds:

(1) Revenue Fund;

(2) Renewal and Replacement Fund;

(3) Series 2007 B Bonds Construction Trust Fund;

(4) Series 2007 B Bonds Sinking Fund; and

(5) Series 2007 B Bonds Reserve Account.

10. Pursuant to Article VI of the Bond Resolution, the proceeds of the Series 2007 B Bonds will be deposited as follows:

(1) Series 2007 B Bonds proceeds in the amount of $-0- will be deposited in the Series 2007 B Bonds Reserve Account.

(2) The balance of the proceeds of the Series 2007 B Bonds will be deposited in the Series 2007 B 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 2007 B Bonds and related costs.

11. Monies held in the Series 2007 B Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 2007 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 2007 B Bonds Sinking Fund and Series 2007 B Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2007 B 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 12 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 2007 B Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within18 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. The Issuer has either (a) funded the Series 2007 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 2007 B Bonds Reserve Account which will be funded with equal

payments made on a monthly basis over a 10-year period until such Series 2007 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 2007 B Bonds Reserve Account and the Series 2007 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. Other than the Series 2007 A Bonds, 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.

[Remainder of Page Intentionally Blank]

WITNESS my signature on the date first written above.

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

Chairman

553380.00001

s/ Richard L. Burley, Pres.

s/ Charles P. Helinski

s/ John W. Myers

ORDER

IN RE: Petition to Create Public Service District No. 4

This day Bernard R. Simmons, Clerk of the County Court of Marshall County, West Virginia, presented to the Court a Petition containing the signatures of more than 100 legal voters residing in and owning real property in the area to be served, which said Petition was filed with said Clerk by Don A. Barr, on the 14th day of November, 1969, and a copy of which said Petition (exclusive of signatures) is attached hereto and made a part hereof, and which said Petition requests the formation of Marshall County Public Service District No. 4.

Said Petition having been seen and inspected by the Court, the Court doth find that said Petition is signed by more than 100 legal voters residing in and owning real property in the area to be served, it is Ordered that said Petition be and it is hereby filed.

And it appearing to the Court and the Court doth so find, that the creation of said Marshall County Public Service District No. 4, has been approved by the Marshall County Planning Commission, it is Ordered that a hearing on said Petition be set for 1:30 P. M. o'clock on the 16th day of December, 1969, at the County Court Room in the Court House in Moundsville, West Virginia, and it is further Ordered that the Clerk shall cause notice of such hearing and the time and place thereof, and setting forth a description of all of the territory proposed to be included therein, to be given by publication as a Class I legal advertisement in compliance with 59 - 3 - (et seq of the Code of West Virginia) and it is further Ordered that said notice shall also be posted in at least five (5) conspicuous places in the proposed district not less than ten (10) days before said hearing.

13

WEST VIRGINIA, MARSHALL COUNTY, SCT:.

I, NORMA GLOVER SINE, Clerk of the County Commission, of said County, do hereby certify that the foregoing writing is a true and correct copy as appears of record in my office in Order Book No. 22 at Page No. 327, of said records.

Given under my hand this 12th day of July, 19 96

Norma Glover Sine CC

Clerk of the County Commission

CPS 2M 5-94

Notice Of Public Hearing On The Proposed Creation Of Marshall County Public Service District No. 4.

TO: All Persons Residing In Or Owning Or Having Any Interest In Property Within Marshall County, West Virginia, In The Area Bounded As Follows:

Being located in Washington and Clay Magesterial Districts of Marshall County, West Virginia, and further described as follows: Beginning at a point in Roberts Ridge Road, West Virgini Secondary Road No. 21, 2000 feet south of Snedeker Lane intersection, West Virginia Secondary Road No. 21/16, labeled as point 1; thence proceeding 4000 feet, more or less, in a northeasterly direction to the southeast corner of District No. 2, labeled as point 2; thence again with District No. 2 eastern boundary northward 6200 feet; more or less, to a corner of said boundary, labeled as point 3; thence leaving said District No. 2 boundary and proceeding northwardly 4800 feet, more or less, to the intersection of Grave Creek and Middle Grave Creek, labeled as point 4; thence proceeding 3500 feet, more or less, along Middle Grave Creek in a northeasterly direction to the intersection of West Virginia Secondary Road No. 17, Middle Grave Creek and eastern boundary line of City of Moundsville, labeled as point 5; thence proceeding northeasterly 1100 feet along the City boundary to a point east of the Fairgrounds where the City boundary intersects a drainage ditch and the western corner of Marshall County Public Service District No. 3, labeled as point 6; thence proceeding with the Marshall County Public Service District No. 3, 9600 feet more or less, eastwardly to a point north of the Tom's Run Road "U" turn near the Valley Camp Coal Company private roadway entrance, labeled as point 7; thence proceeding in a southeasterl

MARICK AND BAER
ATTORNEYS AT LAW
MOUNDSVILLE, W. VA.

direction for 18,500 feet, more or less, to a point on the north side of West Virginia Secondary Road No. 17, the Fork Ridge Road, with its intersection with the Bear Ridge Road, West Virginia Secondary Road No. 58, labeled as point 8; thence proceeding southwest 22,000 feet, more or less, to a point located on Robert Ridge Road, West Virginia Secondary Road No. 21, at the Games Ridge Road, West Virginia Secondary Road No. 84, intersection, labeled as point 9; thence proceeding northwesterly 14,200 feet, more or less, to a point on Taylor's Ridge Road, West Virginia Secondary Road No. 70, at the Gatt's Ridge intersection, West Virginia Secondary Road No. 72, labeled as point 10; thence proceeding 10,700 feet, more or less, northwesterly to a point near the end of West Virginia Secondary Road No. 88/16 in the vicinity of the power line crossing, labeled as point 11; thence proceeding in a northeasterly direction 4700 feet, more or less, to Roberts Ridge Road and the point of beginning.

And To All Other Interested Parties.

Whereas, a Petition duly signed by more than 100 legal voters, residing in and owning real property in the above described area, has been filed with the County Court of Marshall County, West Virginia, requesting the creation of Marshall County Public Service District No. 4 for the purpose of the diversion, development, pumping, impounding, treating, storage, distribution and furnishing of water to and for the public for industrial, public and other uses, within the above described area, as provided by Article 13A of Chapter 16 of the Code of West Virginia, as amended; and

Whereas, the County Court of Marshall County, West Virginia, has fixed the date of hearing on said Petition.

MARSH AND BARR
ATTORNEYS AT LAW
MOUNDSVILLE, W. VA.

Notice is hereby given that at 1:30 PM o'clock on the 16th day of December, 1969, in the County Court Room in the Court House in Moundsville, West Virginia, a hearing will be held on said Petition, to determine whether or not to create said Marshall County Public Service District No. 4 for the purposes aforesaid. All persons residing in or owning or having any interest in property in said proposed public service district shall have an opportunity to be heard for and against its creation. Notice is further given, that if at such hearing written protest is filed by thirty per cent or more of the qualified voters registered and residing within said district, then the County Court shall not take any further action in creating said district unless the creation of said district shall be approved by a majority vote of the qualified registered voters voting at a referendum to be called by the County Court for such purpose.

Given under my hand this 18th day of November 1969.

S/ Bernard R. Simmons
Clerk of the County Court of
Marshall County, West Virginia

Publish: Once

HARICK AND BARR
ATTORNEYS AT LAW
MOUNDSVILLE, W. VA.

Proposed Creation Of
hall County Public Service
ict No. 4.
: All Persons Residing In
Owning Or Having Any In-
t In Property Within Mar-
County, West Virginia, In
Area Bounded As Follows:
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and further described as
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led as point 1; thence pro-
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less, northwesterly to a point near the end of West Virginia Secondary Road No. 16 in the vicinity of a power line crossing, labeled as point 11; thence proceeding in a northeasterly direction 4700 feet, more or less, to Roberts Ridge Road and the point of beginning.

And To All Other Interested Parties.

Whereas, a Petition duly signed by more than 100 legal voters, residing in and owning real property in the above described area, has been filed with the County Court of Marshall County West Virginia, requesting the creation of Marshall County Public Service District No. 4 for the purpose of the diversion, development, pumping, impounding, treating, storage, distribution and furnishing of water to and for the public for industrial, public and other uses, within the above described area, as provided by Article 13A of Chapter 16 of the Code of West Virginia, as amended; and

Whereas, the County Court of Marshall County, West Virginia, has fixed the date of hearing on said Petition.

Notice is hereby given that at 1:30 p.m. o'clock on the 16th day of December, 1969, in the County Court Room in the Court House in Moundsville, West Virginia, a hearing will be held on said Petition, to determine whether or not to create said Marsall County Public Service District No. 4 for the purposes aforesaid. All persons residing in or owning or having any interest in property in said proposed public service district shall have an opportunity to be heard for and against its creation. Notice is further given, that if at such hearing written protest is filed by thiry per cent or more of the qualified voters registered and residing within said district, then the County Court shall not take any further action in creating said district unless the creation of said district shall be approved by a majority vote of the qualified registered voters voting at a referendum to be called by the County Court for such purpose.

Given under my hand this 18th day of November, 1969.

Bernard R. Simmons
Clerk of the
County Court of
Marshall County,
West Virginia.

Publish Nov. 20, 1969.

MOUNDSVILLE
W. VA. 26041
Phone 845-2660

WORDS	838	Publication Charges	$33.52

AFFIDAVIT OF PUBLICATION

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

I, Ruth Yeater, being first du sworn upon my oath, do depose and say that I am Leg Advertising Manager of the MOUNDSVILLE DAIL ECHO,

an independent Democratic newspaper; that I have been du authorized by the publisher, Samuel Shaw to execute this affid vit; that such newspaper has been published over 75 years, is re ularly published afternoons daily except Sundays, for at lea fifty weeks during the calendar year, in the Municipality Moundsville, Marshall county, West Virginia, that such new paper is a newspaper of "general circulation" as defined art. 3, chap. 59 of the Code of West Virginia, 1931, as amend within Moundsville, and Marshall county; that such newspap averages in length four or more pages, exclusive of any cove per issue; that such newspaper is circulated to the general pu lic at a definite price or consideration; that such newspaper a newspaper to which the general public resorts for passing vents of a political, religious, commerical and social nature, a for current happenings, announcements, miscellaneous readi matters, advertisements, and other notices; that the annexed tice described as follows:

PARTY(ies)

Public Service District 4

NATURE

Notice of public hearing.

CERTIF./BILL to Marshall County
Bernard R. Simmons

was published in said paper as follows:

TIMES	DATES
1	November 20, 1969

Ruth Yeater

CERTIFICATE OF POSTING
(required for trustee sales only)

I further certify that the aforesaid advertisement was posted the front door of the court house of said county on _____

NOTARIZATION

Taken, sworn to and subscribed before me this 24th day of November, 1969 [signature]

Notary Public for Marshall County, West Virginia
My commission expires January 8, 1972

STATE OF WEST VIRGINIA, COUNTY OF MARSHALL, to-wit:

This day personally appeared before the undersigned authority, Bert Richmond, personally known by me to be a credible person, who being first duly sworn did depose and say: That on the 1st day of December, 1969, he personally posted copies of the attached Notice of Public Hearing on the Proposed Creation of Marsahll County Public Service District No. 4, at the following places: Farmers Club on Middle Grave Creek, near Toms Run; Community Club on Big Grave Creek; School Bus Building on Cecil Ridge; and Moonlight Inn on Roberts Ridge, and that each of said places is a conspicuous place within the boundaries of said District; and that each of said notices was posted more than ten (10) days prior to December 16, 1969.

Bert Richmond

Taken, sworn to and subscribed before me this 23rd day of July, 1970.

Don A. Barr
Notary Public

My commission expires
September 19, 1971.

DON A. BARR
ATTORNEY AT LAW
MOUNDSVILLE, W. VA.

Notice Of Public Hearing On The Proposed Creation Of Marshall County Public Service District No. 4.

TO: All Persons Residing In Or Owning Or Having Any Interest In Property Within Marshall County, West Virginia, In The Area Bounded As Follows:

Being located in Washington and Clay Magesterial Districts of Marshall County, West Virginia, and further described as follows: Beginning at a point in Roberts Ridge Road, West Virgini Secondary Road No. 21, 2000 feet south of Snedeker Lane intersection, West Virginia Secondary Road No. 21/16, labeled as point 1; thence proceeding 4000 feet, more or less, in a northeasterly direction to the southeast corner of District No. 2, labeled as point 2; thence again with District No. 2 eastern boundary northward 6200 feet; more or less, to a corner of said boundary, labeled as point 3; thence leaving said District No. 2 boundary and proceeding northwardly 4800 feet, more or less, to the intersection of Grave Creek and Middle Grave Creek, labeled as point 4; thence proceeding 3500 feet, more or less, along Middle Grave Creek in a northeasterly direction to the intersection of West Virginia Secondary Road No. 17, Middle Grave Creek and eastern boundary line of City of Moundsville, labeled as point 5; thence proceeding northeasterly 1100 feet along the City boundary to a point east of the Fairgrounds where the City boundary intersects a drainage ditch and the western corner of Marshall County Public Service District No. 3, labeled as point 6; thence proceeding with the Marshall County Public Service District No. 3, 9600 feet, more or less, eastwardly to a point north of the Tom's Run Road "U" turn near the Valley Camp Coal Company private roadway entrance, labeled as point 7; thence proceeding in a southeasterl

direction for 18,500 feet, more or less, to a point on the north side of West Virginia Secondary Road No. 17, the Fork Ridge Road, with its intersection with the Bear Ridge Road, West Virginia Secondary Road No. 58, labeled as point 8; thence proceeding southwest 22,000 feet, more or less, to a point located on Roberts Ridge Road, West Virginia Secondary Road No. 21, at the Games Ridge Road, West Virginia Secondary Road No. 84, intersection, labeled as point 9; thence proceeding northwesterly 14,200 feet, more or less, to a point on Taylor's Ridge Road, West Virginia Secondary Road No. 70, at the Gatt's Ridge intersection, West Virginia Secondary Road No. 72, labeled as point 10; thence proceeding 10,700 feet, more or less, northwesterly to a point near the end of West Virginia Secondary Road No. 88/16 in the vicinity of the power line crossing, labeled as point 11; thence proceeding in a northeasterly direction 4700 feet, more or less, to Roberts Ridge Road and the point of beginning.

And To All Other Interested Parties.

Whereas, a Petition duly signed by more than 100 legal voters, residing in and owning real property in the above described area, has been filed with the County Court of Marshall County, West Virginia, requesting the creation of Marshall County Public Service District No. 4 for the purpose of the diversion, development, pumping, impounding, treating, storage, distribution and furnishing of water to and for the public for industrial, public and other uses, within the above described area, as provided by Article 13A of Chapter 16 of the Code of West Virginia, as amended; and

Whereas, the County Court of Marshall County, West Virginia, has fixed the date of hearing on said Petition.

NARICK AND BARR
ATTORNEYS AT LAW
MOUNDSVILLE, W. VA.

Notice is hereby given that at 1:30 PM o'clock on the 16th day of December, 1969, in the County Court Room in the Court House in Moundsville, West Virginia, a hearing will be held on said Petition, to determine whether or not to create said Marshall County Public Service District No. 4 for the purposes aforesaid. All persons residing in or owning or having any interest in property in said proposed public service district shall have an opportunity to be heard for and against its creation. Notice is further given, that if at such hearing written protest is filed by thirty per cent or more of the qualified voters registered and residing within said district, then the County Court shall not take any further action in creating said district unless the creation of said district shall be approved by a majority vote of the qualified registered voters voting at a referendum to be called by the County Court for such purpose.

Given under my hand this 18th day of November, 1969.

S/ Bernard R. Simmons
Clerk of the County Court of
Marshall County, West Virginia

Publish: Once

NARICK AND BARR
ATTORNEYS AT LAW
MOUNDSVILLE, W. VA.

STATE OF WEST VIRGINIA, COUNTY OF MARSHALL, to- wit:

This day personally appeared before the undersigned authority, C. Raymond Woods, personally known by me to be a credible person, who being first duly sworn did depose and say: That on the 30th day of November, 1969, he personally posted copies of the attached Notice of Public Hearing on the Proposed Creation of Marshall County Public Service District No. 4, at the following places:

Oak Grove Church on Fork Ridge

and that each of said places is a conspicuous place within the boundaries of said District; and that each of said notices was posted more than ten (10) days prior to December 16, 1969.

x C Raymond Woods

Taken, sworn to and subscribed before me this 23rd day of July, 1970.

Notary Public

My commission expires
September 19, 1971.

DON A. BARR
ATTORNEY AT LAW
MOUNDSVILLE, W. VA.

Notice Of Public Hearing On The Proposed Creation Of Marshall County Public Service District No. 4.

