MINGO COUNTY PUBLIC SERVICE DISTRICT

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

BOND TRANSCRIPT

Closing Date: January 17, 2012

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MINGO COUNTY PUBLIC SERVICE DISTRICT

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(United States Department of Agriculture)

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MINGO COUNTY PUBLIC SERVICE DISTRICT

RESOLUTION

RESOLUTION AUTHORIZING THE CONSTRUCTION OF CERTAIN PUBLIC SERVICE PROPERTIES CONSISTING OF ADDITIONS, IMPROVEMENTS AND EXTENSIONS TO THE EXISTING WATERWORKS SYSTEM OF MINGO COUNTY PUBLIC SERVICE DISTRICT, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $1,429,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 A (UNITED STATES DEPARTMENT OF AGRICULTURE); DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT

BE IT RESOLVED AND ORDERED BY THE PUBLIC SERVICE BOARD OF MINGO COUNTY PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. Mingo County Public Service District (the "Issuer") is a public corporation, public service district and political subdivision of the State of West Virginia in Mingo County of said State, duly created pursuant to the Act by The County Commission of Mingo 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 prior construction to the System be permanently financed, and that there be constructed and designed certain additions, improvements and extensions to the existing waterworks facilities of the Issuer, consisting of construction of one 120,000-gallon water tank, one booster pump station, 36,800 l.f. of 8-inch, 11,700 l.f. of 6-inch, 6,500 l.f. of 2-inch and 5,200 l.f. of 3/4-inch diameter water line, together with all necessary appurtenant facilities (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Secretary of the Public Service Board (the "Governing Body") of the Issuer. The existing waterworks facilities of the Issuer, together with the Project and any further additions, improvements or extensions thereto, are herein called the "System." The Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

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

D. The estimated maximum cost of the Project is $4,355,000 of which $1,429,000 will be obtained from the proceeds of sale of the Series 2012 A Bonds, herein authorized and $2,926,000 will be obtained from a grant from the Purchaser.

E. The Issuer intends to permanently finance a portion of the costs of the Project through the issuance of its Water Revenue Bonds, Series 2012 A (United States Department of Agriculture), in the aggregate principal amount of $1,429,000 (the "Series 2012 A Bonds"), to permanently finance a portion of the cost of such construction in the manner herein provided, and pay the costs of issuances thereof. The cost of such acquisition and construction shall be deemed to include, without being limited to, the acquisition and construction of the Project; the cost of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; interest on the Series 2012 A Bonds; engineering, fiscal agents and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; and 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; 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 Series 2012 A Bonds as to liens, pledge and source of and security for payment being the Issuer's: (i) Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), dated August 28,

2000, issued in the original aggregate principal amount of $2,200,000 (the "Series 2000 A Bonds"); (ii) Water Revenue Bonds, Series 2000 B (United States Department of Agriculture), dated August 28, 2000, issued in the original aggregate principal amount of $2,000,000 (the "Series 2000 B Bonds"); (iii) Water Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), dated August 28, 2000, issued in the original aggregate principal amount of $2,853,436 (the "Series 2000 C Bonds"); (iv) Water Revenue Bonds, Series 2000 D (West Virginia Water Development Authority), dated August 28, 2000, issued in the original aggregate principal amount of $715,000 (the "Series 2000 D Bonds"); (v) Water Revenue Bonds, Series 2000 E (West Virginia Infrastructure Fund), dated August 28, 2000, issued in the original aggregate principal amount of $8,916,818 (the "Series 2000 E Bonds"); (vi) Water Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), dated March 9, 2001, issued in the original aggregate principal amount of $837,540 (the "Series 2001 A Bonds"); (vii) Water Revenue Bonds, Series 2010 A (United States Department of Agriculture), dated January 12, 2010, issued in the original aggregate principal amount of $1,450,000 (the "Series 2010 A Bonds"); (viii) Water Revenue Bonds, Series 2011 A (United States Department of Agriculture), dated February 10, 2011, issued in the original aggregate principal amount of $1,986,000 (the "Series 2011 A Bonds"); and (ix) Water Revenue Bonds, Series 2011 B (United States Department of Agriculture), dated February 10, 2011, issued in the original aggregate principal amount of $222,000 (the "Series 2011 B 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 2012 A 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.

Prior to the issuance of the Series 2012 A Bonds, the Issuer will obtain (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 consents of the Holders of the Prior Bonds to the issuance of the Series 2012 A 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.

H. It is in the best interest of the Issuer that the Series 2012 A Bonds be sold to the Purchaser, pursuant to the terms and provisions of the Letters of Conditions, dated February 18, 2010, and all amendments thereto, if any (collectively, the "Letter of Conditions").

I. The Issuer has complied with all requirements of law relating to the authorization of the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2012 A Bonds, or will have so complied prior to issuance of the Series 2012 A Bonds, including, among other things and without limitation, obtaining a certificate of public convenience and necessity and approval of the financing and necessary user rates and charges from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired or shall have been duly waived or otherwise provided for.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2012 A Bonds by those who shall be the Registered Owner of the same from time to time, this Resolution (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Series 2012 A Bonds.

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

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

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

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

"Bonds" means, collectively, the Series 2012 A Bonds and the Prior Bonds.

"Chairman" means the Chairman of the Governing Body.

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

"Consulting Engineer" means E. L. Robinson Engineering Co., Charleston, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

"Costs" or "Costs of the Project" means those costs described in Section 1.02 (E) hereof.

"Depository Bank" means Branch Banking & Trust, Kermit, Mingo County, West Virginia, a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns.

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

"FDIC" means the Federal Deposit Insurance Corporation.

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

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

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

"Grants" means, collectively, all grants committed for the Project.

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

"Issuer," "Borrower" or "District" means Mingo County Public Service District, a public service district, a public corporation and a political subdivision of the State of West Virginia, in Mingo County, West Virginia, and includes the Governing Body.

"Letter of Conditions" means, collectively, the Letter of Conditions of the Purchaser dated February 18, 2010, and all amendments thereto, if any.

"Minimum Reserve" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2012 A Bonds in the then current or any succeeding year.

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

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

"Prior Bonds" means, collectively, the Series 2000 A Bonds, Series 2000 B Bonds, Series 2000 C Bonds, Series 2000 D Bonds, Series 2000 E Bonds; Series 2001 A Bonds; Series 2010 A Bonds; Series 2011 A Bonds and Series 2011 B Bonds.

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

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

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

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

(a) Government Obligations;

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

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

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

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC (hereinbefore defined) or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

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

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

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

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

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

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

"RUS Bonds" means, collectively, the Series 2000 A Bonds, Series 2000 B Bonds, Series 2010 A Bonds, Series 2011 A Bonds and Series 2011 B Bonds.

"Secretary" means the Secretary of the Governing Body.

"Series 2000 A Bonds" means the Issuer's Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), dated August 28, 2000, issued in the original aggregate principal amount of $2,200,000.

"Series 2000 B Bonds" means the Issuer's Water Revenue Bonds, Series 2000 B (United States Department of Agriculture), dated August 28, 2000, issued in the original aggregate principal amount of $2,000,000.

"Series 2000 C Bonds" means the Issuer's Water Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), dated August 28, 2000, issued in the original aggregate principal amount of $2,853,436.

"Series 2000 D Bonds" means the Issuer's Water Revenue Bonds, Series 2000 D (West Virginia Water Development Authority), dated August 28, 2000, issued in the original aggregate principal amount of $715,000.

"Series 2000 E Bonds" means the Issuer's Water Revenue Bonds, Series 2000 E (West Virginia Infrastructure Fund), dated August 28, 2000, issued in the original aggregate principal amount of $8,916,818.

"Series 2001 A Bonds" means the Issuer's Water Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), dated March 9, 2001, issued in the original aggregate principal amount of $837,540.

"Series 2010 A Bonds" means the Issuer's Water Revenue Bonds, Series 2010 A (United States Department of Agriculture), dated January 12, 2010, issued in the original aggregate principal amount of $1,450,000.

"Series 2011 A Bonds" means the Issuer's Water Revenue Bonds, Series 2011 A (United States Department of Agriculture), dated February 10, 2011, issued in the original aggregate principal amount of $1,986,000.

"Series 2011 B Bonds" means the Issuer's Water Revenue Bonds, Series 2011 B (United States Department of Agriculture), dated February 10, 2011, issued in the original aggregate principal amount of $222,000.

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

"Series 2012 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 2012 A Bonds in the then current or any succeeding year.

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

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of $4,355,000, 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 project is estimated to cost $4,355,000 of which approximately $1,429,000 will be received from the proceeds of the Series 2012 A Bonds and $2,926,000 will be received as a grant from the Purchaser.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions of the Bond Legislation, the Series 2012 A Bonds of the Issuer, to be known as "Water Revenue Bonds, Series 2012 A" (United States Department of Agriculture), are hereby authorized to be issued in the aggregate principal amount of $1,429,000, for the purpose of financing a portion of the cost of the construction and design of the Project.

Section 3.02. Description of Bonds. The Series 2012 A Bonds shall be issued in single form, numbered AR-1, only as a fully registered Bond, and shall be dated the date of delivery thereof. The Series 2012 A Bonds shall bear interest from the date of delivery, payable monthly at the rate of 2.25% per annum, and shall be sold for the par value thereof. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commending 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 $4,673, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond.

The Series 2012 A Bonds shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the respective Bond forms hereinafter set forth.

Section 3.03. Negotiability, Registration, Transfer and Exchange of Bonds. The Series 2012 A Bonds shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but the Series 2012 A Bonds, and the right to principal of and stated interest on the Series 2012 A Bonds, may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.04 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Series 2012 A Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Bond Registrar.

Whenever the Series 2012 A Bonds shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Bond Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, but the Issuer shall pay any other expenses incurred by the Bond Registrar with respect to such transfer.

No registration of transfer of the Series 2012 A Bonds shall be permitted to be made after the 15th day next preceding any installment payment date on the Series 2012 A Bonds.

Section 3.04. Bond Registrar. The Issuer shall be the Bond Registrar and will keep, or cause to be kept by its agent, at its office, sufficient books for the registration and transfer of the Series 2012 A Bonds, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Series 2012 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 2012 A Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2012 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 2012 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 2012 A Bonds shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be National Finance Office, St. Louis, Missouri 63103, or such other address as shall be stated in writing to the Issuer by the United States of America.

Section 3.05. Execution of Bonds. The Series 2012 A Bonds shall be executed in the name of the Issuer by the Chairman and its corporate seal shall be affixed thereto and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 2012 A Bonds shall cease to be such officer of the Issuer before the Series 2012 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. The Series 2012 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 2012 A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bonds or in lieu of and substitution for the Bonds destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Series 2012 A Bonds so surrendered shall be canceled and held for the account of the Issuer. If the Series 2012 A Bonds shall have matured or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, and, if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2012 A Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System, on a parity with the Prior Bonds. The Net Revenues derived from the System in an amount sufficient to pay the principal of and interest on the Series 2012 A Bonds and the Prior Bonds, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2012 A Bonds and the Prior Bonds as the same become due.

Section 3.08. Form of Bond. Subject to the provisions hereof, the text of the Series 2012 A Bonds and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or by any resolution adopted after the date of adoption hereof and prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
MINGO COUNTY PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2012 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$_____

No. AR-1 Date: _____

FOR VALUE RECEIVED, MINGO COUNTY PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of _____ ($_____), plus interest on the unpaid principal balance at the rate of _____% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $_____, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

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

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

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

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

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

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

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

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13A of the West Virginia Code, as amended (the "Act"), and a Resolution of the Borrower duly adopted __ _____, 2012, authorizing issuance of this Bond (the "Resolution").

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

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

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

(I) WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,200,000 (THE "SERIES 2000 A BONDS");

(II) WATER REVENUE BONDS, SERIES 2000 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,000,000 (THE "SERIES 2000 B BONDS");

(III) WATER REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,853,436 (THE "SERIES 2000 C BONDS");

(IV) WATER REVENUE BONDS, SERIES 2000 D (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $715,000 (THE "SERIES 2000 D BONDS");

(V) WATER REVENUE BONDS, SERIES 2000 E (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $8,916,818 (THE "SERIES 2000 E BONDS");

(VI) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 9, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $837,540 (THE "SERIES 2001 A BONDS");

(VII) WATER REVENUE BONDS, SERIES 2010 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JANUARY 12, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,450,000 (THE "SERIES 2010 A BONDS");

(VIII) WATER REVENUE BONDS, SERIES 2011 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED FEBRUARY 10, 2011, ISSUED IN THE

ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,986,000 (THE "SERIES 2011 A BONDS"); AND

(IX) WATER REVENUE BONDS, SERIES 2011 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED FEBRUARY 10, 2011, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $222,000 (THE "SERIES 2011 B BONDS")

THE SERIES 2000 A BONDS, SERIES 2000 B BONDS, SERIES 2000 C BONDS, SERIES 2000 D BONDS, SERIES 2000 E BONDS; SERIES 2001 A BONDS; SERIES 2010 A BONDS; SERIES 2011 A BONDS AND SERIES 2011 B BONDS ARE COLLECTIVELY, THE "PRIOR BONDS."

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

[Remainder of Page Intentionally Blank]

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

MINGO COUNTY PUBLIC SERVICE DISTRICT

[CORPORATE SEAL]

_____
Chairman, Public Service Board

ATTEST:

_____
Secretary, Public Service Board

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

(Form of Assignment)

ASSIGNMENT

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

Dated: _____, 20___.

_____

In the presence of:

_____

ARTICLE IV

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

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

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

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

(3) Series 2012 A Bonds Project Construction Account.

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

(1) Series 2000 A Bonds Reserve Account (established by Prior Resolution and continued hereby);

(2) Series 2000 B Bonds Reserve Account (established by Prior Resolution and continued hereby);

(3) Series 2000 C Bonds Sinking Fund (established by Prior Resolution and continued hereby);

(4) Series 2000 C Bonds Reserve Account (established by Prior Resolution and continued hereby);

(5) Series 2000 D Bonds Sinking Fund (established by Prior Resolution and continued hereby);

(6) Series 2000 D Bonds Reserve Account (established by Prior Resolution and continued hereby);

(7) Series 2000 E Bonds Sinking Fund (established by Prior Resolution and continued hereby);

(8) Series 2000 E Bonds Reserve Account (established by Prior Resolution and continued hereby);

(9) Series 2001 A Bonds Sinking Fund (established by Prior Resolution and continued hereby);

(10) Series 2001 A Bonds Reserve Account (established by Prior Resolution and continued hereby);

(11) Series 2010 A Bonds Reserve Account (established by Prior Resolution and continued hereby);

(12) Series 2011 A Bonds Reserve Account (established by Prior Resolution and continued hereby);

(13) Series 2011 B Bonds Reserve Account (established by Prior Resolution and continued hereby); and

(14) Series 2012 A Bonds Reserve Account.

Section 4.02. Bond Proceeds; Project Construction Account. The proceeds of the sale of the Series 2012 A Bonds shall be deposited upon receipt by the Issuer in the Series 2012 A Bonds Project Construction Account. The monies in the Series 2012 A Bonds Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by the Depository Bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Monies in the Series 2012 A Bonds Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Monies in the Series 2012 A Bonds Project Construction Account shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Purchaser.

Until completion of acquisition and construction of the Project, the Issuer will additionally transfer from the Series 2012 A Bonds Project Construction Account and pay to the Purchaser on or before the due date, such sums as shall be from time to time required to make the monthly installments on the Series 2012 A Bonds if there are not sufficient Net Revenues to make such monthly payment.

Pending application as provided in this Section 4.02, money and funds in the Series 2012 A Bonds Project Construction Account shall be invested and reinvested at the direction of the Issuer, to the extent possible in accordance with applicable law, in Qualified Investments.

When acquisition and construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the

Series 2012 A Bonds Project Construction Account shall be disposed of in accordance with the regulations of the Purchaser.

Section 4.03. Covenants of the Issuer as to System Revenues and Funds. So long as any of the Series 2012 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2012 A Bonds Reserve Account, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2012 A Bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the Holders of the Series 2012 A Bonds as follows:

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

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

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

(2) The Issuer shall next, each month, on or before the due date thereof, transfer from the Revenue Fund and simultaneously remit (i) to the National Finance Office the amount required by the Prior Resolutions to pay the interest on the RUS Bonds; (ii) to the Commission the amount required by Prior Resolutions to pay interest of the Series 2000 C Bonds and Series 2000 D Bonds; and (iii) to the National Finance Office the amount required to pay interest on the Series 2012 A Bonds.

(3) The Issuer shall next, each month, transfer from the Revenue Fund and simultaneously, on or before the due date thereof, remit (i) to the National Finance Office the amount required by the Prior Resolutions to pay the principal of the RUS Bonds; (ii) to the Commission the amount required by Prior Resolutions to pay the principal of the Series 2000 C Bonds, Series 2000 D Bonds, Series 2000 E Bonds and Series 2001 A Bonds; and (iii) remit to the National Finance Office, commencing 24 months following the date of delivery of the Series 2012 A Bonds, the amount required to amortize the principal of the Series 2012 A Bonds.

(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 respective Reserve Accounts for the Prior Bonds; and (ii) beginning on the date specified by the purchaser, but in any event not later than the 24th monthly anniversary of the Closing Date, and continuing on each monthly anniversary of the Closing Date thereafter, transfer from the Revenue Fund and remit to the Commission, for deposit in the Series 2012 A Bonds Reserve Account, an amount equal to 10% of the monthly payment amount, until the amount in the Series 2012 A Bonds Reserve Account equals the Series 2012 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2012 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2012 A Bonds Reserve Requirement.

(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. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided that, any deficiencies in any Reserve Accounts (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

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

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 2012 A Bonds Reserve Account. All amounts required for the Series 2012 A Bonds Reserve Account will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such fund.

The Revenue Fund shall constitute a Trust Fund and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien

thereon for further securing payment of the Series 2012 A Bonds and the interest thereon, on a parity with the Prior Bonds.

The Series 2012 A Bonds Reserve Account shall constitute a trust fund and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 2012 A Bonds and the interest thereon.

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

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2012 A Bonds and the Prior Bonds, in accordance with the respective principal amounts then Outstanding.

Subject to the Prior Resolutions, the Commission shall keep the monies in the Series 2012 A Bonds Reserve Account invested and reinvested to the fullest extent possible in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Bond Legislation shall, unless otherwise provided herein or required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia Board of Treasury Investments. Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Earnings from monies in the Series 2012 A Bonds Reserve Account, so long as the Minimum Reserve is on deposit and maintained therein, shall be paid annually by the Commission to the Issuer and deposited in the Revenue Fund.

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

D. USER CONTRACTS. The Issuer shall, prior to delivery of the Series 2012 A Bonds, provide evidence that there will be at least 3,683 bona fide users upon the System on completion, in full compliance with the requirements and conditions of the Purchaser.

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

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

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

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

ARTICLE V

GENERAL COVENANTS, ETC.

Section 5.01. General Statement. So long as the Series 2012 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2012 A Bonds Reserve Account, sums sufficient to prepay the entire principal of the Series 2012 A Bonds remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Holder of the Series 2012 A Bonds.

Section 5.02. Rates. So long as the Prior Bonds are outstanding, the Issuer will maintain rates as required in the Prior Resolutions. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the annual debt service on the Series 2012 A Bonds and the Prior Bonds and sufficient to make the payments required herein into all funds and accounts and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes.

Section 5.03. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System or any part thereof, except as provided in the Prior Resolutions. The System will not be sold without the prior written consent of the Purchaser so long as the Series 2012 A Bonds are outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 5.04. Issuance of Additional Parity Bonds or Obligations. No additional Parity Bonds or obligations payable out of any of the Revenues of the System shall be issued, except with the prior written consent of the Purchaser. No Parity Bonds shall be issued after issuance of the Series 2012 A Bonds unless the provisions contained in the Prior Resolution respecting issuance of Parity Bonds have been satisfied.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2012 A Bonds.

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

So long as the Series 2012 A Bonds and the RUS 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 RUS Bonds, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing limitation is waived or when the Series 2012 A Bonds and the RUS Bonds are no longer outstanding, the following parity requirement shall be met:

So long as the Series 2000 C Bonds, Series 2000 D Bonds, Series 2000 E Bonds and Series 2001 A 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 2012 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2012 A Bonds.

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

full as required to the date of delivery of the Parity Bonds, and the Issuer then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

Section 5.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Series 2012 A Bonds remain outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(a) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, to be procured upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground structures of the System and mechanical and electrical equipment in place or stored on the site in an amount equal to the full insurable value thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

(b) PUBLIC LIABILITY INSURANCE, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Series 2012 A Bonds.

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

(d) WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF THE DISTRICT ELIGIBLE THEREFOR AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract, will be required of each

prime contractor, and such payment bonds have been or will be filed with the Clerk of the County Commission of said County prior to commencement of construction of the Project in compliance with West Virginia Code Section 38-2-39. Workers' compensation coverage shall be maintained as required by the laws of the State of West Virginia.

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

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

(g) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Series 2012 A Bonds are outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Purchaser may specify, with insurance carriers or bonding companies acceptable to the Purchaser.

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holder of the Series 2012 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, on a parity with the Prior Bonds, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Series 2012 A Bonds.

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

(a) Failure to make payment of any monthly amortization installment upon the Series 2012 A Bonds at the date specified for payment thereof;

(b) Failure to duly and punctually observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Series 2012 A Bonds or herein, or violation of or failure to observe any provision of any pertinent law; and

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

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

Upon application by the Purchaser, such court may, upon proof of such default, appoint a receiver for the affairs of the Issuer and the System. The receiver so appointed shall administer the System on behalf of the Issuer, shall exercise all the rights and powers of the Issuer with respect to the System, shall proceed under the direction of the court to obtain authorization to increase rates and charges of the System, and shall have the power to collect and receive all revenues and apply the same in such manner as the court may direct; provided that, all rights and remedies of the Holders of the Prior Bonds shall be on a parity with the Series 2012 A Bonds.

Section 5.09. Fiscal Year; Budget. While the Series 2012 A Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than 30 days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

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

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

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

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

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

Section 5.13. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Series 2012 A Bonds are outstanding.

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

ARTICLE VI

RATES, ETC.

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

A. The initial schedule of rates and charges for the services and facilities of the System, subject to change consonant with the provisions hereof, shall be as set forth in the Commission Order entered on December 15, 2010 of the Public Service Commission of West Virginia in Case No. 05-0357-PWD-42T and are incorporated herein by reference as a part hereof.

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

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

and powers provided under the Act and other applicable provisions of law with regard to the collection and enforcement of such fees, rates and charges.

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

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

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

ARTICLE VII

MISCELLANEOUS

Section 7.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holder of the Series 2012 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 2012 A Bonds, the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2012 A Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Except through such direct payment to the Holder of the Series 2012 A Bonds, the Issuer may not defease the Series 2012 A Bonds or otherwise provide for payment thereof by escrow or like manner.

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

Section 7.03. Delivery of Bonds. The Chairman, Secretary and Treasurer of the Governing Body are hereby authorized and directed to cause the Series 2012 A Bonds, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 7.04. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed severable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Series 2012 A Bonds.

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

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

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

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

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

[Remainder of Page Intentionally Blank]

Adopted this 12th day of January, 2012.

MINGO COUNTY PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of MINGO COUNTY PUBLIC SERVICE DISTRICT on the 12th day of January, 2012.

Dated: January 17, 2012.

[SEAL]

Secretary

610170.00006

United States Department of Agriculture
Rural Development
West Virginia State Office

February 18, 2010

Mr. Robert Adams, Chairman
Mingo County Public Service District
P.O. Box 98
Naugatuck, West Virginia 25685

Dear Mr. Adams:

This letter, with Attachments 1 through 9 and enclosures, establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan and grant will be administered on behalf of the State and Area staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development, by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

The docket may be completed on the basis of an RUS loan in the amount of $1,429,000 and an RUS grant in the amount of $2,926,000 for a total project cost of $4,355,000.

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

Extra copies of this letter are being provided for use by your engineer, attorney, bond counsel and accountant. All parties may access our web-site located at www.usda.gov/rus/water/ for the following:

a. RUS Instruction 1780
b. RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Projects with RUS Financial Assistance"
c. RUS Bulletin 1780-30, "Water Programs Audit Guide and Compliance Supplement"
d. RUS Bulletin 1780-31, "Water Programs Compliance Supplement For OMB Circular A-133 Audits"

"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).

Government Auditing Standards (Revision 2007) (Accountant Copy) may be accessed at www.gao.gov/govaud/ybk01.htm.

The enclosures and attachments listed below are attached to the copies as noted. Enclosed are the following:

Attachment No. 1 – Project Construction Budget (All Copies)
Attachment No. 2 – Water and Waste Processing Checklist
Attachment No. 3 – Water Users Agreement
Attachment No. 4 – Declination Statement (Applicant and Attorney Copies)
Attachment No. 5 – Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way" (Attorney Copy)
Attachment No. 6 – Sample Credit Agreement (Applicant Copy)
Attachment No. 7 – Form RD 1927-9, "Preliminary Title Opinion" (Attorney Copy)
Attachment No. 8 – Form RD 1927-10, "Final Title Opinion" (Attorney Copy)
Attachment No. 9 – Various other RD forms as identified on Attachment No. 2

The conditions referred to above are as follows:

1. **American Recovery and Reinvestment Act of 2009 ("Recovery Act").**

Recovery Act requirements apply to this financing. In addition to the other conditions contained in this Letter of Conditions, you must understand and agree to these following conditions specific to the Recovery Act:

(a). Certifications. With respect to Recovery Act funds made available to State or local governments for infrastructure investments, Section 1511 of the Recovery Act requires the Governor, mayor or other chief executive, as appropriate, to certify that the infrastructure investment has been properly approved as required by law and that the chief executive accepts responsibility that the infrastructure investment is an appropriate use of taxpayer dollars. RD Water and Waste personnel will provide specific guidance on the information required in the certification.

(b). Reports on Use of Funds. Section 1512 of the Recovery Act requires each recipient receiving Recovery Act funding to provide specific information to the government on a periodic basis for inclusion in various internal and publicly-available reports. RD Water and Waste Program personnel will provide specific guidance on the type and frequency of information required to assist Recovery Act recipients in complying with this condition.

(c). Buy American. Section 1605 of the Recovery Act requires that all projects financed with Recovery Act funds be bid and constructed using only iron, steel and manufactured goods produced in the United States in accordance with Section 1605 of the Recovery Act. Specific guidance, including contract provisions to be included in any construction contracts, is being formulated and drafted as of the date of this Letter of Conditions. RD Water and Waste Program personnel will provide specific guidance related to this condition as soon as it is available.

(d). Wage Rate Requirements. Section 1606 of the Recovery Act requires that all laborers and mechanics employed by contractors and subcontractors for the project will be paid wages at rates not less than those prevailing on projects of a character similar in the locality where this project will occur. Specific guidance, including contract provisions to be included in any construction or otherwise related contracts, is being formulated and drafted as of the date of this Letter of Conditions. RD Water and Waste Program personnel will provide specific guidance related to this condition as soon as it is available.

Compliance with the conditions in this section is required for financing under the Recovery Act. However, these conditions are not substitutes for, or in lieu of, the remaining conditions contained in this Letter of Conditions. Each of the conditions in this Letter of Conditions must also be understood and complied with to receive financing for your project.

2. **Fund Usage** – Funds obligated under the terms of this letter of conditions are committed on the basis that your project will proceed to the construction stage in an expedient manner. In accordance with RUS Staff Instruction 1782-1, Section 1782.20(u)(5), any funds not disbursed within 60 months from the date of obligation will be de-obligated and returned to the Department of Treasury for further disposition to other RUS project applicants. In the event that USDA determines that your project has not progressed within the five (5) year timeline and that funds will be recaptured, you will be given appeal rights and due process to document reasons why you believe the decision to de-obligate your project funds is not justified.

3. **Loan Repayment** – The 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 **2.375%** interest rate and a monthly amortization factor of .00334, which provides for a monthly payment of **$4,773.00**. You have the option of participating in the PREAUTHORIZED DEBIT (PAD) payment process. It will allow for your payment to be electronically debited from your account on the day your payment is due. Your

authority must establish and fund monthly a debt service reserve account, which equals 10% of your monthly payment each month until you accumulate the equivalent of one annual installment on your loan.

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

4. Security – The loan must be secured by a statutory lien of first priority, a pledge of the system's revenues and other agreements between you and RUS as set forth in the bond resolution which must be properly adopted and executed by the appropriate officials of your organization. Additional security requirements are contained in RUS Bulletin 1780-12 and RUS Bulletin 1780-27 which are mentioned later.

5. Users – This conditional commitment is based upon you providing evidence that you will have at least **3,683** bona fide users on the proposed system when it has been completed and is placed in operation. This evidence will consist of **148** signed user agreements and a signed certification from you that identifies and attests to the number of users actually connected to and using the PSD's existing water system, which is to be partially replaced by the new system, at the time you request authorization to advertise the proposed project for construction bids. ***The existing system will be considered to include the Dingess I and Dingess II extension projects.***

   The enclosed Water Users Agreement will be used. Each user signing an agreement must make a user 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 PSD should complete the declination statement for that potential user and note thereon his/her visit with the potential user, the potential user's refusal to sign, and the reason therefore. The declination statement should also be dated and signed by the individual making the contact.

   Before RUS can agree to the project being advertised for construction bids, you must provide evidence that the total required number of bona fide users has been acquired and that all potential users have been offered the proposed service. Information and material evidencing compliance with this requirement must consist of (1) your certification (written) as to the number of users connected to and using the water service of the existing system (paying monthly bills), (2)

signed user agreements, (3) signed service declination statements, (4) records evidencing user contributions having been paid, (5) a map locating each potential user's property in the new service area identifying it by number, (6) a list of all signed bona fide users numbered so as to be a cross-reference with the map, and (7) a list of all declination statements numbered so as to be a cross-reference with the map.

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

7. **Engineering Services** – It will be necessary for you to obtain the services of an engineer. EJCDC E-500, "Standard Form of Agreement between Owner and Engineer for Professional Services" (2008 Edition) should be used to obtain the services of an engineer. The EJCDC document is issued under copyright and cannot be provided by RD.

8. **Legal Services** – It will be necessary for you to obtain the services of a local attorney. For your convenience "RUS Legal Services Agreement" is enclosed for your use.

9. **Accounting Services** – It will be necessary for you to obtain the services of a qualified accountant. The accountant must agree to develop and provide the following:

    a. All necessary accounting material required by the Public Service Commission of West Virginia (Rule 42 Exhibit).

    b. Prior to loan/grant closing, your accountant must certify that the accounts and records as required by your bond resolution have been established and are operational.

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 noted above outline requirements for the submission of management reports and audits. Appropriate state statutes place certain audit requirements on your PSD. "Government Auditing Standards (Revised 2007)", which may be accessed at www.gao.gov/govaud/ybk01.htm, and RUS Bulletins

1780-30 and 1780-31, which may be accessed at our agency website listed above, outline audit requirements.

You are reminded that certain provisions of the Office of Management and Budget Circular A-133 are applicable to any public body or nonprofit association that expends $500,000 or more in federal funds in any one fiscal year. You must enter into an agreement annually with an accountant (or the State Tax Department) to perform the audit. The agreement must be in accordance with the requirements of the State Tax Commissioner of West Virginia. Compensation for preparation of the A-133 audit or your annual audit are not included in project funds and should be paid from the operational revenues generated from your system operation.

10. **Facility Control** – Prior to advertisement for construction bids, you must furnish satisfactory evidence that you have or can obtain adequate continuous and valid control over the lands and rights needed for the project. Such evidence must be in the following form:

    a. A right-of-way map showing clearly the location of all lands and rights needed for the project. The map must designate public and private lands and rights and the appropriate legal ownership thereof.

    b. A copy of deeds, contracts or options for any lands needed other than rights-of-way, along with a preliminary title opinion covering such lands. Form RD 1927-9, "Preliminary Title Opinion" may be used. In the case of your existing system or where the PSD already acquired real property (land or facilities), a preliminary title opinion(s) concerning all such property(s) will be provided.

    c. A narrative opinion from your attorney concerning all permits, certifications and other items necessary to show that all legal requirements can be met and stating how they will be met. This narrative should also identify any condemnation proceedings that are anticipated and state how they will be handled.

    d. A certification and legal opinion relative to title to rights-of-way and easements. Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way," may be used. This form may contain a few exceptions such as properties that must be condemned; however, prior to the start of construction or loan closing, whichever occurs first, a new Form RD 442-22, must be provided which does not provide for any exceptions. The attorney's legal opinion should include a certification that all requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and West Virginia State Code Chapter 54 have been

met in the acquisition of both real property and rights-of-way. Such requirements may include, but are not limited to, distributing informational material to all affected property owners, and completing appraisals of the affected properties.

e. On the day of loan closing, the PSD's attorney must furnish final title opinions on all land(s) being acquired. Form RD 1927-10, "Final Title Opinion" may be used. In the case of your existing system or where the PSD has already acquired real property(s) (land or facilities), the PSD's attorney will provide a separate final title opinion(s) covering such property(s) on the day of loan closing.

11. **Permits** – Copies of all permits needed for the project must be provided for review prior to advertisement for construction bids. Such permits will include but are not limited to the following:

-West Virginia Department of Highways
-Railroads
-State Department of Health
-Department of Environmental Protection
-Public Land Corporation

12. **Public Service Commission Approvals** – You must obtain the following from the West Virginia Public Service Commission:

a. A Certificate of Convenience and Necessity.

b. Approval of user charges that are acceptable to you and the Rural Utilities Service.

c. Approval of financing for the project's proposed financing arrangements.

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

13. **Insurance and Bonding Requirements** – Prior to loan closing or start of construction, whichever occurs first, you must acquire the types of insurance and bond coverage shown below. The use of deductibles may be allowed providing you have the financial resources to cover potential claims requiring payment of the deductible. RD strongly recommends that you have your engineer, attorney, and insurance provider(s) review proposed types and amounts of coverage, including any exclusions and deductible provisions. It is your responsibility and

not that of RD to assure that adequate insurance and fidelity or employee dishonesty bond coverage is maintained.

a. General Liability Insurance – This should include vehicular coverage.

b. Workers' Compensation – In accordance with appropriate State laws.

c. Position Fidelity Bond(s) – All positions occupied by persons entrusted with the receipt and/or disbursement of funds must be bonded. As a good business practice you will probably wish to have each position bonded in an amount equal to the maximum amount of funds to be under the control of that position at any one time. During the construction phase of your project, this maximum amount will be much greater than normal; therefore, it is our recommendation that you temporarily increase your coverage to $300,000 (estimated highest monthly construction drawdown). Once construction is complete, you may decrease the amount of your coverage. Please note that the cost of the temporary increase in coverage is an eligible project cost.

   The minimum coverage acceptable to RUS once your project is in operation will be for each position to be bonded for an amount at least equal to one annual installment on your loan(s).

d. National Flood Insurance – In addition to meeting the requirements for the type of assistance requested, the following requirements must be met for financial assistance for acquisition and/or construction in designated special flood or mudslide prone areas:

   i. If flood insurance is available, you must purchase a flood insurance policy at the time of loan closing.
   ii. 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.

14. **Environmental Requirements** –

    a. Project Modifications – The project as proposed has been evaluated to be consistent with all applicable environmental requirements. If the project or any project element deviates from or is modified from the original approved project, additional environmental review may be required.

15. **Vulnerability Assessments (VA) and Emergency Response Plans (ERP)** –

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

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

    You will also be required to provide a certification that the VA and ERP is complete and is current every three years after the start of operations. RD does not need or want a copy of the VA or ERP. The requested certification will be sufficient to meet our needs. Technical assistance providers are available to provide you with on site assistance if desired.

16. **Civil Rights & Equal Opportunity** – You should be aware of and will be required to comply with other federal statute requirements including but not limited to:

    Section 504 of the Rehabilitation Act of 1973 – Under section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving RD financial assistance.

    Civil Rights Act of 1964 – All borrowers are subject to, and facilities must be operated in accordance with, title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and subpart E of part 1901 of this title, particularly as it relates to

conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by paragraph 1901.202(e) of this title.

The Americans with Disabilities Act (ADA) of 1990 – This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, State and local government services, public transportation, public accommodations, facilities, and telecommunications. Title II of the Act applies to facilities operated by State and local public entities which provides services, programs and activities. Title III of the Act applies to facilities owned, leased, or operated by private entities which accommodate the public.

Age Discrimination Act of 1975 – This Act (42 U.S.C. 6101 et seq.) provides that no person in the United States shall on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

RD financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap.

17. **Contract Documents, Final Plans and Specifications** –

a. The contract documents should consist of the following:

(1) EJCDC Document No. C-520, 2007 Edition, "Suggested Form of Agreement between Owner and Contractor for Construction Contract (Stipulated Price)" and EJCDC Document No. C-700, 2007 Edition, "Standard General Conditions of the Construction Contract" and Attachments. The EJCDC document is issued under copyright and cannot be provided by RUS.

(2) "RUS Supplemental General Conditions."

RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Projects with RUS Financial Assistance (2009 Version)," is for use by your engineer in the preparation of the contract documents. It may be accessed at www.usda.gov/rus/water/ .

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

(1) Liability Insurance – Personal Liability - $500,000; Property Damage - $200,000 - $200,000. This coverage must include indemnification of the PSD and its engineer. EJCDC

Document C-710, "Standard General Conditions of the Construction Contract" (Funding Agency Edition) and Exhibit G to RUS Bulletin 1780-26, "Supplementary Conditions" both suggest 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.

18. **State Prevailing Wage Law** - You should ensure that all requirements of Article 5A of the West Virginia State Prevailing Wage Law, "Wages for Construction of Public Improvements" are met during construction of the project.

19. **Interim Financing** – Interim financing will be used for the RUS loan if it is available at reasonable rates and terms. You must provide RUS with a copy of the tentative agreement reached in connection with interim financing. A copy of the proposed agreement should be provided for RUS review. A Sample Credit Agreement is attached for your use in meeting this requirement (Attachment No. 6).

20. **Disbursement of Funds** – The RUS funds will be advanced as they are needed in the amount(s) necessary to cover the RUS proportionate share of any disbursements required of your PSD, over 30 day periods. Funds will be disbursed by electronic transfer of funds.

Any RD grant funds not disbursed immediately upon receipt must be deposited in an interest bearing account except as follows:

a. Federal grant awards (includes all federal funding sources) are less than $120,000 per year.

b. The best available interest bearing account would not be expected to earn in excess of the following:

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

c. The depository would require a minimum balance so high that it would not be feasible.

The PSD will establish a separate fund, to be known and hereafter referred to as the ***"Jennie's Creek Construction Fund Account"***, with a lending institution insured by the Federal Deposit Corporation. The account shall be used solely for the purpose of paying the costs of the project as outlined in the construction budget. All funds in the account will be secured by a collateral pledge equaling at least 100% of the highest amount of funds expected to be deposited in the Construction Account. All deposits in excess of $250,000 will be secured by a collateral pledge in accordance with Treasury Circular Number 176.

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

24. At a properly called meeting, you must adopt and properly execute the following forms, and minutes showing the adoption must be provided:

Form RD 1940-1 – "Request for Obligation of Funds"
RUS Bulletin 1780-12 – "Water or Waste System Grant Agreement"
RUS Bulletin 1780-27 – "Loan Resolution (Public Bodies)"
Form RD 400-1 – "Equal Opportunity Agreement"
Form RD 400-4 – "Assurance Agreement"
Form AD 1047 – "Certification Regarding Debarment – Primary"
Form AD 1049 – "Certification Regarding Drug-Free Workplace"
Form RD 1910-11 – "Applicant Certification, Federal Collection Policies"
RD Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans"
Standard Form LLL – "Disclosure of Lobbying Activities" (If Applicable)
Certification of Compliance
Form RD 1942-46, "Letter of Intent to Meet Conditions"

25. 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.

26. Upon receipt of the loan and grant docket, which contains all the items required above, RUS may authorize you to advertise the project for construction bids. Such advertisement must be in accordance with appropriate State statutes. Immediately after bid opening you must provide RUS with (a) a bid tabulation, (b) recommendations from you and your engineer as to the acceptability of the bids received, and (c) your recommendations for contract awards. If all parties then agree the construction bids received are acceptable, it is determined that adequate funds are available to cover the total facility costs, and that all the administrative conditions of loan approval have been satisfied, loan closing instructions will be issued. The closing instructions, a copy of which will be forwarded to you, will set forth any further requirements that must be met before the loan can be closed. When all parties agree that the closing requirements can be met, a mutually acceptable date for the loan closing will be scheduled.

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. RUS loan funds and would be applied as an extra payment toward the loan balance.

If the conditions set forth in this letter are not met within twelve (12) months from the date hereof, RUS reserves the right to discontinue processing of the application. In the event the project has not advanced to the point of loan closing within the twelve-month period and it is determined the authority still wishes to proceed, it will be necessary that the proposed budget be reviewed again in detail. If during that review, it is determined the budget is no longer current and/or adequate, RUS reserves the right to require that it be revised or replaced.

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

Sincerely yours,

Cheryl L. Wolfe

for BOBBY LEWIS
State Director

Enclosures

cc: Area Director, Beckley

E. L. Robinson Engineering
5088 Washington St., West
Charleston, WV 25313

Michael Griffith, CPA
Griffith & Associates
950 Little Coal River Rd
Alum Creek, WV 25003

John Stump, Esquire
Steptoe & Johnson PLLC
707 Virginia St., East, Suite 700
Charleston, WV 25301

James Lane, Esquire
Woolworth Bldg
205 Capitol St., Suite 400
Charleston, WV 25339

Attachment 1 to Letter of Conditions
For: Mingo PSD - Jennies Creek
Date: February 18, 2010

MINGO COUNTY PSD - JENNIE'S CREEK EXTENSION

Project Construction Budget

PROJECT COST	RUS GRANT	RUS LOAN	TOTAL
CONSTRUCTION	$ 2,095,200	$ 978,800	$ 3,074,000
CONST. CONTINGENCY	$ 251,500	$ 117,500	$ 369,000
LAND & RIGHTS	$ 54,500	$ 25,500	$ 80,000
LEGAL FEES	$ 23,800	$ 11,200	$ 35,000
BOND COUNSEL	$ 20,400	$ 9,600	$ 30,000
PSC COUNSEL	$ 10,200	$ 4,800	$ 15,000
ACCOUNTING	$ 13,600	$ 6,400	$ 20,000
ENGINEERING FEES	$ 364,700	$ 170,300	$ 535,000
Design - $245,000			
Inspection - $220,000			
Special Services - $70,000			
INTEREST		$ 62,000	$ 62,000
TECHNICAL SERVICES	$ 27,300	$ 12,700	$ 40,000
PROJECT CONTG.	$ 64,800	$ 30,200	$ 95,000
TOTAL	**$ 2,926,000**	**$ 1,429,000**	**$ 4,355,000**

Applicability
Applicable within the entire territory served. Excluding the area formerly served by the Justice Public Service District.

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

Rates (Customers with metered water supply)

First	2,000	gallons @	$11.20	per M gallons
Over	2,000	gallons @	$11.20	per M gallons

Minimum Bill

Each customer shall pay a minimum charge of: $22.40 per month
(Equivalent to 2,000 gallons of water usage)

5/8"	$ 22.40	per month
3/4"	$ 33.60	per month
1"	$ 56.00	per month
1 1/4"	$ 81.80	per month
1 1/2"	$ 112.00	per month
2"	$ 179.20	per month
3"	$ 336.00	per month
4"	$ 560.00	per month
6"	$ 1,120.00	per month
8"	$ 1,792.00	per month

Flat-Rate Charge (Customers with nonmetered water supply)
Each customer shall pay a minimum charge of: $ 50.40 per month
(Equivalent to 4,500 gallons of water usage)

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 31st day of October 2011.

CASE NO. 11-1053-PWD-CN

MINGO COUNTY PUBLIC SERVICE DISTRICT,
a public utility, Naugatuck, Mingo County.

Application for a certificate of convenience and necessity for the construction, operation and maintenance of a waterline extension to provide water and fire service to approximately 170 residents in the Harvey and Kermit Magisterial Districts of Mingo County and 25 residences located in Stonewall District, Wayne County, and for approval of the financing related thereto (Jennies Creek Project).

COMMISSION ORDER
WAIVING EXCEPTION PERIOD

On October 25, 2011, the Administrative Law Judge entered a Recommended Decision that granted a certificate of convenience and necessity to the Mingo County Public Service District to extend its water distribution system, to become effective on and after the date that the Recommended Decision becomes a final order of the Commission.

On October 27, 2011, the District filed a petition to waive the fifteen-day period of time in which a party may file exceptions to the Recommended Decision in this proceeding, as provided in W. Va. Code § 24-1-9.

Commission Staff has indicated it does not intend to file exceptions in this case. There are no other parties in this case.

IT IS THEREFORE ORDERED that the requested waiver is granted.