TO: All Persons Residing In Or Owning Or Having Any Interest In Property Within Marshall County, West Virginia, In Th Area Bounded As Follows:

Being located in Washington and Clay Magesterial District of Marshall County, West Virginia, and further described as follows: Beginning at a point in Roberts Ridge Road, West Virgin Secondary Road No. 21, 2000 feet south of Snedeker Lane intersection, West Virginia Secondary Road No. 21/16, labeled as point 1; thence proceeding 4000 feet, more or less, in a northeasterly direction to the southeast corner of District No. 2, labeled as point 2; thence again with District No. 2 eastern boundary northward 6200 feet; more or less, to a corner of said boundary, labe ed as point 3; thence leaving said District No. 2 boundary and proceeding northwardly 4800 feet, more or less, to the intersection of Grave Creek and Middle Grave Creek, labeled as point 4 thence proceeding 3500 feet, more or less, along Middle Grave Creek in a northeasterly direction to the intersection of West Virginia Secondary Road No. 17, Middle Grave Creek and eastern boundary line of City of Moundsville, labeled as point 5; thence proceeding northeasterly 1100 feet along the City boundary to a point east of the Fairgrounds where the City boundary intersects a drainage ditch and the western corner of Marshall County Publi Service District No. 3, labeled as point 6; thence proceeding with the Marshall County Public Service District No. 3, 9600 fee more or less, eastwardly to a point north of the Tom's Run Road "U" turn near the Valley Camp Coal Company private roadway entrance, labeled as point 7; thence proceeding in a southeaster

MARICK AND BARR
ATTORNEYS AT LAW
MOUNDSVILLE, W. VA.

direction for 18,500 feet, more or less, to a point on the north side of West Virginia Secondary Road No. 17, the Fork Ridge Road, with its intersection with the Bear Ridge Road, West Virginia Secondary Road No. 58, labeled as point 8; thence proceeding southwest 22,000 feet, more or less, to a point located on Roberts Ridge Road, West Virginia Secondary Road No. 21, at the Games Ridge Road, West Virginia Secondary Road No. 84, intersection, labeled as point 9; thence proceeding northwesterly 14,200 feet, more or less, to a point on Taylor's Ridge Road, West Virginia Secondary Road No. 70, at the Gatt's Ridge intersection, West Virginia Secondary Road No. 72, labeled as point 10; thence proceeding 10,700 feet, more or less, northwesterly to a point near the end of West Virginia Secondary Road No. 88/16 in the vicinity of the power line crossing, labeled as point 11; thence proceeding in a northeasterly direction 4700 feet, more or less, to Roberts Ridge Road and the point of beginning.

And To All Other Interested Parties.

Whereas, a Petition duly signed by more than 100 legal voters, residing in and owning real property in the above described area, has been filed with the County Court of Marshall County, West Virginia, requesting the creation of Marshall County Public Service District No. 4 for the purpose of the diversion, development, pumping, impounding, treating, storage, distribution and furnishing of water to and for the public for industrial, public and other uses, within the above described area, as provided by Article 13A of Chapter 16 of the Code of West Virginia, as amended; and

Whereas, the County Court of Marshall County, West Virginia, has fixed the date of hearing on said Petition.

MARICK AND BARR
ATTORNEYS AT LAW
MOUNDSVILLE, W. VA.

Notice is hereby given that at 1:30 PM o'clock on the 16th day of December, 1969, in the County Court Room in the Court House in Moundsville, West Virginia, a hearing will be held on said Petition, to determine whether or not to create said Marshall County Public Service District No. 4 for the purposes aforesaid. All persons residing in or owning or having any interest in property in said proposed public service district shall have an opportunity to be heard for and against its creation. Notice is further given, that if at such hearing written protest is filed by thirty per cent or more of the qualified voters registered and residing within said district, then the County Court shall not take any further action in creating said district unless the creation of said district shall be approved by a majority vote of the qualified registered voters voting at a referendum to be called by the County Court for such purpose.

Given under my hand this 18th day of November, 1969.

S/ Bernard R. Simmons
Clerk of the County Court of
Marshall County, West Virginia

Publish: Once

HARICK AND WAHR
ATTORNEYS AT LAW
MOUNDSVILLE, W. VA.

Clerk's Office
County Court of Marshall County
BERNARD R. SIMMONS, CLERK
Moundsville, West Virginia 26041

June 15, 1970

I, Bernard R. Simmons, Clerk of the County Court of Marshall County, West Virginia, do hereby certify that the following is a true copy of an extract of the minutes of the meeting of the County Court of Marshall County, West Virginia, held on December 16, 1969, as recorded in Order Book No. 22, Pages 333 and 334.

Bernard R Simmons
Bernard R. Simmons, Clerk of
the County Court of Marshall
County, West Virginia

By Jerome F RyKoskey
Jerome F. RyKoskey, Deputy

COUNTY COURT OF MARSHALL COUNTY, WEST VIRGINIA, DECEMBER 16, 1969.

This Court convened this day pursuant to the following call.

Present: Richard L. Burley, President; Charles P. Helinski, and John W. Myers, Commissioners.

At a special session of the County Court of Marshall County, West Virginia, held at the Court House of said County, on Tuesday, December 16, 1969, at 1:00 o'clock P. M., the Clerk of this Court read the notice hereinafter recorded, and it being made to the satisfaction of this Court that the notice of the time and purpose of this special session had been posted at the front door of the Court House for more than two days before the commencement of this special session, it is ordered that said notice together with the certification of the Clerk of the time when it was posted, be entered of record, which is done accordingly in words and figures as follows:

NOTICE OF SPECIAL SESSION

The County Court of Marshall County, West Virginia, will meet in special session at the Court House thereof, on Tuesday, December 16, 1969, at 1:00 o'clock P. M., for the following purposes, that is to say:

To audit Claims.

To act upon rebates.

To probate Wills and act on other fiduciary matters.

To consider any other matters which may properly come before the Court.

Called by the President of the County Court, with the concurrence of the other two members.

s/ Richard L. Burley
President

Posted at the front door of the Court House on the 13th day of December, 1969.

s/ Bernard R. Simmons
Clerk of the County Court

RE: Public Service District No. 4.

Upon motion of Commissioner Helinski, seconded by Commissioner Myers, the petition for creation of Public Service District No. 4, was approved. Officials present, representing the District were, Bert Richmond, Homer Moore, C. Raymond Woods, and Attorney Don A. Barr. See attached ord

IN THE COUNTY COURT OF MARSHALL COUNTY, WEST VIRGINIA

IN RE: Creation of Public
Service District No. 4.

ORDER

This day came on for further consideration the creation of Marshall County Public Service District No. 4, pursuant to order dated November 18, 1969, fixing this as the time and place for a hearing on the Petition to create said Marshall County Public Service District No. 4; and it appearing to the Court and the Court doth so find that notice was given of the time, place and purpose of this hearing by publication as a Class I legal notice and posting in five conspicuous places within the proposed district, more than ten days prior to this date, as required by West Virginia Code 16 - 13A - 2, said public hearing was called to order.

Thereupon all persons residing in or owning or having any interest in property in said proposed district were given an opportunity to be heard for and against its creation, and no written protest having been filed the Court considered the feasibility of the creation of the proposed district; and from the consideration of all of which the Court finds and determines that the construction, maintenance, operation, improvement, and extension of public service properties by said public service district will be conducive to the preservation of the public health, comfort and convenience of the area.

It is, therefore, Ordered that Marshall County Public Service District No. 4 be and it is hereby created for the purposes and area set forth in the petition filed with the Order of November 18, 1969, and it is further ordered that said public service district shall have all of the powers and be subject to all of the duties set forth in West Virginia Code 16 - 13A, as amended.

WEST VIRGINIA, MARSHALL COUNTY, SCT:.

I, NORMA GLOVER SINE, Clerk of the County Commission, of said County, do hereby certify that the foregoing writing is a true and correct copy as appears of record in my office in Order Book No. 22 at Page No. 334, of said records.

Given under my hand this 12th day of July, 19 96.

Norma Glover Sine
Clerk of the County Commission

CPS 2M 5-94

IN THE COUNTY COURT OF MARSHALL COUNTY, WEST VIRGINIA

IN RE: Creation of Public
Service District No. 4.

ORDER

This day came on for further consideration the creation o Marshall County Public Service District No. 4, pursuant to order dated November 18, 1969, fixing this as the time and place for a hearing on the Petition to create said Marshall County Public Service District No. 4; and it appearing to the Court and the Court doth so find that notice was given of the time, place and purpose of this hearing by publication as a Class I legal notice and posting in five conspicuous places within the proposed distri more than ten days prior to this date, as required by West Virgin Code 16 - 13A - 2, said public hearing was called to order.

Thereupon all persons residing in or owning or having any interest in property in said proposed district were given an opportunity to be heard for and against its creation, and no written protest having been filed the Court considered the feasibility of the creation of the proposed district; and from the consideration of all of which the Court finds and determines that the construction, maintenance, operation, improvement, and extension of public service properties by said public service district will be conducive to the preservation of the public health, comfo and convenience of the area.

It is, therefore, Ordered that Marshall County Public Service District No. 4 be and it is hereby created for the purpos and area set forth in the petition filed with the Order of Novemb 18, 1969, and it is further ordered that said public service district shall have all of the powers and be subject to all of th duties set forth in West Virginia Code 16 - 13A, as amended.

DON A. BARR
ATTORNEY AT LAW
MOUNDSVILLE, W. VA.

It is further Ordered that the following serve as Commissioners: C. Raymond Woods for a term 2 years from this date; Homer Moore for a term of 4 years from this date; Bert Richmond for a term of 6 years from this date.

DON A. BARR
ATTORNEY AT LAW
MOUNDSVILLE, W. VA.

Revised
October 5, 1977

PROPOSED PUBLIC SERVICE DISTRICT IN
MARSHALL COUNTY, WEST VIRGINIA
TO BE KNOWN AS
MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

Being located partially in magisterial districts #1 and #3 which were formerly known as Washington, Clay, Union, Webster, Cameron, Franklin, Meade and Liberty Districts of Marshall County, West Virginia and further described as follows:

Beginning at a point in the Moundsville Corporation Line, said point intersects a small Run and the Corporation Line at the east side of the Marshall County Fair Grounds, and is the described southwest corner of the Marshall County P.S.D. #3 and the 6th corner of the existing Marshall County P.S.D. #4

Thence, from the place of beginning and with the south line of the Marshall County Public Service District No. 3, and in an easterly direction, 30,000 feet (more or less) to a point, at an elevation of 1294 feet, located 1600 feet (more or less) east of U.S. Route No. 250 and 2100 feet (more or less) north of the Pleasant Valley School which is shown on the U.S. Geological Survey Map Majorsville Quadrangle; being the described southeast corner of the said Marshall County P.S.D. #3 ;

Thence, with the east line of said P.S.D. #3, North 31° West (more or less), 29,300 feet (more or less) to a point in W.Va. State Route No. 88. Said point being 300 ft. (more or less) north of the Allen Grove Church which is shown on the U. S. Geological Survey Map Moundsville Quadrangle; being the described northerly most corner of the said Marshall County P.S.D. #3;

Thence, leaving said P.S.D. #3, south 61°15' east (more or less) 10,290 ft. (more or less) to a point in the centerline intersection of Bald Eagle run and Wheeling Creek which point is also located on the old district line between Sand Hill and Union Magisterial Districts;

Exhibit 1

Thence, upstream in an easterly direction with the centerline of Wheeling Creek and thereby the south line of the old Sand Hill District 56,000' (more or less) to the centerline intersection of Wheeling Creek, Enlow Fork and Dunkard Fork;

Thence, upstream in a southeasterly direction with the centerline of Dunkard Fork 7700' (more or less) to the centerline intersection of said Dunkard Fork and the West Virginia Pennsylvania state line, located approximately 5,390' south along said state line, from the intersection of same with Enlow Fork,

Thence, with the State Line, south 36,000 ft. (more or less) to a point in County Route No. 64 and the State Line, which is shown on the U. S. Geological Survey Map, Cameron Quadrangle;

Thence, leaving the West Virginia and Pennsylvania State Line and meandering westward with County Route No. 64, 27,000 ft. (more or less) to a point in County Route No. 62 in Loudenville;

Thence, meandering southward with County Rt. 62 5500 ft. (More or less) to the centerline intersection of Rt. 62, Rt. 62/2 and a private lane;

Thence, meandering southward with said private lane 1250 ft. (more or less) to the centerline of Left Fork Run;

Thence, in a southwesterly direction and with the meandering of Left Fork Run, 17,000 ft. (more or less) to a point of Left Fork Run and Maggoty Run as shown on the U.S. Geological Survey Map, Glen Easton Quadrangle;

Thence , in a westerly direction, 21,500 ft. (more or less) to a geodetic bench mark which elevation is 1062 ft., and located on Sally's Backbone Ridge Road, County Road No. 21;

Thence, north 58° west (more or less) 27,200 ft. (more or less) to the intersection of a power line and Gatts Ridge Road, (Co.Rt.72) located 600 ft. southwest along said Rt. 72 from the Gatts Ridge cemetery as shown on the U. S. Geological Survey Map, Powhatan Point Quadrangle;

Thence, with said power line, north 57°30' west (more or less) 5800' (more or less) to a point in a private lane on Taylors Ridge said point bears southeasterly 5500 ft. (more or less) from the Town of Cresap at W. Va. Rt. No. 2, and southwesterly 850 ft. (more or less) along said private lane from Taylors Ridge Road (County Rt. 70);

Thence, north 27°09' east (more or less) 14,700 ft. (more or less) to a point near the end of W. Va. Sec. Rt. 88/16 in the vicinity of the power line crossing, being the eleventh corner of the previously described Marshall County P.S.D. #4;

Thence, with said P.S.D. #4 in a northeasterly direction 4700 ft. (more or less) to a point in Roberts Ridge Road, County Road No. 21, said point is 2000 ft. (more or less) south of the Snedekers Lane, County Road 21/16 intersection, as shown on the U.S. Geological Survey Map Businessburg Quadrangle being the first corner of the previously described P.S.D. #4;

Thence, north 70° east (more or less) 4000 ft. (more or less) to the southeast corner of Marshall County P.S.D. #2, being the 2nd corner of the previously described PSD #4;

Thence, with the easterly line of Public Service District #2, northward 6200 ft. (more or less) to a point in a private lane, being the 3rd corner of the previously described P.S.D. #4;

Thence, north 23° east (more or less) 4800 ft. (more or less) to the intersection of Grave Creek and Middle Grave Creek, being the 4th corner of the previously described P.S.D. #4;

Thence, north 6° east (more or less) and with Middle Grave Creek, 1500 ft. (more or less) to a point at the southeast corner of Moundsville Corporation Line, being the 5th corner of the previously described P.S.D. #4;

Thence, north 80° east (more or less) and with Middle Grave Creek, 3100 ft. (more or less) to a bend in said creek;

Thence, north 16° east (more or less) and with the Moundsville Corporation Line, 1100 ft. (more or less to point of beginning containing 115 square miles (more or less).

C E R T I F I C A T E

I, Ralph Mikasen, Secretary of the Marshall County West Virginia Planning Commission, do hereby certify that at a regular meeting of said Planning Commission held on the 9th day of November, 1977, a quorum being present, the following took place as shown by the Minutes of said Planning Commission:

Boyd M. Turner presented a proposal for the enlargement of the boundaries of Marshall County Public Service District No. 4, and requested the approval of the enlargement of said Marshall County Public Service District No. 4.

Commissioner Andrew Cheon moved, seconded by Commissioner R. Dale Stultz, that the Marshall County Planning Commission finds that the enlargement of Marshall County Public Service District No. 4 is not in conflict with any plans of the Marshall County Planning Commission, and the said enlargement will aid in the orderly growth of Marshall County, therefore the Marshall County Planning Commission hereby approves of the enlargement of Marshall County Public Service District No. 4.

Motion carried.

Ralph Mikasen
Secretary

I, Raphael Deegan, Chairman of the Marshall County Planning Commission, do hereby certify that Ralph Mikasen, is the duly elected Secretary of the Marshall County Planning Commission.

Raphael M. Deegan
Chairman

DON A. BARR
ATTORNEY AT LAW
MOUNDSVILLE, W. VA.

Exhibit 3

IN THE COUNTY COMMISSION OF MARSHALL COUNTY, WEST VIRGINIA

IN RE: Enlargement of Marshall County
Public Service
District No. 4

O R D E R

This day Don A. Barr, attorney for Marshall County Public Service District No. 4, requested on behalf of Marshall County Public Service District No. 4 that the boundaries of said District be enlarged in accordance with description attached hereto as Exhibit 1, and as shown on the Map attached hereto as Exhibit 2, which said Exhibits 1 and 2 are made a part hereof.