IT IS FURTHER ORDERED that the Administrative Law Judge October 25, 2011 Recommended Decision in this matter becomes final five days after the date of this order, absent further action by the Commission.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this order by electronic service on all parties of record who have filed an e-service agreement, and by United States First Class Mail on all parties of record who have not filed an e-service agreement, and Commission Staff by hand delivery.

A True Copy, Teste: Sandra Squire
Sandra Squire
Executive Secretary

SS/kc
111053sa.doc

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: October 25, 2011

CASE NO. 11-1053-PWD-CN

MINGO COUNTY PUBLIC SERVICE DISTRICT,
a public utility, Naugatuck, Mingo County.
Application for a certificate of convenience and necessity for the construction, operation and maintenance of a waterline extension to provide water and fire service to approximately 170 residents in the Harvey and Kermit Magisterial Districts of Mingo County and 25 residences located in Stonewall District, Wayne County, and for approval of the related financing. (Jennies Creek Project).

RECOMMENDED DECISION GRANTING A CERTIFICATE

On July 22, 2011, the Mingo County Public Service District (Utility) filed an application for a certificate of convenience and necessity to extend its water distribution system.

On July 22, 2011, the Commission ordered the Utility to publish notice of its filing.

On August 2, 2011, the Commission referred the matter requiring a decision on or before December 5, 2011.

On October 19, 2011, Staff recommended that the Utility be granted a certificate.

On October 24, 2011, the Utility filed an affidavit of publication indicating that proper publication of the Notice of Filing had been accomplished. There have been no protests filed pursuant to the notice. The filing also indicated that the Utility was in agreement with the Staff recommendations.

FINDINGS OF FACT

1. On July 22, 2011, the Utility filed an application for a certificate of convenience and necessity to extend its water distribution system to provide potable water to 195 residences in Mingo and Wayne Counties. (See application).

2. The 25 customers in Wayne County will actually be served by the Crum Public Service District via a new master meter installed along County Route 2/1 at the Mingo-Wayne county line. A water purchase agreement between the Crum Public Service District and the Utility was previously approved by the Commission in Case No. 10-0603-WPD-PC. (See Staff filing of October 19, 2011).

3. The project will serve the potential 170 new customers in the Harvey and Kermit Magisterial Districts of Mingo County. (Staff filing of October 19, 2011).

4. The project was approved by the West Virginia Infrastructure and Jobs Development Council. (See Project No. 2009W-1124).

5. The Utility currently serves 3,417 customers. (Staff filing of October 19, 2011).

6. The Utility operates a 2 MGD water treatment plant, 16 storage tanks, 4 booster stations and about 90.1 miles of water mains. (Id.).

7. The Utility recently undertook major extensions of its system in the vicinity of the current project in Case Nos. 09-0092-PWD-CN and 10-1103-PWD-CN. The current project will connect with the projects approved in these two cases. (Id.).

8. Water will be provided by the Utility's existing water treatment plant near Nagatuck which draws its raw water from the Tug Fork River. The project will increase the operating time of the Nagatuck plant by approximately 21 minutes a day. The plant easily has the additional capacity necessary to accommodate the plant. (Id.).

9. The project includes the installation of 12.05 miles of new 2-inch and 8-inch water mains, 48 new mainline valves, 32 fire hydrants, 11 blow-off hydrants, a new water storage tank with 110,000-gallon capacity with an automated level-control telemetry system, a new water booster station, a new main-line pressure control station, and 195 new customer service lines, meters, setters and pressure control valves. (Id.).

10. The project is estimated to cost $3,355,000 with an estimated construction cost of $3,443,000. (Id.).

11. The engineering design services are approximately 7.1% of construction cost which is in the customary range for comparable projects and within the fee range acceptable by the American Society of Civil Engineers Manual. (Id.).

12. The cost per customer is $22,333 which is moderately high. The project funding includes 67.2% grant money. The debt equates to $7,328 per customer. (Id.).

13. The customer density per line of the new extension is 16.2 customers per mile. (Id.).

14. The residents of the area experience water quality and quantity problems. The groundwater contains iron and other undesirable minerals which corrodes pipes and plumbing fixtures and stains clothes. The water

has a strong sulfur smell and tastes bad. Many local residents utilize expensive and unreliable home treatment systems in an effort to improve the quality of the groundwater, but the effectiveness of these systems is marginal. Many residents have wells that go dry during certain periods of time. The water in the area has dangerous bacteriological contamination and significant amounts of iron, calcium, manganese and sulfur. (Staff filing of October 19, 2011).

15. The project will enhance public safety through increased fire protection and lessen health risks associated with the poor water quality in the area. The project will positively impact the potential for long-term economic viability and will improve the quality of life in the area. (Staff filing of October 19, 2011).

16. One hundred sixty users have signed user agreements out of the potential 195 customers. (Id.).

17. The project plans and specifications are in compliance with the Commission's Water Rules. (Id.).

18. The project has been approved by the West Virginia Bureau of Public Health. (See Permit No. 18,698).

19. The project will increase the Utility's operation and maintenance expenses by $25,279 a year. (Staff filing of October 19, 2011).

20. The project is to be funded with a $1,429,000 United States Department of Agriculture Rural Utilities Service loan for 40 years at 2.375% interest and an RUS grant in the amount of $2,926,000. (Id.).

21. The Utility will not need to increase its rates to support the project. (Id.).

22. The Utility should have a cash flow after the project goes into service of $53,287 and a debt service coverage of 1.1664. (Id.).

23. The Utility's current tariff was effective December 15, 2010, and approved in Case No. 05-0357-PWD-42T. (Id.).

24. Staff recommended and the Utility agreed that the existing tariff should remain in its current form. (Staff filing of October 19, 2011, and Utility response filed October 24, 2011).

25. Staff recommended granting the certificate. (Staff filing of October 19, 2011).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the proposed project.

2. The proposed financing is reasonable and should be approved.

3. The application for a certificate of convenience and necessity should be granted without hearing.

ORDER

IT IS, THEREFORE, ORDERED that the Mingo County Public Service District be, and hereby is, granted a certificate of convenience and necessity to construct the extension and improvements to its water system as described in its application on July 22, 2011. The cost of the project shall not exceed $4,355,000. Approval is contingent upon the Utility obtaining all necessary state and federal permits before construction. Upon receipt, the Utility shall immediately file with the Commission all permits not yet obtained.

IT IS FURTHER ORDERED that the proposed financing, consisting of a loan from the United States Department of Agriculture Rural Utilities Service in the amount of $1,429,000 for 40 years at 2.375% interest and a grant from the Rural Utilities Service in the amount of $2,926,000, be, and hereby is, approved.

IT IS FURTHER ORDERED that, if the scope or plans for the project change, or project cost or financing changes require a further rate increase beyond any discussed in this order, the Utility must obtain prior Commission approval before commencing construction. Changes in project cost or financing do not require separate approval, if those changes do not affect rates and the Utility submits an affidavit from a certified public accountant to this effect.

IT IS FURTHER ORDERED that the Utility provide the Commission with a copy of an engineer-certified bid tabulation for all contracts awarded on this project, as soon as they are available, but no later than ten days after the bid opening date.

IT IS FURTHER ORDERED that the Utility submit to the Commission a copy of the certificate of substantial completion issued for each construction contract associated with the project, as soon as they are available, but no later than ten days after the issuance of such documents.

IT IS FURTHER ORDERED that the Utility comply with all rules and regulations of the Division of Highways regarding the use of Division of Highways' rights-of-way.

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

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

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

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

Any party may request waiver of the right to file exceptions to an Administrative Law Judge's order by filing an appropriate petition in writing with the Secretary. No such waiver will be effective until approved by order of the Commission.

K. A. George

Keith A. George
Administrative Law Judge

KAG:cdk
111053aa.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 15th day of December 2010.

CASE NO. 05-0357-PWD-42T (REOPENED)

MINGO COUNTY PUBLIC SERVICE DISTRICT,
a public utility, Naugatuck, Mingo County.
Rule 42T filing to increase water rates and charges.

COMMISSION ORDER

The Commission removes a tariff surcharge.

BACKGROUND

On March 15, 2005, the Mingo County Public Service District (Mingo) filed revised tariff sheets seeking increased rates and an unified rate structure.

The Commission subsequently suspended the tariff filing, granted a request from the West Virginia Water Development Authority (WDA) to intervene in this matter and approved interim rates. April 19, 2005 Commission Order.

On September 16, 2005, the Commission adopted final increased rates for Mingo. The Commission also approved a $0.82 per thousand gallon per month surcharge to eliminate a debt service deficiency. The Commission noted in that Order that the surcharge would only last until Mingo eliminated the deficiency.

The Commission denied a reconsideration request regarding the September 16, 2005 Commission Order on October 26, 2005.

On November 4, 2010, Mingo requested that the Commission reopen this matter to remove the debt service surcharge approved in the September 16, 2005 Commission Order because Mingo has eliminated its debt service deficiency. Mingo also attached a report from the Municipal Bond Commission showing that it is current on its bond payments.

On November 9, 2010, the WDA filed a letter noting that it has no objection to the request to eliminate the surcharge as Mingo requested.

Commission Staff filed a memorandum concurring with the request to eliminate the $0.82 per thousand gallon per month surcharge. Staff confirmed that Mingo is current on its debt service payments, justifying removal of the surcharge. December 2, 2010 Staff Memorandum.

DISCUSSION

The Commission concurs with the request to eliminate the $0.82 per thousand gallon per month surcharge from the current Mingo tariff for all billing after the entry of this Order because Mingo has eliminated its debt service deficiency. Mingo shall file a revised tariff with the Commission Tariff Office within thirty days reflecting the elimination of the debt service surcharge.

FINDINGS OF FACT

1. Mingo requested that the Commission discontinue a $0.82 per thousand gallon per month surcharge because it no longer has a debt service deficiency. Mingo Petition to Reopen.

2. The WDA concurs with the Mingo request to discontinue the debt service surcharge. November 9, 2010 Letter.

3. Staff recommended that the Commission eliminate the debt service surcharge because Mingo is current on its bond payments. December 2, 2010 Staff Memorandum.

CONCLUSIONS OF LAW

1. The Commission previously imposed a surcharge to eliminate a debt service deficiency. September 16, 2005 Commission Order.

2. The $0.82 per thousand gallons per month surcharge is now unnecessary because Mingo has eliminated the debt service deficiency.

ORDER

IT IS THEREFORE ORDERED that this matter is reopened.

IT IS FURTHER ORDERED that the $0.82 per thousand gallons per month surcharge previously imposed to remediate a debt service deficiency is eliminated for all bills rendered after the date of entry of this Order.

IT IS FURTHER ORDERED that Mingo shall file an original and six copies of a tariff with the Commission Tariff Office reflecting the elimination of the surcharge described in this Order, but otherwise identical to the current tariff, within thirty days.

IT IS FURTHER ORDERED that on entry of this Order, this matter shall be removed from the Commission docket of active cases.

IT IS FURTHER ORDERED that the Commission Executive Secretary serve a copy of this Order by electronic service on all parties requesting that service, on all other parties by United States First Class Mail and on Staff by hand delivery.

A True Copy, Teste: Sandra Squire

Sandra Squire
Executive Secretary

MJM/ldd
050357ce.wpd

10:36 AM JAN 12 2011 PSC EXEC SEC DIV

P.S.C. W. Va. No. 10
Canceling P.S.C. W. Va. No. 9

MINGO COUNTY PUBLIC SERVICE DISTRICT, a public utility

OF

RAGLAND, WEST VIRGINIA

RATES, RULES AND REGULATIONS FOR FURNISHING

WATER

at Ragland, Lee Magisterial District, within the boundaries of the former Chattaroy Public Service District, within the boundaries of the former Nolan Public Service District, and in the area served by the Naugatuck Regional Water System, Mingo County, West Virginia

Filed with THE PUBLIC SERVICE COMMISSION
of
WEST VIRGINIA

Issued January 3, 2011

Effective for service rendered on and after December 15, 2010
or as otherwise provided herein

Issued by authority of an order of the Public Service Commission of West Virginia in Case No. 05-0357-PWD-42T dated December 15, 2010
or as otherwise provided herein

Issued by MINGO COUNTY PUBLIC SERVICE DISTRICT, a public utility

By Robert R. Rodriguez

Its Attorney
Title

RULES AND REGULATIONS

I. 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.

SCHEDULE I

APPLICABILITY

Applicable within entire territory served, excluding the area formerly served by Justice Public Service District.

AVAILABILITY

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

RATES (customers with metered water supply)

All usage $11.20 per 1,000 gallons per month

MINIMUM CHARGE

No minimum bill will be rendered for less than $22.40 per month which is equivalent to 2,000 gallons or

5/8	inch meter	$ 22.40 per month
3/4	inch meter	$ 33.60 per month
1	inch meter	$ 56.00 per month
1- 1/4	inch meter	$ 81.80 per month
1- 1/2	inch meter	$ 112.00 per month
2	inch meter	$ 179.20 per month
3	inch meter	$ 336.00 per month
4	inch meter	$ 560.00 per month
6	inch meter	$ 1,120.00 per month
8	inch meter	$ 1,792.00 per month

RESALE RATE

All water for resale to the town of Delbarton will be billed in accordance to the approved rate of $4.17 per 1,000 gallons used per month.

(O)

(O) Indicates omission

SCHEDULE I (Continued)

DELAYED PAYMENT PENALTY

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

RECONNECTION CHARGE

$20.00

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

TAP FEE

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

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

A tap fee of $350.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

LEAK ADJUSTMENT

$2.18 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical usage.

RETURNED CHECK CHARGE

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

SCHEDULE I (Continued)

TRANSPORTATION CREDIT

A credit of $0.135 per 1,000 gallons exiting the Town of Delbarton's water system will be issued by the District on the bill rendered for the Town's purchased water for its cost of pumping and transporting the District's water through the Town's system.

SECURITY DEPOSIT

A deposit of $50.00 or two-twelfths (2/12) of the average annual usage of the applicant's specific customer class, whichever is greater.

FIRE PROTECTION FEE

Where connections, hydrants, sprinklers, etc. on private property are maintained by customer:

	Per Annum $
2 inch service line with hydrants, sprinklers, and/or hose connections	$ 59.64
3 inch service line with hydrants, sprinklers, and/or hose connections	$ 135.60
4 inch service line with hydrants, sprinklers, and/or hose connections	$ 238.08
6 inch service line with hydrants, sprinklers, and/or hose connections	$ 603.48
8 inch service line with hydrants, sprinklers, and/or hose connections	$ 989.64
10 inch service line with hydrants, sprinklers, and/or hose connections	$1,755.72
12 inch service line with hydrants, sprinklers, and/or hose connections	$2,460.24

These terms apply monthly in advance.

RATE

Each municipality shall pay an annual public fire service charge of $250.00 per year per fire hydrant payable in twelve (12) monthly payments.

SCHEDULE II

APPLICABILITY

Applicable within the entire territory formerly served by Justice Public Service District.

AVAILABILITY

Available for general domestic, commercial, industrial service.

RATES

First	3,000 gallons used per month	$9.86 per 1,000 gallons
Next	3,000 gallons used per month	$8.12 per 1,000 gallons
Next	4,000 gallons used per month	$7.25 per 1,000 gallons
Next	10,000 gallons used per month	$6.38 per 1,000 gallons
Next	20,000 gallons used per month	$5.51 per 1,000 gallons
Next	60,000 gallons used per month	$4.64 per 1,000 gallons
All over	100,000 gallons used per month	$4.06 per 1,000 gallons

MINIMUM CHARGE

No minimum bill will be rendered for less than $19.72 per month, which is equivalent to 2,000 gallons usage, or:

5/8 inch meter	$ 19.72 per month
3/4 inch meter	$ 29.60 per month
1 inch meter	$ 49.30 per month
1 - 1/2 inch meter	$ 98.60 per month
2 inch meter	$157.80 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 $250.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

SCHEDULE II (Continued)

RECONNECTION

$15.00

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

$1.82 per M Gallon is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical usage.

SURCHARGE

$1.50 per thousand gallons be added to all bills rendered by the Justice Public Service District to address an arrearage the Justice Public Service District owes to its bondholder. The surcharge will end when the Justice Public Service District is merged with the Mingo County Public Service District or whenever the arrearage is paid off.

SECURITY DEPOSIT

A deposit of $50.00 or two-twelfths (2/12) of the average usage of the applicant's specific customer class, whichever is greater.

MINGO COUNTY PUBLIC SERVICE DISTRICT

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

RECEIPT FOR SERIES 2012 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 17th day of January, 2012 as follows:

1. On the 17th day of January, 2012, at Naugatuck, West Virginia, the undersigned received for the Purchaser the Mingo County Public Service District Water Revenue Bonds, Series 2012 A (United States Department of Agriculture), No. AR-1 (the "Series 2012 A Bonds"), issued as a single, fully registered Bond, in the principal amount of $1,429,000, dated the date hereof, bearing interest at the rate of 2.25% per annum, payable in monthly installments as stated in the Bond. The Series 2012 A Bonds represent the entire above captioned Bond issue.

2. At the time of such receipt, the Series 2012 A Bonds had been executed and sealed by the designated officials of the Public Service Board of Mingo County Public Service District (the "Issuer").

3. At the time of such receipt, there was paid to the Issuer the sum of $318,815.77, being a portion of the principal amount of the Series 2012 A Bonds. The balance of the principal amount of the Series 2012 A Bonds will be advanced by the Purchaser to the Issuer as acquisition and construction of the Project progresses.

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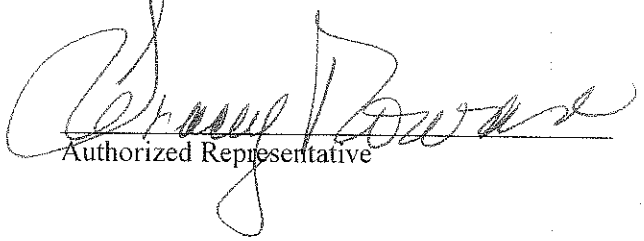
WITNESS my signature on the day and year first written above.



Authorized Representative

01.09.11
610170.00006

UNITED STATES OF AMERICA
MINGO COUNTY PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2012 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$1,429,000

No. AR-1

Date: January 17, 2012

FOR VALUE RECEIVED, MINGO COUNTY PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of ONE MILLION FOUR HUNDRED TWENTY-NINE THOUSAND DOLLARS ($1,429,000), plus interest on the unpaid principal balance at the rate of 2.25% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $4,673, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

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

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

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a

calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

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

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

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

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

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13A of the West Virginia Code, as amended (the "Act"), and a Resolution of the Borrower duly adopted January 12, 2012, authorizing issuance of this Bond (the "Resolution").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for

similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

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

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

(I) WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,200,000 (THE "SERIES 2000 A BONDS");

(II) WATER REVENUE BONDS, SERIES 2000 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,000,000 (THE "SERIES 2000 B BONDS");

(III) WATER REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,853,436 (THE "SERIES 2000 C BONDS");

(IV) WATER REVENUE BONDS, SERIES 2000 D (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $715,000 (THE "SERIES 2000 D BONDS");

(V) WATER REVENUE BONDS, SERIES 2000 E (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $8,916,818 (THE "SERIES 2000 E BONDS");

(VI) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 9, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $837,540 (THE "SERIES 2001 A BONDS");

(VII) WATER REVENUE BONDS, SERIES 2010 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JANUARY 12, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,450,000 (THE "SERIES 2010 A BONDS");

(VIII) WATER REVENUE BONDS, SERIES 2011 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED FEBRUARY 10, 2011, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,986,000 (THE "SERIES 2011 A BONDS"); AND

(IX) WATER REVENUE BONDS, SERIES 2011 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED FEBRUARY 10, 2011, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $222,000 (THE "SERIES 2011 B BONDS")

THE SERIES 2000 A BONDS, SERIES 2000 B BONDS, SERIES 2000 C BONDS, SERIES 2000 D BONDS, SERIES 2000 E BONDS; SERIES 2001 A BONDS; SERIES 2010 A BONDS; SERIES 2011 A BONDS AND SERIES 2011 B BONDS ARE COLLECTIVELY, THE "PRIOR BONDS."

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

[Remainder of Page Intentionally Blank]

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

MINGO COUNTY PUBLIC SERVICE DISTRICT

[CORPORATE SEAL]

Chairman, Public Service Board

ATTEST:

Secretary, Public Service Board

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$318,815.77	01/17/2012	(19)		
(2)			(20)		
(3)			(21)		
(4)			(22)		
(5)			(23)		
(6)			(24)		
(7)			(25)		
(8)			(26)		
(9)			(27)		
(10)			(28)		
(11)			(29)		
(12)			(30)		
(13)			(31)		
(14)			(32)		
(15)			(33)		
(16)			(34)		
(17)			(35)		
(18)			(36)		

TOTAL $_____

(Form of Assignment)

ASSIGNMENT

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

Dated: _____, 20___.

_____

In the presence of:

_____

Jennies Creek Project

MINGO COUNTY PUBLIC SERVICE DISTRICT

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

$1,429,000

REGISTRATION BOOKS

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

Bond No.	Date of Registration	In Whose Name Registered	Signature of Secretary of Registrar
AR-1	January 17, 2012	United States Department of Agriculture	

07.19.11
610170.00006

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.steptoe-johnson.com

Writer's Contact Information

January 17, 2012

Jennies Creek Project

Mingo County Public Service District
Water Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

Mingo County Public Service District
Naugatuck, West Virginia

United States Department of Agriculture
Cross Lanes, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Mingo County Public Service District in Mingo County, West Virginia (the "Issuer"), of its $1,429,000 Water Revenue Bonds, Series 2012 A (United States Department of Agriculture), dated the date hereof (the "Bonds"), pursuant to Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), a Bond Resolution duly adopted by the Issuer on January 12, 2012, (the "Bond Legislation"). We have examined the law and such certified copies of proceedings and other papers as we deem necessary to render this opinion.

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 2000 A (United States Department of Agriculture), dated August 28, 2000, issued

in the original aggregate principal amount of $2,200,000 (the "Series 2000 A Bonds"); (ii) Water Revenue Bonds, Series 2000 B (United States Department of Agriculture), dated August 28, 2000, issued in the original aggregate principal amount of $2,000,000 (the "Series 2000 B Bonds"); (iii) Water Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), dated August 28, 2000, issued in the original aggregate principal amount of $2,853,436 (the "Series 2000 C Bonds"); (iv) Water Revenue Bonds, Series 2000 D (West Virginia Water Development Authority), dated August 28, 2000, issued in the original aggregate principal amount of $715,000 (the "Series 2000 D Bonds"); (v) Water Revenue Bonds, Series 2000 E (West Virginia Infrastructure Fund), dated August 28, 2000, issued in the original aggregate principal amount of $8,916,818 (the "Series 2000 E Bonds"); (vi) Water Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), dated March 9, 2001, issued in the original aggregate principal amount of $837,540 (the "Series 2001 A Bonds"); (vii) Water Revenue Bonds, Series 2010 A (United States Department of Agriculture), dated January 12, 2010, issued in the original aggregate principal amount of $1,450,000 (the "Series 2010 A Bonds"); (viii) Water Revenue Bonds, Series 2011 A (United States Department of Agriculture), dated February 10, 2011, issued in the original aggregate principal amount of $1,986,000 (the "Series 2011 A Bonds"); and (ix) Water Revenue Bonds, Series 2011 B (United States Department of Agriculture), dated February 10, 2011, issued in the original aggregate principal amount of $222,000 (the "Series 2011 B Bonds"), (collectively, the "Prior Bonds").

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

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

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

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

Very truly yours,

STEPTOE & JOHNSON PLLC

01.09.11
610170.00006

Position 5

Form RD 1927-10
(Rev. 7-98)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
FARM SERVICE AGENCY

FORM APPROVED
OMB NO. 0575-0147

FINAL TITLE OPINION

LOAN APPLICANT	ADDRESS OR PROPERTY COVERED BY THIS OPINION	
Mingo County Public Service District	See attached listing of District's Existing sites	
APPLICANT FOR TITLE EXAMINATION Mingo County Public Service District	COUNTY Mingo	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 January 17 (Date), 2012, at 9:00 a.m. (including the time of filing the current security instrument). p.m.

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 Mingo County Public Service District

as exclusive owner
(Joint tenants, tenants by the entirety, etc.)

B. The United States of America holds a valid first *(Priority)* statutory *(Mortgage, etc.)* lien on said property as required by Rural Development or the Farm Service Agency, or their successor (Agency), which lien was filed for record on n/a *(Date)*, _____, at _____ a.m. p.m. and is recorded in _____ *(Book, page, and office)*.

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):

n/a

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0147. The time required to complete this information collection is estimated to average 20 minutes 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.

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.

01-17-2012
(Date)

(Attorney's signature)

205 Capitol Street, Suite 400
PO Box 11806
Charleston, WV 25339

(Address, include ZIP Code)

Attachments

ADDENDUM TO FINAL TITLE
MINGO COUNTY PUBLIC SERVICE DISTRICT
JENNIES CREEK PROJECT
JANUARY 17, 2012

1. Wastewater Treatment Plant Site located in Wood Products Ind Park, 3.850 Acres, Hardee District.

2. Water Tank Site #1 – 0.237 Acres Surface on Coleman Branch, Town of Nolan, Tug River District.

3. Well Site and related easements – 0.03 Acres, Pigeon Creek and Rockhouse Fork, Lee District.

4. Water Tank Site #3 – 0.230 Acres Surface on Dan's Branch, Tug River District.

5. Water Tank Site #2, Parcel #2 – 0.100 Acres Borderland, Tug River District.

6. Water Tank Site #2, Parcel #1 – 0.139 Acres Borderland, Tug River District.

7. Five Mile Booster Station, 0.034 ac on Rt 65/3 on Elk Creek, Lee Dist.

8. Ragland Treatment Site Lee Dist 0.97 acres from Ragland PSD DB 352/247.

9. Water Plant Tract Hardee District Map 8/30 from Mingo County Commission DB 380/505.

10. Elk Fork Booster Station, .042 ac Pigeon Creek and Elk Fk, Lee District from Williams db 380/519.

11. Water Plant Tract Hardee District Map 8/33 from Ira Maynard condem. DB 384 p. 555.

12. Right Fork Booster Station, 0.072 ac on Rt 3/4, Hardee Dist TM265/3.11 from Canterbury DB 385/1.

13. Burch Booster Site Magnolia Dist. 0.012 from Evans DB 382 P555.

14. Water Plant Tract Hardee District Map 8 parcel 31 from Otto Hodge DB 378 p. 196.

15. Route 52 and WV Rt 49 Pump Station 1,200 sf Tug River Dist. TM 404/1.3; Francis Trust DB 404/178.

16. Tug River Pump Site, 8,799 SF, Kermit Dist from TM 1/3 from Kapourales DB 406/183.

17. Shadee Woods sewer plant, Shadee Woods Sub (Res Lot A) TM 32/11, Dd 406 pg 172.

18. Laurel Fork Booster Station, 0.026 ac Harvey Dist TM 245/56; fr Cotiga DB 386/698.

19. Lenore Tank, 0.918 Hardee Dist p/o TM 283/30 from Cotiga DB 386/701.

20. Maher Booster Station on Rt 52/1 Hardee Dist. TM 302/49.2 fr. Betty Meade et al; DB 408/416.

21. Elk Creek Booster Station, 0.010 ac. On Pigeon Creek, Lee District fr. Cole & Crane db 388/188.

22. Belo Tank, 0.517 ac. Near WV Route 65, Hardee District TM 284/42.6 from Kirks DB 391/87.

23. Millstone Branch Tank, 0.517 ac near Rt 65, Hardee Dist TM 346/52.2; fr. Cole & Crane DB 379/690.

24. 2500 sq ft on US Rt 52 Magnolia Dist. TM 23/4.3; from Mingo Bd of Ed. DB 369/480.

25. Delbarton Lower Buffalo Mt Tank/Booster Site Tug River Dist TM 385/3.2 fr Francis Trust DB 370/45.

26. Upper Buffalo Mtn Tank .1 ac Tug River Dist TM 385/3.1 fr. Francis Trust DB 370/41.

27. Cinderella Booster Station 6375 sf Tug River Dist TM 404/57.1 fr WV Housing Dev Fund DB 365/281.

28. Tug River Tank Site, 0.129 acres, Tug River Dist TM 405/10, from Francis Trust DB 408/535.

29. Tug River Pump Site, 8,050 SF, Magnolia Dist from TM 2/15.1 fr. Howard Croaff DB 407/008.

30. Industrial Park Booster Station 0.014 ac sur Hardee Dist. TM 327/9.4; Hobet Mining DB 387/506.

31. Five Mile Tank Site, Lee District, TM 347, par. 15.1 fr Heartwood Forrestland Fund II DB385 P523

32. Surface to 0.11 acres near Pie, Magnolia Dist. Acquired from Pocahontas Land, BD 370, page 61.

33. 2.151 Acres Naugatuck Hardee District Map 8 parcel 43 from Norf South Rlwy DB 379 p. 419 June 2000.

34. Tank site #1; 0.202 acre tract on Route 3/12, and part of land formerly owned by Cotiga Dev. Co.

35. Tank site #3 Dingess Project, 10,610 square feet, from Timmy Lee Conley

36. Tank site #2 Dingess Project, 2,403 square feet, formerly Barry Mullins; 2,222 square feet formerly Charlotte Kinser

37. Pump Station #2 Dingess, 0.21 acres, W.V. Secondary Route 3/2

38. Tank Site #1 Dingess project, 0.202 acres on Route 3/12, formerly Cotiga Development

39. Pump Station #3 Dingess project, 655 Square feet, from Garland Frye

40. Pump Station #1 Dingess project, 1,820 square feet, from Cotiga Development

41. Booster Pump station, 0.03 acres, Jennies Creek Project, from Huntington Realty Corporation, Deed Book 442, page 373

42. Booster Pump station, 0.01 acres, Jennies Creek Project, from Jesse Baisden Ferguson, Deed Book 435, page 303

43. Tank Site, 0.11 acres, Jennies Creek Project, from First Century Bank, N.A., Trustee, Deed Book 435, page 359.

For parcels numbers 1 through 40, I have provided individual title opinions in the Dingess projects and reference is made to those opinions for specific details. For parcels numbers 41, 42 and 43, the District acquired good title to the properties by the deeds. I furnished preliminary title reports with respect to parcels numbers 41, 42 and 43, and conducted all follow up measures recommended in the title reports to assure that the District has good title to the three parcels that it needed to acquire for the Jennies Creek Project.

Position 5

Form RD 442-22
(Rev. 10-96)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

FORM APPROVED
OMB NO. 0575-0015

OPINION OF COUNSEL RELATIVE TO RIGHTS-OF-WAY

Date January 17, 2012

Dear Sir:

I have reviewed the action taken by MINGO COUNTY PUBLIC SERVICE DISTRICT (hereinafter called the "Corporation") in obtaining a right-of-way for the construction, operation, and maintenance of the facilities to be installed, repaired, or enlarged with the proceeds of a loan made or insured by, and/or a grant from Rural Development to the Corporation. I have examined the right-of-way instruments, permits, or licenses obtained from landowners, public bodies, and public utilities and made such searches of the public records necessary to determine the legal sufficiency of the instruments covered by the "Right-of-way Certificate," executed by the Corporation on _____, 19 _____. I also have examined the "Right-of-way Map" to determine whether continuous and adequate land and rights-of-way are owned or have been acquired by the instruments covered in the "Right-of-way Certificate."

Based on the foregoing examination, and to the best of my knowledge, information, and belief, I am of the opinion that:

A. The legal instruments by which the Corporation has acquired said rights-of-way (a) are in appropriate and due legal form and adequately confer upon the Corporation the necessary rights-of-way for the construction, operation, and maintenance of its facilities in their present or proposed location, and such omissions or defects as may exist will in no substantial way or manner endanger the value or operation of the facilities, and (b) have each been properly recorded in the appropriate public land records of each County in which any of the land affected thereby is situated. Such consents, releases, or subordinations from lienholders recommended by me or required by Rural Development have been obtained.

B. The legal instruments referred to above give unto the Corporation a continuous and adequate right-of-way to permit the construction, operation, and maintenance of the Corporation's facilities except as below noted.

C. Exceptions:

Very truly yours,

Attorney for Mingo County Public Service District

*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 this burden, to U.S. Department of Agriculture, Clearance Officer, STOP 7602, 1400 Independence Avenue, S.W., Washington, D.C. 20250-7602. **Please DO NOT RETURN this form to this address.** Forward to the local USDA office only. You are not required to respond to this collection of information unless it displays a currently valid OMB control number.*

Law Offices of
James W. Lane, Jr.
Woolworth Building
205 Capitol Street, Suite 400
P. O. Box 11806
Charleston, WV 25339
(304) 342-0081 Facsimile (304) 343-3365

January 17, 2012

USDA-Rural Development
418 Goff Mountain Road
Room 113
Cross Lanes, WV 25313
Attn: Tracey Rowan

Re: Mingo County Public Service District
Jennies Creek Waterline Extension Project
Narrative Opinion of Title

Dear Ms. Rowan:

Please accept this letter as the narrative opinion required for closing for the above-referenced project.

I hereby certify that the project engineer, E. L. Robinson Engineering Company, has verified that the following permits, certifications and other items are legally necessary for the above-referenced project:

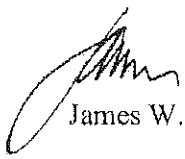
West Virginia Office of Environmental Health Services – November 5, 2010
West Virginia Division of Natural Resources – License and Right of Entry July 22, 2010
West Virginia Division of Highways – July 12, 2010
United States Army Corps of Engineers – Permit Approval dated August 23, 2010
WV/NPDES General Water Pollution Control Permit No. WV0115924, December 7, 2010

I hereby certify that the said permits, certifications and other items have been obtained. I hereby certify that all of the rights-of-way and easement agreements needed for construction have been secured by voluntary agreement.

I hereby certify that the District has acquired fee properties for a tank and pump stations, three in all, by valid binding deeds recorded in the Mingo County Clerk's office.

I also hereby certify that all requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and WV State Code Chapter 54 have been met with all acquisitions.

Sincerely,



James W. Lane, Jr.

Encl.

Cc: J.B. Heflin, Mingo Co. PSD
Mark McGettigan, P.E.

LAW OFFICES
ROBERT R. RODECKER
BB&T SQUARE
300 SUMMERS STREET, SUITE 1230
POST OFFICE BOX 3713
CHARLESTON, WEST VIRGINIA 25337

ROBERT R. RODECKER
rodecker@wvdsl.net

AREA CODE 304
343-1654

FACSIMILE
343-1657

January 17, 2012

Mingo County Public Service District
Water Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

Mingo County Public Service District
Naugatuck, West Virginia

United States Department of Agriculture
Cross Lanes, West Virginia

Ladies and Gentlemen:

I am special counsel to Mingo County Public Service District, a public service district in Mingo 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.

I am of the opinion that:

1. 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 the Commission Order of the Public Service Commission of West Virginia entered December 15, 2010 in Case No. 05-0357-PWD-42T approving the rates and charges for the services of the System. The Issuer has received a Recommended Decision of the Public Service Commission of West Virginia entered October 25, 2011, which became Final Order on November 5, 2011, per Commission Order Waiving Exception Period in Case No. 11-1053-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. The time for appeal of such Orders have expired prior to the date hereof.

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

Very truly yours,

Robert R. Rodecker

MINGO COUNTY PUBLIC SERVICE DISTRICT

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

COMBINED CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

We, the undersigned CHAIRMAN and SECRETARY of the Public Service Board of Mingo County Public Service District, in Mingo 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 17th day of January, 2012, in connection with the Mingo County Public Service District Water Revenue Bonds, Series 2012 A (United States Department of Agriculture), No. AR-1, dated the date hereof, fully registered, in the principal amount of $1,429,000 (the "Series 2012 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 2012 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 February 18, 2010, and all amendments thereto, and the Resolution of the Issuer duly adopted on January 12, 2012, authorizing issuance of the Series 2012 A Bonds (the "Resolution" or "Bond Resolution"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning as defined in the Bond Resolution when used herein.

2. NO LITIGATION: No controversy or litigation of any nature is now pending, or, to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting in any manner the issuance and delivery of the Series 2012 A Bonds or receipt of any grant monies, if any, committed for the System, hereinafter defined; nor questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Series 2012 A Bonds; nor in any way questioning or affecting the validity of the grants, if any, committed for the System or the validity of the Series 2012 A Bonds or any provisions made or authorized for the payment thereof, including, without limitation, the pledge or application of any monies or security therefor; nor questioning the existence, powers or proceedings of the Issuer or its Public Service Board (the "Governing Body") or the title of the members and officers thereof to their respective offices; nor questioning the operation of the System or the acquisition and construction of the Project, a portion of the cost of which is being financed out of the proceeds of sale of the Series 2012 A Bonds; nor questioning the rates and charges provided for services of the System.

3. GOVERNMENTAL APPROVALS: All applicable and necessary approvals, permits, authorizations, registrations, exemptions, consents and certificates required by law for the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2012 A Bonds have been duly and timely obtained and remain in full force and effect. Competitive bids for the acquisition and construction of the Project were solicited in accordance with Chapter 5, Article 22, Section 1 of the Official West Virginia Code of 1931, as amended, which bids remain in full force and effect.

The Issuer has received the Commission Order of the Public Service Commission of West Virginia entered December 15, 2010 in Case No. 05-0357-PWD-42T approving the rates and charges for the services of the System. The Issuer has received a Recommended Decision of the Public Service Commission of West Virginia entered October 25, 2011, which became Final Order on November 5, 2011 per Commission Order Waiving Exception Period in Case No. 11-1053- 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. Such 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 2012 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 2000 A (United States Department of Agriculture), dated August 28, 2000, issued in the original aggregate principal amount of $2,200,000 (the "Series 2000 A Bonds"); (ii) Water Revenue Bonds, Series 2000 B (United States Department of Agriculture), dated August 28, 2000, issued in the original aggregate principal amount of $2,000,000 (the "Series 2000 B Bonds"); (iii) Water Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), dated August 28, 2000, issued in the original aggregate principal amount of $2,853,436 (the "Series 2000 C Bonds"); (iv) Water Revenue Bonds, Series 2000 D (West Virginia Water Development Authority), dated August 28, 2000, issued in the original aggregate principal amount of $715,000 (the "Series 2000 D Bonds"); (v) Water Revenue Bonds, Series 2000 E (West Virginia Infrastructure Fund), dated August 28,

2000, issued in the original aggregate principal amount of $8,916,818 (the "Series 2000 E Bonds"); and (vi) Water Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), dated March 9, 2001, issued in the original aggregate principal amount of $837,540 (the "Series 2001 A Bonds"); (vii) Water Revenue Bonds, Series 2010 A (United States Department of Agriculture), dated January 12, 2010, issued in the original aggregate principal amount of $1,450,000 (the "Series 2010 A Bonds"); (viii) Water Revenue Bonds, Series 2011 A (United States Department of Agriculture), dated February 10, 2011, issued in the original aggregate principal amount of $1,986,000 (the "Series 2011 A Bonds"); and (ix) Water Revenue Bonds, Series 2011 B (United States Department of Agriculture), dated February 10, 2011, issued in the original aggregate principal amount of $222,000 (the "Series 2011 B 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 2012 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 2012 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 2012 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

Prior Bond Resolutions

Consent of USDA to Issuance of Parity Bonds

Consent of WDA to Issuance of Parity Bonds

USDA Letter of Conditions, with all amendments

Public Service Commission Order(s)

County Commission Orders on Creation of District

County Commission Orders of Appointment of Current Board Members

Oaths of Office of Current Board Members

Rules of Procedure

Minutes of Current Year Organizational Meeting

Minutes on Adoption of Bond Resolution

United States Department of Agriculture Loan Agreement

United States Department of Agriculture Grant Agreement

7. INCUMBENCY AND OFFICIAL NAME, ETC.: The proper corporate title of the Issuer is "Mingo County Public Service District" and its principal office and place of business are in Mingo 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
Robert Adams	02/18/2009	02/10/2015
Isom Ooten	10/03/2007	10/02/2013
Mike Adkins	03/04/2009	03/04/2015
Colin Kelly	05/17/2006	05/17/2012
Earl McKowan	05/17/2006	05/17/2012

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

Chairman	–	Robert Adams
Secretary	–	J.B. Heflin

The duly appointed and acting Attorney for the Issuer is James Lane, Esquire, of Charleston, West Virginia and the Special PSC Counsel is Robert Rodecker, Esquire of Charleston, West Virginia.

8. DELIVERY AND PAYMENT AND USE OF PROCEEDS: On the date hereof, the Series 2012 A Bonds were delivered to the Purchaser at Naugatuck, West Virginia, by the undersigned Chairman for the purposes set forth herein, and at the time of such delivery, the Series 2012 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 2012 A Bonds, the undersigned Chairman received $318,815.77, being a portion of the principal amount of the Series 2012 A Bonds. Further advances of the balance of the principal amount of the Series 2012 A Bonds will be paid to the Issuer as acquisition and construction of the Project progresses.

The Series 2012 A Bonds are dated the date hereof, and interest on advances of the principal thereof at the rate of 2.25% per annum is payable from the date of each respective advance.

The Series 2012 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 2012 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 new 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. CONFLICT OF INTEREST: No member, officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Series 2012 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.

15. 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.

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

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WITNESS our signatures and the official corporate seal of MINGO COUNTY PUBLIC SERVICE DISTRICT on the day and year first written above.

[CORPORATE SEAL]

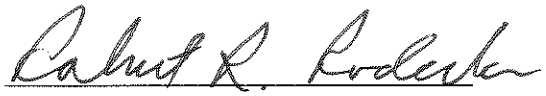
SIGNATURE	OFFICIAL TITLE
	Chairman
	Secretary
_____	Attorney for Issuer
_____	Special PSC Attorney

01.10.11
610170.0006

5810821

WITNESS our signatures and the official corporate seal of MINGO COUNTY PUBLIC SERVICE DISTRICT on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Chairman
_____	Secretary
_____	Attorney for Issuer
	Special PSC Attorney (as to Paragraph 3)

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5810821

Jennies Creek Project

MINGO COUNTY PUBLIC SERVICE DISTRICT

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

ENGINEER'S CERTIFICATE

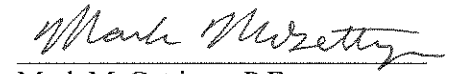
I, Mark McGettigan, Registered Professional Engineer, West Virginia License No. 016862, of E.L. Robinson Engineering Company, Charleston, West Virginia, hereby certify that my firm is the engineer for the acquisition and construction of certain additions, improvements and extensions (the "Project") to the existing waterworks system (the "System") of Mingo County Public Service District (the "Issuer"), to be acquired and constructed in Mingo County, West Virginia, which acquisition and construction are being financed in whole or in part by the above-captioned bonds of the Issuer.

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

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

WITNESS my signature on this 17th day of January, 2012.

E.L. ROBINSON ENGINEERING COMPANY



Mark McGettigan, P.E.
West Virginia License No. 016862

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January 17, 2012

Jennies Creek Project
CPA Certificate

Mingo County Public Service District
Water Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

Mingo County Public Service District
Naugatuck, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

United States Department of Agriculture
Cross Lanes, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the water rates and charges set forth in the Commission Order of the Public Service Commission of West Virginia dated December 15, 2010, in Case No. 05-0357-PWD-42T, and projected operating expenses and anticipated customer usage as furnished to us by E. L. Robinson Engineering Company, Consulting Engineer, 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 Mingo County Public Service District (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 Issuer's Water Revenue Bonds, Series 2012 A (United States Department of Agriculture) in the aggregate principal amount of $1,429,000 (the "Series 2012 A Bonds") and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2012 A Bonds including the Issuer's: (i) Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), dated August 28, 2000, issued in the original aggregate principal amount of $2,200,000 (the "Series 2000 A Bonds"); (ii) Water Revenue Bonds, Series 2000 B (United States Department of Agriculture), dated August 28, 2000, issued in the original aggregate principal amount of $2,000,000 (the "Series 2000 B Bonds"); (iii) Water Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), dated August 28, 2000, issued in the original aggregate principal amount of $2,853,436 (the "Series 2000 C Bonds"); (iv) Water Revenue Bonds, Series 2000 D (West Virginia Water Development Authority), dated August 28, 2000, issued in the original aggregate principal amount of $715,000 (the "Series 2000 D Bonds"); (v) Water Revenue Bonds, Series 2000 E (West Virginia Infrastructure Fund), dated August 28, 2000, issued in the original aggregate principal amount of $8,916,818 (the "Series 2000 E Bonds"); (vi) Water Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), dated March 9, 2001, issued in the original aggregate principal amount of $837,540 (the "Series 2001 A Bonds"); (vii) Water Revenue Bonds, Series 2010 A (United States Department of Agriculture), dated January 12, 2010, issued in the original aggregate principal amount of $1,450,000 (the "Series 2010 A Bonds"); (viii) Water Revenue Bonds, Series 2011 A (United States Department of Agriculture), dated February 10, 2011, issued in the original aggregate principal amount of $1,986,000

Michael D. Griffith, CPA, AFI
michaelgriffithcpa@verizon.net
950 Little Coal River Road Alum Creek, WV 25003
Phone: (304) 756.3600 Facsimile: (304) 756.2911

(the "Series 2011 A Bonds"); and (ix) Water Revenue Bonds, Series 2011 B (United States Department of Agriculture), dated February 10, 2011, issued in the original aggregate principal amount of $222,000 (the "Series 2011 B Bonds") (collectively, the "Prior Bonds").