And the County Commission having seen and inspected said Exhibits 1 and 2 finds that the boundaries of the proposed enlargement conform to natural boundary lines or the lines of a fixed survey; and the County Commission further finds that it is necessary, feasible, and proper to enlarge said Marshall County Public Service District No. 4; and the proposed enlargement of Marshall County Public Service District No. 4 having been approved by the Marshall County Planning Commission as shown by the certificate, Exhibit 3, upon a motion duly made and carried it is Ordered that a hearing on said proposed enlargement of Marshall County Public Service District No. 4 be set for 4:00 o'clock p. m. on the 2nd day of March, 1978, at the County Commission Room in the Court House in Moundsville, West Virginia, and it is further Ordered that the Clerk shall cause notice of such hearing and the time and place thereof, and setting forth a description of all of the territory proposed to be included therein, to be given by publication as a Class I legal advertisement in compliance with Chapter 59-Article 3 et seq of the Code of West Virginia, and it is further Ordered that said notice shall also be posted in at least five (5) conspicuous places in the proposed district not less than ten (10) days before said hearing.

Dated January 24, 1978.

President

DON A. BARR
ATTORNEY AT LAW
MOUNDSVILLE, W. VA.

IN THE COUNTY COMMISSION OF MARSHALL COUNTY WEST VIRGINIA

IN RE: Enlargement of Marshall County Public Service District No. 4

O R D E R

This day came on for further consideration the enlargement of Marshall County Public Service District No. 4, pursuant to order dated March 7, 1978, fixing this as the time and place for a hearing on the proposal to enlarge said Marshall County Public Service District No. 4; and it appearing to the Commission and the Commission doth find that notice was given of the time, place and purpose of this hearing by publication as a Class I legal notice and posting in five conspicuous places within the proposed enlarged district, more than ten days prior to this date, as required by West Virginia Code 16 - 13A - 2, said public hearing was called to order.

Thereupon all persons residing in or owning or having any interest in property in said enlarged district and all other interested parties were given an opportunity to be heard for and against its enlargement, and no written protest having been filed, the Commission finds and determines that the construction, maintenance, operation, improvement and extention of public service properties by said public service district in the area proposed to be added to said District will be condusive to the preservation of the public health, comfort and convenience of the area.

It is, therefore, upon motion duly made and carried, Ordered that Marshall County Public Service District No. 4 be and it is hereby enlarged for the area set forth in the Order of March 7, 1978, and shown on the Exhibits attached hereto, and it is further ordered that said public service district shall have all of the powers and be subject to all of the duties set forth in West Virginia Code 16 - 13A, as amended.

Attached hereto and made a part of this Order are the follow-

ON A. BARR
TTORNEY AT LAW
JNDEVILLE, W. VA.

ing: (1) Description of the area included in Marshall County Public Service District No. 4 as enlarged; (2) Map of Marshall County Public Service District No. 4 as enlarged hereto filed on March 7, 1978; (3) Affidavit of Publication of Notice; and (4) Affidavit of Posting of Notice.

Dated March 28, 1978.

Richard B. Ward
President

WEST VIRGINIA, MARSHALL COUNTY, SCT:.

I, NORMA GLOVER SINE, Clerk of the County Commission, of said County, do hereby certify that the foregoing writing is a true and correct copy as appears of record in my office in Order Book No. 24 at Page No. 555, of said records.

Given under my hand this 12th day of July, 19 96.

Norma Glover Sine
Clerk of the County Commission

CPS 2M 5-94

The MOUNDSVILLE DAILY ECHO

P.O. BOX 369
MOUNDSVILLE
W. VA. 26041
Phone 845-2660

AFFIDAVIT OF PUBLICATION

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

I, Jamie Wood, being first duly sworn upon my oath, do depose and say:

— that I am Legal Advertising Manager of the MOUNDSVILLE DAILY ECHO, an independent Democratic newspaper;

— that I have been duly authorized by the publisher, Samuel Shaw, to execute this affidavit;

— that such newspaper has been published for over 85 years, is regularly published afternoons daily except Sundays, for at least fifty weeks during the calendar year, in the municipality of Moundsville, Marshall county, West Virginia;

— that such newspaper is a newspaper of "general circulation" as defined in Art. 3, Chap. 59 of the Code of West Virginia 1931 as amended, within Moundsville and Marshall county;

— that such newspaper averages in length four or more pages, exclusive of any cover, per issue;

— that such newspaper is circulated to the general public at a definite price or consideration;

— that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature and for current happenings, announcements, miscellaneous reading matters, advertisements and other notices;

— and that the annexed notice described as follows:

PARTY(ies) Marshall County Commission

NATURE (and agency if heard before one)
Proposed enlargement of PSD #4

CERTIF./BILL to
County Commission, Marshall Co.
Courthouse
Moundsville, WV 26041

WAS PUBLISHED IN SAID PAPER AS FOLLOWS:

TIMES	DATES
one	Mar. 14, 1978

WORDS	INCHES	Publication Charges
OR	36½	$58.40

(signed) Jamie Wood

CERTIFICATE OF POSTING (required for trustee's sales or cross out if not applicable)

I further certify that the aforesaid advertisement was posted at the front door of the court house of said county on

NOTARIZATION

Taken, sworn to and subscribed before me this 27 day of March, 1978.

Alexandra Craig Shaw

Notary Public for Marshall County, West Virginia
My commission expires Feb. 6, 1979

Exhibit 3

— LEGAL NOTICE —

NOTICE OF PUBLIC HEARING ON THE PROPOSED ENLARGEMENT OF MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

TO: ALL PERSONS RESIDING IN OR OWNING OR HAVING ANY INTEREST IN PROPERTY WITHIN MARSHALL COUNTY, WEST VIRGINIA, IN THE AREA BOUNDED AS FOLLOWS:

Being located partially in magisterial districts No. 1 and No. 3 which were formerly known as Washington, Clay, Union, Webster, Cameron, Franklin, Meade and Liberty Districts of Marshall County, West Virginia and further described as follows:

Beginning at a point in the Moundsville Corporation Line, said point intersects a small Run and the Corporation Line at the east side of the Marshall County Fair Grounds, and is the described southwest corner of the Marshall County P.S.D. No. 3 and the 6th corner of the existing Marshall County P.S.D. No. 4.

Thence, from the place of beginning and with the south line of the Marshall County Public Service District No. 3, and in an easterly direction, 30,000 feet (more or less) to a point, at an elevation of 1294 feet, located 1600 feet (more or less) east of U. S. Route No. 250 and 2100 feet (more or less) north of the Pleasant Valley School which is shown on the U. S. Geological Survey Map Majorsville Quadrangle; being the described southeast corner of the said Marshall County P.S.D. No. 3;

Thence, with the east line of said P.S.D. No. 3, North 31° West (more or less), 29,300 feet (more or less) to a point in W. Va. State Route No. 88. Said point being 300 ft. (more or less) north of the Allen Grove Church which is shown on the U.S. Geological Survey Map Moundsville Quadrangle; being the described northerly most corner of the said Marshall County P.S.D. No. 3;

Thence, leaving said P.S.D. No. 3, south 61° 15' east (more or less) 10,290 ft. (more or less) to a point in the centerline intersection of Bald Eagle run and Wheeling Creek which point is also located on the old district line between Sand Hill and Union Magisterial Districts;

Thence, upstream in an easterly direction with the centerline of Wheeling Creek and thereby the south line of the old Sand Hill District 56,000' (more or less) to the centerline intersection of Wheeling Creek, Enlow Fork and Dunkard Fork;

Thence, upstream in a southeasterly direction with the centerline of Dunkard Fork 7700' (more or less) to the centerline intersection of said Dunkard Fork and the West Virginia Pennsylvania state line, located approximately 5,390' south along said state line, from the intersection of same with Enlow Fork,

Thence, with the State Line, south 36,000 ft. (more or less) to a point in County Route No. 64 and the State Line, which is shown on the U. S. Geological Survey Map, Cameron Quadrangle;

Thence, leaving the West Virginia and Pennsylvania State Line and meandering westward with County Route No. 64 [illegible] County P.S.D. No. 4;

Thence, with said P.S.D. No. 4 in a northeasterly direction 4700 ft. (more or less) to a point in Roberts Ridge Road, County Road No. 21, said point is 2000 ft. (more or less) south of the Snodekers Lane, County Road 21-18 intersection, as shown on the U. S. Geological Survey Map Businessburg Quadrangle being the first corner of the previously described P.S.D. No. 4;

Thence, north 70° east (more or less) 4000 ft. (more or less) to the southeast corner of Marshall County P.S.D. No. 2, being the 2nd corner of the previously described PSD No. 4;

Thence, with the easterly line of Public Service District No. 2, northward 6200 ft. (more or less) to a point in a private lane, being the 3rd corner of the previously described P.S.D. No. 4;

Thence, north 23° east (more or less) 4800 ft. (more or less) to the intersection of Grave Creek and Middle Grave Creek, being the 4th corner of the previously described P.S.D. No. 4;

Thence, north 8° east (more or less) and with Middle Grave Creek, 1500 ft. (more or less) to a point at the southeast corner of Moundsville Corporation Line, being the 5th corner of the previously described P.S.D. No. 4;

Thence, north 80° east (more or less) and with Middle Grave Creek, 3100 ft. (more or less) to a bend in said creek;

Thence, north 16° east (more or less) and with the Moundsville Corporation Line, 1100 ft. (more or less) to point of beginning containing 115 square miles (more or less).

AND TO ALL OTHER INTERESTED PARTIES:

Whereas, the County Commission of Marshall County, West Virginia, has entered an order on its own motion proposing the enlargement of Marshall County Public Service District No. 4 for the purpose of the diversion, development, pumping, impounding, treating, storage, distribution and furnishings of water to and for the public for industrial, public and other uses, within the above described area, as provided by Article 13A of Chapter 16 of the Code of West Virginia, as amended; and

Whereas, the County Commission of Marshall County, West Virginia, has fixed the date of hearing on said Proposal.

Notice is hereby given that at 10 a.m. o'clock on the 28th day of March, 1978, in the County Commission Room in the Court House in Moundsville, West Virginia, a hearing will be held to determine whether or not to enlarge said Marshall County Public Service District No. 4 for the purposes aforesaid. All persons residing in or owning or having any interest in property in said public service district as enlarged shall have an opportunity to be heard for and against its enlargement. Notice is further given, that if at such hearing written protest is filed by thirty percent or more of the qualified voters registered and residing within said district, then the County Commission shall not take any further action in enlarging said district unless the enlargement of said district shall be approved by a majority vote of the qualified voters voting at a referendum to be called by the County Com-

Pennsylvania state line, located approximately 5,300' south along said state line, from the intersection of same with Enlow Fork,

Thence, with the State Line, south 36,000 ft. (more or less) to a point in County Route No. 64 and the State Line, which is shown on the U. S. Geological Survey Map, Cameron Quadrangle;

Thence, leaving the West Virginia and Pennsylvania State Line and meandering westward with County Route No. 64, 27,000 ft. (more or less) to a point in County Route No. 62 in Loudenville;

Thence, meandering southward with County Rt. 62 5800 ft. (more or less) to the centerline intersection of Rt. 62, Rt. 62-2 and a private lane;

Thence, meandering southward with said private lane 1250 ft. (more or less) to the centerline of Left Fork Run;

Thence, in a southwesterly direction and with the meandering of Left Fork Run, 17,000 ft. (more or less) to a point of Left Fork Run and Maggoty Run Geological Survey Map, Glen Easton Quadrangle;

Thence, in a westerly direction, 21,500 ft. (more or less) to a geodetic bench mark which elevation is 1062 ft., and located on Sally's Backbone Ridge Road, County Road No. 21;

Thence, north 58° west (more or less) 27,200 ft. (more or less) to the intersection of a power line and Gatts Ridge Road, (Co. Rt. 72) located 800 ft. southwest along said Rt. 72 from Gatts Ridge cemetery as shown on the U. S. Geological Survey Map, Powhatan Point Quadrangle;

Thence, with said power line, north 57° 30' west (more or less) 5800' (more or less) to a point in a private lane on Taylors Ridge said point bears southeasterly 5500 ft. (more or less) from the Town of Cresap at W. Va. Rt. No. 2, and southwesterly 850 ft. (more or less) along said private lane from Taylors Ridge Road (County Rt. 70);

Thence, north 27° 09' east (more or less) 14,700 ft. (more or less) to a point near the end of W. Va. Sec. Rt. 68-16 in the vicinity of the power line crossing, being the eleventh corner of the enlarged district, shall have an opportunity to be heard for and against its enlargement. Notice is further given, that if at such hearing written protest is filed by thirty percent or more of the qualified voters registered and residing within said district, then the County Commission shall not take any further action in enlarging said district unless the enlargement of said district shall be approved by a majority vote of the qualified voters voting at a referendum to be called by the County Commission for such purpose.

Given under my hand this 7th day of March, 1978.

Norma J. Glover
Clerk of the County Commission
of Marshall County,
West Virginia

PUBLISH: March 14, 1978.

STATE OF WEST VIRGINIA, COUNTY OF MARSHALL, to-wit:

This day personally appeared before the undersigned authority Boyd M Turner, who being first duly sworn did depose and say: that on the 28th day of March, 1978, he posted the Notice attached hereto in at least five (5) conspicuous places within the proposed enlarged Marshall County Public Service District No. 4; and that the places where said notice was posted are as follows:

Bowman Ridge Community Building
Glen Easton Store
Pleasant Valley Store
Mickey's Store
Cunningham's Store (Rock Lick)
Cunningham's Store (Cloverton)
Knight Farm Supply

Boyd M Turner
AFFIANT

Taken, sworn to and subscribed before me this 28th day of March, 1978.

Notary Public

My commission expires:
Sept 17 1981

DON A. BARR
ATTORNEY AT LAW
MOUNDSVILLE, W. VA.

Exhibit 4

NOTICE OF PUBLIC HEARING ON THE PROPOSED ENLARGEMENT OF MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

TO: ALL PERSONS RESIDING IN OR OWNING OR HAVING ANY INTEREST IN PROPERTY WITHIN MARSHALL COUNTY, WEST VIRGINIA, IN THE AREA BOUNDED AS FOLLOWS:

Being located partially in magisterial districts #1 and #3 which were formerly known as Washington, Clay, Union, Webster, Cameron, Franklin, Meade and Liberty Districts of Marshall County, West Virginia and further described as follows:

Beginning at a point in the Moundsville Corporation Line, said point intersects a small Run and the Corporation Line at the east side of the Marshall County Fair Grounds, and is the described southwest corner of the Marshall County P.S.D. #3 and the 6th corner of the existing Marshall County P.S.D. #4

Thence, from the place of beginning and with the south line of the Marshall County Public Service District No. 3, and in an easterly direction, 30,000 feet (more or less) to a point, at an elevation of 1294 feet, located 1600 feet (more or less) east of U.S. Route No. 250 and 2100 feet (more or less) north of the Pleasant Valley School which is shown on the U.S. Geological Survey Map Majorsville Quadrangle; being the described southeast corner of the said Marshall County P.S.D. #3 ;

Thence, with the east line of said P.S.D. #3, North 31° West (more or less), 29,300 feet (more or less) to a point in W.Va. State Route No. 88. Said point being 300 ft. (more or less) north of the Allen Grove Church which is shown on the U. S. Geological Survey Map Moundsville Quadrangle; being the described northerly most corner of the said Marshall County P.S.D. #3;

Thence, leaving said P.S.D. #3, south 61°15' east (more or less) 10,290 ft. (more or less) to a point in the centerline intersection of Bald Eagle run and Wheeling Creek which point is also located on the old district line between Sand Hill and Union Magisterial Districts;

Thence, upstream in an easterly direction with the centerline of Wheeling Creek and thereby the south line of the old Sand Hill District 56,000' (more or less) to the centerline intersection of Wheeling Creek, Enlow Fork and Dunkard Fork;

Thence, upstream in a southeasterly direction with the centerline of Dunkard Fork 7700' (more or less) to the centerline intersection of said Dunkard Fork and the West Virginia Pennsylvania state line, located approximately 5,390' south along said state line, from the intersection of same with Enlow Fork,

Thence, with the State Line, south 36,000 ft. (more or less) to a point in County Route No. 64 and the State Line, which is shown on the U. S. Geological Survey Map, Cameron Quadrangle;

Thence, leaving the West Virginia and Pennsylvania State Line and meandering westward with County Route No. 64, 27,000 ft. (more or less) to a point in County Route No. 62 in Loudenville;

Thence, meandering southward with County Rt. 62 5500 ft. (More or less) to the centerline intersection of Rt. 62, Rt. 62/2 and a private lane;

Thence, meandering southward with said private lane 1250 ft. (more or less) to the centerline of Left Fork Run;

Thence, in a southwesterly direction and with the meandering of Left Fork Run, 17,000 ft. (more or less) to a point of Left Fork Run and Maggoty Run as shown on the U.S. Geological Survey Map, Glen Easton Quadrangle;

Thence , in a westerly direction, 21,500 ft. (more or less) to a geodetic bench mark which elevation is 1062 ft., and located on Sally's Backbone Ridge Road, County Road No. 21;

Thence, north 58° west (more or less) 27,200 ft. (more or less) to the intersection of a power line and Gatts Ridge Road, (Co.Rt.72) located 600 ft. southwest along said Rt. 72 from the Gatts Ridge cemetery as shown on the U. S. Geological Survey Map, Powhatan Point Quadrangle;

Thence, with said power line, north 57°30' west (more or less) 5800' (more or less) to a point in a private lane on Taylors Ridge said point bears southeasterly 5500 ft. (more or less) from the Town of Cresap at W. Va. Rt. No. 2, and southwesterly 850 ft. (more or less) along said private lane from Taylors Ridge Road (County Rt. 70);

Thence, north 27°09' east (more or less) 14,700 ft. (more or less) to a point near the end of W. Va. Sec. Rt. 88/16 in the vicinity of the power line crossing, being the eleventh corner of the previously described Marshall County P.S.D. #4;

Thence, with said P.S.D. #4 in a northeasterly direction 4700 ft. (more or less) to a point in Roberts Ridge Road, County Road No. 21, said point is 2000 ft. (more or less) south of the Snedekers Lane, County Road 21/16 intersection, as shown on the U.S. Geological Survey Map Businessburg Quadrangle being the first corner of the previously described P.S.D. #4;

Thence, north 70° east (more or less) 4000 ft. (more or less) to the southeast corner of Marshall County P.S.D. #2, being the 2nd corner of the previously described PSD #4;

Thence, with the easterly line of Public Service District #2, northward 6200 ft. (more or less) to a point in a private lane, being the 3rd corner of the previously described P.S.D. #4;

Thence, north 23° east (more or less) 4800 ft. (more or less) to the intersection of Grave Creek and Middle Grave Creek, being the 4th corner of the previously described P.S.D. #4;

Thence, north 6° east (more or less) and with Middle Grave Creek, 1500 ft. (more or less) to a point at the southeast corner of Moundsville Corporation Line, being the 5th corner of the previously described P.S.D. #4;

Thence, north 80° east (more or less) and with Middle Grave Creek, 3100 ft. (more or less) to a bend in said creek;

Thence, north 16° east (more or less) and with the Moundsville Corporation Line, 1100 ft. (more or less to point of beginning containing 115 square miles (more or less).