It is further my opinion that (i) the Net Revenues for the Fiscal Year following the year in which the Series 2012 A Bonds are issued will be at least 120% of the average annual debt service on the Prior Bonds and the Series 2012 A 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 2012 A 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 2012 A 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 2012 A Bonds.

Very truly yours,

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

MDG/dk

BEFORE THE COUNTY COMMISSION OF MINGO COUNTY

A RESOLUTION AND ORDER PROPOSING THE CREATION OF MINGO COUNTY PUBLIC SERVICE DISTRICT

WHEREAS, there are substantial areas of Mingo County which currently have no public water and sewer service; and

WHEREAS, West Virginia Code §16-13A-2 provides that a County Commission may on its own motion propose the creation of a public service district for the provision of water and sewer service; and

WHEREAS, the County Commission has determined that it is in the public interest to establish a new public service district to provide water and sewer service to unserved areas of the county which are not located within the boundaries of any existing public service district heretofore created by the County Commission, or any municipality or private utility; and

WHEREAS, it is now deemed desirous by said County Commission to adopt a resolution and order proposing the creation of a new public service district to be named the Mingo County Public Service District and to include within its territory those areas of Mingo County which are not presently contained in the boundaries of any other Public Service District heretofore created by said County Commission, or any municipal or private water or sewer system.

NOW, THEREFORE, BE IT, AND IT IS, HEREBY, RESOLVED AND ORDERED by the County Commission of Mingo County as follows:

1. That the County Commission of Mingo County, West Virginia, upon its own motion, proposes the creation of the Mingo County Public Service District, and to include within its boundaries the territory located within Mingo County, West Virginia, which is not currently contained within the boundaries of any other Public Service District heretofore created by said County Commission, or within the boundaries of any municipal or private utility, for the provision of both water and sewer service.

2. That the County Commission of Mingo County, West Virginia, upon its own motion, proposes that the Mingo County Public Service District be more particularly defined as the following areas:

The entirety of Mingo County, West Virginia, excepting the municipalities of Delbarton, Gilbert, Kermit, Matewan, and Williamson, and the following five (5) tracts of land which describe the lands under the jurisdiction of the Chattaroy Public Service District, the Justice Public Service District, the Nolan Public Service District, the Ragland Public Service District, and the Red Jacket Public Service District:

TRACT I -- Chattaroy Public Service District

Beginning at a point on the Tug Fork, near Chattaroy, Mingo County, West Virginia, near West Virginia State Plane South Zone Coordinates, 1624850 N, 258500 E;

thence, along the ridge line between Alley Branch and Buffalo Creek, to a point, approximately 4,400 feet, N 52° 29' E;

thence, along the ridge line between Cain Fork and Dans Branch, to a point in the District boundary line between Hardee District and Tug River District, approximately 5,200 feet, N 46° 13' E;

thence, along said District line, to a point, said point being the intersection of the District lines of Hardee, Tug River, and Lee Districts, approximately 12,250 feet, S 74° 55' E;

thence, along the District boundary line between Lee District and Tug River District, to a point on the ridge of Buffalo Mountain, approximately 7,650 feet, S 68° 21' E;

thence, along the District boundary line between Lee District and Tug River District on Buffalo Mountain to a high point, approximately 5,250 feet, S 2° 30' W;

thence, along the meanders of Sycamore Creek, to a point, approximately 6,750 feet, S 82° 08' W;

thence, leaving Sycamore Creek and going approximately 7,000 feet, N 84° 16' W, to a point in the Williamson Corporate Boundary;

thence, along the Williamson Corporate Boundary, approximately 12,100 feet, S 76° 17' W, to a point;

thence, leaving said boundary and going approximately 1,550 feet, N 30° 38' W, to a point on the Tug Fork;

thence, along the meanders of the Tug Fork to the Point of Beginning, approximately 6800 feet, N 2° 10' E.

Containing 5700 acres more or less, in Tug River District, Mingo County, West Virginia.

TRACT II -- Justice Public Service District

Beginning at a point where Lost Branch Creek enters the Guyandotte River, said point having a latitude of N 37° 35' 54" and a longitude of W 81° 49' 41", and being in the Mingo County Boundary;

thence, in a southwestern direction 0.14 mile with the river and the Mingo County line to a point where Huff Creek enters the Guyandotte River having a latitude of N 37° 35' 48" and a longitude of W 81° 49' 48";

thence, in a southern direction 0.92 mile leaving the Guyandotte river and continuing with the Mingo County line and crossing the Norfolk and Western Railroad and U. S. Route 52 to a point having a latitude of N 37° 35' 06" and a longitude of W 81° 49' 54";

thence, west, 0.50 mile leaving the Mingo County line and running to a point having a latitude of N 37° 35' 06" and a longitude of W 81° 50' 21";

thence, N 52° 18' W, 1.15 miles to a point having a latitude of N 37° 35' 40" and a longitude of 81° 51' 05";

thence, S 69° 09' W 0.65, mile crossing WV Route 52/4 to a point having a latitude of N 37° 35' 30" and a longitude of W 81° 52' 07";

thence, N 65° 07' W, 0.69 mile to a point having a latitude of N 37° 35' 46" and a longitude of W 81° 52' 48";

thence, S 24° 53' E, 0.93 mile to a point in the boundary of the town of Gilbert, said point having a latitude of N 37° 36' 30" and a longitude of W 81° 52' 22";

thence, S 65° 07' E, 0.66 mile with the Gilbert line and crossing the Norfolk and Western Railroad, the Guyandotte River and U. S. Route 52 to a point having a latitude N 37° 36' 15" and a longitude of W 81° 51' 43";

thence, N 21° 12' E, 0.19 mile continuing with the Gilbert line to a point having a latitude of N 37° 36' 24" and a longitude of W 81° 51' 38";

thence, S 68° 48' E, 1.36 miles leaving the Gilbert line and running to a point having a latitude of N 37° 35' 59" and a longitude W 81° 50' 15";

thence, N 58° 55' E, 0.52 mile to a point in Lost Branch Creek having latitude of N 37° 36' 13" and a longitude of W 81° 49' 45";

thence, in a southern direction 0.38 mile with Lost Branch Creek to the Beginning Point, containing a total area of 2.39 square miles, more or less, located in Stafford District, Mingo County, West Virginia.

TRACT III -- Nolan Public Service District

Beginning at a point on the Tug Fork, near Chattaroy, Mingo County, West Virginia, near West Virginia State Plane South Zone Coordinates, 1624850 N, 258500 E;

thence, along the ridge line between Alley Branch and Buffalo Creek, to a point, approximately 4,400 feet, N 52° 29' E;

thence, along the ridge line between Cain Fork and Dans Branch, to a point in the District boundary line between Hardee District and Tug River District, approximately 5,200 feet, N 46° 13' E;

thence, along said District boundary line, to a point, approximately 9,000 feet, N 73° 35' W;

thence, continuing along said District boundary line, to a point, approximately 8,500 feet, N 26° 08' W;

thence, leaving said District boundary line and going approximately 2,400 feet, N 64° 11' W, to a point on the Tug Fork;

thence, along the meanders of Tug Fork to a point, approximately 4,400 feet, S 49° 08' W;

thence, continuing along the meanders of the Tug Fork, to a point, approximately 5,425 feet, S 55° 11' E;

thence, continuing further along the meanders of the Tug Fork, to a point, approximately 8,000 feet, S 15° 30' E;

thence, continuing along the meanders of the Tug Fork, approximately 5,550 feet, S 46° 48' E, to the Point of Beginning.

Containing 2300 acres more or less, in Tug River District, Mingo County, West Virginia.

TRACT IV -- Ragland Public Service District

Beginning at a point on Rockhouse Fork, in the boundary line of the town limits of Delbarton, Mingo County, West Virginia, near West Virginia State Plane South Zone Coordinates, 1661050 N, 260550 E;

thence, approximately 7,900 feet, N 75° 52' E, to a point at the head waters of the eastern tributary to the Right Fork of Elk Creek;

thence, approximately 7,350 feet, N 74° 47' E, to a high point on the ridge between the Middle Fork of Elk Creek and the South Branch of Rockhouse Fork;

thence, approximately 4,150 feet, N 82° 16' E, to a point on a ridge at the head waters of a tributary of South Branch of Rockhouse Fork;

thence, approximately 6,600 feet, S 61° 58' E, to a point at the head waters of the Middle Fork of Elk Creek;

thence, approximately 11,550 feet, S 01° 43' E, to a point in the District boundary line between Lee District and Magnolia District;

thence, approximately 17,750 feet, N 74° 48' W, along said boundary line to a point;

thence, leaving said boundary line, and going approximately 3,550 feet, N 56° 25' W, to a point at the head waters of Curry Branch;

thence, approximately 5,425 feet, N 63° 53' W, to a point in the boundary line of the aforesaid town limits of Delbarton, West Virginia;

thence, following said boundary line, approximately 4950 feet, N 01° 08' W to a point being the Point of Beginning;

Containing 6050 acres, more or less, in Magnolia District, Mingo County, West Virginia.

TRACT V -- Red Jacket Public Service District

Beginning at a point on a hill north-east of Beech Creek School, near West Virginia State Plane South Zone Coordinates 1697650 N, 213900 E;

thence, across country in a straight line approximately 38,250 feet, N 58° 27' W to a point;

thence, across country in a straight line approximately 9,850 feet, N 31° 07' E to a point;

thence, across country in a straight line approximately 40,100 feet, S 67° 34' E to a point;

thence, across country in a straight line approximately 16,250 feet, S 36° 02' W to the Point of Beginning.

Containing 11,600 acres, more or less, in Magnolia District, Mingo County, West Virginia.

The above describes the lands to be served by the Mingo County Public Service District, Mingo County, West Virginia, and as shown on a map entitled "Lands to be Served by Mingo County PSD" dated November 14, 1995, prepared by Haworth, Meyer & Boleyn.

3. That the County Commission of Mingo County, West Virginia, shall hold a hearing on the proposed creation of the Mingo County Public Service District on the 7th day of February, 1996, in the Mingo County Courthouse in Williamson at 6:00 P.m.

4. That the Clerk of the County Commission shall cause notice of hearing and a description of all of the territory proposed to be included in the boundaries of the Mingo County Public Service District to be published as a Class I legal advertisement at least ten (10) days prior to the hearing.

5. That the County Commission of Mingo County shall post the notice of the hearing and description of the new Public Service District's boundaries in at least five (5) conspicuous places within the proposed service territory of the Public Service District.

6. That the Clerk of the County Commission shall cause a copy of this Resolution and Order to be filed with the Executive Secretary of the Public Service Commission of West Virginia not later than ten (10) days prior to the hearing set forth herein.

ENTERED into the permanent record of Mingo County, West Virginia, this 3rd day of January, 1996.

Curtis Fletcher
PRESIDENT

COMMISSIONER

COMMISSIONER

ATTEST:

CLERK

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BEFORE THE COUNTY COMMISSION OF MINGO COUNTY

A RESOLUTION AND ORDER CREATING THE MINGO COUNTY PUBLIC SERVICE DISTRICT

WHEREAS, the County Commission of Mingo County, West Virginia, did heretofore, by Resolution and Order adopted on January 3, 1996, propose the creation of the Mingo County Public Service District to include within the boundaries of said Mingo County Public Service District those areas of Mingo County which are not currently located within the boundaries of any other public service district heretofore created by said County Commission or any other municipal or private utility, for the provision of both water and sewer service; and,

WHEREAS, by said January 3, 1996 Resolution and Order, the County Commission did set a hearing on the proposed creation of said public service district for February 7, 1996, required notice of said hearing be given by Class I legal publication and by posting of notice in at least five (5) conspicuous places within the territory of the proposed public service district, and required the Clerk of the County Commission to cause a copy of the Resolution and Order to be filed with the Executive Secretary of the Public Service Commission; and,

WHEREAS, notice of the February 7, 1996 hearing was given in the manner provided and required by said Resolution and Order; and,

WHEREAS, in a regular meeting of the County Commission held February 7, 1996, the County Commission voted to continue the hearing on the proposed creation of the Mingo County Public Service District until March 5, 1996, so as to provide the opportunity for members of the public to appear and be heard; and,

WHEREAS, notice of the continued hearing was given in the same manner as provided and required by West Virginia Code §16-13A-2 and all interested parties have been afforded an opportunity of being heard for and against the creation of the Mingo County Public Service District, but no written protest has been filed by the requisite number of qualified voters registered and residing within the boundaries of the public service district, and said County Commission has given due consideration to all matters for which such hearing was offered; and,

WHEREAS, it is now deemed desirous by said County Commission to adopt a Resolution and Order adopting the creation of Mingo County Public Service District to include the territory of Mingo County which is not currently contained within the boundaries of any other public service district heretofore created by said County Commission or that of any municipal or private utility, for the provision of water and sewer service.

NOW, THEREFORE, BE IT, AND IT IS, HEREBY, RESOLVED AND ORDERED by the County Commission of Mingo County as follows:

1. That the County Commission of Mingo County, West Virginia, upon its own motion, subject to the approval of the Public Service Commission of West Virginia, adopts the creation of the Mingo County Public Service District to include the territory of Mingo County, West Virginia, which is not currently located within the boundaries of any other public service district heretofore created by said County Commission, or that of any municipal or private utility, for the provision of both water and sewer service.

2. That the County Commission of Mingo County, West Virginia, upon its own motion, subject to the approval of the Public Service Commission of West Virginia, adopts the creation of the Mingo County Public Service District as more particularly defined as the following areas:

The entirety of Mingo County, West Virginia, excepting the municipalities of Delbarton, Gilbert, Kermit, Matewan, and Williamson, and the following five (5) tracts of land which describe the lands under the jurisdiction of the Chattaroy Public Service District, the Justice Public Service District, the Nolan Public Service District, the Ragland Public Service District, and the Red Jacket Public Service District:

TRACT I -- Chattaroy Public Service District

Beginning at a point on the Tug Fork, near Chattaroy, Mingo County, West Virginia, near West Virginia State Plane South Zone Coordinates, 1624850 N, 258500 E;

thence, along the ridge line between Alley Branch and Buffalo Creek, to a point, approximately 4,400 feet, N 52° 29' E;

thence, along the ridge line between Cain Fork and Dans Branch, to a point in the District boundary line between Hardee District and Tug River District, approximately 5,200 feet, N 46° 13' E;

thence, along said District line, to a point, said point being the intersection of the District lines of Hardee, Tug River, and Lee Districts, approximately 12,250 feet, S 74° 55' E;

thence, along the District boundary line between Lee District and Tug River District, to a point on the ridge of Buffalo Mountain, approximately 7,650 feet, S 68° 21' E;

thence, along the District boundary line between Lee District and Tug River District on Buffalo Mountain to a high point, approximately 5,250 feet, S 2° 30' W;

thence, along the meanders of Sycamore Creek, to a point, approximately 6,750 feet, S 82° 08' W;

thence, leaving Sycamore Creek and going approximately 7,000 feet, N 84° 16' W, to a point in the Williamson Corporate Boundary;

thence, along the Williamson Corporate Boundary, approximately 12,100 feet, S 76° 17' W, to a point;

thence, leaving said boundary and going approximately 1,550 feet, N 30° 38' W, to a point on the Tug Fork;

thence, along the meanders of the Tug Fork to the Point of Beginning, approximately 6800 feet, N 2° 10' E.

Containing 5700 acres more or less, in Tug River District, Mingo County, West Virginia.

TRACT II -- Justice Public Service District

Beginning at a point where Lost Branch Creek enters the Guyandotte River, said point having a latitude of N 37° 35' 54" and a longitude of W 81° 49' 41", and being in the Mingo County Boundary;

thence, in a southwestern direction 0.14 mile with the river and the Mingo County line to a point where Huff Creek enters the

Guyandotte River having a latitude of N 37° 35' 48" and a longitude of W 81° 49' 48";

thence, in a southern direction 0.92 mile leaving the Guyandotte river and continuing with the Mingo County line and crossing the Norfolk and Western Railroad and U. S. Route 52 to a point having a latitude of N 37° 35' 06" and a longitude of W 81° 49' 54";

thence, west, 0.50 mile leaving the Mingo County line and running to a point having a latitude of N 37° 35' 06" and a longitude of W 81° 50' 21";

thence, N 52° 18' W, 1.15 miles to a point having a latitude of N 37° 35' 40" and a longitude of 81° 51' 05";

thence, S 69° 09' W 0.65, mile crossing WV Route 52/4 to a point having a latitude of N 37° 35' 30" and a longitude of W 81° 52' 07";

thence, N 65° 07' W, 0.69 mile to a point having a latitude of N 37° 35' 46" and a longitude of W 81° 52' 48";

thence, S 24° 53' E, 0.93 mile to a point in the boundary of the town of Gilbert, said point having a latitude of N 37° 36' 30" and a longitude of W 81° 52' 22";

thence, S 65° 07' E, 0.66 mile with the Gilbert line and crossing the Norfolk and Western Railroad, the Guyandotte River and U. S. Route 52 to a point having a latitude N 37° 36' 15" and a longitude of W 81° 51' 43";

thence, N 21° 12' E, 0.19 mile continuing with the Gilbert line to a point having a latitude of N 37° 36' 24" and a longitude of W 81° 51' 38";

thence, S 68° 48' E, 1.36 miles leaving the Gilbert line and running to a point having a latitude of N 37° 35' 59" and a longitude W 81° 50' 15";

thence, N 58° 55' E, 0.52 mile to a point in Lost Branch Creek having latitude of N 37° 36' 13" and a longitude of W 81° 49' 45";

thence, in a southern direction 0.38 mile with Lost Branch Creek to the Beginning Point, containing a total area of 2.39 square miles, more or less, located in Stafford District, Mingo County, West Virginia.

TRACT III -- Nolan Public Service District

Beginning at a point on the Tug Fork, near Chattaroy, Mingo County, West Virginia, near West Virginia State Plane South Zone Coordinates, 1624850 N, 258500 E;

thence, along the ridge line between Alley Branch and Buffalo Creek, to a point, approximately 4,400 feet, N 52° 29' E;

thence, along the ridge line between Cain Fork and Dans Branch, to a point in the District boundary line between Hardee District and Tug River District, approximately 5,200 feet, N 46° 13' E;

thence, along said District boundary line, to a point, approximately 9,000 feet, N 73° 35' W;

thence, continuing along said District boundary line, to a point, approximately 8,500 feet, N 26° 08' W;

thence, leaving said District boundary line and going approximately 2,400 feet, N 64° 11' W, to a point on the Tug Fork;

thence, along the meanders of Tug Fork to a point, approximately 4,400 feet, S 49° 08' W;

thence, continuing along the meanders of the Tug Fork, to a point, approximately 5,425 feet, S 55° 11' E;

thence, continuing further along the meanders of the Tug Fork, to a point, approximately 8,000 feet, S 15° 30' E;

thence, continuing along the meanders of the Tug Fork, approximately 5,550 feet, S 46° 48' E, to the Point of Beginning.

Containing 2300 acres more or less, in Tug River District, Mingo County, West Virginia.

TRACT IV -- Ragland Public Service District

Beginning at a point on Rockhouse Fork, in the boundary line of the town limits of Delbarton, Mingo County, West Virginia, near West Virginia State Plane South Zone Coordinates, 1661050 N, 260550 E;

thence, approximately 7,900 feet, N 75° 52' E, to a point at the head waters of the eastern tributary to the Right Fork of Elk Creek;

thence, approximately 7,350 feet, N 74° 47' E, to a high point on the ridge between the Middle Fork of Elk Creek and the South Branch of Rockhouse Fork;

thence, approximately 4,150 feet, N 82° 16' E, to a point on a ridge at the head waters of a tributary of South Branch of Rockhouse Fork;

thence, approximately 6,600 feet, S 61° 58' E, to a point at the head waters of the Middle Fork of Elk Creek;

thence, approximately 11,550 feet, S 01° 43' E, to a point in the District boundary line between Lee District and Magnolia District;

thence, approximately 17,750 feet, N 74° 48' W, along said boundary line to a point;

thence, leaving said boundary line, and going approximately 3,550 feet, N 56° 25' W, to a point at the head waters of Curry Branch;

thence, approximately 5,425 feet, N 63° 53' W, to a point in the boundary line of the aforesaid town limits of Delbarton, West Virginia;

thence, following said boundary line, approximately 4950 feet, N 01° 08' W to a point being the Point of Beginning;

Containing 6050 acres, more or less, in Magnolia District, Mingo County, West Virginia.

TRACT V -- Red Jacket Public Service District

Beginning at a point on a hill north-east of Beech Creek School, near West Virginia State Plane South Zone Coordinates 1697650 N, 213900 E;

thence, across country in a straight line approximately 38,250 feet, N 58° 27' W to a point;

thence, across country in a straight line approximately 9,850 feet, N 31° 07' E to a point;

thence, across country in a straight line approximately 40,100 feet, S 67° 34' E to a point;

thence, across country in a straight line approximately 16,250 feet, S 36° 02' W to the Point of Beginning.

Containing 11,600 acres, more or less, in Magnolia District, Mingo County, West Virginia.

The above describes the lands to be served by the Mingo County Public Service District, Mingo County, West Virginia, and as shown on a map entitled "Lands to be Served by Mingo County PSD" dated November 14, 1995, prepared by Haworth, Meyer & Boleyn.

3. That the Clerk of the County Commission shall cause a copy of this Resolution and Order to be filed with the Executive Secretary of the Public Service Commission not later than ten (10) days following the adoption hereof.

ENTERED into the permanent record of Mingo County, West Virginia, this 5th day of March, 1996.

Curtis Fletcher
PRESIDENT

COMMISSIONER

COMMISSIONER

ATTEST:

CLERK

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BEFORE THE COUNTY COMMISSION OF MINGO COUNTY

A RESOLUTION AND ORDER PROPOSING THE
MERGER OF THE
RAGLAND PUBLIC SERVICE DISTRICT AND THE
MINGO COUNTY PUBLIC SERVICE DISTRICT TO FORM
A NEW PUBLIC SERVICE DISTRICT HEREINAFTER TO BE
KNOWN AS THE MINGO COUNTY PUBLIC SERVICE DISTRICT

WHEREAS, the County Commission of Mingo County desires to facilitate the expansion of development in Mingo County; and

WHEREAS, West Virginia Code §16-13A-2 provides that a County Commission may merge public service districts in order to achieve efficiency of operations; and

WHEREAS, it is now deemed desirous by said County Commission to adopt a Resolution and Order proposing the merger of the Ragland Public Service District and Mingo County Public Service District to form a new public service district hereinafter to be known as the Mingo County Public Service District to provide water and sewer service.

NOW, THEREFORE, BE IT, AND IT IS, HEREBY, RESOLVED AND ORDERED by the County Commission of Mingo County as follows:

1. That the County Commission of Mingo County, West Virginia, upon its own motion, proposes the merger of the Ragland Public Service District and Mingo County Public Service District to form a new public service district to be hereinafter known as the Mingo County Public Service District, located within Mingo County, West Virginia, for the provision of water and sewer service.

2. That the County Commission of Mingo County, West Virginia, upon its own motion, proposes through the merger of the

Ragland Public Service District and Mingo County Public Service District to create the resulting Mingo County Putnam Public Service District.

3. That the County Commission of Mingo County, West Virginia, upon its own motion, proposes through said merger, the resulting creation of the Mingo County Public Service District, and to include within its boundaries the territory located within Mingo County, West Virginia, which is not currently contained within the boundaries of any other Public Service District heretofore created by said County Commission, or within the boundaries of any municipal or private utility, for the provision of both water and sewer service.

4. That the County Commission of Mingo County, West Virginia, upon its own motion, proposes that the Mingo County Public Service District be more particularly defined as the following areas:

The entirety of Mingo County, West Virginia, excepting the municipalities of Delbarton, Gilbert, Kermit, Matewan, and Williamson, and the following four (4) tracts of land which describe the lands under the jurisdiction of the Chattaroy Public Service District, the Justice Public Service District, the Nolan Public Service District, and the Red Jacket Public Service District:

<u>TRACT I -- Chattaroy Public Service District</u>

Beginning at a point on the Tug Fork, near Chattaroy, Mingo County, West Virginia, near West Virginia State Plane South Zone Coordinates, 1624850 N, 258500 E;

thence, along the ridge line between Alley Branch and Buffalo Creek, to a point, approximately 4,400 feet, N 52° 29' E;

thence, along the ridge line between Cain Fork and Dans Branch, to a point in the District boundary line between Hardee District and Tug River District, approximately 5,200 feet, N 46° 13' E;

thence, along said District line, to a point, said point being the intersection of the District lines of Hardee, Tug River, and Lee Districts, approximately 12,250 feet, S 74° 55' E;

thence, along the District boundary line between Lee District and Tug River District, to a point on the ridge of Buffalo Mountain, approximately 7,650 feet, S 68° 21' E;

thence, along the District boundary line between Lee District and Tug River District on Buffalo Mountain to a high point, approximately 5,250 feet, S 2° 30' W;

thence, along the meanders of Sycamore Creek, to a point, approximately 6,750 feet, S 82° 08' W;

thence, leaving Sycamore Creek and going approximately 7,000 feet, N 84° 16' W, to a point in the Williamson Corporate Boundary;

thence, along the Williamson Corporate Boundary, approximately 12,100 feet, S 76° 17' W, to a point;

thence, leaving said boundary and going approximately 1,550 feet, N 30° 38' W, to a point on the Tug Fork;

thence, along the meanders of the Tug Fork to the Point of Beginning, approximately 6800 feet, N 2° 10' E.

Containing 5700 acres more or less, in Tug River District, Mingo County, West Virginia.

TRACT II -- Justice Public Service District

Beginning at a point where Lost Branch Creek enters the Guyandotte River, said point having a latitude of N 37° 35' 54" and a longitude of W 81° 49' 41", and being in the Mingo County Boundary;

thence, in a southwestern direction 0.14 mile with the river and the Mingo County line to a point where Huff Creek enters the Guyandotte River having a latitude of N 37° 35' 48" and a longitude of W 81° 49' 48";

thence, in a southern direction 0.92 mile leaving the Guyandotte river and continuing with the Mingo County line and crossing the Norfolk and Western Railroad and U. S. Route 52 to a point having a latitude of N 37° 35' 06" and a longitude of W 81° 49' 54";

thence, west, 0.50 mile leaving the Mingo County line and running to a point having a latitude of N 37° 35' 06" and a longitude of W 81° 50' 21";

thence, N 52° 18' W, 1.15 miles to a point having a latitude of N 37° 35' 40" and a longitude of 81° 51' 05";

thence, S 69° 09' W 0.65, mile crossing WV Route 52/4 to a point having a latitude of N 37° 35' 30" and a longitude of W 81° 52' 07";

thence, N 65° 07' W, 0.69 mile to a point having a latitude of N 37° 35' 46" and a longitude of W 81° 52' 48";

thence, S 24° 53' E, 0.93 mile to a point in the boundary of the town of Gilbert, said point having a latitude of N 37° 36' 30" and a longitude of W 81° 52' 22";

thence, S 65° 07' E, 0.66 mile with the Gilbert line and crossing the Norfolk and Western Railroad, the Guyandotte River and U. S. Route 52 to a point having a latitude N 37° 36' 15" and a longitude of W 81° 51' 43";

thence, N 21° 12' E, 0.19 mile continuing with the Gilbert line to a point having a latitude of N 37° 36' 24" and a longitude of W 81° 51' 38";

thence, S 68° 48' E, 1.36 miles leaving the Gilbert line and running to a point having a latitude of N 37° 35' 59" and a longitude W 81° 50' 15";

thence, N 58° 55' E, 0.52 mile to a point in Lost Branch Creek having latitude of N 37° 36' 13" and a longitude of W 81° 49' 45";

thence, in a southern direction 0.38 mile with Lost Branch Creek to the Beginning Point, containing a total area of 2.39 square miles, more or less, located in Stafford District, Mingo County, West Virginia.

TRACT III -- Nolan Public Service District

Beginning at a point on the Tug Fork, near Chattaroy, Mingo County, West Virginia, near West Virginia State Plane South Zone Coordinates, 1624850 N, 258500 E;

thence, along the ridge line between Alley Branch and Buffalo Creek, to a point, approximately 4,400 feet, N 52° 29' E;

thence, along the ridge line between Cain Fork and Dans Branch, to a point in the District boundary line between Hardee District and Tug River District, approximately 5,200 feet, N 46° 13' E;

thence, along said District boundary line, to a point, approximately 9,000 feet, N 73° 35' W;

thence, continuing along said District boundary line, to a point, approximately 8,500 feet, N 26° 08' W;

thence, leaving said District boundary line and going approximately 2,400 feet, N 64° 11' W, to a point on the Tug Fork;

thence, along the meanders of Tug Fork to a point, approximately 4,400 feet, S 49° 08' W;

thence, continuing along the meanders of the Tug Fork, to a point, approximately 5,425 feet, S 55° 11' E;

thence, continuing further along the meanders of the Tug Fork, to a point, approximately 8,000 feet, S 15° 30' E;

thence, continuing along the meanders of the Tug Fork, approximately 5,550 feet, S 46° 48' E, to the Point of Beginning.

Containing 2300 acres more or less, in Tug River District, Mingo County, West Virginia.

TRACT IV -- Red Jacket Public Service District

Beginning at a point on a hill north-east of Beech Creek School, near West Virginia State Plane South Zone Coordinates 1697650 N, 213900 E;

thence, across country in a straight line approximately 38,250 feet, N 58° 27' W to a point;

thence, across country in a straight line approximately 9,850 feet, N 31° 07' E to a point;

thence, across country in a straight line approximately 40,100 feet, S 67° 34' E to a point;

thence, across country in a straight line approximately 16,250 feet, S 36° 02' W to the Point of Beginning.

Containing 11,600 acres, more or less, in Magnolia District, Mingo County, West Virginia.

The above describes the lands to be served by the Mingo County Public Service District, Mingo County, West Virginia, and as shown on a map entitled "Lands to be Served by Mingo County PSD" dated November 14, 1995, prepared by Haworth, Meyer & Boleyn.

5. That the County Commission of Mingo County, West Virginia, shall hold a hearing on the proposed merger of the Ragland and the Mingo County Public Service Districts on the 7th day of February, 1996, in the Mingo County Courthouse in Williamson at 5:00 p.m.

6. That the Clerk of the County Commission shall cause notice of hearing and a description of all of the territory proposed to be included in the boundaries of the merged Mingo County Public Service District to be published as a Class I legal advertisement at least ten (10) days prior to the hearing.

7. That the County Commission of Mingo County shall post the notice of the hearing and description of the new Public Service District's boundaries in at least five (5) conspicuous places within the proposed service territory of the merged Mingo County Public Service District.

8. That the Clerk of the County Commission shall cause a copy of this Resolution and Order to be filed with the Executive Secretary of the Public Service Commission of West Virginia not later than ten (10) days prior to the hearing set forth herein.

ENTERED into the permanent record of Mingo County, West Virginia, this 3rd day of ~~December~~ January, 1996.

PRESIDENT

COMMISSIONER

COMMISSIONER

ATTEST:

CLERK

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BEFORE THE COUNTY COMMISSION OF MINGO COUNTY

A RESOLUTION AND ORDER MERGING RAGLAND PUBLIC SERVICE DISTRICT AND MINGO COUNTY PUBLIC SERVICE DISTRICT TO FORM A NEW PUBLIC SERVICE DISTRICT HEREINAFTER TO BE KNOWN AS THE MINGO COUNTY PUBLIC SERVICE DISTRICT

WHEREAS, the County Commission of Mingo County, West Virginia, did heretofore, by Resolution and Order adopted on January 3, 1996, propose the merger of the Ragland Public Service District and the Mingo County Public Service District to form a new public service district hereinafter to be known as the Mingo County Public Service District to provide water and sewer service; and,

WHEREAS, by said January 3, 1996 Resolution and Order, the County Commission did set a hearing on the proposed merger and consolidation for February 7, 1996, required notice of said hearing be given by Class I legal publication and by posting of notice in at least five (5) conspicuous places within the territories of each of the public service districts, and required the Clerk of the County Commission to cause a copy of the Resolution and Order to be filed with the Executive Secretary of the Public Service Commission; and,

WHEREAS, notice of the February 7, 1996 hearing was given in the manner provided and required by said Resolution and Order; and,

WHEREAS, in a regular meeting of the County Commission held February 7, 1996, the County Commission voted to continue the hearing on the proposed merger until March 5, 1996, so as to

provide the opportunity for members of the public to appear and be heard; and,

WHEREAS, notice of the continued hearing was given in the same manner as provided and required by West Virginia Code §16-13A-2 and all interested parties have been afforded an opportunity of being heard for and against the merger of the two public service districts, but no written protest has been filed by the requisite number of qualified voters registered and residing within the existing boundaries of the public service districts, and said County Commission has given due consideration to all matters for which such hearing was offered; and,

WHEREAS, it is now deemed desirous by said County Commission to adopt a Resolution and Order merging Ragland and Mingo County Public Service Districts to form a new public service district to be hereinafter known as the Mingo County Public Service District for the provision of water and sewer service.

NOW, THEREFORE, BE IT, AND IT IS, HEREBY, RESOLVED AND ORDERED by the County Commission of Mingo County as follows:

1. That the County Commission of Mingo County, West Virginia, upon its own motion, subject to the approval of the Public Service Commission of West Virginia, merges Ragland Public Service District and Mingo County Public Service District into the Mingo County Public Service District, to be more particularly defined as the following areas:

The entirety of Mingo County, West Virginia, excepting the municipalities of Delbarton, Gilbert, Kermit, Matewan, and

Williamson, and the following four (4) tracts of land which describe the lands under the jurisdiction of the Chattaroy Public Service District, the Justice Public Service District, the Nolan Public Service District, and the Red Jacket Public Service District:

TRACT I -- Chattaroy Public Service District

Beginning at a point on the Tug Fork, near Chattaroy, Mingo County, West Virginia, near West Virginia State Plane South Zone Coordinates, 1624850 N, 258500 E;

thence, along the ridge line between Alley Branch and Buffalo Creek, to a point, approximately 4,400 feet, N 52° 29' E;

thence, along the ridge line between Cain Fork and Dans Branch, to a point in the District boundary line between Hardee District and Tug River District, approximately 5,200 feet, N 46° 13' E;

thence, along said District line, to a point, said point being the intersection of the District lines of Hardee, Tug River, and Lee Districts, approximately 12,250 feet, S 74° 55' E;

thence, along the District boundary line between Lee District and Tug River District, to a point on the ridge of Buffalo Mountain, approximately 7,650 feet, S 68° 21' E;

thence, along the District boundary line between Lee District and Tug River District on Buffalo Mountain to a high point, approximately 5,250 feet, S 2° 30' W;

thence, along the meanders of Sycamore Creek, to a point, approximately 6,750 feet, S 82° 08' W;

thence, leaving Sycamore Creek and going approximately 7,000 feet, N 84° 16' W, to a point in the Williamson Corporate Boundary;

thence, along the Williamson Corporate Boundary, approximately 12,100 feet, S 76° 17' W, to a point;

thence, leaving said boundary and going approximately 1,550 feet, N 30° 38' W, to a point on the Tug Fork;

thence, along the meanders of the Tug Fork to the Point of Beginning, approximately 6800 feet, N 2° 10' E.

Containing 5700 acres more or less, in Tug River District, Mingo County, West Virginia.

TRACT II -- Justice Public Service District

Beginning at a point where Lost Branch Creek enters the Guyandotte River, said point having a latitude of N 37° 35' 54" and a longitude of W 81° 49' 41", and being in the Mingo County Boundary;

thence, in a southwestern direction 0.14 mile with the river and the Mingo County line to a point where Huff Creek enters the Guyandotte River having a latitude of N 37° 35' 48" and a longitude of W 81° 49' 48";

thence, in a southern direction 0.92 mile leaving the Guyandotte river and continuing with the Mingo County line and crossing the Norfolk and Western Railroad and U. S. Route 52 to a point having a latitude of N 37° 35' 06" and a longitude of W 81° 49' 54";

thence, west, 0.50 mile leaving the Mingo County line and running to a point having a latitude of N 37° 35' 06" and a longitude of W 81° 50' 21";

thence, N 52° 18' W, 1.15 miles to a point having a latitude of N 37° 35' 40" and a longitude of 81° 51' 05";

thence, S 69° 09' W 0.65, mile crossing WV Route 52/4 to a point having a latitude of N 37° 35' 30" and a longitude of W 81° 52' 07";

thence, N 65° 07' W, 0.69 mile to a point having a latitude of N 37° 35' 46" and a longitude of W 81° 52' 48";

thence, S 24° 53' E, 0.93 mile to a point in the boundary of the town of Gilbert, said point having a latitude of N 37° 36' 30" and a longitude of W 81° 52' 22";

thence, S 65° 07′ E, 0.66 mile with the Gilbert line and crossing the Norfolk and Western Railroad, the Guyandotte River and U. S. Route 52 to a point having a latitude N 37° 36′ 15" and a longitude of W 81° 51′ 43";

thence, N 21° 12′ E, 0.19 mile continuing with the Gilbert line to a point having a latitude of N 37° 36′ 24" and a longitude of W 81° 51′ 38";

thence, S 68° 48′ E, 1.36 miles leaving the Gilbert line and running to a point having a latitude of N 37° 35′ 59" and a longitude W 81° 50′ 15";

thence, N 58° 55′ E, 0.52 mile to a point in Lost Branch Creek having latitude of N 37° 36′ 13" and a longitude of W 81° 49′ 45";

thence, in a southern direction 0.38 mile with Lost Branch Creek to the Beginning Point, containing a total area of 2.39 square miles, more or less, located in Stafford District, Mingo County, West Virginia.

TRACT III -- Nolan Public Service District

Beginning at a point on the Tug Fork, near Chattaroy, Mingo County, West Virginia, near West Virginia State Plane South Zone Coordinates, 1624850 N, 258500 E;

thence, along the ridge line between Alley Branch and Buffalo Creek, to a point, approximately 4,400 feet, N 52° 29′ E;

thence, along the ridge line between Cain Fork and Dans Branch, to a point in the District boundary line between Hardee District and Tug River District, approximately 5,200 feet, N 46° 13′ E;

thence, along said District boundary line, to a point, approximately 9,000 feet, N 73° 35′ W;

thence, continuing along said District boundary line, to a point, approximately 8,500 feet, N 26° 08′ W;

thence, leaving said District boundary line and going approximately 2,400 feet, N 64° 11′ W, to a point on the Tug Fork;

thence, along the meanders of Tug Fork to a point, approximately 4,400 feet, S 49° 08' W;

thence, continuing along the meanders of the Tug Fork, to a point, approximately 5,425 feet, S 55° 11' E;

thence, continuing further along the meanders of the Tug Fork, to a point, approximately 8,000 feet, S 15° 30' E;

thence, continuing along the meanders of the Tug Fork, approximately 5,550 feet, S 46° 48' E, to the Point of Beginning.

Containing 2300 acres more or less, in Tug River District, Mingo County, West Virginia.

TRACT IV -- Red Jacket Public Service District

Beginning at a point on a hill north-east of Beech Creek School, near West Virginia State Plane South Zone Coordinates 1697650 N, 213900 E;

thence, across country in a straight line approximately 38,250 feet, N 58° 27' W to a point;

thence, across country in a straight line approximately 9,850 feet, N 31° 07' E to a point;

thence, across country in a straight line approximately 40,100 feet, S 67° 34' E to a point;

thence, across country in a straight line approximately 16,250 feet, S 36° 02' W to the Point of Beginning.

Containing 11,600 acres, more or less, in Magnolia District, Mingo County, West Virginia.

The above describes the lands to be served by the Mingo County Public Service District, Mingo County, West Virginia, and as shown on a map entitled "Lands to be Served by Mingo County PSD" dated November 14, 1995, prepared by Haworth, Meyer & Boleyn.

2. That the Clerk of the County Commission shall cause a copy of this Resolution and Order to be filed with the Executive

Secretary of the Public Service Commission not less than ten (10) days following the adoption hereof.

ENTERED into the permanent record of Mingo County, West Virginia, this 5th day of March, 1996.

PRESIDENT

COMMISSIONER

COMMISSIONER

ATTEST:

CLERK

mingo.com\county.wid\merge.fin

BEFORE THE COUNTY COMMISSION OF MINGO COUNTY

A RESOLUTION AND ORDER PROPOSING THE DISSOLUTION OF RAGLAND PUBLIC SERVICE DISTRICT

WHEREAS, West Virginia Code §16-13A-2 provides that a County Commission may merge public service districts; and

WHEREAS, this Commission has proposed the merger of Ragland Public Service District and Mingo County Public Service District to form a new Mingo County Public Service District; and

WHEREAS, it is now deemed desirous by said County Commission to adopt a resolution and order proposing the dissolution of the Ragland Public Service District upon the completion of said merger into the new Mingo County Public Service District.

NOW, THEREFORE, BE IT, AND IT IS, HEREBY, RESOLVED AND ORDERED by the County Commission of Mingo County as follows:

1. That the County Commission of Mingo County, West Virginia, upon its own motion, subject to the merger of Ragland Public Service District with the Mingo County Public Service District, and subject further to the approval of the Public Service Commission of West Virginia, proposes to dissolve Ragland Public Service District.

2. That the County Commission of Mingo County, West Virginia, shall hold a hearing on the proposed dissolution on the 7th day of February 1996, in the Mingo County Courthouse in Williamson at 5:00 p.m.

3. That the Clerk of the County Commission shall cause notice of hearing to be published as a Class I legal advertisement at least ten (10) days prior to the hearing.

4. That the County Commission of Mingo County shall post the notice of the hearing in at least five (5) conspicuous places within the territory of the Ragland Public Service District.

5. That the Clerk of the County Commission shall cause a copy of this Resolution and Order to be filed with the Executive Secretary of the Public Service Commission not less than ten (10) days prior to the hearing set forth herein.

ENTERED into the permanent record of Mingo County, West Virginia, this 3rd day of January, 1996.

PRESIDENT

COMMISSIONER

COMMISSIONER

ATTEST:

CLERK

BEFORE THE COUNTY COMMISSION OF MINGO COUNTY

A RESOLUTION AND ORDER DISSOLVING
RAGLAND PUBLIC SERVICE DISTRICT

WHEREAS, the County Commission of Mingo County, West Virginia, did heretofore, by Resolution and Order adopted on January 3, 1996, propose the dissolution of the Ragland Public Service District; and,

WHEREAS, by said January 3, 1996 Resolution and Order, the County Commission did set a hearing on the proposed dissolution for February 7, 1996, required notice of said hearing be given by Class I legal publication and by posting of notice in at least five (5) conspicuous places within the territory of Ragland Public Service District, and required the Clerk of the County Commission to cause a copy of the Resolution and Order to be filed with the Executive Secretary of the Public Service Commission; and,

WHEREAS, notice of the February 7, 1996 hearing was given in the manner provided and required by said Resolution and Order; and,

WHEREAS, in a regular meeting of the County Commission held February 7, 1996, the County Commission voted to continue the hearing on the proposed dissolution until March 5, 1996, so as to provide the opportunity for members of the public to appear and be heard; and,

WHEREAS, notice of the continued hearing was given in the same manner as provided and required by West Virginia Code §16-13A-2 and all interested parties have been afforded an opportunity of being heard for and against the dissolution of the public service district, but no written protest has been filed by the requisite

number of qualified voters registered and residing within the existing boundaries of the public service district, and said County Commission has given due consideration to all matters for which such hearing was offered; and,

WHEREAS, it is now deemed desirous by said County Commission to adopt a Resolution and Order dissolving the Ragland Public Service District upon the completion of the merger of the Ragland and Mingo County Public Service Districts into the Mingo County Public Service District.

NOW, THEREFORE, BE IT, AND IT IS, HEREBY, RESOLVED AND ORDERED by the County Commission of Mingo County as follows:

1. That the County Commission of Mingo County, West Virginia, upon its own motion, subject to the approval of the Public Service Commission of West Virginia, and subject further to the merger of the Ragland and Mingo County Public Service Districts, dissolves Ragland Public Service District.

2. That the Clerk of the County Commission shall cause a copy of this Resolution and Order to be filed with the Executive Secretary of the Public Service Commission not less than ten (10) days following the adoption hereof.

ENTERED into the permanent record of Mingo County, West Virginia, this 5th day of March, 1996.

Curtis Fletcher

PRESIDENT

COMMISSIONER

COMMISSIONER

ATTEST:

CLERK

county.wid\Ragland2.dis

The Minutes of the Special Session of the County Commission of Mingo County, West Virginia was held on Tuesday, March 5, 1996 at 5:00 p.m. in the Commissioners' Room 136, First Floor of the Courthouse, Williamson, West Virginia were approved as presented this the 6th day of March, 1996.

ORDER:

ENTER:

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL
8-1-96

Entered: July 12, 1996

CASE NO. 96-0049-PSWD-PC

MINGO COUNTY COMMISSION
Petition for consent and approval to create a new public service district to provide both water and sewer services to customers in areas which are not presently contained in the boundaries of any other public service district within Mingo County, to dissolve Ragland Public Service District and to merge Ragland Public Service District with the newly created Mingo County Public Service District.

RECOMMENDED DECISION

On March 5, 1996, the Mingo County Commission adopted resolutions to create the Mingo County Public Service District, to provide water and sewer services to customers in areas of Mingo County which are not presently in the boundaries of any other public service district within Mingo County; to dissolve the Ragland Public Service District; and to merge the Ragland Public Service District territory with the newly created Mingo County Public Service District.

On March 12, 1996, the adopted resolutions were submitted for Commission approval, pursuant to West Virginia Code §16-13A-2.

By Order dated February 27, 1996, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before August 15, 1996.

On April 1, 1996, Staff Attorney, Cassius H. Toon, Esquire, filed a Further Joint Staff Memorandum to which was attached the Final Staff Internal Memorandum of Mr. James W. Boggess, Jr., Utilities Analyst II, Public Service District Division. Mr. Toon advised that Staff, after a review of all the pertinent information in this case, recommended approval of the simultaneous dissolution of the Ragland Public Service District and creation of the Mingo County Public Service District and the scheduling of this case for a hearing, in accordance with the provisions of West Virginia Code §16-13A-2.

By Order dated May 31, 1996, this matter was set for a hearing to be

eld in the Council Chambers, City Building, Williamson, West Virginia, on June 19, 1996, in accordance with the provisions of West Virginia Code §16-13A-2, and said Order required that the Mingo County Commission give notice of the hearing by publishing a copy of the Notice of Hearing, once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Mingo County. In a letter dated June 10, 1996, the proper affidavit of publication was submitted by the Mingo County Commission.

The hearing was held as scheduled. The Mingo County Commission appeared by its Counsel, Robert R. Rodecker, Esquire. Commission Staff appeared by Cassius H. Toon, Esquire.

At the hearing held on June 19, 1996, no one appeared in protest to the petition of the Mingo County Commission. Thus, after receipt of Mingo County Commission Exhibits 1 through 6, which were the resolutions and orders creating the Mingo County Public Service District, merging Ragland Public Service District and Mingo County Public Service District and dissolving Ragland Public Service District, no further evidence was taken and the matter was submitted as an unprotested case.

DISCUSSION

In a resolution adopted March 5, 1996, the Mingo County Commission created the Mingo County Public Service District to provide water and sewer services to customers in areas of Mingo County, which are not presently inside the boundaries of any other public service district within Mingo County. Also, the County Commission passed a resolution to dissolve the Ragland Public Service District and to merge the Ragland Public Service District with the newly-created Mingo Public Service District.

These resolutions and orders were submitted for Commission approval on March 12, 1996, and pursuant to West Virginia Code §16-13A-2, a hearing was held in Williamson, Mingo County, on June 19, 1996. The Mingo County Commission gave a notice of the hearing by publishing a Notice of Hearing, once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Mingo County. Proper publication was made in accordance with the Commission's requirements. At the hearing held in this matter on June 19, 1996, no one appeared in protest to the petition of the Mingo County Commission, whereupon, the matter was submitted as an unprotested case. Since no one appeared in protest to the petition of the Mingo County Commission, after proper publication had been made in accordance with the Commission's requirements, the orders of the Mingo County Commission, as filed on March 12, 1996, should be approved.

FINDINGS OF FACT

1. On March 5, 1996, the Mingo County Commission adopted resolutions and orders to create the Mingo County Public Service District to provide water and sewer services to customers who are not presently in the boundaries of any other public service district within Mingo County; to

lissolve the Ragland Public Service District; and to merge the Ragland ublic Service District with the newly-created Mingo County Public Service District. Said resolutions and orders were submitted for Commission approval on March 12, 1996, pursuant to West Virginia Code §16-13A-2. (See, Resolutions filed March 12, 1996).

2. Commission Staff recommended approval of the simultaneous dissolution of the Ragland Public Service District and the creation of the Mingo County Public Service District. (See, Further Joint Staff Memorandum filed April 1, 1996).

3. By Order dated May 31, 1996, this matter was set for a hearing to be held in the Council Chambers, City Building, Williamson, West Virginia, on June 19, 1996, and the the Mingo County Commission was to give notice of said hearing by publishing a Notice of Hearing, once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Mingo County. (See, Order dated May 31, 1996, and Appendix A).

4. In a letter dated June 10, 1996, the Mingo County Commission submitted the Affidavit of Publication reflecting proper publication of the Notice of Hearing, as required by the Order of May 31, 1996. (See, letter dated June 10, 1996).

5. At the hearing held in this matter on June 19, 1996, no one appeared in protest to the petition of the Mingo County Commission, whereupon the matter was submitted as an unprotested case. (See, Tr., p. 4).

CONCLUSION OF LAW

The Administrative Law Judge is of the opinion and finds that, since the Mingo County Commission gave proper notice of the hearing to be held in this matter and no one appeared to give protest to the orders of the Mingo County Commission, the orders adopted on March 5, 1996, should be approved.

ORDER

IT IS, THEREFORE, ORDERED that the resolutions and orders, adopted by the Mingo County Commission on March 5, 1996, to create the Mingo County Public Service District to provide water and sewer services to customers in areas of Mingo County which are not presently in the boundaries of any other public service district within Mingo County; merging the territory of the Ragland Public Service District with the Mingo County Public Service District; and dissolving the Ragland Public Service District, be, and the same hereby are, approved.

The Acting 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 Acting Executive Secretary of the Commission within fifteen (15) days of the date this order is mailed. If exceptions are filed, the parties filing exceptions shall certify to the Acting Executive Secretary that all parties of record have been served said exceptions.

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

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

Robert W. Glass
Administrative Law Judge

RWG:jas

IN THE COUNTY COMMISSION OF MINGO COUNTY

WEST VIRGINIA

ORDER

IN RE: PSD Board

THE COUNTY COMMISSION OF MINGO COUNTY, WEST VIRGINIA, AT A REGULAR/SPECIAL SESSION ON THE 17th DAY OF May 2006, HEREBY ORDERS THE FOLLOWING:

Colin Keller fill vacancy of Retiree on Mingo County PSD Board pending training

THIS ORDER EFFECTIVE THIS THE 17th DAY OF May 2006

ORDER:

ENTER:

PRESIDENT

COMMISSIONER

COMMISSIONER

IN THE COUNTY COMMISSION OF MINGO COUNTY, WEST VIRGINIA

ORDER

RE: Mingo County PSD

AT A Regular MEETING OF THE COUNTY COMMISSION OF MINGO COUNTY, WEST VIRGINIA, HELD ON THIS THE 3rd DAY OF October 2007, THE COMMISSION HEREBY ORDERS:
Tom Deter to the PSD Board to fill Vacancy of Ray Dotson

THIS ORDER EFFECTIVE 3rd DAY OF October 2007.

ORDERED:

ENTERED:

Commissioner

Commissioner

Commissioner

Sept 2009

IN THE COUNTY COMMISSION OF MINGO COUNTY

WEST VIRGINIA

ORDER

IN RE:

THE COUNTY COMMISSION OF MINGO COUNTY, WEST VIRGINIA, AT A Regular SESSION ON THE 18th DAY OF February 2009 HEREBY ORDERS THE FOLLOWING:

Robert Adams be re-appointed to Mingo County P.S.D. Board

THIS ORDER EFFECTIVE THIS THE 18th DAY OF February 2009.

ORDER:

ENTER:

Wallace Hubbard
PRESIDENT

COMMISSIONER

L Barnes
COMMISSIONER

IN THE COUNTY COMMISSION OF MINGO COUNTY

WEST VIRGINIA

ORDER

IN RE: Mingo County P.S.D.

THE COUNTY COMMISSION OF MINGO COUNTY, WEST VIRGINIA, AT A Regular SESSION ON THE 4th DAY OF March 2009 HEREBY ORDERS THE FOLLOWING:

re-appoint Mike Adkins to Board

THIS ORDER EFFECTIVE THIS THE 4th DAY OF March 2009.

ORDER:

ENTER:

~~PRESIDENT~~

~~COMMISSIONER~~

COMMISSIONER

STATE OF WEST VIRGINIA

COUNTY OF MINGO, to wit: 0158 158

The County Commission of Mingo County met in Regular Session on Wednesday, May 17, 2006 at 5:00 p.m. in Room 136 First Floor, Courthouse, Williamson West Virginia. Present for the meeting was John Hubbard and Haley Hatfield, Commissioners. Absent from the meeting was Commissioner Greg Smith.

A quorum being present and the public being duly notified, the meeting was called to order @ 5:15 p.m.

John Hubbard made a motion to approve the Minutes as presented. Haley Hatfield seconded. The vote was unanimous. Motion carried.

John Hubbard said let the record reflect there was an Improper submitted at this time.

Mark Whitt, 4-H Director, came before the Commission requesting financial assistance with help, sending our youth to camps and leadership conference's and other projects directed towards the youth of Mingo County. John Hubbard made a motion to approve $2,500.00 dollars to the 4-H project to make sure our young people are sent to camp. Haley Hatfield seconded. The vote was unanimous. Motion carried.

Randy Hatfield, President of Deputy Sheriff's Association came before the Commission on behalf of the Deputies and the cost of living raise of a one thousand dollar a year raise that had been previously denied. John Hubbard made a motion to approve the request effective May 30, 2006. Haley Hatfield seconded. The vote was unanimous. Motion carried.

Sheriff Lonnie Hannah came before the Commission stating that he was supposed to submit for approval the Attorney's name and fee schedule as the Judge has ordered but the Order has not yet been signed by the Judge. The Commission asked that the Sheriff's request be put on the Agenda for Monday's Special Session.

Judy Hambrick came before the Commission on behalf of the Solid Waste Authority, with first presenting their budget stating that they do not have as much money in their budget as some people has stated. Ms. Hambrick asked the Commission for financial assistance for the (4) four employees they currently have to continue for (10) ten more weeks because they are currently going into another phase of the Solid Waste

Project. Ms. Hambrick stated that have finished all the roads except Hominy Creek and are now going into dumps and that is why we need the employees to continue for (10) ten more weeks. Haley Hatfield made a motion for them to continue for (10) ten weeks. John Hubbard seconded, but not to exceed $10,000.00 dollars. The vote was unanimous. Motion carried.

Haley Hatfield made a motion to reappoint Joe Hatfield for another (4) year term to the Mingo County Solid Waste Authority Board. John Hubbard seconded. The vote was unanimous. Motion carried.

George Compton, Vice President of the Jeanette Boyd Park, came before the Commission requesting financial assistance for playground equipment for the smaller children in the neighborhood. Haley Hatfield made a motion to approve a donation of $2,200.000 dollars. John Hubbard seconded. The vote was unanimous. Motion carried.

Mike Vorase came before the Commission for their support of the Civil Air Patrol, Cadet Program Startup. Mr. Vorase explained to the Commission what the Civil Air Patrol is all about, stating that our youth does not have any programs for them in the County other than sports, he said this program will give them leadership skills, patriotism, it will introduce them to science aspects to aviation. They will also provide a service to the County. Civil Air Patrol is set up to provide a disaster relief program to the County, Civil Air Patrol has ties to FEMA now, if we had an organization here during the flood we could take the Commissioners to the flooded areas. This organization will be trained to assist the County, that sets it a part from other organizations and all I need is an assurance that we will be able to use the Varney Grade School for a meeting place and the use of the County buses to transport them from here to Yeager Airport if they have a flight, I'm going to try to get them flown in a C-130 from Yeager to Right Patterson Air Force Base. This is an opportunity for the children in our community, its for children from the age of 12 thru 18 and if they are in before 18 then they can stay until they are 21, they are an auxiliary of the Air Force and they are authorized to ride in military vehicles. Mr. Vorase said he did not want to put this out to the children unless he can pull this all together I don't want them to be disappointed, I want to make sure I have all my ducks in a row before I offer it to the kids. Glen Rutledge asked Mr. Vorase what his back ground is that he has such a passion for Civil Air Patrol? He stated that he was a

pilot in Michigan but I quit flying in 1973 and I was in the reserves and I left there as a Captain. Haley Hatfield asked Mr. Vorase when he needed the building? He stated not until after December 2006, but I have to know these facilities are in place so that the kids are not disappointed. Mr. Rutledge asked how may kids does he expect to have join this organization? Mr. Vorase state out about 20 or 30 in the beginning and altogether 50 or 60 through out the County. Mr. Rutledge asked him if he was association or corporate structure? Mr. Vorase stated that the Civil Air Patrol has its own insurance we are a part of the Air Force he also stated that the Insurance could be provided upon request. John Hubbard stated that Mr. Vorase mentioned something about buses and the only problem I have with that is sometimes our bus is running and sometimes it isn't running. Mr. Vorase stated what he is asking for is a feasibility plan and if doesn't have that he has a problem. John Hubbard said you have given us a lot of information and I do not feel comfortable at all to make any recommendations of what we can or can not do, primarily your list is pretty long, at this point in time I don't think we can make any commitment to you until you submit to us exactly what you are asking for. Mr. Vorase said what I'm really asking for now is the use of the Varney Grade School and if the buss is running at the time that we may use it. John Hubbard stated that you and Emergency Service Director, Bill Davis are going to have to come back to a regular session and he is going to have to say that he doesn't have any objection of you using the building, because the Emergency Service has use of the building.

Kathy Thompson and Leann Wells came before the Commission on behalf of the Save Our Strays animal shelter, Ms. Wells is asking for some assistance with helping get an animal shelter built at Deskins Drive, Borderland, WV. After some discussion on the matter Haley Hatfield made a motion to approve a $2,500.00 dollar donation to help deffray the cost of the building. John Hubbard seconded. The vote was unanimous. Motion carried.

Under the Public, Cleta Mullins came before the Commission on behalf of the Coalfield Convention & Visitors Bureau, Ms. Mullins stated she was here just as a Mingo Countian, stating that she attended the Historic Preservation Conference last week and I found out that there was about $400,000.00 thousand dollars just laying around and in order to apply for that money you need a Land Mark Commissioner and Mingo County

doesn't have one. Ms. Mullins stated that she copied Logan County to see how they applied for their Commission papers the only thing the Commission has to do is to pass an order establishing a Land Mark Commissioner. My suggestion would be is to find one from each area of your County it has to be five members. I don't expect an answer today but I would like for you to study the papers that I have given you and if you don't move soon there is a lot of money you could loose. Williamson has several homes that could be listed as a historical site, the Mountaineer Hotel is on the National Register and it got on there just by someone petitioning it to be on there. The Commission's part in it would be to get the board together and have the County Surveyor work on it after it is designated. Ms. Mullins stated she would appreciate it if the Commission would help her establish Mingo County on the National Registry and it needs to be done by October 2006.

Under Personnel, Tina Lockard stated that the Janitors position has closed and the Commission should have names to submit. Haley Hatfield made a motion to approve the hiring of David Layne and Robert Ellis and Mr. Layne can be used as part-time Court Bailiff effective Monday May 22, 2006 at a starting salary of $1,400.00 monthly. John Hubbard seconded. The vote was unanimous. Motion carried.

Nothing was submitted under 911 personnel.

County Clerk, Jim Hatfield asked for part-time employee Carissa Maynard to be extended thru the month of June 2006 until she becomes full time in July 2006. John Hubbard made a motion to hire Carissa Maynard full time effective Monday May 22, 2006 at a starting salary of $15,000.00 thousand yearly. Haley Hatfield seconded. The vote was unanimous. Motion carried.

No one was present from 911 to submit the road names of Beech Creek and Ben Creek.

Haley Hatfield made a motion to approve the appointment of Roy Dotson to fill the vacancy of the late Herb Savage after first being sworn in to the Mingo County Public Service District Board. John Hubbard seconded. The vote was unanimous. Motion carried.

John Hubbard made a motion to approve the appointment of Colin Kelly to replace Mark Rodwine pending training to the Mingo County Public Service District Board. Haley Hatfield seconded. The vote was unanimous. Motion carried.

Haley Hatfield made a motion to place the Correspondence on record as presented. John Hubbard seconded. The vote was unanimous. Motion carried.

Sheila Erwin presented the grants for approval as follows:

Haley Hatfield made a motion for the President Pro Tem John Hubbard to sign the Assessor's Office reimbursement grant. John Hubbard seconded. The vote was unanimous. Motion carried.

Haley Hatfield made a motion for the President Pro Tem John Hubbard to sign the Assessor's Office grant for a time extension. John Hubbard seconded. The vote was unanimous. Motion carried.

Haley Hatfield made a motion to approve another time extension grant for the Assessor's Office. John Hubbard seconded. The vote was unanimous. Motion carried.

Haley Hatfield made a motion to approve the reimbursement for the Big Laurel Learning Center grant. John Hubbard seconded. The vote was unanimous. Motion carried.

John Hubbard made a motion to approve the change of scope on the Big Laurel Learning Center grant. Haley Hatfield seconded. The vote was unanimous. Motion carried.

Haley Hatfield made a motion to approve the time extension on the Big Laurel Learning Center grant. John Hubbard seconded. The vote was unanimous. Motion carried.

John Hubbard made a motion to approve the time extension on the Christian Help, Inc. grant. Haley Hatfield seconded. The vote was unanimous. Motion carried.

Haley Hatfield made a motion to approve the Change of Scope on the Christian Help, Inc. grant. John Hubbard seconded. The vote was unanimous. Motion carried.

John Hubbard made a motion to approve the time extension on the Concerned Citizens League grant. Haley Hatfield seconded. The vote was unanimous. Motion carried.

John Hubbard made a motion to approve the time extension for the 4-H Club grant. Haley Hatfield seconded. The vote was unanimous. Motion carried.

John Hubbard made a motion to approve the time extension for the Gilbert Creek Park. Haley Hatfield seconded. The vote was unanimous. Motion carried.

Halley Hatfield made a motion to approve the time extension for the Lenore Kiwanis Club. John Hubbard seconded. The vote was unanimous. Motion carried.

John Hubbard made a motion to approve the time extension for the Lenore Little League grant. Haley Hatfield seconded. The vote was unanimous. Motion carried.

John Hubbard made a motion to approve the time extension for the Red Jacket Kiwanis Club grant. Haley Hatfield seconded. The vote was unanimous. Motion carried.

John Hubbard made a motion to approve the reimbursement for the Juvenile Accountability Block Grant. Haley Hatfield seconded. The vote was unanimous. Motion carried.

The Commission had a brief discussion with Sheila Erwin concerning the Beech Creek Community Park, Inc.

The Commission asked if the request for copiers from both the Tax Department and the Assessor's Office be put on the Agenda for Monday May 22, 2006 Special Session.

Under General County Business the following was acted upon:

Haley Hatfield made a motion to approve the sales order for Co-Max for a Copier for the Mingo County Clerk's Office in the amount of $4,700.00 dollars. John Hubbard seconded. The vote was unanimous. Motion carried.

Haley Hatfield made a motion to sign the (2) two salvage titles that was discussed from the previous Regular Session. John Hubbard seconded. The vote was unanimous. Motion carried.

Haley Hatfield made a motion to approve the Orders & Settlements as presented. John Hubbard seconded. The vote was unanimous. Motion carried.

John Hubbard made a motion to approve the accounts payables, as monies are made available. Haley Hatfield seconded. The vote was unanimous. Motion carried.

John Hubbard made a motion to adjourn the meeting pending signing of the bills. Haley Hatfield seconded. The vote was unanimous. Motion carried.

The Minutes of the Special Session of the County Commission of Mingo County, West Virginia was held on Monday, May 22, 2006 at 9:00 a.m. in the Commissioners Office, Room 136, First Floor, Courthouse, Williamson, West Virginia were approved as presented this the 7th day of June, 2006.

ENTER:

ORDER:

STATE OF WEST VIRGINIA
COUNTY OF MINGO, to-wit:

BOOK 0164 PAGE 496

The County Commission of Mingo County met in Regular Session on Wednesday, October 17, 2007, at 5:00 p.m. in Room 136 First Floor, Courthouse, Williamson, West Virginia. Present for the meeting was John Mark Hubbard, David Baisden and Greg Smith.

A quorum being present and the public being duly notified, the meeting was called to order at 5:00 p.m. by John Mark Hubbard and prayer was lead by Rev. Robert Settles followed by the Pledge of Allegiance.

Minutes

Commissioner Smith made a Motion to approve the minutes as presented for October 3, 2007 Regular Session and October 9, 2007 Special Session. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

Impropers

Commissioner Smith made a Motion to approve the Impropers which have been reviewed and signed by the Prosecutor and Assessor as presented. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

John Clifford Davis Proclamation

Commissioner Hubbard stated that the John Clifford Davis Proclamation will be presented on October 28, 2007 at 1:00 at the Delbarton Opry House. Commissioner Hubbard made a Motion to approve the John Clifford Davis Proclamation to be presented on October 28, 2007. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

Prosecutor Sparks: National Child Identification Program

Michael Sparks, Prosecuting Attorney and Donald Stevens, Private Investigator, appeared before the Commission to request assistance in purchasing child identification kits for the National Child Identification Program. Sparks stated that the Board of Education has agreed to donate $1,000.00 towards the cost of the kits. Sparks stated he has a goal of distributing these kits at the Kids Day Health Fair to be held on October 27 at the Williamson Field House and is asking that the County Commission co-sponsor this program. Sparks stated again to summarize, this is a kit that will be given to children's parents which includes an inkless fingerprint kit, DNA collection envelope and a laminate wallet card for a picture to be placed in along with written information in case the child is ever abducted or lost. This information is crucial for law enforcement to have within the first 24 hours after a child is missing. The cost of the kit is approximately $3.80 per kit. Sparks stated he would like to purchase 1,000 kits which would be close to $4,000.00. Sparks stated they also have a goal of going into each school this year, probably first or second grade, and issue these kits to those children. Sparks stated he would donate $250.00 from his office for the kit purchases. Sparks stated he would check into it further and see if he can use drug forfeiture money for this program and if so he would give $1,000.00 from that fund or more if possible.

Commissioner Smith made a Motion to pay $1,000.00 towards the purchase of child identification kits to be a co-sponsor with the Prosecuting Attorney and Board of Education. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

Commissioner Hubbard suggested if there are any kits left over they could be given out at the Kiwanis Halloween Party. Sparks agreed.

Tug Valley Recovery Shelter: Drawdown

Tina Lockard stated Kim Ryan could not attend the meeting but forwarded the documents requesting Drawdown #3 in the amount of $2,432.62. Lockard stated Ryan has submitted documentation to support the request.

Commissioner Smith made a Motion to approve Drawdown Request #3 in the amount of $2,432.62 for the Tug Valley Recovery Shelter. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

Planning Commission: Master Plan

Appearing on behalf of the Planning Commission are Ray Scites, Vice-President, George Poole and Leasha Johnson.

Commissioner Hubbard commended the Planning Commission board members on the work that has been done thus far, stating it is exciting to see what this is going to mean to our County.

Scites stated the Planning Commission has put together a group of people that sat down as teams and came up with suggestions for improving the existing overall Master Plan for the County. From that team of groupings we had a public meeting and invited the County out to participate and we now have a Master Plan.

Johnson stated this Master Plan is actually an update to the existing Master Plan, but legislatively we have to conduct this in accordance with the State Code and since there was already a Plan in place then this will act as an update. Johnson stated the Plan being presented now is in final form and has taken into consideration the public comments received at the Public Meeting on September 24, 2007. When this is presented to the County Commission for your acceptance and once you accept as is the County Commission will be required to hold a public meeting and you must receive comments prior to adopting the updated Plan.

Commissioner Smith asked where the public could view this Plan for anyone wanting to do so?

Johnson stated a copy could be kept in the County Commission office as well as the Redevelopment Authority office for viewing.

Glen Rutledge asked who did the writing of the Master Plan?

Johnson stated that it came almost directly from the sub-committees that were formed from the Steering Committee and then they (E L Robison) took what we submitted and edited it somewhat.

Scites stated that there were a lot of committees and individuals involved.

Johnson stated it is a very comprehensive plan and it encompasses all that we have discussed in the Steering Committee, Planning Commission and Public Meeting.

Commissioner Hubbard asked if there were any further comments?

No further comments were made. BOOK 0164 PAGE 498

Commissioner Hubbard made a Motion to adopt the Master Plan as submitted to the County Commission and being reviewed by counsel. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

Commissioner Hubbard asked what the correct time frame and procedure was for the County Commission to hold its public meeting?

Johnson stated that you have 90 days from today to hold the public meeting and it must be advertised at least 15 days prior to the meeting.

Duba's Towing: Inquire about Towing Procedures

William Sexton, Dubas Wrecker Service, appeared before the Commission in reference to the letter that was sent to all the fire chief's in Mingo County regarding towing services. Sexton stated WV Code 24-6-12, you must have a meeting with all wrecker services, all State, city and county police departments and the County Commission before this can be approved.

Commissioner Baisden stated this was probably his mistake because he thought the Sheriff had called a meeting with all the wrecker services and ambulances.

Sexton stated that meeting was held about 3 years ago.

Baisden said he thought a meeting had been held since Lonnie (Hannah) became Sheriff. Sexton said there was a meeting held but not everybody attended.

Baisden stated several complaints have been received about numerous wrecker services appearing on scenes and he and Bill Davis tried to devise a fair plan for everyone.

Sexton asked how this plan was fair when he gave him only a 2 mile radius because 500 feet above his place puts him out of city limits?

Baisden stated Duba's was given the Williamson area. Sexton stated to the Williamson Fire Dept? Baisden stated no, it was anywhere in the Williamson area and if Kenny Cox couldn't go on a run then you could take it. Baisden stated as it stands there are 2-3 wrecker services getting all of the business. Baisden stated when the tones go off sometimes the wrecker services take off and get there before the police. We just tried to divide it up and make it fair for all the areas.

Sexton asked what his radius is – how far can he go? Baisden stated he (Duba's) was given the Williamson area but anybody that calls him to come to them he can go. We were just asking for the fire departments to call 911 for the dispatching.

Sexton stated that a police officer cannot tell which wrecker service they want. Baisden stated they have been doing that and the fire departments radio who they want. That is why we put this out.

Commissioner Smith stated the tone issue has always been an issue, but my understanding of the legal issue and I am not in favor of tone-chasing because I think it is dangerous and just not right, but if I am understanding the law correctly that the PSC does not govern because there is not a franchise or territory and I don't think we can territorialize certain areas. I think that is what Dave (Baisden) was hoping to do is to have an agreement between everybody that if it happens in this territory you get it and so on. I think by law that we can but that puts you right at the issue we don't like, tone-chasing, but the way I understand it is the person involved in the accident has the choice of which wrecker service they want to use. Smith stated it was further his understanding that if there was not a preference by the involved party then MECCA/911 was called and the dispatchers were instructed to call the closest wrecker service based upon where the accident was. Commissioner Smith stated he thought that was the current policy and it would be nice if we could all get along and divide up the territory but it doesn't look like that can or will happen.

Glen Rutledge (counsel) asked Sexton what his problem with this policy was?

Sexton said that it his wrecker service is only providing service to the Williamson area and that is approximately 2-2.5 miles where others on the list have miles and miles of service area. Sexton stated city limits end 500-1000 feet above his place so if there is an accident above his place he can't go to it.

Baisden stated that was not correct and not how the letter was intended. Baisden stated Duba's service area would include anywhere up to the top of Buffalo Mountain (water tower) and then the rest of the area would be Goodwill. Sexton stated he would be fine with that as long he has the Williamson area.

Rutledge stated Sexton thought he was confined to a certain area. Baisden stated no that is not the way the letter was intended, you can go to any place you are called to. Baisden stated he was basically trying to keep from having 2-3 wreckers from showing up on a scene when not needed. Sexton stated they all do it and has been that way for years.

Commissioner Hubbard stated he has had personal experience with this issue where two wrecker services showed up at the accident scene and both argued over which one was going to get his truck.

Commissioner Smith stated that the Commission will ask the Emergency Services Director, Jarrod Fletcher and the 911 Director, Bill Davis, to conduct a meeting with a representative from each company in attendance and come to some type of agreement to avoid this situation by making known which areas each wrecker service would have with the boundary lines being known to and from.

Skip Ferris, Lenore Volunteer Fire Dept., stated he didn't agree with this because sometimes they would have to sit out in the weather and wait 4-5 hours for a wrecker service to come to them and then there are others that will come as soon as you call. Commissioner Smith stated he didn't care which wrecker service came he was just trying to get something fair and that everybody is agreeable to. Commissioner Smith stated he would not wait 4-5 hours on a wrecker and would not expect anyone to, they should call someone else.

Rutledge asked Mr. Ferris to make his complaint known to the Fletcher and he will consider that in the agreement they are going to try to arrange.

[illegible]

Commissioner Smith stated there can be back-ups, if the accident is in Duba's area and when he gets the call and don't get there within a certain time, then give the call to someone else. Commissioner Smith stated he appreciated what all the fire departments do but if there can be an attempt to work out territories between everybody then it needs to be done to avoid that type of situation.

Donnie (Goodwill) stated one thing there is a problem with is when the fire department itself calls for the wrecker service and it needs to go through MECCA like it should so that they are the ones dispatching the wrecker service. It shouldn't be up to the fire departments to chose which wrecker service is used. It should be the closest one to the scene and we (Goodwill & Duba's) do run over each other in our territories. Donnie stated he has been in business a long time and tries hard to get along with everybody and do right and have been before the Commission several times to talk about this. Sexton stated if there are two cars on the scene sometimes Donnie will take one and he takes one. Fletcher stated that is not the problem.

Commissioner Smith stated he felt there definitely needs to be a meeting with a representative from each service to sit down and discuss this further.

Jarrod Fletcher stated he would set that up.

Sexton stated that was fine with him.

Commissioner Hubbard asked that Fletcher report the results of that at the next meeting.

Town of Matewan: Annexation Update, Request financial assistance for Matewan Homecoming

Sheila Kessler could not attend and requested to be placed on the next agenda.

Matewan Massacre: Request financial assistance

Donna May appeared before the Commission on behalf of the Matewan Re-enactment Group to ask for financial assistance in support of the Matewan Massacre performance. May presented the Commissioner with a Certificate of Appreciation for their past support. May stated that they wanted to upgrade the production and not stop at just one performance a year and with the help of the Commission were able to hold 3 performances. May thanked all of the officials that have supported Matewan and the Re-enactment by coming to the performances as well. May stated that also with the Commission's help they were able to be recognized by the State and hopefully will be able to stay in that State budget and continue to get that contribution from the State. May stated that Paul McCallister is back on board helping with grant writing to help get an amphitheater. May stated she was able to work with the Corp. of Engineers this summer and found the 1994 feasibility study that had been completed where they actually allowed for an amphitheater to be developed in Matewan. May stated she has asked Randall Smith, Commissioner of WV Culture & History, to be on their Planning Commission and he has agreed. May stated she feels by keeping this history in Matewan alive it will benefit our children and our County. May stated they are able to go into the schools and dress-up and teach local history not only for Matewan but for Mingo County. May stated that last year they were able to produce a brochure and feels like that helped bring in the over 650

people in each performance. May stated she is here today to ask again for the Commission's financial support in hopes that they will eventually be able to build the amphitheater and hope that it would eventually pay for itself and be able to maintain that on our own. May stated she is asking for $2,500.00 from the Commission to continue upgrading.

May stated the 2008 productions are scheduled for May 17, 2008. May stated that November 2, 2007 is an Appreciation Dinner being held for all the volunteers, etc. to thank you and everyone involved in the re-enactment.

Commissioner Hubbard made a Motion to approve a donation of $2,500.00 the Matewan Re-Enactment Group. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

May stated she did have one more request and submitted a letter to the Commissioners. May stated in June 2007 the Commissioners did a letter to the Secretary of Interior in support of Matewan becoming recognized as National Historic Park. May stated they are now in the process of asking the Congressional delegation to move into the realm of asking for funding for this park service study to be done for Matewan. May stated there is specific wording that needs to be included and asked that the Commission send a letter with the same wording she has submitted to Governor Manchin, Congressman Rahall, Senator Byrd, and Senator Rockefeller.

Commissioner Smith made a Motion to send a letter of support for the Town of Matewan becoming a National Historic Park to the Congressional Delegation and the Governor's office asking that funds be allocated for the same. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

Tug Valley American Red Cross: Request $3,000 for single family disasters

Paul McCallister, Tug Valley American Red Cross appeared before the Commission, and introduced the board members present and thanked the supporters that they had at the last fund raiser.

Diane Shafer, Tug Valley American Red Cross board member/secretary, stated thanks to the generous support of the County Commission and many local supporters they are able to maintain a local chapter for the Red Cross which cost approximately $50,000 per year. Shafer stated they have raised funds by having the Rubber Duck Race, Spring Auction, candle selling, etc. and they are here today to ask for a donation from the County Commission in the amount of $3,000.00.

Commissioner Smith made a Motion to approve a donation in the amount of $2,500.00 to the Tug Valley American Red Cross. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

Isom Ooten – Mingo County PSD Board Member Induction

Commissioner Hubbard stated he had asked Isom Ooten to come to the meeting tonight to be sworn in as a new PSD board member. Commissioner Hubbard stated his appointment was approved at the last Commission Meeting (October 3, 2007).

Isom Ooten appeared before the Commission and raised his right hand and repeated the Oath of Office for the Mingo County Public Service District.

Commissioner Hubbard informed Ooten that training is required and once that is arranged he will be notified.

Coalfield Visitor's Bureau: Request increase in hotel/motel tax from 3% to 6%

Cleeta Mullins, Coal Visitor's Bureau, appeared before the Commission to request the Commission to increase the current hotel/motel tax from 3% to 6%. Mullins stated for 2002 the Commission passed a mandate for the hotel/motel tax and she asked that the Commission amend that Order to reflect the rate as 6%. Mullins stated the only hotel she is aware of in Mingo County in operation is under a new owner now, which it used to be the Justonian and is now the Stonecreek Lodge, and he has agreed to collect the tax.

Mullins stated that the municipalities collect their own taxes. Mullins stated she was told there is one at Kermit but she has been unable to contact anyone concerning that.

Commissioner Baisden asked if this tax was also to be collected on cabins and lodges?

Mullins stated yes that is something that Mingo County does need to look into and she stated she has a listing of all the lodges and cabins in Mingo County and there needs to be an Order put out from the Commission and start collecting these taxes.

Baisden asked if this was for non-residents only? Mullins stated it used to be for non-residents but it is now for everyone – anyone who rents a room/cabin would pay this tax. Mullins stated that it used to also be that you had to have 6 rooms before you could collect the tax but not anymore, now even it is one room you can collect the tax. Mullins stated this does not cost the owners anything, the consumer is the one paying the tax.

Commissioner Smith asked what the procedure was for the one located within the city limits? Mullins stated the City Council collects that tax money and the send it to the City and it is divided 50% between the City and the CVB.

(Public) What is Logan's tax?

Mullins stated is 6% everywhere in WV. Mullins stated she came to Mingo County last because there was only one hotel and the new owner is now collecting that tax.

Mullins stated that she would also like to talk to the Commission about the Hatfield-McCoy tour that Bill Richardson does. Mullins stated that the CVB done that last year and brought in 11 different groups. Mullins stated she paid for all of it, they were put up in the Chief Logan Lodge and at the Sycamore Inn. Mullins stated the way she got those groups here was by going to Travel South last year at Myrtle Beach, this year it is going to be in Biloxi, Mississippi. This year because of the cut in my funding that I am getting this year I won't have the money to pay for that myself again. Bill Richardson typed this up and asked me to give this to you and he is asking that you pay for me and him to attend Travel

South and the cost would be approximately $3,000.00. Like I said I paid for it last year and it did bring in 3 buses of tours and they stayed at the Sycamore Inn and at Chief Logan State Park. The only thing if we do it this year we will ask that we only bring them to Sycamore Inn and not to Logan County keeping them in Mingo County. We would be telling them about the Hatfield-McCoy tour and inviting them to bring their buses here.

Baisden asked what the length of the stay would be?

Mullins stated 3 days. The cost includes $1,300 for Travel South, and then the rooms, meals and travel expense. Mullins stated CVB would probably pay mileage but would not pay for the Travel South because it did not benefit Logan County only Mingo County.

Commissioner Smith asked what did Logan County pay for last year? Mullins stated they paid for the whole thing. Commissioner Smith asked what the amount was last year? Mullins stated it was $1350.00 for Travel South, the rooms were $100 per night x 4 nights, and the gas.

(Public – Marvin Vematter) Has this CVB ever been audited by the State? Mullins stated yes, in fact she brought the audit to the County Commission the last time she was here a couple of months ago. Mullins stated they paid for an audit to be done and are 100% okay. Mullins stated she thinks the Commissioners were very proud she done that because you don't ever want to leave a loose end that someone can pick at.

Commissioner Hubbard asked when Travel South will be?

Mullins stated it wasn't until March 2008.

Commissioner Smith asked what the $1,300.00 was for? Mullins stated that was for the registration. Commissioner Smith asked if that covered both of them? Mullins stated she thought it covered just her and there is a certain percentage charged for an additional person. Mullins stated you are working a table in a huge conference center and you present a scrapbook of your area to show the bus operators and they take this information and then if get interested will call you and book a tour. Mullins stated this usually starts about 2 weeks after the conference. If you book one tour you get your $3,000 back because you have 50 people coming here and staying in a hotel room.

Mullins stated she would like to see Mingo County build a conference center. Mingo County has a lot to offer now. I really need to go to this conference so that I can improve my connections and ways to present Mingo County.

Commissioner Hubbard stated the matter regarding funding for the Travel South conference would be tabled.

Commissioner Hubbard tabled the matter regarding the hotel/motel tax.

Personnel: 9-1-1

No action discussed or taken.

Homeland Security /Emergency Management: Request approval of Sections A01 and A02, submit additional sections

Jarrod Fletcher, Director of Homeland Security/Emergency Management, appeared before the Commission requesting approval of Sections A01- Public Warning and A02 – Emergency Public Warning of our Master Disaster Plan submitted previously for review.

Commissioner Hubbard made a Motion to accept and approve Section A01 – Public Warning and A02 – Emergency Public Warning of Master Disaster Plan. Commissioner Smith seconded. The vote was unanimous. Motion carried.

Personnel: County Commission

Commissioner Hubbard made a Motion to go into Executive Session at 6:20 p.m. to discuss the personnel matter regarding County Commission. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

Commissioner Hubbard opened the Regular Session at 6:55 p.m. upon returning from Executive Session. Commission Hubbard stated no action was taken while in Executive Session.

Commissioner Smith stated as discussed in Executive Session, our Emergency Services Director Jarrod Fletcher's probationary period is up. Mr. Fletcher was hired in at an annual salary of $20,000 per year during his probationary period. Fletcher has performed very well during his probationary period and has completed a large portion of his educational training and has actually put into effect for the first time a written plan. As we discussed the former Emergency Services Director received a salary of $25,000.00 and that was $12,500 from the County and $12,500 from the matching State grant and I feel it is only fair that we increase Mr. Fletcher's salary to reflect the same.

Commissioner Smith made a Motion to increase the salary of Emergency Services Director, Jarrod Fletcher, from $20,000.00 to $25,000.00 annually. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

Commissioner Hubbard stated also that it has been discussed and noted that our Grant Writer, Ina Mahon, will be leaving her position.

Commissioner Hubbard made a Motion to post the Grant Writer position with the Job Service for a period of two weeks (10-19-07 through 11-02-07). Commissioner Smith seconded. The vote was unanimous. Motion carried.

Grants

WV County Records & Management Preservations Grant

Tina Abbott stated Ina Mahon could be present and asked to present the WV County Records Management and Preservation Grant Resolution, Application and letter for signature.

Commissioner Smith asked what the progress has been? Tina Lockard stated they have not actually started scanning the records yet and to her knowledge the contract has not been awarded. We have been awarded the grant for $15,000.00 and ACS has sent a quote in for $14,000(+). John Shepherd with ACS was here last week and did a demonstration for Susie Smith, Glen Rutledge and myself and it is amazing what he can do.

Commissioner Smith made a Motion to approve the drawdown in the amount of $3671.00 for the WV County Records Management & Preservation Grant. Commissioner Hubbard seconded. The vote was unanimous. Motion carried.

Courthouse Facilities Improvement Grant

Tina Lockard stated she had a report that came in on the Courthouse Facilities Improvement Grant and it is due by Oct. 20, 2007 and since Ina has not been available she (Lockard) got with Tom (Fugitt) today to get the information needed and it is basically to give an update on how the elevator is working. Tom (Fugitt) said that the electrical company is 95% complete and that our maintenance department is 95% complete. There is still some wires and ledges in the shaft that need to be enclosed and Dustin from Otis Elevator was here yesterday and by what Tom said Otis will be here around the middle of next week and possibly start on the Oct. 24 to start the upgrade of the jail elevator. Lockard stated she had prepared a letter telling them that this our monthly report for September and if there are any questions to contact me and I am asking that the Commission sign this letter.

Commissioner Smith made a Motion to approve the letter regarding the monthly report on the jail elevator upgrade. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

Mentola Jackson

Tina Lockard stated she has been contacted by Mentola Jackson concerning a grant that she received in FY 2005. According to WV Code 12-14-4 and Amended Senate Bill 4006 we have to provide proof that those funds were expended. The County Commission was the local sponsor of the grant and the grant was to improve her facility. Lockard stated she located the file and made the appropriate copies of the grant agreement and receipts. Lockard stated she has prepared a Sworn Statement of Expenditures and this will go to the Administration Office at the Governor's. Lockard stated she is asking for the Commission President's signature on this Sworn Statement of Expenditures.

Commissioner Smith made a Motion to authorize the Commission President to execute the Sworn Statement of Expenditures to submit to the Governor's office on behalf of Mentola Jackson. Commissioner Baisden seconded. The vote was seconded. Motion carried.

<u>Jeanette Boyd Park: Request help in obtaining playground equipment</u>

Commissioner Smith stated when attending the outing at the Jeanette Boyd Park he was extremely impressed by how that Park has taken off and how well they have done with so little over there. The walking track and the Pavilion are very nice but the one thing I thought was missing was a little more activities and equipment for the children. Smith stated he encouraged Larry "Yogi" Croaff

to meet with the Park Board and make a recommendation as to what they thought would be best for the Park for us to look at and possibly help them with obtaining. Smith stated Croaff is also approaching a local coal company with the same list and asking for their assistance. Smith stated he has asked Jay (Lockard) to look for some pricing on these equipment pieces.

Commissioner Smith made a Motion to table the matter of Jeanette Boyd Memorial Park playground equipment until receiving pricing quotes. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

Maintenance Agreements

Circuit Clerk New Time Clock:

Tina Lockard presented a maintenance agreement for the new time stamp clock that the Circuit Clerk's office purchased. The maintenance agreement is annual for $230.00 per year.

Commissioner Smith made a Motion to approve the Maintenance Agreement for the Circuit Clerk Time Clock Stamp as presented. Commissioner Hubbard seconded. The vote was unanimous. Motion carried.

Prosecutor's Copier:

Tina Lockard presented the maintenance agreement for the copier purchased by the Prosecuting Attorney's office in the amount of $112.00 per month. Lockard stated this is a new copier that has just been purchased.

Commissioner Hubbard asked if the maintenance was not included when purchased for some period of time. Lockard stated she did not know but to table this matter and she would check.

Family Court Lease

Tina Lockard stated she had spoken with Jason Arrowwood, Supreme Court, and we have been waiting for an updated lease on the family court judge quarter's. Lockard stated it is 1,510 sq. feet and it is $6.00 per sq. feet which comes to $755.00 per month. Lockard stated the Commission has not received this money for a while because we have been waiting on the Supreme Court to send the updated lease.

Commissioner Hubbard asked if they are going to back up and pay what is owed?

Lockard stated they are willing to do that because they have been using our facility.

Commissioner Hubbard made a Motion to enter into a 2008 lease with the Supreme Court for the Family Court Judge's quarters with the stipulation of requesting previous payment for 2007. Commissioner Smith seconded. The vote was unanimous. Motion carried.

Orders & Settlements

Lockard presented Orders & Settlements upon being reviewed by counsel.