AND TO ALL OTHER INTERESTED PARTIES:

Whereas, the County Commission of Marshall County, West Virginia, has entered an order on its own motion proposing the enlargement of Marshall County Public Service District No. 4 for the purpose of the diversion, development, pumping, impounding, treating, storage, distribution and furnishings of water to and for the public for industrial, public and other uses, within the above described area, as provided by Article 13A of Chapter 16 of the Code of West Virginia, as amended; and

Whereas, the County Commission of Marshall County, West Virginia, has fixed the date of hearing on said Proposal.

Notice is hereby given that at 10 a.m o'clock on the 28th day of March, 1978, in the County Commission Room in the Court House in Moundsville, West Virginia, a hearing will be held to determine whether or not to enlarge said Marshall County Public Service District No. 4 for the purposes aforesaid. All persons residing in or owning or having any interest in property in said public service district as enlarged shall have an opportunity to be heard for and against its enlargement. Notice is further given, that if at such hearing written protest is filed by thirty percent or more of the qualified voters registered and residing within said district, then the County Commission shall not take any further action in enlarging said district unless the enlargement of said district shall be approved by a majority vote of the qualified voters voting at a referendum to be called by the County Commission for such purpose.

Given under my hand this _____day of March ____, 1978.

_____
Clerk of the County Commission
of Marshall County, West Virginia

Publish: March 14, 1978

30/553 8/40

SPECIAL SESSION JUNE 11, 2002

The Commission convened this day pursuant to the following call: Donald K. Mason, President; Howard L. Byard and Jason Padlow, Commissioners; Norma Glover Sine, County Clerk; Betsy Frohnapfel, County Administrator; and Winnie Reilly, Deputy Clerk, of the County Clerk's Office.

At a Special Session of the Commission of Marshall County, West Virginia, held at 9:30 A.M., the Notice of the time and purpose of this Special Session had been posted at the front door of the courthouse for more than two days before the commencement of the Special Session, it is ordered that said Notice together with the certification of the Clerk of the time when it was posted, be entered of record, which is done accordingly in words and figures as follows:

NOTICE OF SPECIAL SESSION

The County Commission of Marshall County, West Virginia will meet in Special Session at the Courthouse thereof, on Tuesday, June 11, 2002, at 9:30 A.M. for the following purposes, that is to say:

To Audit Claims
To Act upon Rebates
To consider any other matters
Which may properly come before
The Commission.

Called by the President of the Commission with the Concurrence of the other two members.

s/Donald K. Mason, President

Posted at the front door of the Courthouse on the 5TH day of May, 2002.

s/Norma Glover Sine

MINUTES – On motion of Commissioner Padlow, seconded by Commissioner Byard, the minutes of the Special Session held June 4, 2002 were approved. Motion carried.

COMMISSIONER COMMENTS:

COMMISSIONER PADLOW welcomed everyone to the meeting and thanked the State DOH and others for their help with flooding problems last week.

The same problems are occurring in McMechen, however, the National Guard may be able to help. The run on 22nd Street gets overrun with junk and causes flooding. Bob Gross is homeless due to the flooding, but OES is working

on solving the problem. Mr. Gross had 1-1/2 to 2 feet of water in the living quarters of his home.

COMMISSIONER BYARD confirmed that flood clean up has occupied everyone's time the past week. Glen Dale Creek flooded over and over.

The Glen Dale Fireman's Festival was poorly attended on Thursday evening due to the weather and flooding. However, Friday and Saturday events were well attended.

Sunny Allen visited over the weekend, a well-known basketball player and coach.

COMMISSIONER MASON is starting to get back into a meeting schedule. On Wednesday, he attended a meeting concerning the Marshall County sewage services. Also attending were: John Blair, Marshall County Sewerage Authority; Jeff Vaughn, their engineer; Dan Greathouse, Governor's Office; Doug Schaefer, Marshall County; Tammy Rapp, Congressman Mollohan's representative; and Betsy Frohnapfel, County Administrator. Everyone is very hopeful that funding through Congressman Mollohan's office will happen, along with other grants and low interest loans.

Thursday, the Steering Committee for the Fostoria Property met. The Committee is moving forward and they thanked the Commission for adopting the Resolution regarding back taxes on the property. The taxes were not forgiven, however, the Commission will not hold the City of Moundsville responsible for back taxes. The Committee will be attending the Board of Education meeting this evening for their signatures also.

A meeting will be held tomorrow at 9:00 AM in Charleston concerning the Local Option Economic Development Act, which will appear on the November ballot. This Act would enable local governments to bring new jobs and industry to our State. Although the Commission supports the Act, they will not be able to attend the meeting.

On motion of Commissioner Byard, seconded by Commissioner Padlow, the Commission will forward a letter of support for the Act. Motion carried.

Commissioner Mason noted that Hancock County Commissioner John Sorrenti suffered a heart attack, followed by surgery. The Commission signed and sent a get-well card.

COCKAYNE HISTORIC PRESERVATION COMMITTEE – A letter was received from the Cockayne Historic Preservation Committee stating the Committee recently completed an application for nomination to the National Register of Historic Places. The Committee is seeking letters of support from the community leaders and businesses.

On motion of Commissioner Byard, seconded by Commissioner Padlow, the Commission will send a letter of support. Motion carried.

SPECIAL SESSION JUNE 11, 2002

CORRESPONDENCE:
MARY GRIMM – thank you
PSC – public hearing held on Sewerage District expansion, proposed order
PARK & RECREATION BOARD – Thank you
WV DEP – appointee to Solid Waste Authority
WILEY DAWSON – re: Sunday hunting
WV HOUSING DEVELOPMENT – 2001 Annual Report
WV DOH – Mt. Olivet traffic study

HEALTH PLAN RENEWAL – The new Group Medical and Hospital Service Agreement was received from The Health Plan. On motion of Commissioner Byard, seconded by Commissioner Padlow, the Commission President was authorized to sign the Agreement, provided services did not change. Motion carried.

IN-HOUSE REVISIONS – On motion of Commissioner Byard, seconded by Commissioner Padlow, the Commission approved the following in-house revisions: Department 404 in the amount of $150; and Department 711 in the amount of $410. Motion carried.

HOME CONFINEMENT FUND REQUEST – Carolyn Franklin, Tax Office, appeared before the Commission requesting approval to purchase new equipment to collect Home Confinement Fund fees. Mrs. Franklin informed the Commission the Sheriff was to take over this duty beginning June 5. However, everyone has agreed to extend that time to July 1, 2002.

The Circuit Clerk and Magistrate Court Clerk currently collect the fees. Mrs. Franklin requested three personal computers, a typewriter and software program totaling $13,339. Mrs. Franklin further informed the Commission that 15 individuals are currently using the Home Confinement Program.

On motion of Commissioner Padlow, seconded by Commissioner Byard, the matter was tabled to allow the Commission time to review the Home Confinement Fund. Motion carried.

RECESS – On motion of Commissioner Byard, seconded by Commissioner Padlow, the Commission took a short recess. Commission reconvened.

ROAD NAMES – Larry Newell, 911 Director, appeared before the Commission to recommend the name of Riffle Drive for an apartment complex located on Eastern Fourth Street in Moundsville. The complex will be known as Hill View Apartments.

On motion of Commissioner Byard, seconded by Commissioner Padlow, the Commission approved the recommendation of Riffle Drive. Motion carried.

Mr. Newell also stated Jersey Drive located on Route 250 needs to be approved.

On motion of Commissioner Byard, seconded by Commissioner Padlow, the recommendation of Jersey Drive was approved. Motion carried.

COURT SECURITY – MAGISTRATE COURT – Chief Deputy Pat Mull, Sheriff's Department, informed the Commission that the Supreme Court preformed a compliance audit at the Magistrate Court Building. All equipment is available, however, not all Court Security Officers are using the equipment adequately. The equipment must be used by all Court Security Officers on everyone entering the building.

In order to utilize the equipment properly, it will be necessary to move the Officer into the lobby area; move glass wall/doors three feet; and construct a desk for the Officer and equipment. A grant application has been completed for an x-ray scanner. However, the grant will not be approved until the improvements in security are made.

On motion of Commissioner Byard, seconded by Commissioner Padlow, the Commission approved the improvements up to $5,000. Motion carried.

BUDGET REVISIONS – Jan Pest, Chief Deputy of the County Clerk's Office, appeared before the Commission with two in-house revisions. On motion of Commissioner Byard, seconded by Commissioner Padlow, the following in-house revisions were approved: Department 401 in the amount of $31,000; and Department 800 in the amount of $31,370. Motion carried.

Mrs. Pest also submitted a final budget revision for Commission and State Tax Department approval. On motion of Commissioner Byard, seconded by Commissioner Padlow, Budget Revision 8 in the amount of $34,102 was approved, with authorization for Norma Glover Sine, County Clerk, to sign the Revision when completed and forward to the State Tax Department. Motion carried.

COMMUNITY DEVELOPMENT FUND – On motion of Commissioner Byard, seconded by Commissioner Padlow, the Commission approved the Community Development Fund Requests, with a few minor changes. Motion carried.

PSD#4 ENLARGEMENT (SOUTHERN WATERLINE EXTENSION) – The Commission addressed the issue of PSD#4 enlargement. Present were: Manning Frymier, Cerrone Assoc; Alberta Gittings; Lawrence Gittings; Jack E. Mason; James M. Ruckman, Cerrone Assoc; Dale Gittings; Delores Ott; Violetta Matthews; Shirley Lazear; David A. White, PSD#4 Counsel; George Lagos,

PSD#4; Debbie Fitzsimmons; Donna Crawford, Mark Fitzsimmons and David Glover, PSD#4 Board Members.

The Commission requested the presence of PSD#4 Board Members and representatives to discuss issues with the Southern Waterline Extension and the City of Cameron. It was the understanding of the Commission that the City of Cameron was to be included in the enlargement of PSD#4. However, the Commission has been informed that the City of Cameron will be furnished a meter at the City limits.

PSD#4 Board Members informed the Commission that they attempted on several occasions to include the City of Cameron in the enlargement. However, Cameron City Council would never commit. Since the Board was facing deadlines on the enlargement, they passed along the deadlines to Cameron, still no commitment.

Discussions were held concerning funding and grants for the project. The Commission stated concerns with time issues and funding, and further that the project should move forward.

On motion of Commissioner Byard, seconded by Commissioner Padlow, the Commission approved the boundary enlargement for PSD#4 and proceeded with the Order Adopting Enlargement of Public Service District Number Four Service District, a copy of which is attached to and made a part hereof. Motion carried.

RECESS – On motion of Commissioner Byard, seconded by Commissioner Mason, the Commission took a short recess. Commission reconvened.

PSD#4 BOARD APPOINTMENT – On motion of Commissioner Byard, seconded by Commissioner Padlow, a previously tabled request to reappoint Mark Fitzsimmons to the PSD#4 Board was approved. Motion carried.

CLAIMS – The Commission, this day, approved the following claims:

GENERAL COUNTY FUND Check Nos. 35914-50	78,652.87
COA - SEVERANCE FUND Check Nos. 5087-94	9,806.96
EMERGENCY COMMUNICATIONS FUND Check Nos. 2138-40	8,423.50
MAGISTRATE COURT FUND Check No. 1899	25.03
DOC FUND Check No. 1897	149.47

ADJOURNMENT – There being no further business to come before the Commission, and upon motion of Commissioner Byard, seconded by Commissioner Padlow, the meeting was adjourned.

Donald K Mason
PRESIDENT

MARSHALL COUNTY COMMISSION
JULY 10, 2007

The Commission convened this day in Regular Session as the law directs. Notice of time and place of this Session was posted at the front door of the Courthouse on the 5TH day of July, 2007, in compliance with the West Virginia "Sunshine" Law. PRESENT: Donald K. Mason, President; Howard L. "Biggie" Byard and Jason E. Padlow, Commissioners; Jan Pest, County Clerk; Betsy Frohnapfel, County Administrator; and Winnie Reilly, Deputy Clerk of the County Clerk's Office.

MINUTES – On motion of Commissioner Padlow, seconded by Commissioner Mason, the minutes of the Special Session held June 26, 2007 were approved as written. Motion carried.

COMMISSIONER COMMENTS:

COMMISSIONER PADLOW stated it has been nice and quiet since the baseball season has ended. Commissioner Padlow thanked Commissioner Mason for attending the Championship Series held in McMechen on July 4. Glen Dale played McMechen in the Pony and Mustang Leagues. McMechen won both games.

Commissioner Padlow enjoyed the Championship games and congratulated both teams.

Commissioner Padlow's daughter's softball team finished early, however, the Glen Dale girls won the Pigtail League.

Commissioner Padlow and family will be leaving Thursday for Myrtle Beach.

Commissioner Padlow wished Nila Byard well. Commissioner Byard's wife has been ill for a few weeks.

COMMISSIONER MASON welcomed County Clerk Jan Pest back. Mrs. Pest has been away attending meetings and then vacationing.

Commissioner Mason stated Commissioner Byard will be attending the meeting late today.

Commissioner Mason attended an Executive Committee meeting for R.E.D. Partnership on economic development; and a Bel-O-Mar Executive Committee meeting. Commissioner Mason thanked County Administrator Betsy Frohnapfel for filling in when the meetings conflicted.

Last Wednesday was July 4, and Commissioner Mason hopes the younger people remember the importance of this holiday.

Commissioner Padlow's sister had her baby on July 4, and everyone is doing fine.

Commissioner Mason was the co-coin tosser for the Championship Series in McMechen on the 4th of July, along with Jarrod Rine. Commissioner Mason enjoyed the games along with many residents of Glen Dale and McMechen.

The Beast of the East Tournament was held over the weekend. Commissioner Mason read that $7 Million was added to the local economy during the event.

Commissioner Mason attended a softball tournament in Morgantown on Saturday.

Commissioner Padlow noted the passing of Dr. Norman Wood, and offered our sympathies to the family.

COURTHOUSE LANDSCAPE PLAN – Betsy Frohnapfel, County Administrator, submitted an Agreement from Hays Landscape Architecture Studio, Ltd., for the Courthouse Landscape Master Plan. Mrs. Frohnapfel stated Gabe Hays has completed work at Grand Vue Park and he prepared a plan for the Courthouse lawn.

The Plan will cover: pre-design; inventory and analysis; schematic design, including ADA accessibility to the front door; and additional services beyond landscaping if confirmed in writing. The total cost of the contract is $5,000.