Commissioner Hubbard made a Motion to approve the Orders & Settlements on records as presented. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

Correspondence on Record

Tina Lockard presented the following correspondence:

- 941 Tax Receipt for 10-15-07
- Blasting Notification from Consol of KY on Permit #S5009-05 (off US Rt. 119 three miles northeast of Borderland)

Commissioner Smith made a Motion to accept the Correspondence on Record as presented. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

General County Business

Cable Companies:

Tina Lockard stated that on November 7 we are proposing that Intermountain Cable send a representative to our meeting and we are going to ask Mr. Duty to attend the meeting so that he can ask them directly in front of the Commission what their intentions are.

Rutledge stated that they had located the franchise and there is nothing in that would allow their franchise to be revoked. The franchise for Intermountain Cable in non-exclusive. Rutledge stated that he has spoken with Mr. Duty and explained all of this to him and he asked that the Commission write a letter to them asking what their intentions are because of receiving several complaints.

Commissioner Smith asked if that should be addressed in a Special Session?

Lockard stated she is trying to schedule a Special Session on November 7, 2007 before the Regular Session on a renewal of the franchise for Colane Cable and that will be in the form of a public hearing though so it will have to be different from a public hearing. Lockard stated she has asked if this could be done in a regular session but there are concerns about time. Lockard stated she would get back with the Commissioners concerning the time once she contacted Intermountain and Colane Cable.

Garage:

Commissioner Baisden stated that he would like to report that the renovations on the garage on 1st Ave. is coming along good, but they had run into some roof damage and had to have that repaired.

Varney Community Center:

Commissioner Smith reported that he has been told that there was $3,000(+) raised at the Gospel Singing that was held to raise money for the Varney Community Center. They got some initial quotes back on the metal roofing and it was really high and they are going to check at other

places to see if they can get at cost or discounted. Smith reported he was also told that Everett Hannah was going to donate the lumber.

Commissioner Baisden said he thought maybe some of the students from the Vo-Tech School could take part of that Center on as a project and would check with the school and see if that is possible.

National Trail Fest:

Commissioner Hubbard stated he would be sending a letter to Mayor White and the Town of Gilbert thanking them for the invitation to the Trail Fest and commending on the activities. Hubbard stated he has been told this will now be the only Trail Fest that the Hatfield-McCoy Trails will sponsor.

Commissioner Smith stated he was told there were 950 ATV's in the parade.

Rev. Robert Settles Proclamation

Commissioner Hubbard stated Rev. Settles is going to be recognized on October 20, 2007 and the Commission will be presenting a Proclamation.

Commissioner Hubbard made a Motion to proclaim Saturday, October 20, 2007 as Rev. Robert Settles Day. Commissioner Smith seconded. The vote was unanimous. Motion carried.

Accounts Payables

Commissioner Smith made a Motion to approve the Accounts Payables, as monies are made available. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

Public

Kathy Thompson / Save Our Strays

Kathy Thompson, of SOS, appeared before the Commission to report that they have been doing some fund raising and have been successful. Thompson reported they had a golf tournament and so far they have raised approximately $11,000, but they are still without a building. Thompson said she had spoken with Commissioner Baisden and he had informed her that because of legality issues the Commission would not be able to give the FEMA trailer to them for use. Thompson stated Baisden asked her to look for some other options and to let the Commission know what she comes up with and they would look into it further to see if they would be able to help.

Thompson reported she has looked at some trailers and the one that most fits the needs and least amount of renovations needed is a 2003 model for $8,000.00 and would like to know if the Commission could help with the purchase of that. Thompson reported that SOS would pay for moving the mobile home if the Commission would purchase.

Thompson stated that as soon as the public sees anything on that property whether it is a trailer or a camper they are going to start dumping animals.

Commissioner Smith suggested contacting Rich at the Home Show in Belfry, KY and asked if there is anything he can do to help because he may be able to do something through the corporate office.

Thompson stated she would like to be placed on the next agenda to discuss further.

(Skip)

Skip _____ appeared before the Commission requesting the Commission to check into having the Dingess Tunnel named as a Historic Landmark.

Commissioner Hubbard stated they would check into it and get back with him and if it is we will see that a sign is put up.

Skip also stated he would like to have the land at the Laurel Lake Campground condemned and turned over to the fire department. Skip stated that there is garbage and log piles up there.

Commissioner Hubbard stated he was not sure the Commission could do that. Skip stated it belongs to Forestland Company.

Commissioner Baisden asked if anyone had approached them about cleaning up or anything? Skip reported that he had but he not been able to get anything done.

Donald Hall stated that Forestland is leasing this land to individuals and they are using this as "hunting clubs" and for people like me that have grown up in that area and hunted there all of our lives can't now. When you try to contact Forestland to ask questions they won't even talk to you.

Commissioner Hubbard stated he would check on the property at Laurel Lake Campground to see what can be done there.

(Donald Hall – Public)

Donald Hall asked how to get a copy of the delinquent land that is up for sale?

Commissioner Hubbard stated it was in the paper. Commissioner Baisden stated also that on the day of the sale they have copies of the listings up for sale. Commissioner Hubbard stated he thought the Tax Dept. had that information and would have it available before the sale.

Hall reported he was in the office yesterday and they would give him anything. Commissioner Baisden stated they had already had one sale last week.

Lockard reported there are two sales, the State Auditor Sale and the Tax (Sheriff's) Sale.

Hall stated he just asked for a copy of the delinquent land up for sale and all he got was a bad attitude. Hall said he would like to know why he could not get a copy of this information?

Commissioner Hubbard asked that in the future the Commission office asked the Tax Dept. to provide us with a copy of the delinquent land that will be in the sale for the general public to be able to come in and get a copy if needed.

(Public – Judith Campbell)

Judith Campbell appeared before the Commission to inquire about the compactor located at Browning Fork.

Tina Lockard stated it is located at the old landfill at Browning Fork.

Campbell stated it has been sitting there for a long time now and she would like to know if it could be donated or whatever because her husbands junks and he was up there looking around. Campbell stated he husband has cleaned up areas at Justice and at Stacy's Equipment and other areas. Campbell stated she wouldn't want a kid to be up there playing and get hurt around it or on it. Campbell stated there are busted windows in it, pipes sticking out and it is dangerous.

Commissioner Hubbard stated that we (Commission) are getting ready to have an auction shortly and that will be one of the items we will auction. Hubbard stated that he is hoping to have the auction by the end of the year and a list of the items to be auctioned will be published and those items will be available for bid.

Campbell asked if she could be contacted with the date, time, etc. of the auction. Hubbard asked her to leave her information with Tina Lockard and once the time and date was determined she would be notified and it will also be published in the Williamson Daily News.

Present FY 2007 Financial Statements

Tina Lockard stated the financial statement for FY 2007 has been compiled and signed by Jim (Hatfield) and certified a copy for each of the Commissioners.

Commissioner Smith made a Motion to accept the FY 2007 Financial Statement as presented. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

Adjourn

Commissioner Smith made a Motion to adjourn pending signing of the bills. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

The Minutes of the Regular Session of the County Commission of Mingo County, West Virginia was held on Wednesday, October 17, 2007 at 5:00 p.m. in the Commissioners' Office, Room 136, First Floor, Courthouse, Williamson, West Virginia were approved as presented this the 7th day of November, 2007 2007.

ENTER:

ORDER:

STATE OF WEST VIRGINIA
COUNTY OF MINGO, to-wit:

The County Commission of Mingo County met in Regular Session on Wednesday, February 18, 2009, at 5:00 p.m. in the Commission Courtroom, Room 136, First Floor, Courthouse, Williamson, West Virginia. Present for the meeting were Commissioners John Hubbard, Greg Smith and David Baisden.

A quorum being present and the public being duly notified, the meeting was called to order at 5:00 p.m. by Commissioner Hubbard.

Minutes

Commissioner Smith made a Motion to approve the Minutes for February 4, 2009 (Regular Session) and February 9, 2009 (Special Session) as presented. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

Impropers

Commissioner Smith made a Motion to approve the Impropers as presented being approved and signed by the Prosecuting Attorney and the Assessor. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

King Coal Highway: Dave Akers – Request financial assistance

Dave Akers presented that an economic impact study needs to be done for the King Coal Highway and the cost is $25,000. Akers stated that the King Coal Highway Authority is contributing $5,000 to this cost and another agency has pledged $5,000 leaving a balance of $15,000. Akers stated that they are hoping that each of the County Commissions along the highway route will make a contribution. Akers stated this impact study will provide statistical data regarding new jobs and tax revenue generated by the Highway's construction. Akers further stated that the study would be valuable in marketing the highway and requested $3,000 from the Commission toward the payment of this study.

Commissioner Smith made a Motion to contribute $3,000 toward the Economic Impact Study. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

JB Heflin (Mingo County PSD):

Present Quotes on Kings Drive

JB Heflin, Mingo Co PSD Manager, appeared before the Commission to present the quote for the Kings Drive Waterline Extension. Heflin stated the estimate he was able to obtain so far has been for approximately $42,000. Heflin stated there is a concern that the pipe pricing may be going up and would like to place the ad for a materials bid before that happens. Heflin stated there is a concern about obtaining the permit from the DOH.

Commissioner Smith made a Motion to authorize the bid to be placed for materials for the Kings Drive Waterline Extension project. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

Reappointment of Robert Adams (term expired) to Board:

Heflin stated that Robert Adams term has expired and requested that he be reappointed to the Board.

Commissioner Smith made a Motion to approve the reappointment of Robert Adams to the Mingo County PSD Board. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

Matewan Re-enactment: Donna Booth – Request financial assistance

Donna Booth, Director of the Matewan Re-Enactment Group, appeared before the Commission to request financial assistance with the upcoming event. Booth stated they are combining the two events now into one day, "Matewan Heritage Day" which will showcase both the Matewan Massacre and the Hatfield/McCoy Festival. Booth requested $2,500 to continue weatherizing their sound equipment as well as to assist with any other needs possible such as costumes, staging, etc.

Commissioner Smith made a Motion to contribute $2,500 to the Matewan Re-Enactment Group. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

Williamson Park & Recreation Board: Request financial assistance

Tina Lockard presented the Commission with a letter received from the Williamson Park & Recreation Board requesting financial assistance with replacing the current hot water system with an inline hot water heater as well as all copper lines and shut-offs. The letter also stated that 3 units are required for venting. The quote attached from Ferguson Enterprises, Inc. is for $5,940.98.

Commissioner Hubbard made a Motion to contribute $2,000 to the Williamson Park & Recreation Board toward the replacement of the hot water system at the fieldhouse. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

Ernest Williams: Water Concerns

Ernest Williams did not appear.

Dave Boggs: Concerns regarding road beside track

Dave Boggs did not appear.

Commissioner Baisden stated that the concern is they have received a response from the railroad stating that the liability was too high to allow usage of the road beside the track located at Caney. Commissioner Baisden stated that they were informed if there was a way found to eliminate a crossing they would donate $15,000 which could be used to help repair the damaged bridge.

Personnel: Sheriff

Sheriff Lonnie Hannah appeared before the Commission to request approval to hire Michelle Stroud as an office assistant for data recovery and also helping part-time in the Tax office at $14,000/year.

Commissioner Hubbard made a Motion to approve the request to hire Michelle Stroud at $14,000/year beginning February 23, 2009. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

Sheriff Hannah asked if he could present an invoice on the Glen Mosser case as well. Counsel, Glen Rutledge stated that the matter should be on the agenda before being discussed. Hannah stated that would be fine he assumed it could be taken care of under personnel. Rutledge asked how much the bill was and Hannah replied he had paid some on the bill already and it is all broken down and itemized. Commissioner Baisden asked for the matter to be placed on the March 4th agenda. Commissioner Smith asked if there was a breakdown of what is reimbursement to the Sheriff Dept., etc. Hannah replied that it all should come to him and he will pay because he made the contract with them.

Rutledge requested a copy of the invoice to be presented before the March 4th meeting for reviewing purposes. Hannah replied he would bring one to him.

Grants: Various Presented by Leigh Ann Ray

Memorial Bldg.:

Ray stated the Commission has an opportunity to receive funding for security equipment through the WV Div. of Criminal Justice Services' Court Security Fund grant program and Ray requested authorization to submit an application in the amount of $59,000.

Commissioner Smith made a Motion to authorize the submission of the grant application to the WV Div. of Criminal Justice Services' Court Security Fund grant program in the amount of $59,000 as presented and authorize the Commission President to execute the same. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

Twin Branch

Ray stated that a Title of Opinion is needed for all the deeds and easements per Kathy Elliott's request to be sent to the EDA. Ray stated there is no more money in the Twin Branch budget for this service and requested how the Commission would like to handle this matter.

Commissioner Hubbard asked Ray when was the request received. Ray replied yesterday.

Rutledge stated he would check into this matter further and requested it be placed back on the agenda for March 4th.

Commissioner Baisden asked if this was going to cause any problems and Ray replied no that she was told that a Title of Opinion was needed now. Commissioner Hubbard asked what the purpose of the Opinion was and Ray replied she asked that question also and was told that it done on every project.

Ray stated that an invoice was received from Greg Blackburn for Twin Branch in the amount of $5,570 and requested input from the Commission as what to do. Rutledge replied he will discuss this further with Blackburn and get back with the Commission.

S.T.O.P. – Underage Drinking Laws Grant Program

Ray presented a reimbursement request in the amount of $892.44 as is required to be submitted monthly in order to receive the funding. Ray requested approval of the reimbursement request and authorization to submit those documents.

Commissioner Smith made a Motion to authorize the submission of the reimbursement request for $992.44 and its supporting documentation to the WV Division of Criminal Justice Services and authorize the Commission President to execute the same. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

Upward Bound

Ray presented the annual report for Upward Bound and stated that the program was originally certified by Commissioner Smith as the previous Commission President and requested that he be authorized to sign now as well.

Commissioner Smith made a Motion to approve and authorize the submission of the Upward Bound annual report and further authorize the Commissioners to execute the documents as presented. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

Juvenile Accountability Block Grant

Ray presented a drawdown request in the amount of $1,666.67 to the Division of Criminal Justice Services for the purpose of reimbursement for the salary of the juvenile assistant prosecutor and requested the Commission approve and execute the same.

Commissioner Hubbard made a Motion to approve the Drawdown Request in the amount of $1,666.67 to the Division of Criminal Justice Services for the purpose of reimbursement for the salary of the juvenile assistant prosecutor and authorize Commission President to execute the same as presented. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

Upward Bound

Ray stated that it is time for the Upward Bound staff to attend the annual conference which will be held in Virginia Beach, VA on March 28th-April 1st and requested the Commission to approve the same as this in the Upward Bound budget.

Commissioner Smith made a Motion to approve the Resolution authorizing the staff of Upward Bound (including Eugene Cisco, Jr., Mary Ellen O'Daniel and Eugene Cisco, III) to attend the annual regional conference in Virginia Beach, VA March 28th – April 1st. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

Records Management & Preservation Grant

Ray stated the Commission has been awarded $13,000 through the WV Div. of Culture & History to continue microfilming the records in the County Clerk's office and a letter needs to be submitted to accept the $13,000. Ray requested authorization of the letter to be submitted and the Commission President to execute.

Commissioner Smith made a Motion to approve the Resolution/Letter regarding the Records Management & Preservation Grant through the WV Div. of Culture & History to accept the $13,000 and authorize the Commission President to execute the same. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

Court Security Fund Grant

Ray stated it is time to submit this years application for funding through the Court Security Fund Grant and this year we are asking for $59,000 for the cameras, DVR and monitors. Ray presented the Resolution and signature page for the grant application to be submitted and requested the Commission approve the same.

Commissioner Smith made a Motion to approve the Court Security Fund Grant resolution to submit the 2009 application and authorize the Commission President to execute the same. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

Redevelopment Authority: Deed

Tina Lockard presented a deed for Tract 5617 formerly owned by Donna & Lawrence Hurley and Vernon Hardin, Jr. located at Delorme. Lockard requested this tract be given back to the Redevelopment Authority and they will in turn offer this to the previous owner by certified mail and if they do not wish to purchase the property back other interested parties will be given the opportunity to purchase.

Commissioner Smith made a Motion to approve the Deed from the Mingo County Commission to the Redevelopment Authority for Tract 5617. Commissioner Baisden seconded. The vote was unanimous. Motion carried.

General County Business:

No General County Business was presented.

Accounts Payables:

Commissioner Smith made a Motion to approve the accounts payables, as monies are made available. Commissioner Hubbard seconded. The vote was unanimous. Motion carried.

Public:

Tish Chafin, attorney, stated she has presented a Freedom of Information Request to the County Commission and today was the 7th day, which according to law, is supposed to be responded by and she had received no response.

Commissioner Smith stated that the FOIR was sent to counsel to formulate and response.

Chafin stated that Counsel was present today and since he seemed so vocal maybe he could answer why it has not been received.

Rutledge stated that he would have responded earlier but if the FOIR is associated with the 2004 Flood Issues (Chafin replied she did not have to tell him what it was associated with) – Rutledge continued if it was then she and her clients have had him removed from that case and he did not want to offend anyone but if she would like for him to respond he will. Chafin stated it was a FOIR for information and expects him to comply with the law. Rutledge replied he understood the law and would respond.

Orders & Settlements:

Commissioner Hubbard made a Motion to approve the Orders & Settlements as presented. Commissioner Smith abstained. Commissioner Baisden seconded. The vote was 2 yes/1 abstained. Motion carried.

Correspondence on Record:

Tina Lockard presented the following correspondence on record:

- Payroll tax receipt dated 01-30-09
- Payroll tax receipt dated 02-13-09
- Letter from Paul Pinson concur with counsel Heather Deskins regarding canvas of Bond Levy Election

Commissioner Smith made a Motion to place the correspondence on record as presented. Commissioner Hubbard seconded. The vote was unanimous. Motion carried.

Adjourn

Commissioner Hubbard made a Motion to adjourn the meeting at (6:00 p.m.) pending signing of the bills. Commissioner Smith seconded. The vote was unanimous. Motion carried.

OATH OF OFFICE

STATE OF WEST VIRGINIA,

COUNTY OF MINGO, TO-WIT:

I, Tom Oates, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES AND THE CONSTITUTION OF THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY DISCHARGE THE DUTIES OF THE OFFICE OF Mingo County Public Service District TO THE BEST OF MY SKILL AND JUDGEMENT. SO HELD ME GOD.

Tom Oates

SUBSCRIBED AND SWORN TO BEFORE ME, IN SAID MINGO COUNTY, WEST VIRGINIA, ON THIS THE 17th DAY OF October, ~~19~~ 2007

Jim B. Heflin
NOTARY PUBLIC OR COUNTY CLERK

COMMISSION EXPIRES April 29, 2008

OFFICIAL SEAL
Notary Public, State of West Virginia
JIM B. HEFLIN
Mingo County PSD
P.O. Box 129
Delbarton, WV 25670
My commission expires April 29, 2008

OATH OF OFFICE

STATE OF WEST VIRGINIA

COUNTY OF MINGO, TO-WIT:

I, Robert Adams, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES AND THE CONSTITUTION OF THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY DISCHARGE THE DUTIES OF THE OFFICE OF

Mingo Co RDD Board Member

TO THE BEST OF MY SKILL AND JUDGEMENT, SO HELP ME GOD.

Robert Adams

SUBSCRIBED AND SWORN TO BEFORE ME, IN SAID MINGO COUNTY, WEST VIRGINIA ON THIS THE 17th DAY OF March, ~~2008~~ 2009

Jan B Hatfield

NOTARY PUBLIC OR ELECTED OFFICIAL

COMMISSION EXPIRES: _____

OFFICIAL SEAL
STATE OF WEST VIRGINIA
NOTARY PUBLIC
Jan B. Hatfield
Mingo County PSD
P.O. Box 98
Kermit, WV 25585
My Commission Expires April 20, 2013

OATH OF OFFICE

STATE OF WEST VIRGINIA

COUNTY OF MINGO, TO-WIT:

I, M. Lee Adkins DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES AND THE CONSTITUTION OF THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY DISCHARGE THE DUTIES OF THE OFFICE OF

Mingo Co. PSD Board Member

TO THE BEST OF MY SKILL AND JUDGEMENT, SO HELP ME GOD.

x Mike Adkins

SUBSCRIBED AND SWORN TO BEFORE ME, IN SAID MINGO COUNTY, WEST VIRGINIA ON THIS THE 17th DAY OF March, ~~2008~~ 2009

Jim B. Hatfield
NOTARY PUBLIC OR ELECTED OFFICIAL

COMMISSION EXPIRES: _____

OFFICIAL SEAL
STATE OF WEST VIRGINIA
NOTARY PUBLIC
Jim B. Hatfield
Mingo County PSD
P.O. Box 98
Naugatuck, WV 25685
My Commission Expires April 19, 2015

RULES OF PROCEDURE

MINGO COUNTY PUBLIC SERVICE DISTRICT

ARTICLE I

NAME AND PLACE OF BUSINESS

Section 1. Name: MINGO COUNTY PUBLIC SERVICE DISTRICT.

Section 2. The principal office of this Public Service District will be located at Post Office Box 98, Naugatuck, Mingo County, West Virginia.

Section 3. The Common Seal of the District shall consist of 2 concentric circles between which circles shall be inscribed Mingo County Public Service District, and in the center "seal" as follows:

Section 4: The fiscal year of the District shall begin on July 1 of each year and shall end on the following June 30.

ARTICLE II

PURPOSE

This District is organized exclusively for the purposes set forth in Chapter 16, Article 13A of the Code of West Virginia of 1931, as amended (the "Act").

ARTICLE III

MEMBERSHIP

Section 1. The members of the Public Service Board of this District shall be those persons appointed by The County Commission of Mingo County, West Virginia (the "County Commission"), or otherwise appointed pursuant to the Act, who shall serve for such terms as may be specified in the order of the County Commission or otherwise.

Section 2. Should any member of the Public Service Board resign or otherwise become legally disqualified to serve as a member of the Public Service Board, the Secretary shall immediately notify the County Commission or other entity provided under the Act and request the appointment of a qualified person to fill such vacancy. Prior to the end of the term of any member of the Public Service Board, the Secretary shall notify the County Commission or other entity provided under the Act of the pending termination and request the County Commission or other entity provided under the Act to enter an order of appointment or re-appointment to maintain a fully qualified membership of the Public Service Board.

ARTICLE IV

MEETINGS OF THE PUBLIC SERVICE BOARD

Section 1. The members of the Public Service Board of this District shall hold regular monthly meetings on the second Tuesdays of each month, at such place and hour as the members shall determine from time to time. If the day stated shall fall on a legal holiday, the meeting shall be held on the following day. Special meetings of the Public Service Board may be called at any time by the Chairman or by a quorum of the Board.

Section 2. At any meeting of the Public Service Board of the District, 2 members shall constitute a quorum. Each member of the Public Service Board shall have one vote at any membership meeting and if a quorum is not present, those present may adjourn the meeting to a later date.

Section 3. Unless otherwise agreed, notice to members of regular meetings shall not be required. Unless otherwise waived, notice of each special meeting of the membership shall be given to all members by the Secretary by fax, telephone, mail or other satisfactory means at least 3 days before the date fixed for such special meeting. The notice of any special meeting shall state briefly the purposes of such meeting and the nature of the business to be transacted thereat, and no business other than that stated in the notice or incidental thereto shall be transacted at any such special meeting.

PUBLIC NOTICE OF MEETINGS

Section 4. Pursuant to Section 3, Article 9A, Chapter 6 of the West Virginia Code of 1931, as amended (1999 Revision), notice of the date, time, place and agenda of all regularly scheduled meetings of such Public Service Board, and the date, time, place and purpose of all special meetings of such Public Service Board, shall be made available, in advance, to the public and news media (except in the event of an emergency requiring immediate action) as follows:

A. Regular Meetings. A notice shall be posted and maintained by the Secretary of the Public Service Board of the Public Service District at the front door or bulletin board of the Lewis County Courthouse and at the front door or bulletin board of the place fixed for regular meetings of the Public Service Board of the date, time and place fixed and entered of record by the Public Service Board for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same locations by the Secretary of the Public Service Board not less than 72 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is cancelled or postponed, a notice of such cancellation or postponement shall be posted at the same locations as soon as feasible after such cancellation or postponement has been determined.

B. Special Meetings. A notice shall be posted by the Secretary of the Public Service Board at the front door or bulletin board of the Lewis County Courthouse and at the front door or bulletin board of the place fixed for the regular meetings of the Public Service Board not less than 72 hours before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is cancelled, a notice of such cancellation shall be posted at the same locations as soon as feasible after such cancellation has been determined.

ARTICLE V

OFFICERS

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

Section 2. The officers of the Public Service Board shall be elected each year by the members at the first meeting held in such year. The officers so elected shall

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

ARTICLE VI

DUTIES OF OFFICERS

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

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

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

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

ARTICLE VII

AMENDMENTS TO RULES OF PROCEDURE

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

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

Adopted this 8th day of November, 2005.

10/20/05
610170.99003

MINGO CO. PSD
FEBRUARY 8, 2011
REGULAR MONTHLY
BOARD MEETING
AGENDA

Call meeting to order by Chairman of the Board
Calling of Roll
Public
Financial Report

Old Business

Pay Outstanding Bills
Approve Previous Minutes

New Business

Dingess Phase Two Water Line Extension Loan Closing

(Mingo County PSD will meet at a regular Board meeting to considered closing loans for $1,986,000 and $222,000 from USDA-RUS to construct the Dingess Phase II Water Project.)

Dingess Water Project
Kings' Drive Extension
Naugatuck to E. Kermit Water Project
Marrowbone, Jennie's Creek Water Project
Beech and Ben Creek Water Project
Chattaroy Sewer Extension
Employee Matters

MINGO COUNTY PUBLIC SERVICE DISTRICT
MINUTES OF REGULAR BOARD MEETING
JANUARY18, 2010

The Public Service Board of Mingo County Public Service District met in regular session, pursuant to notice duly posted, on the 18th day of January , 2011 at the District's Office in Naugatuck, WV, at the hour of 9:30am.

PRESENT:

Robert Adams	CHAIRMAN
Mike Adkins	BOARD MEMBER
Isom Ooten	BOARD MEMBER
Earl McCowan	BOARD MEMBER
J.B. Heflin	SECRETARY/General Manager

The Chairman announced that a quorum of members was present and that the meeting was open for any business properly before it and it was time to re-elect officers of the Board.

Mike Adkins made motion to elect Robert Adams- Chairman, Mike Adkins- Treasurer, and JB Heflin- Secretary. Earl McCowan seconded. Motion carried.

Jeff Vallet of Vallet and Associates presented the Board with the Financial Report and outstanding bills for Mingo County and Justice PSD's.

Isom Ooten made a motion to approve the financial reports and pay outstanding bills. Earl McCowan seconded. Motion carried.

Isom Ooten made a motion to approve the previous minutes. Earl McCowan seconded. Motion carried.

Mark McGettigan of EL Robinson Engineering said the Dingess Water Project was still progressing well and the contractors were working as much as possible as the weather allowed. McGettigan presented the Board with Dingess Water Project Payment Resolution # 13 and recommended approval.

Isom Ooten made a motion to approve Dingess Water Project Payment Resolution # 13. Mike Adkins seconded. Motion carried.

Jonathan Carpenter of Thrasher Engineering updated the Board on the Naugatuck to East Kermit Water Project. Carpenter presented the Board with three railroad permit applications. Carpenter said the Norfolk and Southern Railroad charged $8400.00 each for the applications and were required to be obtained before the project could go to construction.

Isom Ooten made a motion to submit three railroad permit applications for the Naugatuck to East Kermit Water Project. Mike Adkins seconded. Motion carried.

Mike Adkins made a motion to adjourn. Isom Ooten seconded. Motion carried.

APPROVED:_____CHAIRMAN_____SECRETARY

04:48 PM OCT 24 2011 PSC

I, Angie Alexander, Regional Business Manager of Williamson Daily News, a newspaper published in Mingo County, West Virginia, do hereby certify that the annexed notice was published in said paper for 1 successive time(s) on the following date(s):

July 30th, 2011

Given under my hand this 6th day of October, 2011

Regional Business Manager

State of West Virginia
County of Logan, to-wit:

Subscribed and sworn before me this 16th, day of October, 2011

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
DOTTIE J. HATFIELD
405 Wilson Street
Logan, West Virginia 25601
My Commission Expires March 10, 2013

NOTARY PUBLIC

Cost of Publication: $ 582.00

COPY OF PUBLICATION

SEE ATTACHED

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

CASE NO. 11-1053-PWD-CN

MINGO COUNTY PUBLIC SERVICE DISTRICT
Application for a certificate of convenience and necessity for the construction, operation and maintenance of a waterline extension to provide water and fire service to approximately 170 residences in the Harvey and Kermit Magisterial Districts of Mingo County and 25 residences located in Stonewall District, Wayne County and for approval of financing related thereto (Jennies Creek Project)

NOTICE OF FILING

On July 22, 2011, the Mingo County Public Service District (District) filed an application, duly verified, for a Certificate to construct certain additions and improvements to its water system in Mingo County.

The proposed project, referred to as the Jennies Creek Project, consists of the construction of a waterline extension to provide quality and dependable potable water and fire protection service to approximately 170 residences in the Harvey and Kermit Magisterial Districts in Mingo County, West Virginia, and, through an agreement with Crum Public Service District, to an additional 25 residences located in the Stonewall District of Wayne County.

In the event modification to the Jennies Creek Project becomes necessary – Plan Sheet 9 (County Route 52/31 in Wayne County) as contained in the engineering documents filed with the District's application, and on file with the Public Service Commission, could be deducted with a construction cost savings of approximately $36,000.00. This would lower the number of customers served by 5 customers.

Any additions to the Jennies Creek Project – would extend the water line from Plan Sheet 9, of the engineering documents, in a western direction along County Route 52/31 of Wayne County to tie in to the existing Crum PSD existing system. This connection would provide water in the case of an emergency. This would require approximately an additional 1,120 linear feet of 8-inch water line and a pressure reducing valve/master meter pit. This extension would add an additional construction cost of approximately $88,000.00.

The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, in Charleston, West Virginia.

The Mingo County Public Service District estimates that construction will cost approximately $4,355,000.00, to be financed through a 40-year Rural Utilities Service (RUS) loan of $1,429,000.00 at an interest rate of 2.375% and a RUS Grant of $2,926,000.00.

No increase in the District's base water rates will result from the proposed project. The utility will continue to bill under its current water rates on file with the Commission.

SCHEDULE I

APPLICABILITY
Applicable within entire territory served, excluding the area formerly served by Justice Public Service District.

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

RATES (customers with metered water supply)

First	2,000 gallons used per month	$ 11.20 per 1,000 gallons
All Over	2,000 gallons used per month	$ 11.20 per 1,000 gallons

MINIMUM CHARGE
No minimum bill will be rendered for less than $22.40 per month which is equivalent to 2,000 gallons or

5/8	inch meter	$ 22.40 per month
3/4	inch meter	$ 33.60 per month
1	inch meter	$ 56.00 per month
1 - 1/4	inch meter	$ 81.80 per month
1 - 1/2	inch meter	$ 112.00 per month
2	inch meter	$ 179.20 per month
3	inch meter	$ 336.00 per month
4	inch meter	$ 560.00 per month
6	inch meter	$1,120.00 per month
8	inch meter	$1,792.00 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.

RESALE RATE
All water for resale to the town of Delbarton will be billed in accordance to the approved rate of $4.17 per 1,000 gallons used per month.

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

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

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

WATER DISCONNECT-RECONNECT-ADMINISTRATIVE FEES
Whenever water service has been disconnected for non-payment of water bills, a disconnection fee of $25.00 shall be charged; or in the event the delinquent water bill is collected by the PSD in the field, an administrative fee of $25.00 shall be charged. A $25.00 reconnection fee will be assessed for each occurrence where water service to sewer customers is restored, after water service has been terminated for non-payment of water bills. Reconnection after hours (Monday-Friday after 4 pm, anytime or holidays and weekends) an additional $25.00 fee shall apply.

INCREMENTAL COSTS
An amount not to exceed $5.00 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical usage. The District shall establish a non-discriminatory policy regarding this provision for leak adjustments.

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

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

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TRANSPORTATION CREDIT

A credit of $0.135 per 1,000 gallons exiting the Town of Delbarton's water system will be issued by the District on the bill rendered for the Town's purchased water for its costs of pumping and transporting water through the Town's system.

SECURITY DEPOSIT

A deposit of $50.00 or two-twelfths (2/12) of the average annual usage of the applicant's specific customer class, whichever is greater.

FIRE PROTECTION FEE

Where connections, hydrants, sprinklers, etc. on private property are maintained by customer:

	Per Annum $
2 inch service line with hydrants, sprinklers, and/or hose connections	$ 59.64
3 inch service line with hydrants, sprinklers, and/or hose connections	$ 135.60
4 inch service line with hydrants, sprinklers, and/or hose connections	$ 238.08
6 inch service line with hydrants, sprinklers, and/or hose connections	$ 603.48
8 inch service line with hydrants, sprinklers, and/or hose connections	$ 989.64
10 inch service line with hydrants, sprinklers, and/or hose connections	$ 1,755.72
12 inch service line with hydrants, sprinklers, and/or hose connections	$ 2,460.24

These terms apply monthly in advance.

RATE

Each municipality shall pay an annual public fire service charge of $250.00 per year per fire hydrant payable in twelve (12) monthly payments.

SCHEDULE II

APPLICABILITY

Applicable within the entire territory formerly served by Justice Public Service District.

AVAILABILITY

Available for general domestic, commercial, industrial service.

RATES

First	3,000 gallons used per month	$9.86 per 1,000 gallons
Next	3,000 gallons used per month	$8.12 per 1,000 gallons
Next	4,000 gallons used per month	$7.25 per 1,000 gallons
Next	10,000 gallons used per month	$6.38 per 1,000 gallons
Next	20,000 gallons used per month	$5.51 per 1,000 gallons
Next	60,000 gallons used per month	$4.64 per 1,000 gallons
All over	100,000 gallons used per month	$4.06 per 1,000 gallons

MINIMUM CHARGE

No minimum bill will be rendered for less than $19.72 per month, which is equivalent to 2,000 gallons usage, or:

5/8	inch meter	$ 19.72 per month
3/4	inch meter	$ 29.60 per month
1	inch meter	$ 49.30 per month
1 -1/2	inch meter	$ 98.60 per month
2	inch meter	$157.80 per month

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid h 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 $250.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

RECONNECTION

$15.00

To be charged whenever the supply of water is turned off for violations of rules, nonpayment of bills, or fraudulent use of water

LEAK ADJUSTMENT

$1.82 per M Gallon is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical usage.

SURCHARGE

$1.50 per thousand gallons be added to all bills rendered by the Justice Public Service District to address an arrearage the Justice Public Service District owes to its bondholder. The surcharge will end when the Justice Public Service District is merged with the Mingo County Public Service District or whenever the arrearage is paid off.

SECURITY DEPOSIT

A deposit of $50.00 or two-twelfths (2/12) of the average usage of the applicant's specific customer class, whichever is greater.

The District has one resale customer, the Town of Delbarton.

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

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

MINGO COUNTY PUBLIC SERVICE DISTRICT

7:30

04:50 PM OCT 24 2011 PSC [illegible]

MINGO COUNTY PUBLIC SERVICE DISTRICT

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

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

The undersigned SECRETARY of Mingo County Public Service District hereby certifies that the following is a true and correct excerpt of the minutes of a special meeting of the said Public Service District:

*** *** ***

Mingo County Public Service District met in special session, pursuant to notice duly posted, on the 12th day of January, 2012, in Naugatuck, West Virginia, at the hour of 10:00 am.

PRESENT: Robert Adams, Chairman
J.B. Heflin, Secretary
Mike Adkins
Isom Ooten
John Stump
Tracey Rowan

Robert Adams, Chairman, presided, and J.B. Heflin, 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.

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

J.B. Heflin was nominated as Secretary for calendar year 2012. It was unanimously voted that J.B. Heflin act as Secretary for calendar year 2012.

Mike Adkins was nominated as Treasurer for calendar year 2012. It was unanimously voted that Mike Adkins act as Treasurer for calendar year 2012.

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

RESOLUTION AUTHORIZING THE CONSTRUCTION OF CERTAIN PUBLIC SERVICE PROPERTIES CONSISTING OF ADDITIONS, IMPROVEMENTS AND EXTENSIONS TO THE

EXISTING WATERWORKS SYSTEM OF MINGO COUNTY PUBLIC SERVICE DISTRICT, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $1,429,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012 A (UNITED STATES DEPARTMENT OF AGRICULTURE); DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT.

and caused the same to be read and there was discussion. Thereupon, on motion duly made by Mike Adkins and seconded by Isom Ooten, it was unanimously ordered that the said Bond Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Chairman presented a proposed Draw Resolution for the approval of invoices. Thereupon, on motion duly made by Isom Ooten and seconded by Mike Adkins, it was unanimously ordered that the said Draw Resolution be adopted.

*** *** ***

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

CERTIFICATION

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

WITNESS my signature on this 17th day of January, 2012.

Secretary

610170.00006

MINGO COUNTY PUBLIC SERVICE DISTRICT

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

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

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WITNESS my signature on this 17th day of January, 2012.

Secretary

610170.00006

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

NEW ISSUE REPORT FORM

Date of Report: 17-Jan-12

ISSUE: Mingo County Public Service District
Water Revenue Bonds, Series 2012 A United States Department of Agriculture)

ADDRESS: P O Box 98, Naugatuck, West Virginia 25685 COUNTY: Mingo

PURPOSE OF ISSUE:
New Money: x
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 17-Jan-12 CLOSING DATE: 17-Jan-12

ISSUE AMOUNT: $1,429,000 RATE: 2.250%

1ST DEBT SERVICE DUE: NA 1ST PRINCIPAL DUE NA

1ST DEBT SERVICE AMOUNT NA PAYING AGENT: Issuer

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

UNDERWRITERS COUNSEL
Firm:
Contact:
Phone:

CLOSING BANK:
Bank: BB&T
Contact: Lori Spaulding
Phone: 304.393.3371

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: J. B. Heflin
Position: General Manager
Phone: 304.235.2244

OTHER:
Agency: United States Department of Agriculture
Contact: Teresa Miller
Position: Rural Developoment Specialist
Phone: 304.252.8644

DEPOSITS TO MBC AT CLOSE
By: ____ Wire ____ Accrued Interest: $
____ Check ____ Capitalized Interest: $
____ Reserve Account: $
____ Other: $

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: ____ Wire ____ To Escrow Trustee $
____ Check ____ To Issuer $
____ IGT ____ To Cons. Invest. Fun $
____ To Other: ____ $

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

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

PWSID: WV3303029

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

350 CAPITOL STREET CHARLESTON, WV 25301-3713
Telephone (304) 558-2981

PERMIT

PROJECT: (Water) Jennie Creek Water Line Extension **PERMIT NO.:** 18,698

LOCATION: Jennie & Breeden Creeks Area **COUNTY:** Mingo/Wayne **DATE:** 11-5-2010

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

Mingo County PSD
P. O. Box 98
Naugatuck, West Virginia 25685

is hereby granted approval to: install approximately 53,700 LF of 8", 3,100 LF of 6" and 7,400 LF of 2" water lines; one (1) 80 GPM duplex booster station with booster chlorination; one (1) 2"/6" pressure reducing station; one (1) 110,000 gallon water storage tank, and all necessary valves, controls and appurtenances.

Facilities are to serve 226 customers in the Jennie Creek and Breeden Creek areas primarily in Mingo County and some in Wayne County.

NOTE: **This permit is contingent upon: 1) All new water line and water storage tank being disinfected, flushed and bacteriologically tested, prior to use; and 2) Enclosing the 110,000 water storage tank with a minimum six (6) feet high fence with a lockable gate.**

The Environmental Engineering Division of the **OEHS-St. Albans District Office, (304) 722-0611**, 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:plk

pc: E. L. Robinson Engineering
Ingrid Ferrell, PSC
Amy Swann, PSC
Mingo County Health Department
OEHS-EED St. Albans District Office

RUS BULLETIN 1780-27
(Automated 8-97

FORM APPROVED
OMB. No. 0575-0015

LOAN RESOLUTION
(Public Bodies)

A RESOLUTION OF THE **Board of Directors**

OF THE **Mingo County Public Service District**

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS

Water

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO

WHEREAS, it is necessary for the **Mingo County Public Service District**
(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

ONE MILLION FOUR HUNDRED TWENTY-NINE THOUSAND AND XX / 100 DOLLARS ($1,429,000.00)

pursuant to the provisions of **Chapter 16, Article 13A of the West Virginia Code** ; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning. financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of $10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legally permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Department of Agriculture, Clearance Officer, OIRM, Room 404-W, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB No. 0575-0015), Washington, DC 20503.

11. To acquire and maintain 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 **$ 2,926,000.00**

    under the terms offered by the Government; that **Chairman**

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

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

Yeas 3 Nays 0 Absent 1

IN WITNESS WHEREOF, the **Board of Directors** of the

Mingo County Public Service District has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this _____ day of _____, _____

Mingo County Public Service District

(SEAL)

By _____
Robert Adams

Attest: _____
Earl McCowan

Title **Chairman**

Title **Secretary**

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as Chairman of the **Mingo County Public Service District** hereby certify that the **Board of Directors** of such Association is composed of 4 members, of whom 3 constituting a quorum were present at a meeting thereof duty called and held on the 16th day of March, 2010; and that the foregoing resolution was adopted at such meeting by the vote shown above. I further certify that as of January 17, 2012, the date of closing of the loan from the United States Department of Agriculture, said resolution remains in effect and has not been rescinded or amended in any way.

Dated, this 12th day of January, 2012

Robert Adams

Title Chairman

WATER OR WASTE SYSTEM GRANT AGREEMENT

UNITED STATES DEPARTMENT OF AGRICULTURE

RURAL UTILITIES SERVICE

THIS AGREEMENT dated _____ between

Mingo County Public Service District

a public corporation organized and operating under

Chapter 16, Article 13A of the West Virginia Code

(Authorizing Statute)

herein called "Grantee," and the United States of America acting through the Rural Utilities Service, Department of Agriculture, herein called "Grantor," WITNESSETH:
WHEREAS

Grantee has determined to undertake a project of acquisition, construction, enlargement, or capital improvement of a (water) (sewer) system to serve the area under jurisdiction at an estimated cost of **$ 4,355,000** and has duly authorized the undertaking of such project.

Grantee is able to finance not more than **$ 1,429,000** of the development cost through revenues, charges, taxes or assessments, or funds otherwise available to Grantee resulting in a reasonable user charge.

Said sum of **$ 1,429,000** has been committed to and by Grantee for such project development costs.

Grantor has agreed to grant the Grantee a sum not to exceed **$ 2,926,000** or **67.19%** percent of said development costs, whichever is the lesser, subject to the terms and conditions established by the Grantor. Provided, however, that the proportionate share of any grant funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the conditions of the grant.

As a condition of this grant agreement, the Grantee assures and certifies that it is in compliance with and will comply in the course of the agreement with all applicable laws, regulations, Executive orders and other generally applicable requirements, including those set out in 7 CFR 3015.205(b), which hereby are incorporated into this agreement by reference, and such other statutory provisions as are specifically set forth herein.

NOW, THEREFORE, In consideration of said grant by Grantor to Grantee, to be made pursuant to Section 306 (a) of the Consolidated Farm and Rural Development Act the purpose only of defraying a part not to exceed **67.19%** percent of the development costs, as defined by applicable Rural Utilities Service Instructions.

GRANTEE AGREES THAT GRANTEE WILL:

A. Cause said project to be constructed within the total sums available to it, including said grant, in accordance with the project plans and specifications and any modifications thereof prepared by Grantee and approved by Grantor.

B. Permit periodic inspection of the construction by a representative of Grantor during construction.

C. Manage, operate and maintain the system, including this project if less than the whole of said system, continuously in an efficient and economical manner.

D. Make the services of said system available within its capacity to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical or mental handicap (possess capacity to enter into legal contract for services) at reasonable charges, including assessments, taxes, or fees in accordance with a schedule of such charges, whether for one or more classes

of service, adopted by resolution dated _____ , as may be modified from time to time by Grantee. The initial rate schedule must be approved by Grantor. Thereafter, Grantee may make such modifications to the rate system as long as the rate schedule remains reasonable and nondiscriminatory.

E. Adjust its operating costs and service charges from time to time to provide for adequate operation and maintenance, emergency repair reserves, obsolescence reserves, debt service and debt service reserves.

F. Expand its system from time to time to meet reasonably anticipated growth or service requirements in the area within its jurisdiction.

G. Provide Grantor with such periodic reports as it may require and permit periodic inspection of its operations by a representative of the Grantor.

H. To execute any agreements required by Grantor which Grantee is legally authorized to execute. If any such agreement has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, another agreement of the same type need not be executed in connection with this grant.

I. Upon any default under its representations or agreements set forth in this instrument, Grantee, at the option and demand of Grantor, will repay to Grantor forthwith the original principal amount of the grant stated herein above with the interest at the rate of 5 percentum per annum from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Grant Agreement may be enforced by Grantor, at its option and without regard to prior waivers by it previous defaults of Grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulations under which this grant is made.

J. Return immediately to Grantor, as required by the regulations of Grantor, any grant funds actually advanced and not needed by Grantee for approved purposes.

K. Use the real property including land, land improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed.

1. Title to real property shall vest in the recipient subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant as long as needed.

2. The Grantee shall obtain approval by the Grantor agency for the use of the real property in other projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Grantor.

3. When the real property is no longer needed as provided in 1 and 2 above, the Grantee shall request disposition instructions from the Grantor agency or its successor Federal agency. The Grantor agency shall observe the following rules in the disposition instructions:

(a) The Grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original project to the fair market value of the property.

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor agency. When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.
[Revision 1, 04/17/1998]

(c) The Grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee's percentage of participation in the cost of the program or project to the current fair market value of the property.

This Grant Agreement covers the following described real property (use continuation sheets as necessary).

Water Tank and Booster Station sites associated with the Jennie's Creek water extension project for Mingo County Public Service District

L. Abide by the following conditions pertaining to equipment which is furnished by the Grantor or acquired wholly or in part with grant funds. Equipment means tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit. A Grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.
[Revision 1, 04/17/1998]

1. Use of equipment.

(a) The Grantee shall use the equipment in the project for which it was acquired as long as needed. When no longer needed for the original project, the Grantee shall use the equipment in connection with its other Federally sponsored activities, if any, in the following order of priority:

(1) Activities sponsored by the Grantor.

(2) Activities sponsored by other Federal agencies.

(b) During the time that equipment is held for use on the project for which it was acquired, the Grantee shall make it available for use on other projects if such other use will not interfere with the work on the project for which the equipment was originally acquired. First preference for such other use shall be given to Grantor sponsored projects. Second preference will be given to other Federally sponsored projects.

2. Disposition of equipment. When the Grantee no longer needs the equipment as provided in paragraph (a) above, the equipment may be used for other activities in accordance with the following standards:

(a) Equipment with a current per unit fair market value of less than $5,000. The Grantee may use the equipment for other activities without reimbursement to the Federal Government or sell the equipment and retain the proceeds.

(b) Equipment with a current per unit fair market value of $5,000 or more. The Grantee may retain the equipment for other uses provided that compensation is made to the original Grantor agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value or proceeds from sale of the equipment. If the Grantee has no need for the equipment and the equipment has further use value, the Grantee shall request disposition instructions from the original Grantor agency.

The Grantor agency shall determine whether the equipment can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the equipment shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR), to the General Services Administration by the Grantor agency to determine whether a requirement for the equipment exists in other Federal agencies. The Grantor agency shall issue instructions to the Grantee no later than 120 days after the Grantee requests and the following procedures shall govern:

(1) If so instructed or if disposition instructions are not issued within 120 calendar days after the Grantee's request, the Grantee shall sell the equipment and reimburse the Grantor agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the Grantee shall be permitted to deduct and retain from the Federal share ten percent of the proceeds, for Grantee's selling and handling expenses.

(2) If the Grantee is instructed to ship the equipment elsewhere the Grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the Grantee participation in the cost of the original grant project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.

(3) If the Grantee is instructed to otherwise dispose of the equipment, the Grantee shall be reimbursed by the Grantor agency for such costs incurred in its disposition.

3. The Grantee's property management standards for equipment shall also include:

(a) Records which accurately provide for: a description of the equipment; manufacturer's serial number or other identification number; acquisition date and cost; source of the equipment; percentage (at the end of budget year) of Federal participation in the cost of the project for which the equipment was acquired; location, use and condition of the equipment and the date the information was reported; and ultimate disposition data including sales price or the method used to determine current fair market value if the Grantee reimburses the Grantor for its share.

(b) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years to verify the existence, current utilization, and continued need need for the equipment.

(c) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated an fully documented.

(d) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(e) Proper sales procedures shall be established for unneeded equipment which would provide for competition to the extent practicable and result in the highest possible return.

This Grant Agreement covers the following described equipment (use continuation sheets as necessary).

N/A

M. Provide Financial Management Systems which will include:

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.

2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.

3. Effective control over and accountability for all funds, property and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.

4. Accounting records supported by source documentation.

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

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

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

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

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

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

T. To include in all contracts in excess of $100,000 a provision that the contractor agrees to comply with all the requirements of the Clean Air Act (42 U.S.C. §7414) and Section 308 of the Water Pollution Control Act (33 U.S.C. §1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 of the Clean Air Act and Section 308 of the Water Pollution Control Act and all regulations and guidelines issued thereunder after the award of the contract. In so doing the Contractor further agrees:
[Revision 1, 11/20/1997]

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

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

[Revision 1, 11/20/97]

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

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

Grantor Agrees That It:

A. Will make available to Grantee for the purpose of this Agreement not to exceed **$2,926,000.00**. which it will advance to Grantee to meet not to exceed **67.19%** percent of the project development costs of the project in accordance with the actual needs of Grantee as determined by Grantor.

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

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

Termination of This Agreement

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

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

Chairman

and attested and its corporate seal affixed by its duly authorized

Secretary

Attest:

By: ~~Earl McCowan~~ JB Heflin

(Title) **Secretary**

By: **Robert Adams** Robt Adams

(Title) **Chairman**

UNITED STATES OF AMERICA

RURAL UTILITIES SERVICE

By: _____ _____

(Title)

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information

CLOSING MEMORANDUM

To: **Financing Team**

From: **John C. Stump, Esquire**

Date: **January 17, 2012**

Re: **Mingo County Public Service District**

DISBURSEMENTS TO THE MINGO COUNTY PUBLIC SERVICE DISTRICT

Payor:	United States Department of Agriculture – Rural Utilities Service
Source:	Water Revenue Bonds, Series 2012 A
Amount:	$318,815.77
Form:	Check
Payee:	Mingo County Public Service District

United States Treasury 15-51/000 G 043,832,484

Check No.

01 24 12 12200408 KANSAS CITY, MO 4030 06151448
0106583382 4030 06151448 M2 00000000001153

Pay to the order of MINGO COUNTY PSD

$*318815*77

VOID AFTER ONE YEAR

REGIONAL DISBURSING OFFICER

RD LOAN
PER ENCLOSED MAILING NOTICE

⑈40304⑈ ⑆000000518⑆ 061514486⑈ 010112

NOTICE TO CHECK RECIPIENT

TREASURY-FINANCIAL MANAGEMENT SERVICE TFS FORM 3090(Rev.)

VENDOR NAME: MINGO COUNTY PSD		VENDOR I.D. NUMBER:		
AGENCY NAME AND BILLING ADDRESS:	RURAL DEVELOPMENT-DCFO FINANCE OFFICE 4300 GOODFELLOW BLVD ST. LOUIS, MO. 63120-1703	U.S. TREASURY REG. FINANCIAL CENTER: KANSAS CITY, MO		
		CHECK NUMBER 4030-06151448	CHECK AMOUNT $*318815*77	CHECK DATE 01-24-12

AGENCY SCHEDULE NUMBER
00000000001153

AGENCY TELEPHONE NUMBER
000-000-0000

RURAL DEVELOPMENT MANAGER
418 NEW GOFF MOUNTAIN RD
STE 103
CROSS LANES WV 25313

STATE 57 COUNTY 704 LN NBR 17 577040

PLEASE DIRECT ANY INQUIRIES CONCERNING THIS PAYMENT TO THE AGENCY AT THE ADDRESS (OR PHONE NUMBER) INDICATED ABOVE

RESOLUTION OF THE MINGO COUNTY PUBLIC SERVICE DISTRICT APPROVING INVOICES RELATING TO SERVICES FOR THE PROPOSED JENNIES CREEK PROJECT AND AUTHORIZING PAYMENT THEREOF,

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

a) That none of the items for which payment is proposed is also being paid from another source.

b) That each item for which the payment is proposed to be paid is or was necessary in connection with the Project and constitutes a Cost of the project.

c) That each of such costs has been otherwise properly incurred.

d) That the payment for each of the items proposed is due and owing.

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

Vendor	Total	USDA
E.L. Robinson	234,252.83	234,252.83
Steptoe & Johnson	30,000.00	30,000.00
Rodecker	1,096.98	1.096.98
Griffith & Associates	25,825.87	25,825.87
Kennith Pennington	8,050.00	8,050.00
James Lane	19,590.09	19,590.09
TOTAL	318,815.77	318,815.77

ADOPTED BY the Mingo County Public Service District, at the meeting held on the 12th day of January 2012

Mingo County Public Service District

By: _____

Its: Chairman

_____
USDA

610170.00006

Attachment No.1 to Letter of Conditions
ForL Mingo PSD - Jennies Creek
Date:

PROJECT CONSTRUCTION BUDGET

Mingo PSD Jennies Creek - CLOSING BUDGET

PROJECT COST	**RUS GRANT**	**RUS LOAN**	**TOTAL**
CONSTRUCTION	$ 2,481,941	$ 592,000	$ 3,073,941
#1 Mike Enyart & Sons - $2,697,981.00			
#2 Eastern Tank & Uitility - $375,960.00			
CONST. CONTINGENCY	$ 419,059		$ 419,059
LAND & RIGHTS		$ 80,000	$ 80,000
LEGAL FEES		$ 35,000	$ 35,000
BOND COUNSEL		$ 30,000	$ 30,000
PSC ATTORNEY		$ 15,000	$ 15,000
ACCOUNTING		$ 30,000	$ 30,000
ENGINEERING FEES		$ 555,000	$ 555,000
Planning - $20,000			
Basic - $245,000			
Special - $70,000			
Inspection $220,000			
INTEREST		$ 62,000	$ 62,000
TECHNICAL SERVICES		$ 30,000	$ 30,000
PROJECT CONTG.	$ 25,000		$ 25,000
TOTAL	**$ 2,926,000**	**$ 1,429,000**	**$ 4,355,000**

USDA-RD
Form RD-440-11
(Rev. 10-00)

ESTIMATE OF FUNDS NEEDED
FOR
30-Day period Commencing
2012

FORM APPROVED
OMB NO. 0575-0015

Name of Borrower: Mingo County Public Service District

Items	Amount of Funds
Development	$ 0.00
Contract or Job No. #1 Enyart	
Contract or Job No. #2 Eastern Tank	
Contract or Job No.	
Land and Rights-of-Way	8,050.00
Legal Services	50,687.07
Engineering Fees	232,402.10
Interest	0.00
Equipment	0.00
Contingencies	1,850.73
Refinancing	0.00
Initial O&M	0.00
Other	25,825.87
Total	$ 318,815.77

Prepared by Mingo County Public Service District,
By J.B. Heflin
Date January 12, 2012
Approved by
Date 1/12/12

According to the paperwork reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, getting and maintaining the data needed, ond completing and reviewing the collection of information.

WEST VIRGINIA
Water Development Authority
Celebrating 36 Years of Service 1974 - 2012

January 17, 2012

Jennies Creek Project

Mingo County Public Service District
Water Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of Griffith & Associates, the independent certified public accountant, and the opinion of Steptoe & Johnson PLLC, bond counsel, that the coverage and parity tests have been met, the undersigned duly authorized representative of the West Virginia Water Development Authority (the "Authority"), the registered owner of the Prior Bonds, hereinafter defined and described, hereby consents to the issuance of the Water Revenue Bonds, Series 2012 A (United States Department of Agriculture), in the original aggregate principal amount of $1,429,000, by the Mingo County Public Service District (the "Issuer"), under the terms of the resolution authorizing the Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's (i) Water Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), dated August 28, 2000, issued in the original aggregate principal amount of $2,853,436 (the "Series 2000 C Bonds"); (ii) Water Revenue Bonds, Series 2000 D (West Virginia Water Development Authority), dated August 28, 2000, issued in the original aggregate principal amount of $715,000 (the "Series 2000 D Bonds"); (iii) Water Revenue Bonds, Series 2000 E (West Virginia Infrastructure Fund), dated August 28, 2000, issued in the original aggregate principal amount of $8,916,818 (the "Series 2000 E Bonds"); and (iv) Water Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), dated March 9, 2001, issued in the original aggregate principal amount of $837,540 (the "Series 2001 A Bonds") (collectively, the "Prior Bonds").

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Carol A Cummings

Authorized Representative

180 Association Drive, Charleston, WV 25311-1217
Phone (304) 414-6500 / fax (304) 414-0865
www.wvwda.org

United States Department of Agriculture
Rural Development
West Virginia State Office

January 17, 2012

Jennies Creek Project

Mingo County Public Service District
Water Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

TO WHOM IT MAY CONCERN:

The undersigned duly authorized representative of the United States of America, acting through the Rural Utilities Service, United States Department of Agriculture, the present holder of the Prior Bonds, hereinafter defined and described, hereby (a) consents to the issuance of the Water Revenue Bonds, Series 2012 A (United States Department of Agriculture), in the original aggregate principal amount of $1,429,000, (the "Bonds"), by Mingo County Public Service District (the "Issuer"), under the terms of the bond resolution authorizing the issuance of the Bonds (the "Resolution"), on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding: (i) Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), dated August 28, 2000, issued in the original aggregate principal amount of $2,200,000 (the "Series 2000 A Bonds"); (ii) Water Revenue Bonds, Series 2000 B (United States Department of Agriculture), dated August 28, 2000, issued in the original aggregate principal amount of $2,000,000 (the "Series 2000 B Bonds"); (iii) Water Revenue Bonds, Series 2010 A (United States Department of Agriculture), dated January 12, 2010, issued in the original aggregate principal amount of $1,450,000 (the "Series 2010 A Bonds"); (iv) Water Revenue Bonds, Series 2011 A (United States Department of Agriculture), dated February 10, 2011, issued in the original aggregate principal amount of $1,986,000 (the "Series 2011 A Bonds"); and (v) Water Revenue Bonds, Series 2011 B (United States Department of Agriculture), dated February 10, 2011, issued in the original aggregate principal amount of $222,000 (the "Series 2011 B Bonds") (collectively, the "Prior Bonds") and (b) 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 (c) consents to any amendments made to the Prior Resolutions by the Resolution.

WITNESSETH my signature on this 17th day of January, 2012.

State Director

01.09.11
610170.00006

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

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MINGO COUNTY PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2011 A and Water Revenue Bonds, Series 2011 B (United States Department of Agriculture)

BOND RESOLUTION

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MINGO COUNTY PUBLIC SERVICE DISTRICT

RESOLUTION

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC SERVICE PROPERTIES CONSISTING OF ADDITIONS, IMPROVEMENTS AND EXTENSIONS TO THE EXISTING WATERWORKS SYSTEM OF MINGO COUNTY PUBLIC SERVICE DISTRICT, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $1,986,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2011 A (UNITED STATES DEPARTMENT OF AGRICULTURE) AND NOT MORE THAN $222,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2011 B (UNITED STATES DEPARTMENT OF AGRICULTURE); DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT

BE IT RESOLVED AND ORDERED BY THE PUBLIC SERVICE BOARD OF MINGO COUNTY PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. Mingo County Public Service District (the "Issuer") is a public corporation, public service district and political subdivision of the State of West Virginia in Mingo County of said State, duly created pursuant to the Act by The County Commission of Mingo 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 prior construction to the System be permanently financed, and that there be constructed and designed certain additions, improvements and extensions to the existing waterworks facilities of the Issuer, consisting of construction of a water line extension to provide high quality dependable potable water and fire protection service to approximately 119 residents residing in the Harvey Magisterial District of Mingo County (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Secretary of the Public Service Board (the "Governing Body") of the Issuer. The existing waterworks facilities of the Issuer, together with the Project and any further additions, improvements or extensions thereto, are herein called the "System." The Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

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

D. The estimated maximum cost of the Project is $2,208,000 of which $1,986,000 will be obtained from the proceeds of sale of the Series 2011 A Bonds and $222,000 will be obtained from the proceeds of the sale of the Series 2011 B Bonds, herein authorized.

E. The Issuer intends to permanently finance a portion of the costs of the Project through the issuance of its Water Revenue Bonds, Series 2011 A (United States Department of Agriculture), in the aggregate principal amount of $1,986,000 (the "Series 2011 A Bonds") and Water Revenue Bonds, Series 2011 B (United States Department of Agriculture), in the aggregate principal amount of $222,000 (the "Series 2011 B Bonds") (collectively, the "Series 2011 Bonds"), to permanently finance a portion of the cost of such construction in the manner herein provided, and pay the costs of issuances thereof. The cost of such acquisition and construction shall be deemed to include, without being limited to, the acquisition and construction of the Project; the cost of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; interest on the Series 2011 Bonds; engineering, fiscal agents and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; and 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; 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 Series 2011 Bonds as to liens, pledge and source of and security for payment being the Issuer's: (i) Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), dated August 28, 2000, issued in the original aggregate principal amount of $2,200,000 (the "Series 2000 A Bonds"); (ii) Water Revenue Bonds, Series 2000 B (United States Department of Agriculture), dated August 28, 2000, issued in the original aggregate principal amount of $2,000,000 (the "Series 2000 B Bonds"); (iii) Water Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), dated August 28, 2000, issued in the original aggregate principal amount of $2,853,436 (the "Series 2000 C Bonds"); (iv) Water Revenue Bonds, Series 2000 D (West Virginia Water Development Authority), dated August 28, 2000, issued in the original aggregate principal amount of $715,000 (the "Series 2000 D Bonds"); (v) Water Revenue Bonds, Series 2000 E (West Virginia Infrastructure Fund), dated August 28, 2000, issued in the original aggregate principal amount of $8,916,818 (the "Series 2000 E Bonds"); (vi) Water Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), dated March 9, 2001, issued in the original aggregate principal amount of $837,540 (the "Series 2001 A Bonds"); and (vii) Water Revenue Bonds, Series 2010 A (United States Department of Agriculture), dated January 12, 2010, issued in the original aggregate principal amount of $1,450,000 (the "Series 2010 A 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 2011 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.

Prior to the issuance of the Series 2011 Bonds, the Issuer will obtain (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 consents of the Holders of the Prior Bonds to the issuance of the Series 2011 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.

H. It is in the best interest of the Issuer that the Series 2011 Bonds be sold to the Purchaser, pursuant to the terms and provisions of the Letters of Conditions, dated September 21, 2009, and all amendments thereto, if any (collectively, the "Letter of Conditions").

I. The Issuer has complied with all requirements of law relating to the authorization of the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2011 Bonds, or will have so complied prior to issuance of the Series 2011 Bonds, including, among other things and without limitation, obtaining a certificate of public convenience and necessity and approval of the financing and necessary user rates and charges from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired or shall have been duly waived or otherwise provided for.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2011 Bonds by those who shall be the Registered Owner of the same from time to time, this Resolution (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Series 2011 Bonds.

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

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

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

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

"Bonds" means, collectively, the Series 2011 A Bonds, the Series 2011 B Bonds and the Prior Bonds.

"Chairman" means the Chairman of the Governing Body.

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

"Consulting Engineer" means E. L. Robinson Engineering Co., Charleston, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

"Costs" or "Costs of the Project" means those costs described in Section 1.02 (E) hereof.

"Depository Bank" means Branch Banking and Trust Company, Kermit, Mingo County, West Virginia, a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns.

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

"FDIC" means the Federal Deposit Insurance Corporation.

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

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

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

"Grants" means, collectively, all grants committed for the Project.

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

"Issuer," "Borrower" or "District" means Mingo County Public Service District, a public service district, a public corporation and a political subdivision of the State of West Virginia, in Mingo County, West Virginia, and includes the Governing Body.

"Letter of Conditions" means, collectively, the Letter of Conditions of the Purchaser dated September 21, 2009, and all amendments thereto, if any.

"Minimum Reserve" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2011 Bonds in the then current or any succeeding year.

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

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

"Prior Bonds" means, collectively, the Series 2000 A Bonds, Series 2000 B Bonds, Series 2000 C Bonds, Series 2000 D Bonds, Series 2000 E Bonds, Series 2001 A Bonds and Series 2010 A Bonds.

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

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

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

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

(a) Government Obligations;

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

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

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

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC (hereinbefore defined) or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with

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

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

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

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

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

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

"RUS Bonds" means, collectively, the Series 2000 A Bonds, Series 2000 B Bonds, Series 2010 A Bonds, Series 2011 A Bonds and Series 2011 B Bonds.

"Secretary" means the Secretary of the Governing Body.

"Series 2000 A Bonds" means the Issuer's Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), dated August 28, 2000, issued in the original aggregate principal amount of $2,200,000.

"Series 2000 B Bonds" means the Issuer's Water Revenue Bonds, Series 2000 B (United States Department of Agriculture), dated August 28, 2000, issued in the original aggregate principal amount of $2,000,000.

"Series 2000 C Bonds" means the Issuer's Water Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), dated August 28, 2000, issued in the original aggregate principal amount of $2,853,436.

"Series 2000 D Bonds" means the Issuer's Water Revenue Bonds, Series 2000 D (West Virginia Water Development Authority), dated August 28, 2000, issued in the original aggregate principal amount of $715,000.

"Series 2000 E Bonds" means the Issuer's Water Revenue Bonds, Series 2000 E (West Virginia Infrastructure Fund), dated August 28, 2000, issued in the original aggregate principal amount of $8,916,818.

"Series 2001 A Bonds" means the Issuer's Water Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), dated March 9, 2001, issued in the original aggregate principal amount of $837,540.

"Series 2010 A Bonds" means the Issuer's Water Revenue Bonds, Series 2010 A (United States Department of Agriculture), dated January 12, 2010, issued in the original aggregate principal amount of $1,450,000.

"Series 2011 Bonds" means, collectively, the Series 2011 A Bonds and Series 2011 B Bonds.

"Series 2011 A Bonds" means the Water Revenue Bonds, Series 2011 A (United States Department of Agriculture), authorized hereby to be issued pursuant to this Bond Legislation.

"Series 2011 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 2011 A Bonds in the then current or any succeeding year.

"Series 2011 B Bonds" means the Water Revenue Bonds, Series 2011 B (United States Department of Agriculture), authorized hereby to be issued pursuant to this Bond Legislation.

"Series 2011 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 2011 B Bonds in the then current or any succeeding year.

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

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

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Payment of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of $2,208,000, 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 project is estimated to cost $2,208,000 of which approximately $1,986,000 will be received from the proceeds of the Series 2011 A Bonds and $222,000 will be received from the proceeds of the Series 2011 B Bonds.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS

Section 3.01. Authorization of Bonds. A. Subject and pursuant to the provisions of the Bond Legislation, the Series 2011 A Bonds of the Issuer, to be known as "Water Revenue Bonds, Series 2011 A" (United States Department of Agriculture), are hereby authorized to be issued in the aggregate principal amount of $1,986,000, for the purpose of financing a portion of the cost of the construction and design of the Project.

B. Subject and pursuant to the provisions of the Bond Legislation, the Series 2011 B Bonds of the Issuer, to be known as "Water Revenue Bonds, Series 2011 B" (United States Department of Agriculture), are hereby authorized to be issued in the aggregate principal amount of $222,000, for the purpose of financing a portion of the cost of the construction and design of the Project.

Section 3.02. Description of Bonds.

A. The Series 2011 A Bonds shall be issued in single form, numbered AR-1, only as a fully registered Bond, and shall be dated the date of delivery thereof. The Series 2011 A Bonds shall bear interest from the date of delivery, payable monthly at the rate of 2.5% per annum, and shall be sold for the par value thereof. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commending 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 $6,753, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond.

The Series 2011 A Bonds shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the respective Bond forms hereinafter set forth.

B. The Series 2011 B Bonds shall be issued in single form, numbered BR-1, only as a fully registered Bond, and shall be dated the date of delivery thereof. The Series 2011 B Bonds shall bear interest from the date of delivery, payable monthly at the rate of 2.5% per annum, and shall be sold for the par value thereof. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commending 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 $755, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond.

The Series 2011 B Bonds shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the respective Bond forms hereinafter set forth.

Section 3.03. Negotiability, Registration, Transfer and Exchange of Bonds. The Series 2011 Bonds shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but the Series 2011 Bonds, and the right to principal of and stated interest on the Series 2011 Bonds, may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.04 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Series 2011 Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Bond Registrar.

Whenever the Series 2011 Bonds shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Bond Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, but the Issuer shall pay any other expenses incurred by the Bond Registrar with respect to such transfer.

No registration of transfer of the Series 2011 Bonds shall be permitted to be made after the 15th day next preceding any installment payment date on the Series 2011 Bonds.

Section 3.04. Bond Registrar. The Issuer shall be the Bond Registrar and will keep, or cause to be kept by its agent, at its office, sufficient books for the registration and transfer of the Series 2011 Bonds, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Series 2011 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 2011 Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2011 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 2011 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 2011 Bonds shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be National Finance Office, St. Louis, Missouri 63103, or such other address as shall be stated in writing to the Issuer by the United States of America.

Section 3.05. Execution of Bonds. The Series 2011 Bonds shall be executed in the name of the Issuer by the Chairman and its corporate seal shall be affixed thereto and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 2011 Bonds shall cease to be such officer of the Issuer before the Series 2011 Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. The Series 2011 Bonds may be signed and sealed on behalf of the Issuer by such person as

at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 2011 Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bonds or in lieu of and substitution for the Bonds destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Series 2011 Bonds so surrendered shall be canceled and held for the account of the Issuer. If the Series 2011 Bonds shall have matured or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, and, if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2011 Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System, on a parity with the Prior Bonds. The Net Revenues derived from the System in an amount sufficient to pay the principal of and interest on the Series 2011 Bonds and the Prior Bonds, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2011 Bonds and the Prior Bonds as the same become due.

Section 3.08. Form of Bond. Subject to the provisions hereof, the text of the Series 2011 Bonds and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or by any resolution adopted after the date of adoption hereof and prior to the issuance thereof:

[Remainder of Page Intentionally Blank]

(FORM OF BOND)

UNITED STATES OF AMERICA
MINGO COUNTY PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2011 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$_____

No. AR-1 Date: _____

FOR VALUE RECEIVED, MINGO COUNTY PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of _____ ($_____), plus interest on the unpaid principal balance at the rate of _____% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $_____, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

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

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

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly

or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

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

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

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

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

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13A of the West Virginia Code, as amended (the "Act"), and a Resolution of the Borrower duly adopted February 8, 2011, authorizing issuance of this Bond (the "Resolution").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for

similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

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

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

(I) WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,200,000 (THE "SERIES 2000 A BONDS");

(II) WATER REVENUE BONDS, SERIES 2000 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,000,000 (THE "SERIES 2000 B BONDS");

(III) WATER REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,853,436 (THE "SERIES 2000 C BONDS");

(IV) WATER REVENUE BONDS, SERIES 2000 D (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $715,000 (THE "SERIES 2000 D BONDS");

(V) WATER REVENUE BONDS, SERIES 2000 E (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $8,916,818 (THE "SERIES 2000 E BONDS");

(VI) WATER REVENUE BONDS; SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 9, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $837,540 (THE "SERIES 2001 A BONDS");

(VII) WATER REVENUE BONDS, SERIES 2010 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JANUARY 12, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,450,000 (THE "SERIES 2010 A BONDS");

(VIII) WATER REVENUE BONDS, SERIES 2011 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED _____, 2011, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2011 B BONDS").

THE SERIES 2000 A BONDS, SERIES 2000 B BONDS, SERIES 2000 C BONDS, SERIES 2000 D BONDS, SERIES 2000 E BONDS, SERIES 2001 A BONDS, SERIES 2010 A BONDS AND SERIES

2011 B BONDS ARE COLLECTIVELY, THE "PRIOR BONDS."

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

[Remainder of Page Intentionally Blank]

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

MINGO COUNTY PUBLIC SERVICE DISTRICT

[CORPORATE SEAL]

_____

Chairman, Public Service Board

ATTEST:

_____

Secretary, Public Service Board

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

(Form of Assignment)

ASSIGNMENT

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

Dated: _____, 20___.

_____

In the presence of:

_____

(FORM OF BOND)

UNITED STATES OF AMERICA
MINGO COUNTY PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2011 B
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$_____

No. BR-1 Date: _____

FOR VALUE RECEIVED, MINGO COUNTY PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of _____ ($_____), plus interest on the unpaid principal balance at the rate of _____% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $_____, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

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

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

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly

or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

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

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

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

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

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13A of the West Virginia Code, as amended (the "Act"), and a Resolution of the Borrower duly adopted February 8, 2011, authorizing issuance of this Bond (the "Resolution").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for

similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

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

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

(I) WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,200,000 (THE "SERIES 2000 A BONDS");

(II) WATER REVENUE BONDS, SERIES 2000 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,000,000 (THE "SERIES 2000 B BONDS");

(III) WATER REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,853,436 (THE "SERIES 2000 C BONDS");

(IV) WATER REVENUE BONDS, SERIES 2000 D (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $715,000 (THE "SERIES 2000 D BONDS");

(V) WATER REVENUE BONDS, SERIES 2000 E (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $8,916,818 (THE "SERIES 2000 E BONDS");

(VI) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 9, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $837,540 (THE "SERIES 2001 A BONDS");

(VII) WATER REVENUE BONDS, SERIES 2010 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JANUARY 12, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,450,000 (THE "SERIES 2010 A BONDS");

(VIII) WATER REVENUE BONDS, SERIES 2011 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED _____, 2011, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 2011 A BONDS").

THE SERIES 2000 A BONDS, SERIES 2000 B BONDS, SERIES 2000 C BONDS, SERIES 2000 D BONDS, SERIES 2000 E BONDS, SERIES 2001 A BONDS, SERIES 2010 A BONDS AND SERIES

2011 A BONDS ARE COLLECTIVELY, THE "PRIOR BONDS."

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

[Remainder of Page Intentionally Blank]

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

MINGO COUNTY PUBLIC SERVICE DISTRICT

[CORPORATE SEAL]

_____

Chairman, Public Service Board

ATTEST:

_____

Secretary, Public Service Board

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

(Form of Assignment)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

ARTICLE IV

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

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

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

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

(3) Series 2011 Bonds Project Construction Account.

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

(1) Series 2000 A Bonds Reserve Account (established by Prior Resolution and continued hereby);

(2) Series 2000 B Bonds Reserve Account (established by Prior Resolution and continued hereby);

(3) Series 2000 C Bonds Sinking Fund (established by Prior Resolution and continued hereby);

(4) Series 2000 C Bonds Reserve Account (established by Prior Resolution and continued hereby);

(5) Series 2000 D Bonds Sinking Fund (established by Prior Resolution and continued hereby);

(6) Series 2000 D Bonds Reserve Account (established by Prior Resolution and continued hereby);

(7) Series 2000 E Bonds Sinking Fund (established by Prior Resolution and continued hereby);

(8) Series 2000 E Bonds Reserve Account (established by Prior Resolution and continued hereby);

(9) Series 2001 A Bonds Sinking Fund (established by Prior Resolution and continued hereby);

(10) Series 2001 A Bonds Reserve Account (established by Prior Resolution and continued hereby);

(11) Series 2010 A Bonds Reserve Account (established by Prior Resolution and continued hereby);

(12) Series 2011 A Bonds Reserve Account; and

(13) Series 2011 B Bonds Reserve Account.

Section 4.02. Bond Proceeds; Project Construction Account. The proceeds of the sale of the Series 2011 Bonds shall be deposited upon receipt by the Issuer in the Series 2011 Bonds Project Construction Account. The monies in the Series 2011 Bonds Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by the Depository Bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Monies in the Series 2011 Bonds Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Monies in the Series 2011 Bonds Project Construction Account shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Purchaser.

Until completion of acquisition and construction of the Project, the Issuer will additionally transfer from the Series 2011 Bonds Project Construction Account and pay to the Purchaser on or before the due date, such sums as shall be from time to time required to make the monthly installments on the Series 2011 Bonds if there are not sufficient Net Revenues to make such monthly payment.

Pending application as provided in this Section 4.02, money and funds in the Series 2011 Bonds Project Construction Account shall be invested and reinvested at the direction of the Issuer, to the extent possible in accordance with applicable law, in Qualified Investments.

When acquisition and construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Series 2011 Bonds Project Construction Account shall be disposed of in accordance with the regulations of the Purchaser.

Section 4.03. Covenants of the Issuer as to System Revenues and Funds. So long as any of the Series 2011 Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2011 A Bonds Reserve Account and Series 2011 B Bonds Reserve Account, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2011 A Bonds and Series 2011 B Bonds, respectively, remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the Holders of the Series 2011 Bonds as follows:

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

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

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

(2) The Issuer shall next, each month, on or before the due date thereof, transfer from the Revenue Fund and simultaneously remit (i) to the National Finance Office the amount required by the Prior Resolutions to pay the interest on the RUS Bonds; (ii) to the Commission the amount required by Prior Resolutions to pay interest of the Series 2000 C Bonds and Series 2000 D Bonds; (iii) to the National Finance Office the amount required to pay interest on the Series 2011 A Bonds; and (iv) to the National Finance Office the amount required to pay interest on the Series 2011 B Bonds.

(3) The Issuer shall next, each month, transfer from the Revenue Fund and simultaneously, on or before the due date thereof, remit (i) to the National Finance Office the amount required by the Prior Resolutions to pay the principal of the RUS Bonds; (ii) to the Commission the amount required by Prior Resolutions to pay the principal of the Series 2000 C Bonds, Series 2000 D Bonds, Series 2000 E Bonds and Series 2001 A Bonds; (iii) remit to the National Finance Office, commencing 24 months following the date of delivery of the Series 2011 A Bonds, the amount required to amortize the principal of the Series 2011 A Bonds; and (iv) remit to the National Finance Office, commencing 24 months following the date of delivery of the Series 2011 B Bonds, the amount required to amortize the principal of the Series 2011 B Bonds.

(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 respective 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 2011 A Bonds Reserve Account, an amount equal to 10% of the monthly payment amount, until the amount in the Series 2011 A Bonds Reserve Account equals the Series 2011 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2011 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 2011 A Bonds Reserve Requirement; and (iii) beginning on the date specified by the purchaser, but in any event not later than the 24th monthly anniversary of the Closing Date, and continuing on each monthly anniversary of the Closing Date thereafter, transfer from the Revenue Fund and remit to the Commission, for deposit in the Series 2011 B Bonds Reserve Account, an amount equal to 10% of the monthly payment amount, until the amount in the Series 2011 B Bonds Reserve Account equals the Series 2011 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2011 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 2011 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. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided that, any deficiencies in any Reserve Accounts (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Whenever the money in the Series 2011 A Bonds Reserve Account shall be sufficient to prepay the Series 2011 A Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2011 A Bonds at the earliest practical date and in accordance with applicable provisions hereof.

Whenever the money in the Series 2011 B Bonds Reserve Account shall be sufficient to prepay the Series 2011 B Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2011 B Bonds at the earliest practical date and in accordance with applicable provisions hereof.

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 2011 A Bonds Reserve Account. All amounts required for the Series 2011 A Bonds Reserve Account will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such fund.

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 2011 B Bonds Reserve Account. All amounts required for the Series 2011 B Bonds Reserve Account will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such fund.

The Revenue Fund shall constitute a Trust Fund and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 2011 A Bonds and the interest thereon, on a parity with the Prior Bonds.

The Revenue Fund shall constitute a Trust Fund and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 2011 B Bonds and the interest thereon, on a parity with the Prior Bonds.

The Series 2011 A Bonds Reserve Account shall constitute a trust fund and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 2011 A Bonds and the interest thereon.

The Series 2011 B Bonds Reserve Account shall constitute a trust fund and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 2011 B Bonds and the interest thereon.

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

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2011 Bonds and the Prior Bonds, in accordance with the respective principal amounts then Outstanding.

Subject to the Prior Resolutions, the Commission shall keep the monies in the Series 2011 A Bonds Reserve Account and Series 2011 B Bonds Reserve Account invested and reinvested to the fullest extent possible in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with

the required use thereof. Investments in any fund or account under this Bond Legislation shall, unless otherwise provided herein or required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia Board of Treasury Investments. Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Earnings from monies in the Series 2011 A Bonds Reserve Account and Series 2011 B Bonds Reserve Account, so long as the Minimum Reserve is on deposit and maintained therein, shall be paid annually by the Commission to the Issuer and deposited in the Revenue Fund.

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

D. USER CONTRACTS. The Issuer shall, prior to delivery of the Series 2011 Bonds, provide evidence that there will be at least 3,241 bona fide users upon the System on completion, in full compliance with the requirements and conditions of the Purchaser.

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

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

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

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

ARTICLE V

GENERAL COVENANTS, ETC.

Section 5.01. General Statement. A. So long as the Series 2011 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2011 A Bonds Reserve Account, sums sufficient to prepay the entire principal of the Series 2011 A Bonds remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Holder of the Series 2011 A Bonds.

B. So long as the Series 2011 B Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2011 B Bonds Reserve Account, sums sufficient to prepay the entire principal of the Series 2011 B Bonds remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Holder of the Series 2011 B Bonds.

Section 5.02. Rates. So long as the Prior Bonds are outstanding, the Issuer will maintain rates as required in the Prior Resolutions. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the annual debt service on the Series 2011 Bonds and the Prior Bonds and sufficient to make the payments required herein into all funds and accounts and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes.

Section 5.03. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System or any part thereof, except as provided in the Prior Resolutions. The System will not be sold without the prior written consent of the Purchaser so long as the Series 2011 Bonds are outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 5.04. Issuance of Additional Parity Bonds or Obligations. No additional Parity Bonds or obligations payable out of any of the Revenues of the System shall be issued, except with the prior written consent of the Purchaser. No Parity Bonds shall be issued after issuance of the Series 2011 Bonds unless the provisions contained in the Prior Resolution respecting issuance of Parity Bonds have been satisfied.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2011 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 2011 Bonds or the RUS 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 RUS Bonds, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing limitation is waived or when the Series 2011 Bonds and the RUS Bonds are no longer outstanding, the following parity requirement shall be met:

So long as the Series 2000 C Bonds, Series 2000 D Bonds, Series 2000 E Bonds or Series 2001 A 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 2011 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 2011 Bonds.

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

Section 5.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Series 2011 Bonds remain outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(a) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, to be procured upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground structures of the System and mechanical and electrical equipment in place or stored on the site in an amount equal to the full insurable value thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

(b) PUBLIC LIABILITY INSURANCE, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Series 2011 Bonds.

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

(d) WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF THE DISTRICT ELIGIBLE THEREFOR AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds have been or will be filed with the Clerk of the County Commission of said County prior to commencement of construction of the Project in compliance with West Virginia Code Section 38-2-39. Workers' compensation coverage shall be maintained as required by the laws of the State of West Virginia.

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

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

(g) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Series 2011 Bonds are outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer, and during such construction will

require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Purchaser may specify, with insurance carriers or bonding companies acceptable to the Purchaser.

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holder of the Series 2011 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, on a parity with the Prior Bonds, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Series 2011 Bonds.

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

(a) Failure to make payment of any monthly amortization installment upon the Series 2011 Bonds at the date specified for payment thereof;

(b) Failure to duly and punctually observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Series 2011 Bonds or herein, or violation of or failure to observe any provision of any pertinent law; and

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

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

Upon application by the Purchaser, such court may, upon proof of such default, appoint a receiver for the affairs of the Issuer and the System. The receiver so appointed shall administer the System on behalf of the Issuer, shall exercise all the rights and powers of the Issuer with respect to the System, shall proceed under the direction of the court to obtain authorization to increase rates and charges of the System, and shall have the power to collect and receive all revenues and apply the same in such manner as the court may direct; provided that, all rights and remedies of the Holders of the Prior Bonds shall be on a parity with the Series 2011 Bonds.

Section 5.09. Fiscal Year; Budget. While the Series 2011 Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than 30 days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and

directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

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

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

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

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

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

Section 5.13. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Series 2011 Bonds are outstanding.

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

ARTICLE VI

RATES, ETC.

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

A. The initial schedule of rates and charges for the services and facilities of the System, subject to change consonant with the provisions hereof, shall be as set forth in the Commission Order dated September 16, 2005, the Recommended Decision entered on October 6, 2008 which became Final Order of the Public Service Commission of West Virginia on October 26, 2008, and Commission Order dated December 15, 2010, in Case No. 05-0359-PWD-42T (reopened) and are incorporated herein by reference as a part hereof.

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

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

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

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

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

ARTICLE VII

MISCELLANEOUS

Section 7.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holder of the Series 2011 Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 2011 Bonds, the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2011 Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Except through such direct payment to the Holder of the Series 2011 Bonds, the Issuer may not defease the Series 2011 Bonds or otherwise provide for payment thereof by escrow or like manner.

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

Section 7.03. Delivery of Bonds. The Chairman, Secretary and Treasurer of the Governing Body are hereby authorized and directed to cause the Series 2011 Bonds, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 7.04. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed severable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Series 2011 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) or the Prior Resolutions.

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

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

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

[Remainder of Page Intentionally Blank]

Adopted this 8th day of February, 2011.

MINGO COUNTY PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of MINGO COUNTY PUBLIC SERVICE DISTRICT on the 8th day of February, 2011.

Dated: February 10, 2011.

[SEAL]

Secretary

01.26.11
610170.00009

5416940

SPECIMEN

UNITED STATES OF AMERICA
MINGO COUNTY PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2011 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$1,986,000

No. AR-1

Date: February 10, 2011

FOR VALUE RECEIVED, MINGO COUNTY PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of ONE MILLION NINE HUNDRED EIGHTY SIX THOUSAND DOLLARS ($1,986,000), plus interest on the unpaid principal balance at the rate of 2.5% 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 $6,753, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

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

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

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a

calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

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

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

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

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

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13A of the West Virginia Code, as amended (the "Act"), and a Resolution of the Borrower duly adopted February 8, 2011, authorizing issuance of this Bond (the "Resolution").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for

similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

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

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

(I) WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,200,000 (THE "SERIES 2000 A BONDS");

(II) WATER REVENUE BONDS, SERIES 2000 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,000,000 (THE "SERIES 2000 B BONDS");

(III) WATER REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,853,436 (THE "SERIES 2000 C BONDS");

(IV) WATER REVENUE BONDS, SERIES 2000 D (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $715,000 (THE "SERIES 2000 D BONDS");

(V) WATER REVENUE BONDS, SERIES 2000 E (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $8,916,818 (THE "SERIES 2000 E BONDS");

(VI) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 9, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $837,540 (THE "SERIES 2001 A BONDS");

(VII) WATER REVENUE BONDS, SERIES 2010 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JANUARY 12, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,450,000 (THE "SERIES 2010 A BONDS");

(VIII) WATER REVENUE BONDS, SERIES 2011 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED FEBRUARY 10, 2011, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $222,000 (THE "SERIES 2011 B BONDS").

THE SERIES 2000 A BONDS, SERIES 2000 B BONDS, SERIES 2000 C BONDS, SERIES 2000 D

BONDS, SERIES 2000 E BONDS, SERIES 2001 A BONDS, SERIES 2010 A BONDS AND SERIES 2011 B BONDS ARE COLLECTIVELY, THE "PRIOR BONDS."

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

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

MINGO COUNTY PUBLIC SERVICE DISTRICT

[CORPORATE SEAL]

SPECIMEN

Chairman, Public Service Board

ATTEST:

SPECIMEN

Secretary, Public Service Board

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$157,445.37	02/10/2011	(19)		
(2)			(20)		
(3)			(21)		
(4)			(22)		
(5)			(23)		
(6)			(24)		
(7)			(25)		
(8)			(26)		
(9)			(27)		
(10)			(28)		
(11)			(29)		
(12)			(30)		
(13)			(31)		
(14)			(32)		
(15)			(33)		
(16)			(34)		
(17)			(35)		
(18)			(36)		

TOTAL $_____

(Form of Assignment)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

SPECIMEN

UNITED STATES OF AMERICA
MINGO COUNTY PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2011 B
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$222,000

No. BR-1

Date: February 10, 2011

FOR VALUE RECEIVED, MINGO COUNTY PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of TWO HUNDRED TWENTY TWO THOUSAND DOLLARS ($222,000), plus interest on the unpaid principal balance at the rate of 2.5% 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 $755, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

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

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

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a

calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

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

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

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

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

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13A of the West Virginia Code, as amended (the "Act"), and a Resolution of the Borrower duly adopted February 8, 2011, authorizing issuance of this Bond (the "Resolution").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for

similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

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

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

(I) WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,200,000 (THE "SERIES 2000 A BONDS");

(II) WATER REVENUE BONDS, SERIES 2000 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,000,000 (THE "SERIES 2000 B BONDS");

(III) WATER REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,853,436 (THE "SERIES 2000 C BONDS");

(IV) WATER REVENUE BONDS, SERIES 2000 D (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $715,000 (THE "SERIES 2000 D BONDS");

(V) WATER REVENUE BONDS, SERIES 2000 E (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $8,916,818 (THE "SERIES 2000 E BONDS");

(VI) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 9, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $837,540 (THE "SERIES 2001 A BONDS");

(VII) WATER REVENUE BONDS, SERIES 2010 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JANUARY 12, 2010, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,450,000 (THE "SERIES 2010 A BONDS");

(VIII) WATER REVENUE BONDS, SERIES 2011 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED FEBRUARY 10, 2011, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,986,000 (THE "SERIES 2011 A BONDS").