On motion of Commissioner Padlow, seconded by Commissioner Mason, the Commission approved entering into the Agreement between the Marshall County Commission and Hays Landscape Architecture Studio, Ltd., in the amount of $5,000. Motion carried.

ROBERTS RIDGE VFD – FINANCING – Betsy Frohnapfel, County Administrator, informed the Commission that Robert Ridge VFD has applied, and received, financing from BB&T for the purchase of property with building renovations. However, according to the United States Internal Revenue Code, the financing must be approved by an elected body.

Mrs. Frohnapfel also stated the proposed Resolution, approved by the Prosecuting Attorney, specifically eliminates the County Commission from obligations or liabilities concerning the financing.

On motion of Commissioner Padlow, seconded by Commissioner Mason, the Commission adopted the following:

**Resolution Approving the Financing By
Roberts Ridge Volunteer Fire Department of
Up to $150,000.00 for the purchase and renovation
Of a building and land for a new fire station.**

WHEREAS:

Roberts Ridge Volunteer Fire Department has determined to finance an amount of up to $150,000.00 for the purchase of property with building renovations. The United States Internal Revenue Code requires that for such financing to be carried out on a tax-exempt basis, this Board must first approve the financing. The VFD has held a public hearing on the financing after published notice as required by the Code. The VFD has reported the proceedings of the hearing to this Board.

BE IT THEREFORE RESOLVED by the Marshall County Commission, WV, as follows:

1. The County approves the VFD's entering into the financing, as required under the Code of the financing to be carried out on a tax-exempt basis, The VFD's conduct of the required public hearing is approved.
2. The passage of this resolution in no way obligates the County or makes them a party to any promissory note, loan document or responsible for the repayment of said financing.

I hereby certify that the foregoing resolution was duly adopted at a meeting of the Marshall County Commission duly called and held on July 10, 2007, and that a quorum was present and acting throughout such meeting. Such resolution remains in full effect as of today.

Dated this 10th day of July, 2007.

s/Jan Pest, County Clerk

SOUTHERN WATERLINE EXTENSION PROJECT – DRAWDOWN – Betsy Frohnapfel, County Administrator, submitted a drawdown for the Southern Waterline Extension Project in the amount of $5,750.

On motion of Commissioner Padlow, seconded by Commissioner Mason, the Commission President was authorized to sign the drawdown. Motion carried.

MARSHALL COUNTY PSD#4 – BOARD APPOINTMENT – The Commission received a request from George Lagos, General Manager for PSD#4, requesting the re-appointment of Donna Crawford to the Board of Directors for Marshall County Public District #4.

On motion of Commissioner Padlow, seconded by Commissioner Mason, the Commission approved the re-appointment of Mrs. Crawford to the Board of Directors for PSD#4; along with a letter to the Board of the appointment and a letter to Mrs. Crawford thanking her for her continued service. Motion carried.

MOUNDSVILLE-MARSHALL CO. PUBLIC LIBRARY – BOARD APPOINTMENT – The Commission received a request for an appointment to the Moundsville-Marshall Co. Public Library Board. Susan Reilly, Director, recommended the appointment of Mike Ferro, for the unexpired term of Theresa Jelacic.

On motion of Commissioner Padlow, seconded by Commissioner Mason, the Commission approved the appointment of Mike Ferro to the Library Board; with a letter to the Board of the appointment and a letter of thanks to Mr. Ferro for his services on the Board. Motion carried.

E-911 – ROAD NAMES – Larry Newell, E-911 Director, appeared before the Commission with 10 proposed road names.

On motion of Commissioner Padlow, seconded by Commissioner Mason, the Commission accepted the recommendation of Mr. Newell and approved the following road names: Dallas Pike Road; Fairmont Pike Road; Fishers Lane (Benwood); Fishers Lane (Wheeling); Jester Court Lane; Johnson Ridge Road; Ridgecrest Road; Weekend Lane; Wire Camp Lane; and Wheeling Avenue Lane. Motion carried.

HEALTH PLAN – CONTRACT – Jan Pest, County Clerk, submitted the final formality to continue with the Health Plan, for Commission approval. Mrs. Pest explained the Commission previously approved continuing with Health Plan coverage and this is the final signature required.

On motion of Commissioner Padlow, seconded by Commissioner Mason, the Commission President was authorized to sign the Contract between the Health Plan of the Upper Ohio Valley, Inc., and the Marshall County Commission, for coverage from July 1, 2007 through June 30, 2008. Motion carried.

RECESS – On motion of Commissioner Padlow, seconded by Commissioner Mason, the Commission took a short recess. Commission reconvened.

COMMISSIONER ARRIVED – Commissioner Byard arrived for the remainder of the Commission meeting.

CORRESPONDENCE:
THANK-YOU – Rev. Richmond family; Buzzard family; Joe & Soozie Rucki; and Moundsville County Club Lady Golf Assoc.
WV ASSOC. AGAINST DOMESTIC VIOLENCE – new address
DOMINION – requesting HCA sites, forwarded to OEM
CCAWV – Public Retirement Board Proposed Rules Changes
SECRETARY OF STATE – 2007 Election Seminar

WORKFORCE WV – CONTRIBUTION REQUEST – The Commission received a request from WORKFORCE WV for a contribution to support the Career Centers.

On motion of Commissioner Padlow, seconded by Commissioner Byard, the Commission tabled action on the request. Motion carried.

BACK TO-SCHOOL FUN FAIR – The Commission discussed a previously tabled request from the Parent Educator Resource Center for the Back To-School Fun Fair scheduled for August 6, 2007.

On motion of Commissioner Byard, seconded by Commissioner Padlow, the Commission approved a contribution in the amount of $500 for the Back To-School Fun Fair. Motion carried.

EXONERATIONS – On motion of Commissioner Padlow, seconded by Commissioner Byard, the Commission approved the following 28 erroneous assessments previously approved by the Prosecuting Attorney and Assessor:

Cooper, Denver E & Florence E	$ 26.24
Dove, Homer W Jr.	290.74
CAB East LLC Deloitt & Touche	426.34
GE Capital	3,829.70
GE Capital	2,196.88
GE Capital	2,169.24
McGill, Oliver R (Carl Sampson)	64.94
Hull, James D Sr. & Georgia	307.96
Flowers, Rober L & Susan	161.48
Cooper, Denver E & Florence E	24.10
White, Glenn E & Martha	30.76
White, Glenn E & Martha	30.78
Bulian, Marion R & Antonia	34.08
Bulian, Marion R & Antonia	34.84
Nelson, Robert Lee & Ora	53.94
Dolgovsky, Michele A CPA	136.38
Chad's Pit Stop Xpress LLC	2,009.66
Sampson, H Carl & Ruth N	1,177.10
Scott, Mildred J	177.84
Cook, Andrea Michelle	487.76
West, Cheryl & Harold Harter Jr.	115.52
Cottrill, Robert & Thomas II	457.56
Chin, Theresa F	27.44
Gordon, Marsha L.	9.88
Gordon, Marsha L.	10.96
B & D Pawn-Gun and Archery	541.38
B & D Pawn-Gun and Archery	462.12

QUARTERLY BUSINESS – FIDUCIARY MATTERS – On motion of Commissioner Byard, seconded by Commissioner Padlow, the Commission approved and accepted Fiduciary Matters accepted by the County Clerk's Office through the previous quarter and reviewed by the Commission. Motion carried.

COMMISSION MEETING – CANCELLED – On motion of Commissioner Byard, seconded by Commissioner Padlow, the Commission will not meet July 17, 2007, unless an emergency occurs. Motion carried.

COMMISSIONER THANK-YOU – Commissioner Byard thanked everyone for helping during his wife's recent illness, especially those at the Courthouse.

BEAST OF THE EAST – On motion of Commissioner Byard, seconded by Commissioner Padlow, the Commission will send a letter of congratulations and thanks to Bo McConnaughy and B. A. Crawford, organizers of the Beast of the East Tournament. Motion carried.

CLAIMS AUDITED - The Commission, this day, approved the following claims:

GENERAL COUNTY FUND	$91,670.99

COAL SEVERANCE FUND	30,083.33
E-911 FUND	617.32
DOG FUND	191.30

ADJOURNMENT – There being no further business to come before the Commission, upon motion of Commissioner Byard, seconded by Commissioner Padlow, the meeting was adjourned.

Donald K Mason
PRESIDENT

MARSHALL COUNTY COMMISSION
NOVEMBER 18, 2003

The Commission convened this day pursuant to the following call: Donald K. Mason and Jason Padlow, Commissioners; Norma Glover Sine, County Clerk; Betsy Frohnapfel, County Administrator; and Winnie Reilly, Deputy Clerk of the County Clerk's Office. Absent: Howard L. Byard, President.

At a Special Session of the Commission of Marshall County, West Virginia, held at 9:30 A.M., the Notice of the time and purpose of this Special Session had been posted at the front door of the courthouse for more than two days before the commencement of the Special Session, it is ordered that said Notice together with the certification of the Clerk of the time when it was posted, be entered of record, which is done accordingly in words and figures as follows:

NOTICE OF SPECIAL SESSION

The County Commission of Marshall County, West Virginia will meet in Special Session at the Courthouse thereof, on Tuesday, November 18, 2003, at 9:30 A.M. for the following purposes, that is to say:

To Audit Claims
To Act upon Rebates
To consider any other matters
Which may properly come before
The Commission.

Called by the President of the Commission with the Concurrence of the other two members.

s/Howard L. Byard, President

Posted at the front door of the Courthouse on the 12th day of November, 2003.

s/Norma Glover Sine

ACTING PRESIDENT – On motion of Commissioner Mason, seconded by Commissioner Padlow, Commissioner Padlow will serve as Acting President due to the absence of Commissioner Byard. Motion carried.

MINUTES -- On motion of Commissioner Mason, seconded by Commissioner Padlow, the minutes of the Special Session held November 4, 2003 were approved. Motion carried.

COMMISSIONER COMMENTS:

COMMISSIONER MASON stated the Commission has not met for two weeks due to Veteran's Day.

On November 4, Commissioner Mason attended the dedication ceremony at the City-County Library of a flag and flag pole. They were donated to the Library by Thomas White, in honor of his parents. A reception was held following the dedication to honor Evan Rogerson, Library Board Member. Mr. Rogerson has been a Board member for the Library since the inception of the City-County Library.

November 11 there was no Commission meeting but several celebrations honoring Veterans and those who lost their lives for our Country were held. Commissioner Mason stated everyone should keep those now serving in our thoughts and prayers.

On the evening of November 11 Commissioner Mason attended a regular round table meeting with Northern Panhandle County Commissioners and Legislative representatives at the new hotel facilities at Wheeling Downs. The meeting was well attended in spite of the holiday and the Commissioners presented their legislative platform.

Thursday, Commissioner Mason attended McNinch Grade School where he participated in a reading program with Fifth graders. Commissioner Mason commented on the attentiveness of the children.

Commissioner Mason will travel to Flatwoods tomorrow to attend the Economic Development Summit #3.

Commissioner Mason reminded everyone of the Business-After-Hours to be held Thursday evening at the Delf Norona Museum, to be sponsored by the City of Moundsville and Extension Service.

COMMISSIONER PADLOW welcomed everyone to the meeting and reminded everyone of the Christmas Parade to be held Saturday evening. Commissioner Padlow thanked Commissioner Byard for representing the Commission on the Parade Committee. Commissioner Padlow further thanked OES, 911, MEDC, Chamber of Commerce for participating in the parade; and further thanked the Commission for sponsoring the parade.

Commissioner Padlow congratulated the Cameron football team for making it to the first round of playoffs. Hopefully Wheeling Central will have a better game against Moorefield and an OVAC team will make it to the Super Six.

Commissioner Padlow also congratulated the Marshall County Panthers for winning the championship.

The Adhoc Water/Sewage Committee will appear before the Commission today for approval of the recommended engineer for the project.

Commissioner Padlow congratulated the WV Mountaineers for a great game this weekend.

THANKSGIVING/CHRISTMAS HOLIDAYS - Commissioner Padlow stated Governor Wise has stated the Friday after Thanksgiving and Christmas will be additional days off for State employees.

On motion of Commissioner Mason, seconded by Commissioner Padlow, the Commission declared the Friday after Thanksgiving and Christmas as additional days off for County employees. Motion carried.

BOGGS RUN VFD-RESCUE TRUCT #2 - Commissioner Mason stated he was handed a letter from the Boggs Run VFD shortly before today's meeting. Appearing on behalf of Boggs Run VFD were Lt. Kevin Crow and Michelle Williamson. Commissioner Mason read the letter concerning Rescue Truck #2, which Boggs Run VFD is interested in obtaining.

Since the matter was not placed on today's agenda, no action will be taken and the matter will be scheduled for next week.

PSD#4 BOARD APPOINTMENT – A letter was received from PSD#4 concerning the reinstatement of David (Beaver) Glover to the Board of Directors for Marshall County. Mr. Glover has served as Chairman of the Board for the past 15 years.

On motion of Commissioner Mason, seconded by Commissioner Padlow, the Commission accepted the recommendation of PSD#4 and approved the re-appointment of David Glover to the Board of Directors. Motion carried.

On motion of Commissioner Mason, seconded by Commissioner Padlow, the Commission will send a letter of thanks to Mr. Glover and a letter to the Board advising of the appointment. Motion carried.

WORKERS COMPENSATION POLICY – Betsy Frohnapfel, County Administrator, submitted to the Commission for approval a proposed Workers Compensation Policy for County employees.

After review of the Policy, on motion of Commissioner Mason, seconded by Commissioner Padlow, the Policy was tabled until next week to allow time for clarification on a matter. Motion carried.

EMPLOYEE INCIDENT REPORT POLICY – On motion of Commissioner Mason, seconded by Commissioner Padlow, a proposed Employee Incident Report Policy was tabled until next week. Motion carried.

MARSHALL COUNTY ADHOC COMMITTEE FOR WATER/SEWAGE - Several members of the Adhoc Committee for Water/Sewage appeared before the Commission, including: Doug Schafer, PSD#1; Zac Blair, OVIBDC; Howard Coffield, Marshall County Commission; Joe Golebiewski, Health Department; Dan Greathouse, Governor's Office; Bill Block, PSD#1; George C. Lagos, PSD#4, and K. Mark Simms, Moundsville Sanitary Board. The Committee appeared before the Commission for approval of an engineer for the 10-year Countywide Plan.

Mr. Schafer informed the Commission that the Committee had selected E. L. Robinson as the recommended engineering firm. Also appeared from E. L. Robinson were: Scott Teaff, Randall Lewis and Eric Coberly.

Mr. Schafer further informed the Commission that E. L. Robinson is an employee-owned company with experience and references on similar projects. And further, the Company is based in West Virginia.

After a brief explanation of the proposed contract, on motion of Commissioner Mason, seconded by Commissioner Padlow, the Commission accepted the recommendation of the Adhoc Committee to negotiate with E. L. Robinson to prepare a 10-year Countywide Plan, with the approval of the Prosecuting Attorney, and the Commission will continue to negotiate on the price. Motion carried.

The Commission thanked members of the Adhoc Committee and members of E. L. Robinson, for their time and attention to this project.

RECESS – On motion of Commissioner Mason, seconded by Commissioner Padlow, the Commission took a short recess. Commission reconvened.

ASSESSOR'S OFFICE – GIS – Assessor Chris Kessler appeared before the Commission with an update on the GIS progress in his office. Mr. Kessler stated the project was in two phases. Phase one has been completed with the paper maps being converted to digital.

Part of phase two, installation of map software and some equipment, has also been completed. The Commission paid $35,000 towards the project, and monies have been advanced from the PVC Fund. However, a balance of $12,590 remains.

Assessor Kessler stated $50,000 Digest Funds have been awarded to this project, however, the paperwork has not been received. Mr. Kessler requested the Commission advance monies to pay the remaining $12,950, to be replaced with Digest funds.

On motion of Commissioner Mason, seconded by Commissioner Padlow, the Commission approved advancing from contingency $12,590, to pay the remaining invoice dated after July 1, 2003, with the understanding the money is to be replenished with Digest funds. Motion carried.

BUDGET REVISION – On motion of Commissioner Mason, seconded by Commissioner Padlow, the Commission authorized Budget Revision # 4 in the amount of $12,950 from contingency to the proper line item to pay the GIS invoice of $12,950. Motion carried.

SHERIFF'S DEPARTMENT – RFP's FOR VEHICLES – Chief Deputy Pat Mull appeared before the Commission to request permission to advertise for bids for

four SUV vehicles for the Sheriff's Department. Chief Mull stated the Commission approved three vehicles in budget requests.

On motion of Commissioner Mason, seconded by Commissioner Padlow, the Sheriff's Department was authorized to advertise for bids for four vehicles, and the decision as to how many will be purchased will be made at a later date. Motion carried.

OES – OMB – OES Director Tom Hart appeared before the Commission requesting a signature on the Equipment Grant for the All Hazards EOP Project. Mr. Hart stated OES is eligible for a Dell Latitude D600 Laptop Computer.

On motion of Commissioner Mason, seconded by Commissioner Padlow, the Acting Commission President was authorized to sign the Equipment Grant. Motion carried.

RAILS TO TRAILS EXTENSION – On motion of Commissioner Mason, seconded by Commissioner Padlow, the Acting Commission President was authorized to sign the Agreement extending the Rail to Trails Project until October 14, 2004. Motion carried.

CORRESPONDENCE:
WV STATE AUDITOR – audit report of Board of Health
OES – Emergency Operation Planner funding
PPG INDUSTRIES – Notice of Optional Redemption
THANK YOU – Lora Mason family

REGIONAL TRANSPORTATION AUTHORITIES – A letter was received from the Regional Transportation Authorities requesting confirmation of funds received from October 1, 2002 through September 30, 2003.

On motion of Commissioner Mason, seconded by Commissioner Padlow, the Acting Commission President was authorized to sign the letter stating the funds were in agreement with County records. Motion carried.

EXONERATIONS – On motion of Commissioner Mason, seconded by Commissioner Padlow, the Commission approved the following erroneous assessments:

United Church Residence of Moundsville WV Inc	26,160.04
Leach, Charles L Jr.	173.24
Chambers, James David etux	135.92
Prime Receivable Finance Corp.	153.38
Mathias, Dr. Phillip & Frances	209.64
Nolan, William & Mary Ann	219.68
Nolan, William & Mary Ann	110.96
Leach, Charles L Jr.	139.56
Leach, Charles L Jr.	232.62
Kupfer, Sarah Ann	133.18
Rhome, David J	134.56
Faulkiner, Daniel etux	131.12

Frye, Rickey Gene etux	135.92
Davis, John Keith etux	126.32
Ramsey, Eva Lee	131.12

ASSESSOR' ADDITIONAL DUTIES – A letter was received from Assessor Chris Kessler requesting the Assessor compensation outlined by WV Code 7-7-6b in the amount of $15,000. Enclosed with the request was a letter from the State Tax Commissioner stating the duties were fulfilled.

On motion of Commissioner Mason, seconded by Commissioner Padlow, the request was granted. Motion carried.

CLAIMS AUDITED – The Commission, this day, approved the following claims:

GENERAL COUNTY FUND Check Nos. 39306-39370	51,025.01
COAL SEVERANCE FUND Check Nos. 5413-5416	15,155.93
EMERGENCY COMMUNICATIONS FUND Check Nos. 2545-2558	14,509.45
MAGISTRATE COURT FUND Check Nos. 2044-2045	26.55
HOME CONFINEMENT FUND Check Nos. 677-678	285.00

ADJOURNMENT – There being no further business to come before the Commission, upon motion of Commissioner Mason, seconded by Commissioner Padlow, the meeting was adjourned.

Mason E. Padlow
PRESIDENT

OATH OF OFFICE

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

I, Mark Fitzsimmons, do solemnly swear that I will faithfully and loyally discharge my duties as a member of the Marshall County Public Service District No, 4, Marshall County, West Virginia to the best of my ability, so help me God.

Mark Fitzsimmons

September 24, 2007
Date

Seal

Attest:

Donna Crawford

Donna Crawford, Secretary

OATH OF OFFICE

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

I, Donna Crawford, do solemnly swear that I will faithfully and loyally discharge my duties as a member of the Marshall County Public Service District No, 4, Marshall County, West Virginia to the best of my ability, so help me God.

Donna Crawford

Donna Crawford

September 24, 2007
Date

Seal

Attest:

David Glover, Chairman

OATH OF OFFICE

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

I, David Glover, do solemnly swear that I will faithfully and loyally discharge my duties as a member of the Marshall County Public Service District No, 4, Marshall County, West Virginia to the best of my ability, so help me God.

David Glover

September 24, 2007
Date

Seal

Attest:

Donna Crawford

Donna Crawford, Secretary

RULES OF PROCEDURE

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

ARTICLE I

NAME AND PLACE OF BUSINESS

Section 1. Name: MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4.

Section 2. The principal office of Marshall County Public Service District No. 4 (the "District") will be located at RD #2, Box 3, Moundsville, Marshall County, West Virginia.

Section 3. The Common Seal of the District shall consist of 2 concentric circles between which circles shall be inscribed Marshall County Public Service District No. 4, 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 Board of the District (the "Board") shall be those persons appointed by The County Commission of Marshall 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 Board resign or otherwise become legally disqualified to serve as a member of the 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 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 Board.

ARTICLE IV

MEETINGS OF THE PUBLIC SERVICE BOARD

Section 1. The members of the Board 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 Board may be called at any time by the Chairman or by a quorum of the Board.

Section 2. At any meeting of the Board, two (2) members shall constitute a quorum. Each member of the 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 two (2) 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. 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 the Board, and the date, time, place and purpose of all special meetings of the 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 Board at the front door or bulletin board of the Marshall County Courthouse and at the front door of the office of the District and, if different from the office, at the front door or bulletin board of the place fixed for regular meetings of the Board not less than three (3) business days before a regularly scheduled meeting is to be held,

stating the date, time and place fixed and entered of record by the 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 Board not less than three (3) business days before such regular meeting is to be held. The agenda listing the matters requiring official action that may be addressed at the meeting may be amended up to two (2) business days prior to the meeting. 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 Board at the front door or bulletin board of the Marshall County Courthouse and the front door or bulletin board of the office of the District and at the front door or bulletin board of the place fixed for the regular meetings of the Board not less than two (2) business days before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. In addition, a copy of the agenda listing the matters requiring official action that may be addressed at the meeting for each special meeting shall be posted at the same locations by the Secretary of the Board not less than two (2) business days before such special meeting is to 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.

For the purposes of calculating the number of days in any notice period based upon business days, Saturdays, Sundays, legal holidays and the day of the meeting are not counted.

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 6th day of August, 2007.

DB12
PSD#4

Chairman

Donna J. Crawford
Secretary

06.20.07
553380.00001

PUBLIC SERVICE DISTRICT #4
POST OFFICE BOX 709
MOUNDSVILLE, WEST VIRGINIA 26041
August 6, 2007

MEMBERS PRESENT: David Glover, Mark Fitzsimmons & Donna Crawford

EMPLOYEES PRESENT: George Lagos and David White

David Glover, Chairman, called the regular meeting to order at 4:30 on Monday, August 6, 2007. The minutes of the previous meeting and approved as read.

Mark Fitzsimmons made a motion that the officers be reappointed to the same positions that they are currently holding. Donna Crawford seconded the motion. Motion carried.

The Rules of Procedure was reviewed by the Board. The Chairman and the Secretary both signed the rules of procedures and bylaws that were adopted by the Board.

RUS & Steptoe and Johnson felt we needed to clean up some of our old accounts. The Board reviewed these recommendations and agreed this needed to be done. Donna made a motion that the Chairman and the Secretary sign the Supplemental Resolution. Mark seconded the motion. Motion carried. The six bonds will be consolidated into a Reserve Account and a Depreciation Reserve Account.

Manningy Frymier meet with the tank contractor and the line contractor. He is waiting for P.S.C. to look at the petition and to accept the ~~original~~ additional grant money. David White will contact Jeff Kessler on Tuesday to see if he can help with this process.

Scott Hicks, Bel-O-Mar, will schedule conference calls on Wednesday at 1:30 with USDA, Board of Public Health, Steptoe & Johnson, and Bob DeCrease. Loan closings will be August 22, 2007.

Mark Fitzsimmons made a motion to give David White authority to proceed with any condemnations. Donna seconded the motion. Motion carried.

Jim Ruckman, Cerrone Associates, gave David Glover copies of legal descriptions and plats with original stamps and signatures for Roberts Ridge Booster station site and the proposed Cameron Ridge Booster Station site. Discussion on upgrading Middle Grave Creek booster station and a booster station on Billy Dale Wise property out Fourth street.

Tap fees for one hundred dollars can be accepted up until construction is started.

Patricia St. John's tap fee cannot be refunded unless husband calls David White or P.S.D. #4 giving permission to refund the money to his wife.

Jeff Bennett will put a chart recorder on the water line from Roseby to Atwells to check the pressure on the line.

Manning asked George to talk with Virginia McDonald to see how much money P.S.D. #4 will receive, it may or may not be as much as anticipated.

The Board meeting adjourned at 5:50 to go into Executive Session to discuss personnel..

David Glover, Chairman, reopened the Board meeting at 6:00.

There was no more business to come before the Board so the meeting was adjourned at 6:20.

Respectively submitted,

Donna J. Crawford

Donna J. Crawford
Secretary, P.S.D. # 4

David L. Glover, Chairman

Mark Fitzsimmons, Treasurer

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

Water Revenue Bonds, Series 2007 A
(United States Department of Agriculture; and
Water Revenue Bonds, Series 2007 B
(West Virginia DWTRF Program)

EXCERPT OF MINUTES ON ADOPTION OF BOND RESOLUTION
AND SUPPLEMENTAL RESOLUTION

The undersigned SECRETARY of the Public Service Board of Marshall County Public Service District No. 4 hereby certifies that the following is a true and correct excerpt of the minutes of a special meeting of the said Public Service Board:

*** *** ***

The Public Service Board of Marshall County Public Service District No. 4 met in special session, pursuant to notice duly posted, on the 24th day of September, 2007, in Marshall County, West Virginia, at the hour of 10:00 am.

PRESENT: David Glover
Mark Fitzsimmons
Donna Crawford

ABSENT: NONE

David Glover, Chairman, presided, and Donna Crawford, 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 ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4 AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT NO. 4 OF NOT MORE THAN $2,328,300 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2007 A (UNITED STATES DEPARTMENT OF AGRICULTURE), AND NOT MORE THAN $1,225,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2007 B (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED

OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO THE SERIES 2007 B BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING

and caused the same to be read and there was discussion. Thereupon, on motion duly made by Mark Fitzsommons and seconded by Donna Crawford, it was ordered that the said Bond Resolution be adopted and be in full force and effect on and from the date hereof.

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

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2007 A (UNITED STATES DEPARTMENT OF AGRICULTURE), AND WATER REVENUE BONDS, SERIES 2007 B (WEST VIRGINIA DWTRF PROGRAM), OF MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO THE SERIES 2007 B BONDS; AUTHORIZING AND APPROVING THE SALE OF THE SERIES 2007 A BONDS TO THE UNITED STATES DEPARTMENT OF AGRICULTURE AND THE SERIES 2007 B BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; 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, on motion duly made by Mark Fitzsommons and seconded by Donna Crawford, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

*** *** ***

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

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of Marshall County Public Service District No. 4 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 September, 2007.

Donna J. Crawford
Secretary

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

NEW ISSUE REPORT FORM

Date of Report: September 26, 2007

ISSUE: Marshall County Public Service District No. 4, Water Revenue Bonds, Series 2007 A (United States Department of Agriculture)

ADDRESS: P.O. Box 709, Moundsville, WV 26041

COUNTY: Marshall

PURPOSE OF ISSUE: New Money: X
Refunding: _____

REFUNDS ISSUE(S) DATED: N/A

ISSUE DATE: September 26, 2007

CLOSING DATE: September 26, 2007

ISSUE AMOUNT: $2,328,300

RATE 4.25%

1ST DEBT SERVICE DUE: NA

1ST PRINCIPAL DUE: NA

1ST DEBT SERVICE AMOUNT: NA

PAYING AGENT: NA

BOND COUNSEL: Steptoe & Johnson PLLC
Contact Person: John C. Stump, Esquire
Phone: 304.353.8196

UNDERWRITERS COUNSEL: _____
Contact Person: _____
Phone: _____

CLOSING BANK: Branch Banking & Trust
Contact Person: Ashlie Haglock
Phone: (304) 845.2470

ESCROW TRUSTEE: _____
Contact Person: _____
Phone: _____

KNOWLEDGEABLE ISSUER CONTACT
Contact Person: George Lagos
Position: Manager
Phone: 304.843.1234

OTHER: United States Department of Agriculture
Contact Person: Virginia McDonald
Function: Rural Development Specialist
Phone: 304.420-6666

DEPOSITS TO MBC AT CLOSE:
By: ____ Wire
____ Check

____ Accrued Interest: $_____
____ Capitalized Interest: $_____
____ Reserve Account: $_____
____ Other: _____ $_____

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: ____ Wire
____ Check
____ IGT

____ To Escrow Trustee: $_____
____ To Issuer $_____
____ To Cons. Invest. Fund $_____
____ To Other: _____ $_____

NOTES: Monthly debt service payments will be made by the District directly to the National Finance Office. The Municipal Bond Commission will only hold the Series 2007 A Bonds Reserve Account

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED: _____
TRANSFERS REQUIRED: _____

CH885782.1

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

NEW ISSUE REPORT FORM

Date of Report: September 26, 2007

ISSUE: Marshall County Public Service District No. 4 Water Revenue Bonds, Series 2007 B (West Virginia DWTRF Program)

ADDRESS: P.O. Box 709, Moundsville, WV 26041

COUNTY: Marshall

PURPOSE OF ISSUE: New Money: X
Refunding: _____

REFUNDS ISSUE(S) DATED: N/A

ISSUE DATE: September 26, 2007

CLOSING DATE: September 26, 2007

ISSUE AMOUNT: $ 1,225,000

RATE: 0% (1% admin fee)

1ST DEBT SERVICE DUE: September 1, 2009

1ST PRINCIPAL DUE: September 1, 2009

1ST DEBT SERVICE AMOUNT: $10,209

PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Steptoe & Johnson PLLC
Contact Person: John C. Stump
Phone: 304.353.8196

UNDERWRITERS COUNSEL: Jackson Kelly PLLC
Contact Person: Samme L. Gee, Esquire
Phone: 304.340.1318

CLOSING BANK: Branch Banking & Trust
Contact Person: Ashlie Haglock
Phone: 304.845.2470

ESCROW TRUSTEE: _____
Contact Person: _____
Phone: _____

KNOWLEDGEABLE ISSUER CONTACT
Contact Person: George Lagos
Position: Manager
Phone: 304.843.1234

OTHER: West Virginia Bureau for Public Health
Contact Person: Robert DeCrease, P.E.
Function: Manager
Phone: 304.558.2981

DEPOSITS TO MBC AT CLOSE:
By: ____ Wire
____ Check

____ Accrued Interest: $_____
____ Capitalized Interest: $_____
____ Reserve Account: $_____
____ Other: _____ $_____

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: ____ Wire
____ Check
____ IGT

____ To Escrow Trustee: $_____
____ To Issuer $_____
____ To Cons. Invest. Fund $_____
____ To Other: _____ $_____

NOTES: The 2007 B Reserve Fund will be funded over 10 years

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED: _____
TRANSFERS REQUIRED: _____

CH885784.1

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

Water Revenue Bonds, Series 2007 A
(United States Department of Agriculture); and
Water Revenue Bonds, Series 2007 B
(West Virginia DWTRF Program)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

BRANCH BANKING & TRUST COMPANY, Moundsville West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Resolution of Marshall County Public Service District No. 4 (the "Issuer"), adopted September 24, 2007, and a Supplemental Resolution of the Issuer adopted September 24, 2007 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Water Revenue Bonds, Series 2007 A (United States Department of Agriculture) and Water Revenue Bonds, Series 2007 B (West Virginia DWTRF Program), all dated September 26, 2007, in the respective principal amounts of $2,328,300 and $1,225,000 (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 September, 2007.

BRANCH BANKING &TRUST COMPANY

By: _____
Its: Authorized Officer

553380.00001

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

Water Revenue Bonds, Series 2007 B
(West Virginia DWTRF Program)

ACCEPTANCE OF DUTIES AS REGISTRAR OF SERIES 2007 B BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Marshall County Public Service District No. 4 Water Revenue Bonds, Series 2007 B (West Virginia DWTRF Program), dated September 26, 2007, in the principal amount of $1,225,000 ("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 September, 2007.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

553380.00001

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

Water Revenue Bonds, Series 2007 B
(West Virginia DWTRF Program)

CERTIFICATE OF REGISTRATION OF SERIES 2007 B BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned bond issue of the Marshall County Public Service District No. 4 (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Marshall County Public Service District No. 4 Water Revenue Bonds, Series 2007 B (West Virginia DWTRF Program), of the Issuer, dated September 26, 2007, in the principal amount of $1,225,000, numbered BR-1, is 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 September, 2007.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

553380.00001

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

Water Revenue Bonds, Series 2007 B
(West Virginia DWTRF Program)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of September 26, 2007, by and between MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4, a public service district and 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 $1,225,000 Water Revenue Bonds, Series 2007 B (West Virginia DWTRF Program), in fully registered form (the "Series 2007 B Bonds"), pursuant to a Bond Resolution of the Issuer duly adopted September 24, 2007, and a Supplemental Resolution of the Issuer duly adopted September 24, 2007 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out

the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest on the Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER: Marshall County Public Service District No. 4
P.O. Box 709
Moundsville, West Virginia 6041
Attention: Chairman

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

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

9. 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 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.