THE SERIES 2000 A BONDS, SERIES 2000 B BONDS, SERIES 2000 C BONDS, SERIES 2000 D

BONDS, SERIES 2000 E BONDS, SERIES 2001 A BONDS, SERIES 2010 A BONDS AND SERIES 2011 A BONDS ARE COLLECTIVELY, THE "PRIOR BONDS."

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

[Remainder of Page Intentionally Blank]

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

MINGO COUNTY PUBLIC SERVICE DISTRICT

[CORPORATE SEAL]

Chairman, Public Service Board

SPECIMEN

ATTEST:

Secretary, Public Service Board

SPECIMEN

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $21,000	02/10/2011	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

(Form of Assignment)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

MINGO COUNTY PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2010 A
(United States Department of Agriculture)

BOND RESOLUTION

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MINGO COUNTY PUBLIC SERVICE DISTRICT

RESOLUTION

RESOLUTION AUTHORIZING THE CONSTRUCTION OF CERTAIN PUBLIC SERVICE PROPERTIES CONSISTING OF ADDITIONS, IMPROVEMENTS AND EXTENSIONS TO THE EXISTING WATERWORKS SYSTEM OF MINGO COUNTY PUBLIC SERVICE DISTRICT, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $1,450,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2010 A (UNITED STATES DEPARTMENT OF AGRICULTURE); DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT

BE IT RESOLVED AND ORDERED BY THE PUBLIC SERVICE BOARD OF MINGO COUNTY PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. Mingo County Public Service District (the "Issuer") is a public corporation, public service district and political subdivision of the State of West Virginia in Mingo County of said State, duly created pursuant to the Act by The County Commission of Mingo 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 prior construction to the System be permanently financed, and that there be constructed and designed certain additions, improvements and extensions to the existing waterworks facilities of the Issuer, consisting of a waterline extension to serve in the unincorporated communities of Dingess, Trace, Parsley and Kirk in Mingo County, together with all necessary appurtenant facilities (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Secretary of the Public Service Board (the "Governing Body") of the Issuer. The existing waterworks facilities of the Issuer, together with the Project and any further additions, improvements or extensions thereto, are herein called the "System." The Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

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

D. The estimated maximum cost of the Project is $12,058,944.54 of which $1,450,000 will be obtained from the proceeds of sale of the Series 2010 A Bonds, herein authorized.

E. The Issuer intends to permanently finance a portion of the costs of the Project through the issuance of its Water Revenue Bonds, Series 2010 A (United States Department of Agriculture), in the aggregate principal amount of $1,450,000 (the "Series 2010 A Bonds"), to permanently finance a portion of the cost of such construction in the manner herein provided, and pay the costs of issuances thereof. The cost of such acquisition and construction shall be deemed to include, without being limited to, the acquisition and construction of the Project; the cost of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; interest on the Series 2010 A Bonds; engineering, fiscal agents and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; and 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; 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 Series 2010 A Bonds as to liens, pledge and source of and security for payment being the Issuer's: (i) Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), dated August 28, 2000, issued in the original aggregate principal amount of $2,200,000 (the "Series 2000 A Bonds"); (ii) Water Revenue Bonds, Series 2000 B (United States Department of Agriculture), dated August 28, 2000, issued in the original aggregate principal amount of $2,000,000 (the "Series 2000 B Bonds"); (iii) Water Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), dated August 28, 2000,

issued in the original aggregate principal amount of $2,853,436 (the "Series 2000 C Bonds"); (iv) Water Revenue Bonds, Series 2000 D (West Virginia Water Development Authority), dated August 28, 2000, issued in the original aggregate principal amount of $715,000 (the "Series 2000 D Bonds"); (v) Water Revenue Bonds, Series 2000 E (West Virginia Infrastructure Fund), dated August 28, 2000, issued in the original aggregate principal amount of $8,916,818 (the "Series 2000 E Bonds"); and (vi) Water Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), dated March 9, 2001, issued in the original aggregate principal amount of $837,540 (the "Series 2001 A 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 2010 A 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.

Prior to the issuance of the Series 2010 A Bonds, the Issuer will obtain (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 consents of the Holders of the Prior Bonds to the issuance of the Series 2010 A 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.

H. It is in the best interest of the Issuer that the Series 2010 A Bonds be sold to the Purchaser, pursuant to the terms and provisions of the Letters of Conditions, dated December 18, 2008, and all amendments thereto, if any (collectively, the "Letter of Conditions").

I. The Issuer has complied with all requirements of law relating to the authorization of the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2010 A Bonds, or will have so complied prior to issuance of the Series 2010 A Bonds, including, among other things and without limitation, obtaining a certificate of public convenience and necessity and approval of the financing and necessary user rates and charges from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired or shall have been duly waived or otherwise provided for.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2010 A Bonds by those who shall be the Registered Owner of the same from time to time, this Resolution (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Series 2010 A Bonds.

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

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

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

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

"Bonds" means, collectively, the Series 2010 A Bonds and the Prior Bonds.

"Chairman" means the Chairman of the Governing Body.

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

"Consulting Engineer" means E. L. Robinson Engineering Co., Charleston, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

"Costs" or "Costs of the Project" means those costs described in Section 1.02 (E) hereof.

"Depository Bank" means Bank of Mingo, Delbarton, Mingo County, West Virginia, a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns.

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

"FDIC" means the Federal Deposit Insurance Corporation.

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

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

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

"Grants" means, collectively, all grants committed for the Project.

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

"Issuer," "Borrower" or "District" means Mingo County Public Service District, a public service district, a public corporation and a political subdivision of the State of West Virginia, in Mingo County, West Virginia, and includes the Governing Body.

"Letter of Conditions" means, collectively, the Letter of Conditions of the Purchaser dated December 18, 2008, and all amendments thereto, if any.

"Minimum Reserve" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2010 A Bonds in the then current or any succeeding year.

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

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

"Prior Bonds" means, collectively, the Series 2000 A Bonds, Series 2000 B Bonds, Series 2000 C Bonds, Series 2000 D Bonds, Series 2000 E Bonds and Series 2001 A Bonds.

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

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

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

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

(a) Government Obligations;

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

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

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

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC (hereinbefore defined) or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

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

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

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

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

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

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

"RUS Bonds" means, collectively, the Series 2000 A Bonds and Series 2000 B Bonds.

"Secretary" means the Secretary of the Governing Body.

"Series 2000 A Bonds" means the Issuer's Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), dated August 28, 2000, issued in the original aggregate principal amount of $2,200,000.

"Series 2000 B Bonds" means the Issuer's Water Revenue Bonds, Series 2000 B (United States Department of Agriculture), dated August 28, 2000, issued in the original aggregate principal amount of $2,000,000.

"Series 2000 C Bonds" means the Issuer's Water Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), dated August 28, 2000, issued in the original aggregate principal amount of $2,853,436.

"Series 2000 D Bonds" means the Issuer's Water Revenue Bonds, Series 2000 D (West Virginia Water Development Authority), dated August 28, 2000, issued in the original aggregate principal amount of $715,000.

"Series 2000 E Bonds" means the Issuer's Water Revenue Bonds, Series 2000 E (West Virginia Infrastructure Fund), dated August 28, 2000, issued in the original aggregate principal amount of $8,916,818.

"Series 2001 A Bonds" means the Issuer's Water Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), dated March 9, 2001, issued in the original aggregate principal amount of $837,540.

"Series 2010 A Bonds" means the Water Revenue Bonds, Series 2010 A (United States Department of Agriculture), authorized hereby to be issued pursuant to this Bond Legislation.

"Series 2010 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 2010 A Bonds in the then current or any succeeding year.

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

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Payment of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of $12,058,944.54, 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 project is estimated to cost $12,058,944.54 of which approximately $1,450,000 will be received from the proceeds of the Series 2010 A Bonds, $2,335,500 will be received as a grant from the Purchaser, $6,573,444.54 will be received as an Abandoned Mine Lands Grant from the West Virginia Department of Environmental Protection, $1,500,000 will be received as a Small Cities Block Grant and $200,000 will be received as a contribution from The County Commission of Mingo County.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions of the Bond Legislation, the Series 2010 A Bonds of the Issuer, to be known as "Water Revenue Bonds, Series 2010 A" (United States Department of Agriculture), are hereby authorized to be issued in the aggregate principal amount of $1,450,000, for the purpose of financing the cost of the construction and design of the Project.

Section 3.02. Description of Bonds. The Series 2010 A Bonds shall be issued in single form, numbered AR-1, only as a fully registered Bond, and shall be dated the date of delivery thereof. The Series 2010 A Bonds shall bear interest from the date of delivery, payable monthly at the rate of 2.375% per annum, and shall be sold for the par value thereof. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commending 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 $4,843, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond.

The Series 2010 A Bonds shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the respective Bond forms hereinafter set forth.

Section 3.03. Negotiability, Registration, Transfer and Exchange of Bonds. The Series 2010 A Bonds shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but the Series 2010 A Bonds, and the right to principal of and stated interest on the Series 2010 A Bonds, may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.04 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Series 2010 A Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Bond Registrar.

Whenever the Series 2010 A Bonds shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Bond Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, but the Issuer shall pay any other expenses incurred by the Bond Registrar with respect to such transfer.

No registration of transfer of the Series 2010 A Bonds shall be permitted to be made after the 15th day next preceding any installment payment date on the Series 2010 A Bonds.

Section 3.04. Bond Registrar. The Issuer shall be the Bond Registrar and will keep, or cause to be kept by its agent, at its office, sufficient books for the registration and transfer of the Series 2010 A Bonds, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Series 2010 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 2010 A Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2010 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 2010 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 2010 A Bonds shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be National Finance Office, St. Louis, Missouri 63103, or such other address as shall be stated in writing to the Issuer by the United States of America.

Section 3.05. Execution of Bonds. The Series 2010 A Bonds shall be executed in the name of the Issuer by the Chairman and its corporate seal shall be affixed thereto and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 2010 A Bonds shall cease to be such officer of the Issuer before the Series 2010 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. The Series 2010 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 2010 A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bonds or in lieu of and substitution for the Bonds destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Series 2010 A Bonds so surrendered shall be canceled and held for the account of the Issuer. If the Series 2010 A Bonds shall have matured or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, and, if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2010 A Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System, on a parity with the Prior Bonds. The Net Revenues derived from the System in an amount sufficient to pay the principal of and interest on the Series 2010 A Bonds and the Prior Bonds, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2010 A Bonds and the Prior Bonds as the same become due.

Section 3.08. Form of Bond. Subject to the provisions hereof, the text of the Series 2010 A Bonds and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or by any resolution adopted after the date of adoption hereof and prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
MINGO COUNTY PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2010 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$_____

No. AR-1 Date: _____

FOR VALUE RECEIVED, MINGO COUNTY PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of _____ ($_____), plus interest on the unpaid principal balance at the rate of _____% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $_____, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

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

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

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

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

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

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

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

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13A of the West Virginia Code, as amended (the "Act"), and a Resolution of the Borrower duly adopted January 8, 2010, authorizing issuance of this Bond (the "Resolution").

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

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

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

(I) WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,200,000 (THE "SERIES 2000 A BONDS");

(II) WATER REVENUE BONDS, SERIES 2000 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,000,000 (THE "SERIES 2000 B BONDS");

(III) WATER REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,853,436 (THE "SERIES 2000 C BONDS");

(IV) WATER REVENUE BONDS, SERIES 2000 D (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $715,000 (THE "SERIES 2000 D BONDS");

(V) WATER REVENUE BONDS, SERIES 2000 E (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $8,916,818 (THE "SERIES 2000 E BONDS"); AND

(VI) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 9, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $837,540 (THE "SERIES 2001 A BONDS").

THE SERIES 2000 A BONDS, SERIES 2000 B BONDS, SERIES 2000 C BONDS, SERIES 2000 D BONDS, SERIES 2000 E BONDS AND SERIES 2001 A BONDS ARE COLLECTIVELY, THE "PRIOR BONDS."

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to

excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

[Remainder of Page Intentionally Blank]

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

MINGO COUNTY PUBLIC SERVICE DISTRICT

[CORPORATE SEAL]

_____
Chairman, Public Service Board

ATTEST:

_____
Secretary, Public Service Board

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

(Form of Assignment)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

ARTICLE IV

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

Section 4.01.

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

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

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

(3) Series 2010 A Bonds Project Construction Account.

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

(1) Series 2000 A Bonds Reserve Account (established by Prior Resolution and continued hereby);

(2) Series 2000 B Bonds Reserve Account (established by Prior Resolution and continued hereby);

(3) Series 2000 C Bonds Sinking Fund (established by Prior Resolution and continued hereby);

(4) Series 2000 C Bonds Reserve Account (established by Prior Resolution and continued hereby);

(5) Series 2000 D Bonds Sinking Fund (established by Prior Resolution and continued hereby);

(6) Series 2000 D Bonds Reserve Account (established by Prior Resolution and continued hereby);

(7) Series 2000 E Bonds Sinking Fund (established by Prior Resolution and continued hereby);

(8) Series 2000 E Bonds Reserve Account (established by Prior Resolution and continued hereby);

(9) Series 2001 A Bonds Sinking Fund (established by Prior Resolution and continued hereby);

(10) Series 2001 A Bonds Reserve Account (established by Prior Resolution and continued hereby); and

(11) Series 2010 A Bonds Reserve Account.

Section 4.02. Bond Proceeds; Project Construction Account. The proceeds of the sale of the Series 2010 A Bonds shall be deposited upon receipt by the Issuer in the Series 2010 A Bonds Project Construction Account. The monies in the Series 2010 A Bonds Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by the Depository Bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Monies in the Series 2010 A Bonds Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Monies in the Series 2010 A Bonds Project Construction Account shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Purchaser.

Until completion of acquisition and construction of the Project, the Issuer will additionally transfer from the Series 2010 A Bonds Project Construction Account and pay to the Purchaser on or before the due date, such sums as shall be from time to time required to make the monthly installments on the Series 2010 A Bonds if there are not sufficient Net Revenues to make such monthly payment.

Pending application as provided in this Section 4.02, money and funds in the Series 2010 A Bonds Project Construction Account shall be invested and reinvested at the direction of the Issuer, to the extent possible in accordance with applicable law, in Qualified Investments.

When acquisition and construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Series 2010 A Bonds Project Construction Account shall be disposed of in accordance with the regulations of the Purchaser.

Section 4.03. Covenants of the Issuer as to System Revenues and Funds. So long as any of the Series 2010 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2010 A Bonds Reserve Account, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2010 A Bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the Holders of the Series 2010 A Bonds as follows:

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

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

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

(2) The Issuer shall next, each month, on or before the due date thereof, transfer from the Revenue Fund and simultaneously remit (i) to the National Finance Office the amount required by the Prior Resolutions to pay the interest on the RUS Bonds; (ii) to the Commission the amount required by Prior Resolutions to pay interest of the Series 2000 C Bonds and Series 2000 D Bonds; and (iii) to the National Finance Office the amount required to pay interest on the Series 2010 A Bonds.

(3) The Issuer shall next, each month, transfer from the Revenue Fund and simultaneously, on or before the due date thereof, remit (i) to the National Finance Office the amount required by the Prior Resolutions to pay the principal of the RUS Bonds; (ii) to the Commission the amount required by Prior Resolutions to pay the principal of the Series 2000 C Bonds, Series 2000 D Bonds, Series 2000 E Bonds and Series 2001 A Bonds; and (iii) remit to the National Finance Office, commencing 24 months following the date of delivery of the Series 2010 A Bonds, the amount required to amortize the principal of the Series 2010 A Bonds.

(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 respective Reserve Accounts for the Prior Bonds; and (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 2010 A Bonds Reserve Account, an amount equal to 10% of the monthly payment amount, until the amount in the Series 2010 A Bonds Reserve Account equals the Series 2010 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2010 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 2010 A 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. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided that, any deficiencies in any Reserve Accounts (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Whenever the money in the Series 2010 A Bonds Reserve Account shall be sufficient to prepay the Series 2010 A Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2010 A Bonds at the earliest practical date and in accordance with applicable provisions hereof.

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 2010 A Bonds Reserve Account. All amounts required for the Series 2010 A Bonds Reserve Account will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such fund.

The Revenue Fund shall constitute a Trust Fund and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 2010 A Bonds and the interest thereon, on a parity with the Prior Bonds.

The Series 2010 A Bonds Reserve Account shall constitute a trust fund and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 2010 A Bonds and the interest thereon.

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

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2010 A Bonds and the Prior Bonds, in accordance with the respective principal amounts then Outstanding.

Subject to the Prior Resolutions, the Commission shall keep the monies in the Series 2010 A Bonds Reserve Account invested and reinvested to the fullest extent possible in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Bond Legislation shall, unless otherwise provided herein or required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia Board of Treasury Investments. Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Earnings from monies in the Series 2010 A Bonds Reserve Account, so long as the Minimum Reserve is on deposit and maintained therein, shall be paid annually by the Commission to the Issuer and deposited in the Revenue Fund.

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

D. USER CONTRACTS. The Issuer shall, prior to delivery of the Series 2010 A Bonds, provide evidence that there will be at least 570 bona fide users upon the System on completion, in full compliance with the requirements and conditions of the Purchaser.

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

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

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

deposited.

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

ARTICLE V

GENERAL COVENANTS, ETC.

Section 5.01. General Statement. So long as the Series 2010 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2010 A Bonds Reserve Account, sums sufficient to prepay the entire principal of the Series 2010 A Bonds remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Holder of the Series 2010 A Bonds.

Section 5.02. Rates. So long as the Prior Bonds are outstanding, the Issuer will maintain rates as required in the Prior Resolutions. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the annual debt service on the Series 2010 A Bonds and the Prior Bonds and sufficient to make the payments required herein into all funds and accounts and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes.

Section 5.03. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System or any part thereof, except as provided in the Prior Resolutions. The System will not be sold without the prior written consent of the Purchaser so long as the Series 2010 A Bonds are outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 5.04. Issuance of Additional Parity Bonds or Obligations. No additional Parity Bonds or obligations payable out of any of the Revenues of the System shall be issued, except with the prior written consent of the Purchaser. No Parity Bonds shall be issued after issuance of the Series 2010 A Bonds unless the provisions contained in the Prior Resolution respecting issuance of Parity Bonds have been satisfied.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2010 A Bonds.

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

So long as the Series 2010 A Bonds and the RUS 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 RUS Bonds, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing limitation is waived or when the Series 2010 A Bonds and the RUS Bonds are no longer outstanding, the following parity requirement shall be met:

So long as the Series 2000 C Bonds, Series 2000 D Bonds, Series 2000 E Bonds and Series 2001 A 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 2010 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2010 A Bonds.

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

Section 5.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Series 2010 A Bonds remain outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(a) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, to be procured upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground structures of the System and mechanical and electrical equipment in place or stored on the site in an amount equal to the full insurable value thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk

insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

(b) PUBLIC LIABILITY INSURANCE, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Series 2010 A Bonds.

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

(d) WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF THE DISTRICT ELIGIBLE THEREFOR AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds have been or will be filed with the Clerk of the County Commission of said County prior to commencement of construction of the Project in compliance with West Virginia Code Section 38-2-39. Workers' compensation coverage shall be maintained as required by the laws of the State of West Virginia.

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

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

(g) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project

and so long as the Series 2010 A Bonds are outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Purchaser may specify, with insurance carriers or bonding companies acceptable to the Purchaser.

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holder of the Series 2010 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, on a parity with the Prior Bonds, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Series 2010 A Bonds.

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

(a) Failure to make payment of any monthly amortization installment upon the Series 2010 A Bonds at the date specified for payment thereof;

(b) Failure to duly and punctually observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Series 2010 A Bonds or herein, or violation of or failure to observe any provision of any pertinent law; and

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

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

Upon application by the Purchaser, such court may, upon proof of such default, appoint a receiver for the affairs of the Issuer and the System. The receiver so appointed shall administer the System on behalf of the Issuer, shall exercise all the rights and powers of the Issuer with respect to the System, shall proceed under the direction of the court to obtain authorization to increase rates and charges of the System, and shall have the power to collect and receive all revenues and apply the same in such manner as the court may direct; provided that, all rights and remedies of the Holders of the Prior Bonds shall be on a parity with the Series 2010 A Bonds.

Section 5.09. Fiscal Year; Budget. While the Series 2010 A Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than 30 days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

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

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

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

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

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

Section 5.13. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Series 2010 A Bonds are outstanding.

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

ARTICLE VI

RATES, ETC.

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

A. The initial schedule of rates and charges for the services and facilities of the System, subject to change consonant with the provisions hereof, shall be as set forth in the Recommended Decision entered on June 12, 2009 which became Final Order of the Public Service Commission of West Virginia on July 2, 2009, in Case No. 09-0092-PWD-CN and are incorporated herein by reference as a part hereof.

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

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

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

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

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

ARTICLE VII

MISCELLANEOUS

Section 7.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holder of the Series 2010 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 2010 A Bonds, the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2010 A Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Except through such direct payment to the Holder of the Series 2010 A Bonds, the Issuer may not defease the Series 2010 A Bonds or otherwise provide for payment thereof by escrow or like manner.

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

Section 7.03. Delivery of Bonds. The Chairman, Secretary and Treasurer of the Governing Body are hereby authorized and directed to cause the Series 2010 A Bonds, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 7.04. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed severable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Series 2010 A Bonds.

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

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

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

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

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

[Remainder of Page Intentionally Blank]

Adopted this 8th day of January, 2010.

MINGO COUNTY PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of MINGO COUNTY PUBLIC SERVICE DISTRICT on the 8th day of January, 2010.

Dated: January 12, 2010.

[SEAL]

Secretary

12.28.09
610170.00004

SPECIMEN

UNITED STATES OF AMERICA
MINGO COUNTY PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2010 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

$1,450,000

No. AR-1

Date: January 12, 2010

FOR VALUE RECEIVED, MINGO COUNTY PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of ONE MILLION FOUR HUNDRED FIFTY THOUSAND DOLLARS ($1,450,000), plus interest on the unpaid principal balance at the rate of 2.375% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $4,843, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

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

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

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly

or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

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

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

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

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

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13A of the West Virginia Code, as amended (the "Act"), and a Resolution of the Borrower duly adopted January 8, 2010, authorizing issuance of this Bond (the "Resolution").

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

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

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

(I) WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,200,000 (THE "SERIES 2000 A BONDS");

(II) WATER REVENUE BONDS, SERIES 2000 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,000,000 (THE "SERIES 2000 B BONDS");

(III) WATER REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,853,436 (THE "SERIES 2000 C BONDS");

(IV) WATER REVENUE BONDS, SERIES 2000 D (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $715,000 (THE "SERIES 2000 D BONDS");

(V) WATER REVENUE BONDS, SERIES 2000 E (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 28, 2000, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $8,916,818 (THE "SERIES 2000 E BONDS"); AND

(VI) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED MARCH 9, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $837,540 (THE "SERIES 2001 A BONDS").

THE SERIES 2000 A BONDS, SERIES 2000 B BONDS, SERIES 2000 C BONDS, SERIES 2000 D BONDS, SERIES 2000 E BONDS AND SERIES 2001 A BONDS ARE COLLECTIVELY, THE "PRIOR BONDS."

In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to

excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

[Remainder of Page Intentionally Blank]

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

MINGO COUNTY PUBLIC SERVICE DISTRICT

[CORPORATE SEAL]

SPECIMEN

Chairman, Public Service Board

ATTEST:

SPECIMEN

Secretary, Public Service Board

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$132,306.63	January 12, 2010	(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:

_____

MINGO COUNTY PUBLIC SERVICE DISTRICT

WATER REVENUE BONDS, SERIES 2001 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

BOND RESOLUTION

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MINGO COUNTY PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION OF CERTAIN ADDITIONS, BETTERMENTS, IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF MINGO COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $837,540 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND); 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 SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution (together with any order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is adopted pursuant to the provisions of Chapter 16, Article 13A and Chapter 31, Article 15A 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. Mingo County Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Mingo 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 and welfare of the inhabitants of the Issuer that there be acquired certain additions, betterments, improvements and extensions to the existing public waterworks facilities of the Issuer, consisting of a water line extension along U.S. Route 52 in Mingo County, which would initially serve 880 new customers; together with all appurtenant facilities (collectively, the "Project") (the existing public waterworks facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System"), which have been constructed 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 the costs of acquisition of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Infrastructure Fund pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Water Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), in the total aggregate principal amount of not more than $837,540 (the "Series 2001 A Bonds"), to permanently finance a portion of the costs of acquisition of the Project. The remaining Costs of the Project (as herein defined) shall be funded from the sources set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2001 A Bonds for a period not exceeding 6 months after completion of acquisition of the Project; amounts which may be deposited in the 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, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2001 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition 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 2001 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 2001 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), in form satisfactory to the respective parties (the "Loan Agreement"), approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2001 A Bonds as to liens, pledge, source of and security for payment, being the Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), issued in the aggregate principal amount of $2,200,000 (the "Series 2000 A Bonds"), the Water Revenue Bonds, Series 2000 B (United States Department of Agriculture), issued in the aggregate principal amount of $2,000,000 (the "Series 2000 B Bonds"), the Water Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), issued in the aggregate principal amount of $2,853,436 (the "Series 2000 C Bonds"), the Water Revenue Bonds, Series 2000 D (West Virginia Water Development Authority), issued in the aggregate principal amount of $715,000 (the "Series 2000 D Bonds"), and the Water Revenue Bonds, Series 2000 E (West Virginia Infrastructure Fund), issued in the aggregate principal amount of $8,916,818 (the "Series 2000 E Bonds"), all dated August 28, 2000 (collectively, the "Prior Bonds"). Prior to the issuance of the Series 2001 A Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the parity test of the Prior Bonds is met; and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2001 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Ordinances.

H. 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 costs of operation and maintenance of the System and the principal of and interest, if any, on the Series 2001 A Bonds, and to make payments into all funds and accounts and other payments provided for herein.

I. In lieu of funding the Series 2001 A Bonds Reserve Account (as hereinafter defined) with cash, the Issuer may, with the advance written consent of the Authority, obtain a letter of credit for the benefit of the Commission, to be drawn upon in the event that at any time payments are inadequate to provide funds for the Issuer to make all payments required hereunder.

J. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition and operation of the

Project and the System and issuance of the Series 2001 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the approval of the Project and the financing thereof by the Council and the obtaining of a certificate of public convenience and necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2001 A Bonds or such final order will not be subject to appeal.

K. The Project has been reviewed and determined to be technically and financially feasible by the 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 2001 A Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such 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 Series 2001 A Bonds, all of 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 31, Article 15A of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2001 A 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 Council under the Act.

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

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

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

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

"Bonds" means the Series 2001 A 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.

"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 2001 A Bonds for all or a portion of the proceeds of the Series 2001 A Bonds from the Authority.

"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 E.L. Robinson Engineering Co., Charleston, 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 1.02D hereof to be a part of the cost of acquisition of the Project.

"Council" means the West Virginia Infrastructure and Jobs Development Council or any other agency of the State of West Virginia that succeeds to the functions of the Council.

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

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

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

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

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

"Grants" means all moneys received by the Issuer on account of any Grant 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.

"Investment Property" means

(A) any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code),

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

(E) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan.

Except as provided in the following sentence, the term "Investment Property" does not include any tax-exempt bond. With respect to an issue other than an issue a part of which is a specified private activity bond (as defined in section 57(a)(5)(C) of the Code), the term "Investment Property" includes a specified private activity bond (as so defined).

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

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered, by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2001 A 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 2001 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2001 A Bonds 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 2001 A 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.

"Nonpurpose Investment" means any Investment Property as defined in Section 148(b) of the Code, that is not a purpose investment.

"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, the Depository Bank, the Registrar and the Paying Agent (all as herein after defined), other than those capitalized as part of the Costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or

interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered, except (i) any Bond canceled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; and (iv) for purposes of consents or other action by a specified percentage of Bondholders, any Bonds registered to the Issuer.

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

"Paying Agent" means the Commission or other entity designated as such for the Series 2001 A Bonds in the Supplemental Resolution.

"Prior Bonds" means, collectively, the Issuer's Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), Series 2000 B (United States Department of Agriculture), Series 2000 C (West Virginia Water Development Authority),Series 2000 D (West Virginia Water Development Authority),and the Series 2000 E (West Virginia Infrastructure Fund), as described in section 1.02(G) hereof.

"Prior Resolution" means, collectively, the resolution of the Issuer adopted on August 21, 2000, as supplemented by the supplemental resolution of the Issuer adopted on August 21, 2000, authorizing the issuance of the Prior Bonds.

"Private Business Use" means use (directly or indirectly) in a trade or business carried on by any person other than a governmental unit; provided that use as a member of the general public shall not be taken into account.

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

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

(a) Government Obligations;

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

Government Obligations or interest coupons stripped from Government Obligations;

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

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

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

(g) Repurchase agreements, 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 Investment Management Board 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, 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 previously established by the Prior Resolution and continued hereby.

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Series 2001 A Bonds and Prior Bonds.

"Reserve Requirement" means, collectively, the respective amount required to be on deposit in the Reserve Accounts for the Series 2001 A Bonds and the Prior Bonds.

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

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

"Series 2000 A Bonds" means the Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), dated August 28, 2000, described in Section 1.02(G) hereof.

"Series 2000 B Bonds" means the Water Revenue Bonds, Series 2000 B (United States Department of Agriculture), dated August 28, 2000, described in Section 1.02(G) hereof.

"Series 2000 C Bonds" means the Water Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), dated August 28, 2000, described in Section 1.02(G) hereof.

"Series 2000 D Bonds" means the Water Revenue Bonds, Series 2000 D (West Virginia Water Development Authority), dated August 28, 2000, described in Section 1.02(G) hereof.

"Series 2000 E Bonds" means the Water Revenue Bonds, Series 2000 E (West Virginia Infrastructure Fund), dated August 28, 2000, described in Section 1.02(G) hereof.

"Series 2001 A Bonds" means the Series 2001 A Bonds authorized to be issued hereby.

"Series 2001 A Bonds Construction Trust Fund" means the Series 2001 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2001 A Bonds Reserve Account" means the Series 2001 A Bonds Reserve Account established in the Series 2001 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2001 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 2001 A Bonds in the then current or any succeeding year.

"Series 2001 A Bonds Sinking Fund" means the Series 2001 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds established for the Series 2001 A Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the supplemental resolution or resolutions authorizing the sale of the Series 2001 A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2001 A 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, the Prior Bonds, or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund, the Sinking Funds and the Reserve Accounts.

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

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

"West Virginia Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Chapter 31, Article 15A, Section 9 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

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 OF THE PROJECT

Section 2.01. Authorization of Acquisition of the Project. There is hereby authorized and ordered the acquisition of the Project, at an estimated cost of $7,812,268, which has been constructed in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2001 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer will enter into contracts for the acquisition of the Project, compatible with the financing plan submitted to the Authority and the Council.

The cost of the acquisition of the Project is estimated to be $7,812,268, of which approximately $837,540 will be obtained from proceeds of the Series 2001 A Bonds, approximately $802,766 will be obtained from a grant by the West Virginia Infrastructure and Jobs Council, approximately $1,110,800 will be obtained from a Small Cities Block Grant and approximately $5,061,162 will be obtained from a grant by the Office of Abandoned Mine Lands and Reclamation.

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 2001 A Bonds, funding a reserve account for the Series 2001 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2001 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 2001 A Bonds of the Issuer. The Series 2001 A Bonds shall be issued as a single bond, designated as "Water Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund)," in the principal amount of not more than $837,540, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2001 A Bonds remaining after funding of the Series 2001 A Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest on the Series 2001 A Bonds, if any, shall be deposited in or credited to the Series 2001 A Bond Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2001 A 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 a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2001 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2001 A Bonds, if any, 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 2001A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2001 A Bonds. The Series 2001 A 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 the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2001 A 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 2001 A Bonds shall cease to be such officer of the Issuer before the Series 2001 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2001 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2001 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bonds, substantially in the forms 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 Bonds shall be conclusive evidence that such Bonds have been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on the Series 2001 A Bonds shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2001 A 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 2001 A 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 2001 A Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2001 A 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 Series 2001 A Bonds or transferring the registered Bonds are exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled 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 the Series 2001 A Bonds 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 canceled 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 2001 A 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 2001 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2001 A Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2001 A Bonds shall be secured 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. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2001 A Bonds and the Prior Bonds, and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2001 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2001 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2001 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2001 A Bonds to the original purchasers;

C. An executed and certified copy of the Bond Legislation;

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2001 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2001 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 2001 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MINGO COUNTY PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2001 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $837,540

KNOW ALL MEN BY THESE PRESENTS: That MINGO COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Mingo 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 EIGHT HUNDRED THIRTY-SEVEN THOUSAND FIVE HUNDRED FORTY DOLLARS ($837,540), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2002, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated February 15, 2001.

This Bond is issued (i) to pay a portion of the costs of acquisition of certain improvements and extensions to the existing public waterworks facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is

issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (the "Act"), a Bond Resolution duly adopted by the Issuer on February 13, 2001, and a Supplemental Resolution duly adopted by the Issuer on February 13, 2001 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,200,000, SERIES 2000 B (UNITED STATES DEPARTMENT OF AGRICULTURE), ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,000,000 SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,853,436, SERIES 2000 D (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $715,000, AND SERIES 2000 E (WEST VIRGINIA INFRASTRUCTURE FUND), ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $8,916,818, ALL DATED AUGUST 28, 2000 (COLLECTIVELY, THE "PRIOR 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 Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2001 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate 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, except from said special fund provided from the Net Revenues, the moneys in the Series 2001 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior

Bonds; provided however, that so long as there exists in the Series 2001 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the 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 Branch Banking and Trust Company, 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 moneys, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, MINGO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated _____, 2001.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is the Series 2001 A Bond described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2001.

BRANCH BANKING AND TRUST COMPANY, as Registrar

_____

Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

_____

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

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2001 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous 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, is hereby approved and incorporated into this Bond Legislation.

Section 3.12. "Amended Schedule" Filing. Upon completion of the acquisition of the Project, the Issuer will file with the Authority and the Council a schedule, the form of which will be provided by the Council, 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 with (or continued if previously established by the Prior Resolution) 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 Prior Resolution);

(2) Renewal and Replacement Fund (established by Prior Resolution);

(3) Series 2001 A Bonds Construction Trust Fund; and

(4) Tap Fee Escrow Account (established by Prior Resolution).

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with (or continued if previously established by the Prior Resolution) 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 2000 A Bonds Reserve Account (established by Prior Resolution);

(2) Series 2000 B Bonds Reserve Account (established by Prior Resolution);

(3) Series 2000 C Bonds Sinking Fund (established by Prior Resolution);

(4) Within the Series 2000 C Bonds Sinking Fund, the Series 2000 C Bonds Reserve Account (established by Prior Resolution);

(5) Series 2000 D Bonds Sinking Fund (established by Prior Resolution);

(6) Within the Series 2000 D Bonds Sinking Fund, the Series 2000 D Bonds Reserve Account (established by Prior Resolution);

(7) Series 2000 E Bonds Sinking Fund (established by Prior Resolution);

(8) Within the Series 2000 E Bonds Sinking Fund, the Series 2000 E Bonds Reserve Account (established by Prior Resolution);

(9) Series 2001 A Bonds Sinking Fund; and

(10) Within the Series 2001 A Bonds Sinking Fund, the Series 2001 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. All moneys 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 the Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the National Finance Office designated in the Series 2000 A Bonds and the Series 2000 B Bonds the amounts required in the Prior Resolution to pay interest on the Series 2000 A Bonds and the Series 2000 B Bonds; (ii) remit to the Commission for deposit in the Series 2000 C Bonds Sinking Fund, the amount required in the Prior Resolution to pay the interest on the Series 2000 C Bonds; and (iii) remit to the Commission for deposit in the Series 2000 D Bonds Sinking Fund, the amount required in the Prior Resolution to pay the interest on the Series 2000 D Bonds.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the National Finance Office designated in the Series 2000 A Bonds and the Series 2000 B Bonds the amounts required in the Prior

Resolution to amortize the principal of the Series 2000 A Bonds and the Series 2000 B Bonds over the life of each bond issue; (ii) remit to the Commission for deposit in the Series 2000 C Bonds Sinking Fund, the amount required in the Prior Resolution to pay the principal which will mature and become due on the Series 2000 C Bonds; (iii) remit to the Commission for deposit in the Series 2000 D Bonds Sinking Fund, the amount required in the Prior Resolution to pay the principal which will mature and become due on the Series 2000 D Bonds; (iv) remit to the Commission for deposit in the Series 2000 E Bonds Sinking Fund, the amount required in the Prior Resolution to pay the principal which will mature and become due on the Series 2000 E Bonds; and (v) remit to the Commission, commencing 3 months prior to the first date of payment of principal of the Series 2001 A Bonds, for deposit in the Series 2001 A Bonds Sinking Fund, an amount equal to 1/3rd of the principal which will mature and become due on the Series 2001 A 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 2001 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 2000 A Bonds Reserve Account, the amount required by the Prior Resolution; (ii) for deposit in the Series 2000 B Bonds Reserve Account, the amount required by the Prior Resolution; (iii) for deposit in the Series 2000 C Bonds Reserve Account, the amount required by the Prior Resolution; (iv) for deposit in the Series 2000 D Bonds Reserve Account, the amount required by the Prior Resolution; (v) for deposit in the Series 2000 E Bonds Reserve Account, the amount required by the Prior Resolution; and (vi) commencing 3 months prior to the first date of payment of principal of the Series 2001 A Bonds, if not fully funded upon issuance of the Series 2001 A Bonds, for deposit in the Series 2001 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2001 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2001 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 2001 A 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, (i) a sum equal to 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Resolution and not in addition thereto), exclusive of any payments for account of any Reserve Account; and (ii) such amounts required by the Prior Resolution relative to the Series 2000 A Bonds and the Series 2000 B Bonds. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(6) 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 Bonds, pro rata, or for any lawful purpose of the System.

Moneys in the Series 2001 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2001 A Bonds, as the same shall become due. Moneys in the Series 2001 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2001 A Bonds, as the same shall come due, when other moneys in the Series 2001 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2001 A Bonds Sinking Fund and the Series 2001 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2001 A Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2001 A Bonds Reserve Account which result in a reduction in the balance therein to below the Series 2001 A Bonds Reserve Requirement 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 Series 2001 A Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2001 A Bonds Sinking Fund or the Series 2001 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2001 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Interest, principal or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2001 A Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2001 A Bonds Sinking Fund and the Series 2001 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2001 A Bonds Sinking Fund and the Series 2001 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2001 A Bonds Sinking Fund and the Series 2001 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2001 A Bonds, under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 2001 A Bonds and

all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

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 along 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 the Act, such excess shall be considered as surplus revenues (the "Surplus Revenues"). Surplus Revenues may be used for any lawful purpose of the System.

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges and fees then due. In the case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority at anytime, 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 moneys in excess of the sum insured by the maximum amounts insured by FDIC in any of the funds and accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

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

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

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

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

ARTICLE VI

BOND PROCEEDS; DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds: From the moneys received from the sale of the Series 2001 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2001 A Bonds, there shall first be deposited with the Commission in the Series 2001 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2001 A Bonds for the period commencing on the date of issuance of the Series 2001 A Bonds and ending 6 months after the estimated date of completion of acquisition of the Project.

B. Next, from the proceeds of the Series 2001 A Bonds, there shall be deposited with the Commission in the Series 2001 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2001 A Bonds Reserve Account.

C. Next, from the proceeds of the Series 2001 A Bonds, there shall be paid to the West Virginia Division of Environmental Protection, Office of Abandoned Mine Lands and Reclamation, the purchase price for the acquisition of the Pigeon Creek waterline extension.

D. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2001 A Bonds, such moneys shall be deposited with the Depository Bank in the Series 2001 A Bonds Construction Trust Fund and applied solely to payment of the costs of the acquisition of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2001 A Bonds.

E. After acquisition of the Project, and all costs have been paid, any remaining proceeds of the Series 2001 A Bonds shall be applied as directed by the Council.

Section 6.02. Disbursements From the Bond Construction Trust Fund. The Issuer shall each month provide the Council and Authority with a requisition for the costs associated with the acquisition of the Project, together such appropriate transfer documentation as the Council shall require.

Except as provided in Section 6.01 hereof, disbursements from the Series 2001 A Bonds Construction Trust Fund shall be made only after submission to and approval from the Council, of a certificate, signed by an Authorized Officer, stating that:

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

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

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

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

Pending such application, moneys in the Series 2001 A Bonds Construction Trust Funds shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

The Issuer shall expend all proceeds of the Series 2001 A Bonds within 3 years of the date of issuance of the State's general obligation Bonds, the proceeds of which were used to make the loan to the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2001 A 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 2001 A Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2001 A Bonds shall not be nor constitute a corporate 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 the Series 2001 A Bond shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2001 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2001 A Bonds shall be secured 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 2001 A 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 Final Order of the Public Service Commission of West Virginia entered March 10, 1999, in Case No. 98-0754-PWD-CN, and such rates are hereby adopted.

So long as the Series 2001 A 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, fees and charges initially established for the System in connection with the Series 2001 A 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 Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System, or any part thereof, except as provided in the Prior Resolution. Additionally, so long as the Series 2001 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the Council, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds Outstanding 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 2001 A Bonds, immediately be remitted to the Commission for deposit in the Series 2001 A Bonds Sinking Fund, and, with the written permission of the Authority and the Council, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2001 A Bonds. Any balance remaining after the payment of the Series 2001 A Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

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

proceeds into the Renewal and Replacement Fund shall not reduce the amount required to be paid into such account 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, or their duly authorized representatives, 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 Series 2001 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2001 A 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 Series 2001 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Bond Legislation have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2001 A Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2001 A Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

The Issuer shall give the Authority and the Council 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 Project 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 Resolution 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 2001 A Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and the Council 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 2001 A Bonds.

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

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues 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 2001 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2001 A Bonds.

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

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the Project. The Issuer shall permit the Authority and the Council, 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 Authority and the Council such documents and information as they may reasonably require in connection with the acquisition 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 Authority and the Council, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following acquisition of the Project and commencement of operation thereof.

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 Issuer. The Issuer 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 Issuer shall be reported to such agent of the Issuer as the Issuer shall direct.

The Issuer shall file with the Council, the Authority, or any other original purchaser of the Series 2001 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2001 A 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 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 the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2001 A Bonds, and shall submit said report to the Council and the Authority, or any other original purchaser of the Series 2001 A Bonds. Such audit report submitted to the Authority and the Council shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that 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 acquire the Project which has been constructed 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 Authority and the Council, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. After acquisition and commencement of operation of the Project, the Issuer shall also provide the Authority and the Council, 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 and the Council with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the issuance of the Series 2001 A 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 2001 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2001 A Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2001 A Bonds Reserve Account and the reserve accounts for obligations on a parity with the Series 2001 A 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 2001 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2001 A Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the Council 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 within 30 days of adoption thereof mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the Council and to any Holder of any Bonds, who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority and the Council and to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the acquisition of the Project and for two years following the acquisition 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 Council by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer shall obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been constructed in accordance with the approved plans, specifications and designs as submitted to the Authority and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council is sufficient to pay the costs of acquisition of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

The Issuer shall have caused to be provided and maintained competent and adequate engineering services satisfactory to the Authority and the Council, 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, the Council 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 employ qualified operating personnel properly certified by the State to operate the System during the entire term of the Loan Agreement.

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 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent 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 of either shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer, and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2001 A 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 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 OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

(5) 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.

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

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 Orders. The Issuer shall acquire 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, or caused to be 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 Council necessary for the acquisition 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 and without successful appeal.

Section 7.18. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2001 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2001 A Bonds during the term thereof is, under the terms of the Series 2001 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2001 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2001 A Bonds during the term thereof is, under the terms of the Series 2001 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in

respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2001 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2001 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% or $5,000,000 of the Net Proceeds of the Series 2001 A Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2001 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. If required, the Issuer shall file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2001 A Bonds and the interest, if any, thereon, including, without limitation, the information return required under Section 149(e), if any, of the Code.

E. FURTHER ACTIONS. The Issuer shall take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest, if any, on the Series 2001 A Bonds will be and remain excludable from gross income for federal income tax purposes, and shall not take any actions or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2001 A 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 2001 A Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.20. Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the Council with copies of all documents submitted to the Authority.

The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, the Council or other state, federal or local bodies in regard to the acquisition of the Project and the operation, maintenance and use of the System.

Section 7.21. Securities Laws Compliance. The Issuer shall 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 7.22. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2001 A Bonds or immediately thereafter, acquire the Project.