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

By: _____
Its: Chairman

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

04.07.07
553380.00001

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.

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

By: _____
Its: Chairman

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

04.07.07
553380.00001

EXHIBIT A

Bond Legislation included in bond transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION

(See attached)

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

Huntington

STATEMENT OF REGISTRAR'S FEES
Invoice Date September 26, 2007

Marshall County Public Service District No. 4
Account Number 6089001809

Marshall County Public Service District No. 4
Water Revenue Bond, Series 2007 B
C/o John C. Stump
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

****

FEE CALCULATION FOR September, 2007

****

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 . . . . . .*

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

PWSID#: WV3302609

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

CAPITOL and WASHINGTON STREETS, 1 DAVIS SQUARE, SUITE 200 CHARLESTON, WEST VIRGINIA 25301
TELEPHONE 304-558-2981

PERMIT

PROJECT: (Water) Water Line Extension Project PERMIT NO.: 17,025

LOCATION: Cameron and Rocklick COUNTY: Marshall DATE: 4-18-2006

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

Marshall County Public Service District #4
P. O. Box 709
Moundsville, West Virginia 26041

is hereby granted approval to: amend and modify Permit No. 15,785, issued September 17, 2003, for major water line extensions and a new water treatment plant for the Marshall County Public Service District #4. Major modifications will be the elimination of the water treatment plant; the replacement of the Robert's Ridge water booster station with a new 190 G.P.M. duplex booster station; replacing the pumps, valves and electrical controls in the Middle Grave Creek and Fork Ridge #2 water booster stations; relocating the 50 G.P.M. duplex Cameron ridge water booster station; adding a 107 G.P.M. duplex Bowman's Ridge water booster station; converting the Rocklick hydropneumatic water booster station to a conventional 94 G.P.M. duplex water booster station; downsizing the Rocklick water storage tank from a 363,000 gallon tank to a 105,000 gallon tank; adding a pressure reducing station; adding radio telemetry/SCADA system for all water storage tanks; and changing the total size and length of new water lines. There will now be approximately 110 LF of 10", 9,415 LF of 8", 92,725 LF of 6", 58,765 LF of 4", 50,920 LF of 3" and 29,990 LF of 2" water line.

NOTE: **This permit is contingent upon all unchanged conditions and requirements of Permit No. 15,785 remaining in effect.**

The Environmental Engineering Division of the OEHS-Wheeling District Office, telephone number (304) 238-1145, is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR

William S. Herold, Jr., P.E., Assistant Manager
Infrastructure and Capacity Development
Environmental Engineering Division

WSH:emt

pc: Cerrone Associates
James W. Ellars, P.E., PSD Division, PSC
Amy Swann, PSC
Marshall County Health Department
OEHS-EED Wheeling District Office

RUS BULLETIN 1780-27
(Automated 8-97)

FORM APPROVED
OMB No. 0575-0075

2004 COPY

LOAN RESOLUTION
(Public Bodies)

A RESOLUTION OF THE **Board**

OF THE **Marshall County Public Service District No. 4**

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS **Water**

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the **Marshall County Public Service District No. 4**
(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 THREE HUNDRED TWENTY-EIGHT THOUSAND THREE HUNDRED AND XX / 100

pursuant to the provisions of **Article 13A, Chapter 16, 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 instructions, 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

11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities, and replacement of short lived assets.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed $ **$ 1,446,700.00**

under the terms offered by the Government; that the **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.

The vote was: Yeas 3 Nays 0 Absent 0

IN WITNESS WHEREOF, the **Board** of the

Marshall County Public Service District No. 4 has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this 8/9/04 day of

Marshall County Public Service District No. 4

(SEAL)

By **David L. Glover, Chairman**

Attest:

Donna J. Crawford

Donna J. Crawford

Title Secretary

Title

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as Secretary of the **Marshall County Public Service District No. 4** hereby certify that the **Board** of such Association is composed of 3 members, of whom 3 constituting a quorum, were present at a meeting thereof duly called and held on the 9th day of August, 2004; and that the foregoing resolution was adopted at such meeting by the vote shown above, I further certify that as of September 26, 2007, the date of closing of the loan from the United States Department of Agriculture, said resolution remains in effect and has not been rescinded or amended in any way.

Dated, this 26th day of September, 2007

Donna Crawford

Donna Crawford

Title Secretary

AUG 0 5 1998

COPY

Water and Waste System Grant Agreement

United States Department of Agriculture

Rural Utilities Service

THIS AGREEMENT dated AUG 0 3 1998, _____, between

Marshall County Public Service District No. 4

a public corporation organized and operating under

Article 13A, Chapter 16, 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) (~~waste~~) system to serve the area under its jurisdiction at an estimated cost of $ 6,596,790 and has duly authorized the undertaking of such project.

Grantee is able to finance not more than $ 5,150,090 of the development costs through revenues, charges, taxes or assessments, or funds otherwise available to Grantee resulting in a reasonable user charge.

Said sum of $ 5,150,090 has been committed to and by Grantee for such project development costs.

Grantor has agreed to grant the Grantee a sum not to exceed $ 1,446,700 or 45 percent of said project development costs, whichever is the lesser, subject to the terms and conditions established by the Grantor. Provided, however, that the proportionate share of any grant funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the Conditions of the grant.

As a condition of this grant agreement, the Grantee assures and certifies that it is in compliance with and will comply in the course of the agreement with all applicable laws, regulations, Executive orders and other generally applicable requirements, including those set out in 7 CFR 3015.205(b), which hereby are incorporated into this agreement by reference, and such other statutory provisions as are specifically set forth herein.

NOW, THEREFORE, In consideration of said grant by Grantor to Grantee, to be made pursuant to Section 306(a) of The Consolidated Farm and Rural Development Act for the purpose only of defraying a part not to exceed 45 percent of the project development costs, as defined by applicable Rural Utilities Service instructions.

Grantee Agrees That Grantee Will:

A. Cause said project to be constructed within the total sums available to it, including said grant, in accordance with the project plans and specifications and any modifications thereof prepared by Grantee and approved by Grantor.

3. When the real property is no longer needed as provided in 1 and 2 above, the Grantee shall request disposition instructions from the Grantor agency or its successor Federal agency. The Grantor agency shall observe the following rules in the disposition instructions:

(a) The Grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original project to the fair market value of the property.

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor agency. When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.
[Revision 1, 04/17/1998]

(c) The Grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee's percentage of participation in the cost of the program or project to the current fair market value of the property.

This Grant Agreement covers the following described real property (use continuation sheets as necessary).

The construction of a new 560 gpm water treatment plant, a 365,000 gallon transfer tank, a 263,000 and 108,000 gallon water storage tanks, a 50 gpm booster station, approximately 268,000 LF of various size waterline, fire hydrants, values and other appurtenances necessary to provide potable water service to the City of Cameron, approximately 342 potential new customers and the existing customers of PSD.

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.

(c) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented.

(d) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(e) Proper sales procedures shall be established for unneeded equipment which would provide for competition to the extent practicable and result in the highest possible return.

This Grant Agreement covers the following described equipment(use continuation sheets as necessary).

None

M. Provide Financial Management Systems which will include:

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.

2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.

3. Effective control over and accountability for all funds, property and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.

4. Accounting records supported by source documentation.

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

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

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

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

Termination of This Agreement

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

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

Chairman

attested and its corporate seal affixed by its duly authorized

Secretary

Attest:

Marshall County Public Service District No. 4

By David L. Glover

(Title) Chairman

By Donna J. Crawford

(Title) Secretary

UNITED STATES OF AMERICA

RURAL UTILITIES SERVICE

By Virginia M. McDonald Rural Development Specialist

Virginia M. McDonald (Title)

9/26/07

U.S. ENVIRONMENTAL PROTECTION AGENCY

Grant Agreement

ASSISTANCE ID NO.			DATE OF AWARD
PRG	DOC ID	AMEND#	JUN 2 2006
XP -	97337201	- 0	
TYPE OF ACTION: New			MAILING DATE: [redacted] - 6 2006
PAYMENT METHOD: Reimbursement			ACH#

RECIPIENT TYPE: Special District	Send Payment Request to: WV Bureau for Public Health
RECIPIENT: Marshall County PSD #4 P O Box 709 Moundsville, WV 26041 EIN: 55-0526736	PAYEE: Marshall County PSD #4 PO Box 709 Moundsville, WV 26041

PROJECT MANAGER	EPA PROJECT OFFICER	EPA GRANT SPECIALIST
T. Scott Hicks P O Box 709 Moundsville, WV 26041 E-Mail: hicks@belomar.org Phone: 304-242-1800	BruceA Smith 1650 Arch Street, 3WP21 Philadelphia, PA 19103-2029 E-Mail: Smith Brucea@epamail.epa.gov Phone: 215-814-5770	Nancy Schruby Grants and Audit Management Branch, 3PM70 E-Mail: Schruby.Nancy@epamail.epa.gov Phone: 215-814-5414

PROJECT TITLE AND DESCRIPTION

MARSHALL COUNTY WATER LINE EXTENSION PROJECT

An award for the extension of the District's existing drinking water system consisting of the construction of approximately 45 miles of 2" to 12" drinking waterlines, 2 storage tanks, and 3 booster stations to serve 12 areas in the District that currently utilize private wells and springs.

BUDGET PERIOD	PROJECT PERIOD	TOTAL BUDGET PERIOD COST	TOTAL PROJECT PERIOD COST
06/01/2006 - 12/31/2007	06/01/2006 - 12/31/2007	$1,749,455.00	$1,749,455.00

NOTE: The Agreement must be completed in duplicate and the Original returned to the appropriate Grants Management Office listed below, within 3 calendar weeks after receipt or within any extension of time as may be granted by EPA. Receipt of a written refusal or failure to return the properly executed document within the prescribed time, may result in the withdrawal of the offer by the Agency. Any change to the Agreement by the Recipient subsequent to the document being signed by the EPA Award Official, which the Award Official determines to materially alter the Agreement, shall void the Agreement.

OFFER AND ACCEPTANCE

The United States, acting by and through the U.S. Environmental Protection Agency (EPA), hereby offers Assistance/Amendment to the Marshall County PSD #4 for 55.00 % of all approved costs incurred up to and not exceeding $962,200 for the support of approved budget period effort described in application (including all application modifications) cited in the Project Title and Description above, signed 10/03/2005 included herein by reference.

ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)	AWARD APPROVAL OFFICE
ORGANIZATION / ADDRESS	ORGANIZATION / ADDRESS
US EPA Region 3, 3PM70 1650 Arch Street Philadelphia, PA 19103-2029	U.S. EPA, Region 3 Water Protection Division 3WP00 1650 Arch Street Philadelphia, PA 19103-2029

THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY

SIGNATURE OF AWARD OFFICIAL	TYPED NAME AND TITLE	DATE
[signature]	James W. Newsom, ARA for Policy and Management	JUN 2 2006

This agreement is subject to applicable U.S. Environmental Protection Agency statutory provisions and assistance regulations. In accepting this award or amendment and any payments made pursuant thereto, (1) the undersigned represents that he is duly authorized to act on behalf of the recipient organization, and (2) the recipient agrees (a) that the award is subject to the applicable provisions of 40 CFR Chapter 1, Subchapter B and of the provisions of this agreement (and all attachments), and (b) that acceptance of any payments constitutes an agreement by the payee that the amounts, if any found by EPA to have been overpaid will be refunded or credited in full to EPA.

BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION

SIGNATURE	TYPED NAME AND TITLE	DATE
[signature]	David Lee Glover, Chairman of the Board	6/15/06

MARSHALL COUNTY COMMISSION

MEMBERS
HOWARD L. BYARD
RICHARD E. HARTLEY
DONALD K. MASON
COUNTY CLERK
NORMA GLOVER SINE

P. O. DRAWER
B

MOUNDSVILLE, W. VA. 26041

REGULAR SESSIONS
FIRST TUESDAY
JANUARY
APRIL
JULY
OCTOBER

TELEPHONE
845-0482 OR 845-1220
FAX 845-0283

June 1, 1999

Mr. David Glover, Chairman
Marshall County Public Service District Number Four
P.O. Box 709
Moundsville, WV 26041

Dear Mr. Glover:

The Marshall County Commission reaffirms its financial support for the Marshall County Public Service District Number Four Southern Waterline Extension Project. County funds totaling $150,000 have been committed to pay for project design work, $50,000 out of FY1999 funds and $100,000 from FY2000 funds.

We wish the District the best of luck in securing funding for this most worthwhile endeavor.

Sincerely,

R. E. "Slim Lehart" Hartley

R. E. "Slim Lehart" Hartley
President, Marshall County Commission

Howard L. (Bicoe) Byard

Howard L. Byard
County Commissioner

Donald K. Mason

Donald K. Mason
County Commissioner

REH/lk
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STATE OF WEST VIRGINIA
OFFICE OF THE GOVERNOR
CHARLESTON 25305

CECIL H. UNDERWOOD
GOVERNOR

February 8, 2000

The Honorable R. E. "Slim Lehart" Hartley
President
Marshall County Commission
Post Office Drawer B
Moundsville, West Virginia 26041

Dear Commissioner Hartley:

Thank you for your application to the Small Cities Block Grant Program for fiscal year 1999.

Your request has been approved in the amount of $1,175,000. These funds will enable you to extend water service to six different areas of Marshall County.

In order to effectively use the limited dollars available, I hereby commit $275,000 from our fiscal year 1999 allocation that will immediately be available to you. The remaining $900,000 necessary to complete this project will be evaluated and committed in the coming year. I encourage you to expedite this project and reach its completion as quickly as possible with this funding strategy in mind.

The West Virginia Development Office, Community Development Division staff, will contact you to complete the necessary contracts in order to proceed with your project.

The West Virginia Development Office reserves the right to withdraw these funds if your project does not proceed on schedule. These funds would be replaced with a letter of Intent for consideration from future allocations.

I am pleased to assist with these improvements for Marshall County.

Very sincerely,

Cecil H. Underwood

CHU:sws

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

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

RECEIPT OF DEPOSITORY BANK

The undersigned duly authorized representative of BRANCH BANKING & TRUST COMPANY, Moundsville, West Virginia (the "Bank"), hereby certifies that on September 26, 2007, the Bank received an automated transfer in the amount of $94,700 to the credit of the Series 2007 Bonds Construction Trust Fund, Account Number 5174715221.

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

BRANCH BANKING & TRUST COMPANY

By: _____
Its: Authorized Officer

04.07.07
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ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 09/19/2007

PRODUCER (304)375-4900 FAX (304)375-5843
Bill Bailey Insurance Agency
701 Highland Avenue
P. O. Box 246
Williamstown, WV 26187

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.

INSURED Marshall County PSD #4
PO Box 709
Moundsville, WV 26041

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	SK9201120-00	03/28/2007	03/28/2008	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,00 $ 1,000,00 $ 5,00 $ 1,000,00 $ 3,000,00 $ 3,000,00
A		AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS	SA8053207-00	03/28/2007	03/28/2008	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,00 $ $ $
		GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EA ACC AGG	$ $ $
A		EXCESS/UMBRELLA LIABILITY X OCCUR CLAIMS MADE DEDUCTIBLE RETENTION $	SX9201120-00	03/28/2007	03/28/2008	EACH OCCURRENCE AGGREGATE	$ 1,000,00 $ $ $ $
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ $ $ $
		OTHER					

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
The certificate holder listed below is added as an additional insured to these policies.

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 30 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 Ronald D. Shotwell

©ACORD CORPORATION 19

CLOSING MEMORANDUM

To: **Financing Team**

From: **John C. Stump, Esquire**

Date: **September 26, 2007**

Re: **Marshall County Public Service District No. 4 Water Revenue Bonds, Series 2007 A (United States Department of Agriculture) and Water Revenue Bonds, Series 2007 B (West Virginia DWTRF Program)**

DISBURSEMENTS TO MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

A.

Payor:	United States of America, Department of Agriculture
Source:	Series 2007 A Bond Proceeds
Amount:	$94,700
Form:	ACH Transfer
Payee:	Marshall County Public Service District No. 4
Bank:	Branch Banking & trust Company
Routing #:	051503394
Account #:	5174715221
Contact:	Ashlie Haglock 304.845.2470
Account:	Series 2007 A Bonds Construction Trust Fund

B.

Payor:	West Virginia DWTRF Program
Source:	Series 2007 B Bond Proceeds
Amount:	$40,625
Form:	Wire Transfer
Payee:	Marshall County Public Service District No. 4
Bank:	Branch Banking & Trust Compnay
Routing #:	051503394
Account #:	5175576357
Contact:	Ashlie Haglock 304,845.2470
Account:	Series 2007 B Bonds Construction Trust Fund

C.	Payor:	West Virginia Infrastructure Fund
	Source:	Infrastructure Fund Grant
	Amount:	$40,000
	Form:	Wire Transfer
	Payee:	Marshall County Public Service District No. 4
	Bank:	Branch Banking & Trust Compnay
	Routing #:	051503394
	Account #:	5175617673
	Contact:	Ashlie Haglock 304,845.2470

04.07.07
553380.00001

OCT 2005
NOV 21 2005

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the 3rd day of October, 2005, between Marshall County Public Service District #2, hereinafter referred to as the "Seller" and Marshall County Public Service district #4, hereinafter referred to as the "Purchaser"

WITNESSETH:

WHEREAS, the Purchaser is organized and established under the provisions of The West Virginia Code for the purpose of constructing and operating a water supply distribution system serving water users within the area described in plans now on file in the office of the Purchaser and to accomplish this purpose, the Purchaser will require a supply of treated water and

WHEREAS, by resolution of the Board of Marshall County Public Service District #2 and attested by its Secretary, Seller agrees to sell and deliver to Purchaser under the terms and conditions of this contract.

WHEREAS, by resolution of the Board of Marshall County Public Service District #4 and attested by its Secretary, Purchaser agrees to purchase water from Seller under terms and conditions of this contract.

A. **The Seller Agrees:**

1. (**Quality and Quantity**) To furnish the Purchaser at the point of delivery hereinafter specified during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the West Virginia Bureau of Public Health in such quantity as may be required by the Purchaser.

2. (**Point of Delivery and Pressure**) That water will be furnished at a reasonably constant pressure calculated at 60 PSI from an existing eight (8) inch main supply at a point located at the intersection of Sentimental Acres and Roberts Ridge Road. If a greater pressure than that normally available at the point of delivery is required by the Purchaser, the cost of providing such greater pressure shall be borne by Purchaser. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire

EXHIBIT
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and use of water to fight fire, earthquake or other catastrophe shall excuse Seller from this provision for such reasonable period of time as may be necessary to restore service.

3. **(Metering Equipment)** To furnish, install, operate and maintain at its own expense at point of delivery, the necessary metering equipment, including a metering house or pit, and required devices of standard type for properly measuring the quantity of water delivered to the Purchaser and to calibrate such metering equipment whenever requested by the Purchaser but not more than two percent (2%) above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the six (6) months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless Seller and Purchaser shall agree upon a different amount. The metering equipment shall be read on or before the last day of the month. An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings.

4. **(Billing Procedure)** To furnish the Purchaser not later than the tenth (10th) day of each month, with an itemized statement of the amount of water furnished to the Purchaser during the preceding month.

B. **<u>The Purchaser Agrees:</u>**

1. **(Rates and Payment Date)** To pay the Seller, not later than the last day of each month, for water delivered in accordance with the following schedule of rates:

   a. $1.14 per 1000 for the first four (4) million gallons
   b. $1.14 per 1000 in excess of four (4) million gallons
   c. No minimum usage is required

2. **(Connection Fee)** To pay as an agreed cost, a reconnection fee in the amount of ten-thousand dollars ($10,000) which will be utilized at the discretion of the Seller.

C. **<u>It is further mutually agreed between Seller and Purchaser as Follows:</u>**

1. **(Term of Contract)** That this contract shall extend for a term of forty (40) years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.

2. **(Delivery of Water)** That thirty (30) days prior to the estimated date of completion of the PSD #4's booster station, the Purchaser will notify the Seller in writing of the date for the initial delivery of water under the terms of this contract. Upon completion of the new booster station the terms and conditions of the contract will be in full force and effect. Until such time, the previous contract will remain in effect.

3. **(Failure to Deliver)** that the Seller will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the Purchaser with quantities of water required by the Purchaser. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply of water to Purchaser's consumers shall be reduced or diminished in the same ratio or proportion as the supply to Seller's consumers is reduced or diminished.

4. **(Modification of Contract)** That the provisions of this contract pertaining to the schedule of rates to be paid by the Purchaser for water delivered are subject to modification at the end of every forty (40) year period. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of performance hereunder, but such costs shall not include increased capitalization of the Seller's system. Other provisions of this contract may be modified or altered by mutual agreement.

5. **(Regulatory Agencies)** That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

6. **(Miscellaneous)** That the construction of the water supply distribution system by the Purchaser is being financed by a loan made or insured by and/or a grant from, the United States of America, acting through Rural Development of the United States Department of Agriculture, and the provisions hereof pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing, of the State Director of Rural Development.

7. **(Successor to the Purchaser)** That in the event of any occurrence rendering the Purchaser incapable of performing under this contract, any successor of the Purchaser, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed on three (3) counterparts, each of which shall constitute an original.

SELLER:

PSD #2

By

Title Chairman

ATTEST:

Secretary

PURCHASER:

Chairman PSD #4

By

Title Chairman

ATTEST:

Donna J. Crawford

Secretary

This contract is approved on behalf of Rural Development this 4th day of January 2006.

By Robert M. Steptoe, III

Title State Director

AMENDMENT TO WATER PURCHASE CONTRACT
DATED JULY 11, 2007
BETWEEN THE CITY OF MOUNDSVILLE
AND
THE MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

It is mutually agreed upon between the City of Moundsville (Seller) and the Marshall County Public Service District No. 4 (Purchaser) that "Part C - Item 1" of the Water Purchase Contract dated July 11, 2007 be amended to read as follows:

1. (Term of Contract) That this Contract shall extend until September 26, 2047, and thereafter be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.

IN WITNESS WHEREOF, the parties hereto, acting under the authority of their respective governing bodies, have caused this Contract to be duly executed in four counterparts, each of which shall constitute an original.

Seller:

CITY OF MOUNDSVILLE

By: _____
Acting City Manager

Attest: _____
City Clerk

Purchaser:

MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4

By: _____
Chairman

Attest: _____
Secretary

WATER PURCHASE CONTRACT

This Contract for the sale and purchase of water is entered into as of the 17th day of September, 1982, between the City of Moundsville, a body corporate and politic, with offices at 800 Sixth Street, Moundsville, West Virginia 26041, hereinafter referred to as the "Seller" and the Marshall County Public Service District No. 4, Box 146, R. D. #2, Moundsville, West Virginia 26041, hereinafter referred to as the "Purchaser",

WITNESSETH:

Whereas, the Purchaser is organized and established under the provisions of Chapter 16, Article 13A of the Code of West Virginia, for the purpose of constructing and operating a water supply distribution system serving water users within the area described in plans now on file in the office of the Purchaser, and to accomplish this purpose, the Purchaser will require a supply of treated water, and

Whereas, the Seller owns and operates a water supply distribution system with a capacity currently capable of serving the present customers of the Seller's system and the estimated number of water users to be served by the said Purchaser as shown in the plans of the system now on file in the office of the Purchaser, and

Whereas, by Resolution No. _____ enacted on the 23rd day of August, 1982, by the Seller, the sale of water to the Purchaser in accordance with the provisions of the said Resolution was approved, and the execution of this Contract carrying out the said Resolution by the City Manager, and attested by the City Clerk, was duly authorized, and

Whereas, by Resolution of the Governing Board of the Purchaser, enacted on the 1st day of September, 1982, the purchase of water from the Seller in accordance with the terms set forth in the said Resolution was approved, and the execution of

EXHIBIT U

this Contract by the Chairman, and attested by the Secretary, was duly authorized;

Now, Therefore, in consideration of the foregoing and the mutual agreements hereinafter set forth,

A. The Seller Agrees:

1. (Quality and Quantity) To furnish the Purchaser at the points of delivery hereinafter specified in Paragraph A-2, during the term of this Contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the State Department of Health, State of West Virginia, in such quantity as may be required by the Purchaser, not to exceed 3.6 million gallons per month.

The Purchaser (Marshall County Public Service District No. 4) shall provide to the City of Moundsville each January 1, April 1, July 1, and October 1, during the term of this Agreement, a listing of the number of residential customers served under this Contract, and the names and quantities of water consumed by all non-residential customers.

At such time as the actual quantity of water used by non-residential customers, and the quantity of water used by residential customers, calculated on the basis of one hundred fifty (150) gallons per day, per residential unit--or the latest edition of American Water Works Association estimates--reach ninety percent (90%) of the authorized quantities of water for sale under this Agreement, then in such event, the said Purchaser shall advise the City of Moundsville of plans for provision of additional water service for future customers.

Until water storage or other provisions acceptable to the City of Moundsville's Engineer are constructed, or the City advises the Purchaser that sufficient additional water is available, service shall not be provided to new customers of the Purchaser from the sources of water provided for in this Agreement

when such service demands of non-residential customers and actual or calculated demands of residential customers exceed 3.6 million gallons per month.

2. (Points of Delivery and Pressure) That water will be furnished at a reasonably constant pressure of 60 to 80 psi at two separate points of connection:

(a) Connection to an existing 6 inch water main located near the Marshall County Fairgrounds at the intersection of Seventh Street and Myrtle Avenue. Master meter located 25 feet south of the point of connection. This is the point of connection presently in use by Purchaser and it will remain in use.

(b) Connection to an existing 8 inch water main located at the intersection of Poplar Avenue and the alley running parallel to Fourth Street between Fourth and Ohio Streets. Master meter to be located 25 feet east of the point of connection in said Alley; which point of connection and master meter are to be constructed as part of the District's 1982 Water System Extension and Improvements Project. The making of the tap and construction of the line, master meter and appurtenances from the point of connection shall be done by the Purchaser.

If a greater pressure than that normally available at the point of delivery is required by the Purchaser, the cost of providing such greater pressure shall be borne by the Purchaser. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

3. (Billing Procedure) To furnish the Purchaser at the above address not later than the 10th day of each month, with an itemized statement of the amount of water furnished the Purchaser during the preceding month.

B. The Purchaser Agrees:

1. (Rates and Payment Date) To pay the Seller, not later than the last legal day of each month, for water delivered in accordance with the following schedule of rates:

(a) Forty-Six Cents (46¢) per thousand gallons.

(b) The above rate shall be applicable to all water furnished after June 1, 1981.

2. (Metering Equipment) To operate, and maintain at its own expense at points of delivery, the necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring the quantity of water delivered to the Purchaser. Purchaser or Seller, at their own expense, may have the meters calibrated whenever desired, but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the three (3) months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless Seller and Purchaser shall agree upon a different amount. The metering equipment shall be read on the last legal day of each month. An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings.

C. It Is Further Mutually Agreed Between The Seller and The Purchaser As Follows:

1. (Term of Contract) That this Contract shall extend for a term of 40 years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the

Purchaser after completion of Purchaser's 1982 Extension and Improvement Project, and thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser. Unless renewed or extended as herein provided, the 40 year term of this Contract shall not extend beyond January 1, 2024.

2. (Delivery of Water) That 15 days prior to the estimated date of completion of construction of the Purchaser's 1982 Extension and Improvement Project, the Purchaser will notify the Seller in writing the date for the initial delivery of water, from the point of delivery at Poplar Avenue. The delivery of water to Purchaser shall continue from the point of delivery near the Marshall County Fairgrounds, which point of delivery serves Purchaser's existing system.

3. (Water for Testing) When requested by the Purchaser, the Seller will make available to the contractor at the point of delivery, or other point reasonably close thereto, water sufficient for testing, flushing, and trench filling the system of the Purchaser during construction, irrespective of whether the metering equipment has been installed at that time, at a flat charge of $0.46 per thousand gallons which will be paid by the contractor or, on his failure to pay, by the Purchaser.

4. (Failure to Deliver) That the Seller will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the Purchaser with quantities of water required by the Purchaser. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply of water to Purchaser's consumers shall be reduced or diminished in the same ratio or proportion as the supply to Seller's consumers is reduced or diminished.

5. That the provisions of this Contract pertaining to the schedule of rates to be paid shall be subject to any change authorized by State Law or approved or authorized by the West Virginia Public Service Commission. Other provisions of this Contract may be modified or altered by mutual agreement.

6. (Regulatory Agencies) That this Contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the Seller will cooperate in the Purchaser's attempts to obtain such permits, certificates, or the like, as may be required to comply therewith.

7. (Miscellaneous) That the construction of the water supply distribution system by the Purchaser is being financed by a loan made or insured by, and/or a grant from, the United States of America, acting through the Farmers Home Administration of the United States Department of Agriculture, and the provisions hereof pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing, of the State Director of the Farmers Home Administration.

8. (Successor to the Purchaser) That in the event of any occurrence rendering the Purchaser incapable of performing under this Contract, any successor of the Purchaser, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder.

9. This Contract supercedes all previous contracts between Marshall County Public Service District No. 4 and The Board of Water Commissioners of the City of Moundsville, and/or the City of Moundsville. Any and all prior contracts by Marshall County Public Service District No. 4 and The Board of Water Commissioners of the City of Moundsville and/or the City of Moundsville are hereby cancelled and annulled.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this

Contract to be duly executed in four counterparts, each of which shall constitute an original.

Seller:

City of Moundsville

By _____
Its City Manager

Attest:

_____
City Clerk

Purchaser:

Marshall County Public Service
District No. 4

By _____
Its Chairman

Attest:

_____
Secretary

This Contract is approved on behalf of the Farmers Home Administration this 22ND day of SEPTEMBER, 1982.

By _____

Title ENGINEER

WATER PURCHASE CONTRACT AMENDMENT NO. 2

This Water Purchase Contract Amendment No. 2 is entered into as of the 6th. day of September, 1988, between the City of Moundsville, a municipal corporation of the State of West Virginia, hereinafter referred to as Seller, and Marshall County Public Service District No. 4, a public corporation of the State of West Virginia, hereinafter referred to as Buyer.

WITNESSETH:

Whereas, the parties entered into a Water Purchase Contract dated September 17, 1982, for the sale and purchase of water; and

Whereas, said Contract was amended by Water Purchase Contract Amendment dated July 22, 1986; and

Whereas, the parties desire to further amend said Contract by amending Section A-1 and Section C-1 of said Contract;

NOW, THEREFORE, in consideration of the foregoing, and the mutual agreements hereinafter set forth,

The Seller and Buyer mutually agree:

1. Said Contract dated September 17, 1982 is hereby amended so that the first paragraph of Section A-1 reads as follows:

A. The Seller Agrees:

1. (Quality and Quantity) To furnish the Purchaser at the points of delivery hereinafter specified in Paragraph A-2, during the term of this Contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the State Department of Health, State of West Virginia, in such quantity as may be required by the Purchaser, not to exceed Six and One-Half (6 1/2) million gallons per month.

2. The remainder of said Section A-1 shall remain the same.

3. Said Contract dated September 17, 1982 is hereby further amended so that Section C-1 reads as follows:

C. It Is Further Mutually Agreed Between The Seller and The Purchaser As Follows:

1. (Term of Contract) That this Contract shall extend for a term of 40 years from the date of completion of Purchaser's

DON A. BARR
ATTORNEY AT LAW
MOUNDSVILLE, W. VA.

EXHIBIT V

1987 Extension Project, and thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser. Unless renewed or extended as herein provided, the 40 year term of this Contract shall not extend beyond January 1, 2031.

4. All other provisions of said Contract dated September 17, 1982 shall remain in full force and effect, as previously amended.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this Contract to be duly executed in two counterparts, each of which shall constitute an original.

CITY OF MOUNDSVILLE,
a municipal corporation

By _____
Its City Manager

Attest:

_____
Clerk

MARSHALL COUNTY PUBLIC
SERVICE DISTRICT NO. 4

By _____
Chairman

Attest:

_____
Secretary

IC-2

(7/30/01)

GRANT AGREEMENT

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 MARSHALL COUNTY PUBLIC SERVICE DISTRICT NO. 4 (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 $1,500,000 (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.

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.

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 Governmental Agency will use the proceeds of the Grant only for the purposes specifically set forth in Exhibit A.

5. 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.

6. The Governmental Agency acknowledges that the Grant may be reduced, from time to time, to reflect actual Project costs and availability of other funding.

7. 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.

8. 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.

MARSHALL COUNTY PUBLIC
SERVICE DISTRICT NO. 4

By: _____
Its: Chairman
Date: September 26, 2007

(SEAL)

Attest:
Donna Crawford
Its: Secretary

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

By: _____
Its: Director
Date: September 26, 2007

(SEAL)

Attest:
Barbara B Meadows
Its: Secretary-Treasurer

{C1245887.1}

Exhibit A

Project Description

The Project consists of the acquisition and construction of certain improvements and extensions to the existing public waterworks system of the Issuer consisting of approximately 45 miles of waterline, two water storage tanks, three pumping stations and improvements to the existing system, together with all appurtenant facilities.