B. The Issuer shall obtain the written approval of the Council before expending any proceeds of the Series 2001 A Bonds held in "contingency" as set forth in the schedule attached to the Loan Agreement.

C. The Issuer shall list the funding as being 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 ground breaking or dedication of the Project.

ARTICLE VIII

INVESTMENT OF FUNDS; USE OF PROCEEDS

Section 8.01. Investments. Any moneys 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 moneys 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 moneys 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 as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2001 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest, if any, on the Series 2001 A Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to the 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 2001 A Bonds as a condition to issuance of the Series 2001 A 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 2001 A 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 2001 A 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 Council, as the case may be, from which the proceeds of the Series 2001 A 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 requested by the Authority or the Council, 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 2001 A 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 2001 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2001 A 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 2001 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2001 A 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, or 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 Resolution.

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 2001 A Bonds shall be on a parity with the of the holders of 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 herein above conferred upon him or her or it, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby, and a successor receiver may be appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the 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 said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2001 A 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 moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2001 A 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 2001 A Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2001 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2001 A Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2001 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2001 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein respectively pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of 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 2001 A 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 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 2001 A 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. All orders or resolutions, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed; provided that, in the event of any conflict between this Bond

Legislation and the Prior Resolution, the Prior Resolution shall control (unless less restrictive), so long as the Prior Bonds are outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and 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 11.07. Public Notice of Proposed Financing. Prior to making formal application to the Public Service Commission of West Virginia for a Certificate of Public Convenience and Necessity and adoption of this Resolution, the Secretary of the Governing Body shall have caused to be published in a newspaper of general circulation in each municipality in Mingo County Public Service District and within the boundaries of the District, a Class II legal advertisement stating:

(a) The maximum amount of the Series 2001 A Bonds to be issued;

(b) The maximum interest rate and terms of the Series 2001 A Bonds authorized hereby;

(c) The public service properties to be acquired or constructed and the cost of the same;

(d) The maximum anticipated rates which will be charged by the Issuer; and

(e) The date that the formal application for a certificate of public convenience and necessity is to be filed with the Public Service Commission of West Virginia.

Section 11.08. Effective Date. This Resolution shall take effect immediately.

Adopted this 13th day of February, 2001.

Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of MINGO COUNTY PUBLIC SERVICE DISTRICT on the 13th day of February, 2001.

Dated: March 9, 2001.

[SEAL]

Secretary

02/13/01
610170/00001

EXHIBIT A

Loan Agreement included in bond transcript as Document 3.

MINGO COUNTY PUBLIC SERVICE DISTRICT

Water Revenue Bonds,
Series 2001 A (West Virginia Infrastructure Fund)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF MINGO COUNTY PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO THE BONDS; AUTHORIZING AND APPROVING THE SALE OF THE 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 Mingo County Public Service District (the "Issuer") has duly and officially adopted a bond resolution, effective February 13, 2001 (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION OF CERTAIN ADDITIONS, BETTERMENTS, IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF MINGO COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $837,540 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND); 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 SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Resolution provides for the issuance of Water Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), of the Issuer ("Series 2001 A Bonds"), in the principal amount not to exceed $837,540, and has authorized the execution and delivery of the loan agreement relating to the Series 2001 A Bonds (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 16, Article 13A and Chapter 31, Article 15A 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 amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale prices and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

WHEREAS, the Series 2001 A 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 amount, the date, the maturity date, the redemption provision, the interest rate, the interest and principal payment dates, the sale price and other terms of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

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

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 Water Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $837,540. The Series 2001 A Bonds shall be dated the date of delivery thereof, shall finally mature December 1, 2040, and shall bear no interest. The principal of the Series 2001 A Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2002 and ending December 1, 2040, and in the amount as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2001 A Bonds. The Series 2001 A Bonds shall be subject to redemption upon the written consent of the Authority and the Council, 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 2001 A Bonds.

Section 2. All other provisions relating to the Bonds and the text of the 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 application to the Council and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon.

Section 4. The Issuer does hereby appoint and designate Branch Banking and Trust Company, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2001 A Bonds under the Bond Resolution and does approve and accept the Registrar's Agreement to be dated the date of delivery of the 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 2001 A Bonds under the Bond Resolution.

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

Section 7. All proceeds of the Series 2001 A Bonds shall be deposited in or credited to the Series 2001 A Bonds Construction Trust Fund for payment of costs of the acquisition of the Project, including, without limitation, costs of issuance of the Series 2001 A Bonds.

Section 8. Series 2001 A Bonds proceeds in the amount of -0- shall be deposited in the Series 2001 A Bonds Sinking Fund, as capitalized interest.

Section 9. Series 2001 A Bonds proceeds in the amount of -0- shall be deposited in the Series 2001 A Bonds Reserve Account.

Section 10. Series 2001 A Bonds proceeds in the amount of $837,540 shall be paid to the West Virginia Division of Environmental Protection, Office of Abandoned Mine Lands and Reclamation for the purchase price of the acquisition of the Project.

Section 11. The balance of the proceeds of the Series 2001 A Bonds shall be deposited in or credited to the Series 2001 A Bond Construction Trust Fund for payment of the costs of the acquisition of the Project, including, without limitation, costs of issuance of the Series 2001 A Bonds and related costs.

Section 12. 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 Bonds to be issued hereby and by the Bond Resolution approved and provided for, to the end that the Series 2001 A Bonds may be delivered on or about February 15, 2001, to the Authority pursuant to the Loan Agreement.

Section 13. The acquisition of the Project and the financing thereof, in part with proceeds of the 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 14. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys 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 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 moneys to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Moneys in the Series 2001 A Bonds Sinking Fund, including the Series 2001 A Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 15. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a

manner which would result in the exclusion of the Bonds from the treatment afforded by 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 (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations promulgated or to be promulgated thereunder.

Section 16. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 17. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 13th day of February, 2001.

MINGO COUNTY PUBLIC SERVICE DISTRICT

Robert Adams

Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Mingo County Public Service District on this 13th day of February, 2001.

Dated: March 9, 2001.

[SEAL]

Secretary

02/13/01
610170.00001

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MINGO COUNTY PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2001 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $837,540

KNOW ALL MEN BY THESE PRESENTS: That MINGO COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Mingo 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 EIGHT HUNDRED THIRTY-SEVEN THOUSAND FIVE HUNDRED FORTY DOLLARS ($837,540), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2002, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated February 15, 2001.

This Bond is issued (i) to pay a portion of the costs of acquisition of certain improvements and extensions to the existing public waterworks facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (the "Act"), a Bond Resolution

duly adopted by the Issuer on February 13, 2001 and a Supplemental Resolution duly adopted by the Issuer on February 13, 2001 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,200,000 SERIES 2000 B (UNITED STATES DEPARTMENT OF AGRICULTURE), ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,000,000, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,853,436, SERIES 2000 D (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $715,000, AND SERIES 2000 E (WEST VIRGINIA INFRASTRUCTURE FUND), ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $8,916,818, ALL DATED AUGUST 28, 2000 (COLLECTIVELY, THE "PRIOR 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 Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2001 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate 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, except from said special fund provided from the Net Revenues, the moneys in the Series 2001 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2001 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the

respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the 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 Branch Banking and Trust Company, 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 moneys, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, MINGO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated March 9, 2001.

[SEAL]

Chairman

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is the Series 2001 A Bond described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: March 9, 2001.

BRANCH BANKING AND TRUST COMPANY, as Registrar

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$837,540	2/15/2001	(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 $ 837,540

EXHIBIT B

Mingo County Public Service District (West Virginia)

Infrastructure Fund Loan of $837,540
40 Years, 0% Interest Rate
Closing Date: February 15, 2001

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
3/01/2001	-	-	-
6/01/2001	-	-	-
9/01/2001	-	-	-
12/01/2001	-	-	-
3/01/2002	5,369.00	-	5,369.00
6/01/2002	5,369.00	-	5,369.00
9/01/2002	5,369.00	-	5,369.00
12/01/2002	5,369.00	-	5,369.00
3/01/2003	5,369.00	-	5,369.00
6/01/2003	5,369.00	-	5,369.00
9/01/2003	5,369.00	-	5,369.00
12/01/2003	5,369.00	-	5,369.00
3/01/2004	5,369.00	-	5,369.00
6/01/2004	5,369.00	-	5,369.00
9/01/2004	5,369.00	-	5,369.00
12/01/2004	5,369.00	-	5,369.00
3/01/2005	5,369.00	-	5,369.00
6/01/2005	5,369.00	-	5,369.00
9/01/2005	5,369.00	-	5,369.00
12/01/2005	5,369.00	-	5,369.00
3/01/2006	5,369.00	-	5,369.00
6/01/2006	5,369.00	-	5,369.00
9/01/2006	5,369.00	-	5,369.00
12/01/2006	5,369.00	-	5,369.00
3/01/2007	5,369.00	-	5,369.00
6/01/2007	5,369.00	-	5,369.00
9/01/2007	5,369.00	-	5,369.00
12/01/2007	5,369.00	-	5,369.00
3/01/2008	5,369.00	-	5,369.00
6/01/2008	5,369.00	-	5,369.00
9/01/2008	5,369.00	-	5,369.00
12/01/2008	5,369.00	-	5,369.00
3/01/2009	5,369.00	-	5,369.00
6/01/2009	5,369.00	-	5,369.00
9/01/2009	5,369.00	-	5,369.00
12/01/2009	5,369.00	-	5,369.00
3/01/2010	5,369.00	-	5,369.00
6/01/2010	5,369.00	-	5,369.00
9/01/2010	5,369.00	-	5,369.00
12/01/2010	5,369.00	-	5,369.00
3/01/2011	5,369.00	-	5,369.00
6/01/2011	5,369.00	-	5,369.00
9/01/2011	5,369.00	-	5,369.00
12/01/2011	5,369.00	-	5,369.00
3/01/2012	5,369.00	-	5,369.00
6/01/2012	5,369.00	-	5,369.00

Mingo County Public Service District (West Virginia)

Infrastructure Fund Loan of $837,540
40 Years, 0% Interest Rate
Closing Date: February 15, 2001

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
9/01/2012	5,369.00	-	5,369.00
12/01/2012	5,369.00	-	5,369.00
3/01/2013	5,369.00	-	5,369.00
6/01/2013	5,369.00	-	5,369.00
9/01/2013	5,369.00	-	5,369.00
12/01/2013	5,369.00	-	5,369.00
3/01/2014	5,369.00	-	5,369.00
6/01/2014	5,369.00	-	5,369.00
9/01/2014	5,369.00	-	5,369.00
12/01/2014	5,369.00	-	5,369.00
3/01/2015	5,369.00	-	5,369.00
6/01/2015	5,369.00	-	5,369.00
9/01/2015	5,369.00	-	5,369.00
12/01/2015	5,369.00	-	5,369.00
3/01/2016	5,369.00	-	5,369.00
6/01/2016	5,369.00	-	5,369.00
9/01/2016	5,369.00	-	5,369.00
12/01/2016	5,369.00	-	5,369.00
3/01/2017	5,369.00	-	5,369.00
6/01/2017	5,369.00	-	5,369.00
9/01/2017	5,369.00	-	5,369.00
12/01/2017	5,369.00	-	5,369.00
3/01/2018	5,369.00	-	5,369.00
6/01/2018	5,369.00	-	5,369.00
9/01/2018	5,369.00	-	5,369.00
12/01/2018	5,369.00	-	5,369.00
3/01/2019	5,369.00	-	5,369.00
6/01/2019	5,369.00	-	5,369.00
9/01/2019	5,369.00	-	5,369.00
12/01/2019	5,369.00	-	5,369.00
3/01/2020	5,369.00	-	5,369.00
6/01/2020	5,369.00	-	5,369.00
9/01/2020	5,369.00	-	5,369.00
12/01/2020	5,369.00	-	5,369.00
3/01/2021	5,369.00	-	5,369.00
6/01/2021	5,369.00	-	5,369.00
9/01/2021	5,369.00	-	5,369.00
12/01/2021	5,369.00	-	5,369.00
3/01/2022	5,369.00	-	5,369.00
6/01/2022	5,369.00	-	5,369.00
9/01/2022	5,369.00	-	5,369.00
12/01/2022	5,369.00	-	5,369.00
3/01/2023	5,369.00	-	5,369.00
6/01/2023	5,369.00	-	5,369.00
9/01/2023	5,369.00	-	5,369.00
12/01/2023	5,369.00	-	5,369.00

Mingo County Public Service District (West Virginia)

Infrastructure Fund Loan of $837,540
40 Years, 0% Interest Rate
Closing Date: February 15, 2001

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
3/01/2024	5,369.00	-	5,369.00
6/01/2024	5,369.00	-	5,369.00
9/01/2024	5,369.00	-	5,369.00
12/01/2024	5,369.00	-	5,369.00
3/01/2025	5,369.00	-	5,369.00
6/01/2025	5,369.00	-	5,369.00
9/01/2025	5,369.00	-	5,369.00
12/01/2025	5,369.00	-	5,369.00
3/01/2026	5,369.00	-	5,369.00
6/01/2026	5,369.00	-	5,369.00
9/01/2026	5,369.00	-	5,369.00
12/01/2026	5,369.00	-	5,369.00
3/01/2027	5,369.00	-	5,369.00
6/01/2027	5,369.00	-	5,369.00
9/01/2027	5,369.00	-	5,369.00
12/01/2027	5,369.00	-	5,369.00
3/01/2028	5,369.00	-	5,369.00
6/01/2028	5,369.00	-	5,369.00
9/01/2028	5,369.00	-	5,369.00
12/01/2028	5,369.00	-	5,369.00
3/01/2029	5,369.00	-	5,369.00
6/01/2029	5,369.00	-	5,369.00
9/01/2029	5,369.00	-	5,369.00
12/01/2029	5,369.00	-	5,369.00
3/01/2030	5,369.00	-	5,369.00
6/01/2030	5,369.00	-	5,369.00
9/01/2030	5,369.00	-	5,369.00
12/01/2030	5,369.00	-	5,369.00
3/01/2031	5,369.00	-	5,369.00
6/01/2031	5,369.00	-	5,369.00
9/01/2031	5,369.00	-	5,369.00
12/01/2031	5,369.00	-	5,369.00
3/01/2032	5,369.00	-	5,369.00
6/01/2032	5,369.00	-	5,369.00
9/01/2032	5,369.00	-	5,369.00
12/01/2032	5,369.00	-	5,369.00
3/01/2033	5,369.00	-	5,369.00
6/01/2033	5,369.00	-	5,369.00
9/01/2033	5,369.00	-	5,369.00
12/01/2033	5,369.00	-	5,369.00
3/01/2034	5,369.00	-	5,369.00
6/01/2034	5,369.00	-	5,369.00
9/01/2034	5,369.00	-	5,369.00
12/01/2034	5,369.00	-	5,369.00
3/01/2035	5,368.00	-	5,368.00
6/01/2035	5,368.00	-	5,368.00

Mingo County Public Service District (West Virginia)

Infrastructure Fund Loan of $837,540
40 Years, 0% Interest Rate
Closing Date: February 15, 2001

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
9/01/2035	5,368.00	-	5,368.00
12/01/2035	5,368.00	-	5,368.00
3/01/2036	5,368.00	-	5,368.00
6/01/2036	5,368.00	-	5,368.00
9/01/2036	5,368.00	-	5,368.00
12/01/2036	5,368.00	-	5,368.00
3/01/2037	5,368.00	-	5,368.00
6/01/2037	5,368.00	-	5,368.00
9/01/2037	5,368.00	-	5,368.00
12/01/2037	5,368.00	-	5,368.00
3/01/2038	5,368.00	-	5,368.00
6/01/2038	5,368.00	-	5,368.00
9/01/2038	5,368.00	-	5,368.00
12/01/2038	5,368.00	-	5,368.00
3/01/2039	5,368.00	-	5,368.00
6/01/2039	5,368.00	-	5,368.00
9/01/2039	5,368.00	-	5,368.00
12/01/2039	5,368.00	-	5,368.00
3/01/2040	5,368.00	-	5,368.00
6/01/2040	5,368.00	-	5,368.00
9/01/2040	5,368.00	-	5,368.00
12/01/2040	5,368.00	-	5,368.00
Total	837,540.00	-	837,540.00

YIELD STATISTICS

Bond Year Dollars	$17,101.71
Average Life	20.419 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	6.06E-11
Bond Yield for Arbitrage Purposes	6.06E-11
All Inclusive Cost (AIC)	6.06E-11

IRS FORM 8038

Net Interest Cost	-
Weighted Average Maturity	20.419 Years

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

02/12/01
610170/0001

MINGO COUNTY PUBLIC SERVICE DISTRICT

WATER REVENUE BONDS,
SERIES 2000 A
(UNITED STATES DEPARTMENT OF AGRICULTURE),
SERIES 2000 B
(UNITED STATES DEPARTMENT OF AGRICULTURE),
SERIES 2000 C
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY),
SERIES 2000 D
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) AND
SERIES 2000 E
(WEST VIRGINIA INFRASTRUCTURE FUND)

BOND RESOLUTION

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MINGO COUNTY PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING REFUNDING OF THE OUTSTANDING WATERWORKS SYSTEM DESIGN NOTES, SERIES 1998 AND SERIES 1999 (WEST VIRGINIA INFRASTRUCTURE FUND), OF MINGO COUNTY PUBLIC SERVICE DISTRICT AND THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF MINGO COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $2,200,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), NOT MORE THAN $2,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2000 B (UNITED STATES DEPARTMENT OF AGRICULTURE), NOT MORE THAN $2,853,436 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), NOT MORE THAN $715,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2000 D (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), AND NOT MORE THAN $8,916,818 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2000 E (WEST VIRGINIA INFRASTRUCTURE FUND); 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 LOAN AGREEMENTS RELATING TO THE SERIES 2000 C BONDS, THE SERIES 2000 D BONDS AND THE SERIES 2000 E 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 MINGO COUNTY PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution (together with any order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is adopted pursuant to the provisions of Chapter 16, Article 13A, Chapter 22C, Article 1, and Chapter 31, Article 15A 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. Mingo County Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Mingo 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 and welfare of the inhabitants of the Issuer that there be acquired and constructed a public waterworks system of the Issuer, consisting of a new water treatment plant and combined waterline extension near Naugatuck, Mingo County, which will initially provide service to approximately 3,176 customers with the potential to serve 3,772 in Mingo County extend water service to approximately 2,544 new customers, including the Town of Delbarton, together with all appurtenant facilities (collectively, the "Project") (the existing public waterworks facilities of the Issuer, the Project and any further improvements or extensions 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 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 costs of operation and maintenance of the System and the principal of and interest, if any, on the Bonds (as hereinafter defined), and to make payments into all funds and accounts and other payments provided for herein.

D. The Issuer has determined that, by refunding its outstanding Waterworks System Design Notes, Series 1998 (West Virginia Infrastructure Fund), dated

April 3, 1998, and Waterworks System Design Notes, Series 1999 (West Virginia Infrastructure Fund), dated November 16, 1999, issued in the original principal amounts of $200,000 and $152,290, respectively (collectively, the "Prior Bonds"), it can achieve significant savings in debt service. The entire outstanding principal of, all interest accrued on, if any, and the administrative fee for, if any, the Prior Bonds will be paid in full with proceeds of the Series 2000 E Bonds on the date of issuance thereof.

E. It is deemed necessary for the Issuer to issue its Water Revenue Bonds in the total aggregate principal amount of not more than $16,685,254 in five series (collectively, the "Bonds"), being the Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), in the aggregate principal amount of not more than $2,200,000 (the "Series 2000 A Bonds"), the Water Revenue Bonds, Series 2000 B (United States Department of Agriculture), in the aggregate principal amount of not more than $2,000,000 (the "Series 2000 B Bonds"), the Water Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), in the aggregate principal amount of not more than $2,853,436 (the "Series 2000 C Bonds"), the Water Revenue Bonds, Series 2000 D (West Virginia Water Development Authority), in the aggregate principal amount of not more than $715,000 (the "Series 2000 D Bonds"), and the Water Revenue Bonds, Series 2000 E (West Virginia Infrastructure Fund), in the aggregate principal amount of not more than $8,916,818 (the "Series 2000 E Bonds"), to permanently finance a portion of the costs of acquisition and construction of the Project and to pay in full the Prior Bonds. The remaining costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the 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 the Reserve Accounts (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, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the 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 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 2000 A Bonds and Series 2000 B Bonds be sold to the Purchaser (as hereinafter defined) pursuant to the terms and provisions of the Letter of Conditions (as hereinafter defined), its Series 2000 C Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, its Series 2000 D Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority and its Series 2000 E Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), each loan agreement in form satisfactory to the respective parties (collectively, the loan agreement for the Series 2000 C Bonds, the loan agreement for the Series 2000 D Bonds and the loan agreement for the Series 2000 E Bonds are referred to as the "Loan Agreement"), approved hereby if not previously approved by resolution of the Issuer.

H. The Series 2000 A Bonds, the Series 2000 B Bonds, the Series 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds shall be issued on a parity with each other. Following the refunding of 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. In lieu of funding the Reserve Accounts (as hereinafter defined) with cash, the Issuer may obtain letters of credit, surety bonds or other credit facility for the benefit of the Commission, to be drawn upon in the event that at any time payments are inadequate to provide funds for the Issuer to make all payments required hereunder.

J. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System, the refunding of the Prior Bonds and issuance of the Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the obtaining of a certificate of public convenience and necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Bonds or such final order will not be subject to appeal or rehearing.

K. The Project has been reviewed and determined to be technically and financially feasible by the 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 Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein

set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 16, Article 13A, Chapter 22C, Article 1, and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority.

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

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

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

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

"Bonds" means, collectively, the Series 2000 A Bonds, the Series 2000 B Bonds, the Series 2000 C Bonds, the Series 2000 D Bonds and Series 2000 E Bonds and any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

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

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

"Closing Date" means the date upon which there is an exchange of the Series 2000 A Bonds and the Series 2000 B Bonds for all or a portion of the proceeds of the Series 2000 A Bonds and the Series 2000 B Bonds, respectively, from the Purchaser and the exchange of the Series 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds for all or a portion of the proceeds of the Series 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds from the Authority.

"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 Thrasher Engineering, Inc., Charleston, 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 1.02E hereof to be a part of the cost of acquisition and construction of the Project.

"Council" means the West Virginia Infrastructure and Jobs Development Council or any other agency of the State of West Virginia that succeeds to the functions of the Council.

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

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

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

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

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

"Grants" means all moneys received by the Issuer on account of any Grant 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.

"Investment Property" means:

(A) any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code),

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

(E) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan.

Except as provided in the following sentence, the term "Investment Property" does not include any tax-exempt bond. With respect to an issue other than an issue a part of which is a specified private activity bond (as defined in section 57(a)(5)(C) of the Code), the term "Investment Property" includes a specified private activity bond (as so defined).

"Issuer" means Mingo County Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia in Mingo

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 7, 1999, and all amendments thereto.

"Loan Agreement" means, collectively, the respective Loan Agreements heretofore entered, or to be entered, into by and between the Issuer and the Authority, providing for the purchase of the Series 2000 C Bonds from the Issuer by the Authority, by and between the Issuer and the Authority, providing for the purchase of the Series 2000 D Bonds from the Issuer by the Authority and by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2000 E Bonds from the Issuer by the Authority, the forms 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 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Reserve Accounts. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the 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.

"Nonpurpose Investment" means any Investment Property as defined in Section 148(b) of the Code, that is not a purpose investment.

"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, the Depository Bank, the Registrar and the Paying Agent (all as herein defined), other than those capitalized as part of the costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered, except

(i) any Bond cancelled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; and (iv) for purposes of consents or other action by a specified percentage of Bondholders, any Bonds registered to the Issuer.

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

"Paying Agent" means the Commission or other entity designated as such for the Series 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds in the Supplemental Resolution.

"Prior Bonds" means, collectively, the Issuer's Waterworks System Design Notes, Series 1998 (West Virginia Infrastructure Fund) and Waterworks System Design Notes, Series 1999 (West Virginia Infrastructure Fund), as described in Section 1.02D hereof.

"Private Business Use" means use (directly or indirectly) in a trade or business carried on by any person other than a governmental unit; provided that, use as a member of the general public shall not be taken into account.

"Program" means the Authority's loan program, under which the Authority purchases the water development revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of water development revenue bonds of the Authority.

"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 2000 A Bonds and the Series 2000 B Bonds.

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

(a) Government Obligations;

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

Government Obligations or interest coupons stripped from Government Obligations;

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

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

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

(g) Repurchase agreements, 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 Investment Management Board 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, Inc. or Standard & Poor's Corporation.

"Registrar" means the Bond Registrar.

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by the Section 5.01 hereof.

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Bonds.

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

"Revenue Fund" means the Revenue Fund established by Section 5.01 hereof.

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

"Series 2000 A Bonds" means the Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), of the Issuer, authorized by this Resolution.

"Series 2000 A Bonds Construction Trust Fund" means the Series 2000 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2000 A Bonds Reserve Account" means the Series 2000 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2000 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 2000 A Bonds in the then current or any succeeding year.

"Series 2000 B Bonds" means the Water Revenue Bonds, Series 2000 B (United States Department of Agriculture), of the Issuer, authorized by this Resolution.

"Series 2000 B Bonds Construction Trust Fund" means the Series 2000 B Bonds Construction Fund established by Section 5.01 hereof.

"Series 2000 B Bonds Reserve Account" means the Series 2000 B Bonds Reserve Account established by Section 5.02 hereof.

"Series 2000 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 2000 B Bonds in the then current or any succeeding year.

"Series 2000 C Bonds" means the Water Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), of the Issuer, authorized by this Resolution.

"Series 2000 C Bonds Construction Trust Fund" means the Series 2000 C Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2000 C Bonds Reserve Account" means the Series 2000 C Bonds Reserve Account established in the Series 2000 C Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2000 C Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2000 C Bonds in the then current or any succeeding year.

"Series 2000 C Bonds Sinking Fund" means the Series 2000 C Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2000 D Bonds" means the Water Revenue Bonds, Series 2000 D (West Virginia Water Development Authority), of the Issuer, authorized by this Resolution.

"Series 2000 D Bonds Construction Trust Fund" means the Series 2000 D Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2000 D Bonds Reserve Account" means the Series 2000 D Bonds Reserve Account established in the Series 2000 D Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2000 D Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2000 D Bonds in the then current or any succeeding year.

"Series 2000 D Bonds Sinking Fund" means the Series 2000 D Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2000 E Bonds" means the Water Revenue Bonds, Series 2000 E (West Virginia Infrastructure Fund), of the Issuer, authorized by this Resolution.

"Series 2000 E Bonds Construction Trust Fund" means the Series 2000 E Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2000 E Bonds Reserve Account" means the Series 2000 E Bonds Reserve Account established in the Series 2000 E Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2000 E Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2000 E Bonds in the then current or any succeeding year.

"Series 2000 E Bonds Sinking Fund" means the Series 2000 E Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds.

"State" means the State of West Virginia.

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

"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 or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund and the respective Reserve Accounts and Sinking Funds.

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

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

"Tap Fee Escrow Account" means the Tap Fee Escrow Account established by Section 5.01 hereof.

"West Virginia Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Chapter 31, Article 15A, Section 9 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

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 AND REFUNDING OF PRIOR BONDS

Section 2.01. Authorization of Acquisition and Construction of the Project and Refunding of Prior Bonds. There is hereby authorized and ordered the refunding of the Prior Bonds and the acquisition and construction of the Project, at an estimated cost of $26,185,254, 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 Council.

The cost of the Project is estimated to be $26,185,254, of which approximately $2,200,000 will be obtained from proceeds of the Series 2000 A Bonds, approximately $2,000,000 will be obtained from proceeds of the Series 2000 B Bonds, approximately $2,853,436 will be obtained from proceeds of the Series 2000 C Bonds, approximately $715,000 will be obtained from proceeds of the Series 2000 D Bonds, approximately $8,916,818 will be obtained from proceeds of the Series 2000 E Bonds, approximately $1,250,000 will be obtained from a grant by the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia), approximately $1,500,000 will be obtained from a grant by the Appalachian Regional Commission, approximately $2,750,000 will be obtained from a grant from the Council, and approximately $4,000,000 will be obtained from a grant from the Purchaser.

The total cost of refunding the Prior Bonds is estimated to be $362,859 which will be obtained from the proceeds of the Series 2000 E Bonds.

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 Bonds, funding the respective reserve accounts for the Bonds, refunding the Prior Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Bonds of the Issuer. The Bonds shall be issued in five series, each as a single bond, designated respectively as "Water Revenue Bonds, Series 2000 A (United States Department of Agriculture)," in the principal amount of not more than $2,200,000, "Water Revenue Bonds, Series 2000 B (United States Department of Agriculture)," in the principal amount of not more than $2,000,000, "Water Revenue Bonds, Series 2000 C (West Virginia Water Development Authority)," in the principal amount of not more than $2,853,436, "Water Revenue Bonds, Series 2000 D (West Virginia Water Development Authority)," in the principal amount of not more than $715,000, and "Water Revenue Bonds, Series 2000 E (West Virginia Infrastructure Fund)," in the principal amount of not more than $8,916,818, and each shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalizing interest on the Bonds, if any, shall be deposited in or credited to the respective Bond Construction Trust Funds established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. A. The Series 2000 A Bonds and the Series 2000 B Bonds shall be issued in such principal amounts; shall bear interest at such rate or rates, not exceeding the 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 2000 A Bonds and the Series 2000 B Bonds.

B. The Series 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E 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 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds, shall be paid

by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2000 A Bonds and the Series 2000 B Bonds shall be issued in the form of single bonds for each series, fully registered to the Purchaser, with a record of advances attached to each bond, representing the aggregate principal amount of the Series 2000 A Bonds and the Series B Bonds, respectively. The Series 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds shall be issued in the form of a single bond for each series, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds. The Series 2000 A Bonds, the Series 2000 B Bonds, the Series 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E 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 the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The 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 Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any such 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 2000 A Bonds and the Series 2000 B 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 2000 A Bonds and the Series 2000 B Bonds, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Series 2000 A Bonds and the Series 2000 B 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 2000 A Bonds and the Series 2000 B Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2000 A Bonds and the Series 2000 B 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 2000 A Bonds and the Series 2000 B 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 2000 A Bonds and the Series 2000 B 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 the National Finance Office, 1520 Market Street, 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 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds shall be the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns. No Series 2000 C Bond nor Series 2000 D Bond nor Series 2000 E 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 2000 C Bonds, Series 2000 D Bonds and the Series 2000 E Bonds shall be conclusive evidence that such Series 2000 C Bonds, Series 2000 D Bonds and the Series 2000 E Bonds have been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2000 C Bond, Series 2000 D Bond and the Series 2000 E 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 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds issued hereunder. The provisions of this Section 3.04 relating to authentication shall not apply to the Series 2000 A Bonds or the Series 2000 B 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 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 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 such Bonds shall be incontestable in the hands of a bona fide holder for value.

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

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

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

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any

constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2000 A Bonds, the Series 2000 B Bonds, the Series 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the 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 2000 A Bonds and the Series 2000 B Bonds, the Chairman is hereby authorized and directed to cause the Series 2000 A Bonds and the Series 2000 B 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.

B. The Issuer shall execute and deliver the Series 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver such Bonds to the original purchasers upon receipt of the documents set forth below:

(i) If other than the Authority, a list of the names in which the Series 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

(ii) A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds to the original purchasers;

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

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

(v) The unqualified approving opinion of bond counsel on the Series 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds.

Section 3.10. Form of Bonds. The text of the Series 2000 A Bonds, the Series 2000 B Bonds, the Series 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 2000 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MINGO COUNTY PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2000 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

No. AR-1 Date: _____

FOR VALUE RECEIVED, the MINGO COUNTY PUBLIC SERVICE DISTRICT (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 the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $_____, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

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

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

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

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

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

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of additions, betterments and improvements to the waterworks system (the "System") of Borrower, is payable solely from the revenues to be derived from the operation of the System after there have first been 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 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 of 1931, as amended (the "Act"), and a Resolution and Supplemental Resolution of the Borrower, both duly adopted on August 21, 2000, 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 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 WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2000 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,000,000; (2) WATER REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,853,436; (3) WATER REVENUE BONDS, SERIES 2000 D (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $715,000; AND (4) WATER REVENUE BONDS, SERIES 2000 E (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $8,916,818.

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

MINGO COUNTY PUBLIC SERVICE DISTRICT
(Name of Borrower)

[CORPORATE SEAL]

_____
(Signature of Executive Official)

Chairman
(Title of Executive Official)

P. O. Box 408
(P.O. Box No. or Street Address)

Chattaroy, West Virginia 25667
(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: _____, _____.

_____

In presence of:

_____

(FORM OF SERIES 2000 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MINGO COUNTY PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2000 B
(UNITED STATES DEPARTMENT OF AGRICULTURE)

No. BR-1 Date: _____

FOR VALUE RECEIVED, the MINGO COUNTY PUBLIC SERVICE DISTRICT (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 the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $_____, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

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

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

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

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

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

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of additions, betterments and improvements to the waterworks system (the "System") of Borrower, is payable solely from the revenues to be derived from the operation of the System after there have first been 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 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 of 1931, as amended (the "Act"), and a Resolution and Supplemental Resolution of the Borrower, both duly adopted on August 21, 2000, 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 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 WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,200,000; (2) WATER REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,853,436; (3) WATER REVENUE BONDS, SERIES 2000 D (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $715,000; AND (4) WATER REVENUE BONDS, SERIES 2000 E (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $8,916,818.

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

MINGO COUNTY PUBLIC SERVICE DISTRICT
(Name of Borrower)

[CORPORATE SEAL]

_____
(Signature of Executive Official)

Chairman
(Title of Executive Official)

P. O. Box 408
(P.O. Box No. or Street Address)

Chattaroy, West Virginia 25667
(City, State and Zip Code)

ATTEST:

_____
(Signature of Attesting Official)

Secretary
(Title of Attesting Official)

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(37)	$		(55)	$	
(38)	$		(56)	$	
(39)	$		(57)	$	
(40)	$		(58)	$	
(41)	$		(59)	$	
(42)	$		(60)	$	
(43)	$		(61)	$	
(44)	$		(62)	$	
(45)	$		(63)	$	
(46)	$		(64)	$	
(47)	$		(65)	$	
(48)	$		(66)	$	
(49)	$		(67)	$	
(50)	$		(68)	$	
(51)	$		(69)	$	
(52)	$		(70)	$	
(53)	$		(71)	$	
(54)	$		(72)	$	

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: _____, _____.

_____

In presence of:

_____

(FORM OF SERIES 2000 C BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MINGO COUNTY PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2000 C
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. CR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That MINGO COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Mingo County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), in annual installments on October 1 of each year, commencing October 1, _____, as set forth on the "Debt Service Schedule" attached as Exhibit A hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, such interest shall be payable semiannually on April 1 and October 1 in each year, commencing _____ 1, ____. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated _____, 2000.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public waterworks system

of the Issuer (the "Project"); (ii) to pay interest on the Bonds of this Series (the "Bonds") during the construction of the Project and for not more than 6 months thereafter; and (iii) to pay certain costs of issuance hereof and related costs. The existing public waterworks system of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on _____, 2000, and a Supplemental Resolution duly adopted by the Issuer on _____, 2000, (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,200,000; (2) WATER REVENUE BONDS, SERIES 2000 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL PRINCIPAL AMOUNT OF $2,000,000; (3) WATER REVENUE BONDS, SERIES 2000 D (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $715,000; AND (4) WATER REVENUE BONDS, SERIES 2000 E (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $8,916,818 (COLLECTIVELY, THE "SERIES 2000 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 2000 Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2000 C Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2000 C Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System

and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 2000 Bonds; provided however, that so long as there exists in the Series 2000 C Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2000 Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the 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 moneys, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, MINGO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated _____, _____.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2000 C 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: _____, _____.

_____,
as Registrar

_____
Authorized Officer

EXHIBIT A

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

(FORM OF SERIES 2000 D BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MINGO COUNTY PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2000 D
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. DR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That MINGO COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Mingo County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), in annual installments on October 1 of each year, commencing October 1, _____ as set forth on the "Debt Service Schedule" attached as Exhibit A hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, such interest shall be payable semiannually on April 1 and October 1 in each year, commencing _____ 1, ____. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated _____, 2000.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public waterworks system

of the Issuer (the "Project"); (ii) to pay interest on the Bonds of this Series (the "Bonds") during the construction of the Project and for not more than 6 months thereafter; and (iii) to pay certain costs of issuance hereof and related costs. The existing public waterworks system of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on _____, 2000, and a Supplemental Resolution duly adopted by the Issuer on _____, 2000, (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,200,000; (2) WATER REVENUE BONDS, SERIES 2000 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,000,000; (3) WATER REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,853,436; AND (4) WATER REVENUE BONDS, SERIES 2000 E (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $8,916,818.(COLLECTIVELY, THE "SERIES 2000 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 2000 Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2000 D Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2000 D Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System

and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 2000 Bonds; provided however, that so long as there exists in the Series 2000 D Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2000 Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the 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 moneys, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, MINGO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated _____, ____.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2000 D 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: _____, _____.

_____,
as Registrar

_____
Authorized Officer

EXHIBIT A

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

(FORM OF SERIES 2000 E BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MINGO COUNTY PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2000 E
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. ER-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That MINGO COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Mingo County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, _____, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated _____, 2000.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public waterworks system of the Issuer (the "Project"); (ii) to pay in full the entire outstanding principal of, all interest accrued on, if any, and the administrative fee for, if any, the Issuer's Waterworks System Design Notes, Series 1998 (West Virginia Infrastructure Fund) and Waterworks System

Design Notes, Series 1999 (West Virginia Infrastructure Fund); and (iii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on _____, 2000, and a Supplemental Resolution duly adopted by the Issuer on _____, 2000 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,200,000; (2) WATER REVENUE BONDS, SERIES 2000 B BONDS (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,000,000; (3) WATER REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,853,436; AND (4) WATER REVENUE BONDS, SERIES 2000 D (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $715,000 (COLLECTIVELY, THE "SERIES 2000 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 2000 Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2000 E Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate 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, except from said special fund provided from the Net Revenues, the moneys in the Series 2000 E 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 2000 Bonds; provided however, that so long as there exists in the Series 2000 E 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 2000 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 One Valley Bank, National Association, 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 moneys, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, MINGO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated _____, 2000.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2000 E 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: _____, 2000.

_____, as Registrar

_____

Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. A. The Series 2000 A Bonds and the Series 2000 B Bonds shall be sold to the Purchaser, pursuant to the terms and conditions of the Letter of Conditions.

B. The Series 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds shall be sold to the Authority, pursuant to the terms and conditions of the respective Loan Agreements. If not so authorized by previous 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 Agreements, including all schedules and exhibits attached thereto, are hereby approved and incorporated into this Bond Legislation.

Section 3.12. "Amended Schedule" Filing. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Purchaser, the Authority and the Council a schedule, the forms of which will be provided by the Purchaser, the Authority and the Council, 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 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;

(2) Renewal and Replacement Fund;

(3) Series 2000 A Bonds Construction Trust Fund;

(4) Series 2000 B Bonds Construction Trust Fund;

(5) Series 2000 C Bonds Construction Trust Fund;

(6) Series 2000 D Bonds Construction Trust Fund;

(7) Series 2000 E Bonds Construction Trust Fund;

(8) Rebate Fund; and

(9) Tap Fee Escrow Account.

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

(1) Series 2000 A Bonds Reserve Account;

(2) Series 2000 B Bonds Reserve Account;

(3) Series 2000 C Bonds Sinking Fund;

(4) Within the Series 2000 C Bonds Sinking Fund, the Series 2000 C Bonds Reserve Account;

(5) Series 2000 D Bonds Sinking Fund;

(6) Within the Series 2000 D Bonds Sinking Fund, the Series 2000 D Bonds Reserve Account;

(7) Series 2000 E Bonds Sinking Fund; and

(8) Within the Series 2000 E Bonds Sinking Fund, the Series 2000 E 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 herein provided. All revenues 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 the Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the National Finance Office designated in the Series 2000 A Bonds and the Series 2000 B Bonds the amounts required to pay interest on the Series 2000 A Bonds and the Series 2000 B Bonds; (ii) commencing 7 months prior to the first date of payment of interest on the Series 2000 C Bonds for which interest has not been capitalized or as required in the Loan Agreement, remit to the Commission for deposit in the Series 2000 C Bonds Sinking Fund, an amount equal to 1/6th of the amount of interest which will become due on the Series 2000 C Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2000 C Bonds Sinking Fund and the next semiannual interest payment date is less than 7 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next semiannual interest payment date, the required amount of interest coming due on such date; (iii) commencing 7 months prior to the first date of payment of interest on the Series 2000 D Bonds for which interest has not been capitalized or as required in the Loan Agreement, remit to the Commission for deposit in the Series 2000 D Bonds Sinking Fund, an amount equal to 1/6th of the amount of interest which will become due on the Series 2000 D Bonds on the next ensuing semiannual interest

payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2000 D Bonds Sinking Fund and the next semiannual interest payment date is less than 7 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next semiannual interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the National Finance Office designated in the Series 2000 A Bonds and the Series 2000 B Bonds the amounts required to amortize the principal of the Series 2000 A Bonds and the Series 2000 B Bonds over the life of each bond issue; (ii) commencing 13 months prior to the first date of payment of principal of the Series 2000 C Bonds, remit to the Commission for deposit in the Series 2000 C Bonds Sinking Fund, an amount equal to 1/12th of the amount of principal which will mature and become due on the Series 2000 C Bonds on the next ensuing annual principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2000 C Bonds Sinking Fund and the next annual principal payment date is less than 13 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next annual principal payment date, the required amount of principal coming due on such date; (iii) commencing 13 months prior to the first date of payment of principal of the Series 2000 D Bonds, remit to the Commission for deposit in the Series 2000 D Bonds Sinking Fund, an amount equal to 1/12th of the amount of principal which will mature and become due on the Series 2000 D Bonds on the next ensuing annual principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2000 D Bonds Sinking Fund and the next annual principal payment date is less than 13 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next annual principal payment date, the required amount of principal coming due on such date; and (iv) commencing 3 months prior to the first date of payment of principal of the Series 2000 E Bonds, remit to the Commission for deposit in the Series 2000 E Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2000 E 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 2000 E 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, commencing 4 months after the completion of construction of the Project, as certified by the Consulting Engineers, if not fully funded upon issuance of the Bonds, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 2000 A Bonds Reserve Account, an amount equal to 1/2 of 1/120th of the Series 2000 A Bonds Reserve Requirement, until the amount in the Series 2000 A Bonds Reserve Account equals the Series 2000 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2000 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 2000 A Bonds Reserve Requirement; (ii) for deposit in the Series 2000 B Bonds Reserve Account, an amount equal to 1/2 of 1/120th of the Series 2000 B Bonds Reserve Requirement, until the amount in the Series 2000 B Bonds Reserve Account equals the Series 2000 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2000 B Bond 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 2000 B Bonds Reserve Requirement; (iii) for deposit in the Series 2000 C Bonds Reserve Account, an amount equal to 1/120th of the Series 2000 C Bonds Reserve Requirement, until the amount in the Series 2000 C Bonds Reserve Account equals the Series 2000 C Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2000 C Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2000 C Bonds Reserve Requirement; (iv) for deposit in the Series 2000 D Bonds Reserve Account, an amount equal to 1/120th of the Series 2000 D Bonds Reserve Requirement, until the amount in the Series 2000 D Bonds Reserve Account equals the Series 2000 D Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2000 D 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 2000 D Bonds Reserve Requirement; and (v) for deposit in the Series 2000 E Bonds Reserve Account, an amount equal to 1/120th of the Series 2000 E Bonds Reserve Requirement, until the amount in the Series 2000 E Bonds Reserve Account equals the Series 2000 E Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2000 E 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 2000 E Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, commencing 4 months after the completion of construction of the Project, as certified by the Consulting Engineers, transfer from the Revenue Fund and simultaneously remit to the Depository Bank for deposit in the Renewal and Replacement Fund, (i) an amount equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account; (ii) an amount equal to 1/2 of 1/120th of the Series 2000 A Bonds Reserve Requirement; provided that, after the Series 2000 A Bonds Reserve Requirement has been accumulated in the Series 2000 A Bonds Reserve Account as provided in Section 5.03 A (4) (i) hereof, such amount shall equal 1/120th of the Series 2000 A Bonds Reserve Requirement so long as the Series 2000 A Bonds are outstanding; and (iii) an amount equal to 1/2 of 1/120th of the Series 2000 B Bonds Reserve Requirement; provided that, after the Series 2000 B Bonds Reserve Requirement has been accumulated in the Series 2000 B Bonds Reserve Account as provided in Section 5.03 A (4) (ii) hereof, such amount shall equal 1/120th of the Series 2000 B Bonds Reserve Requirement so long as the Series 2000 B Bonds are outstanding. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(6) 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 Bonds, pro rata, or for any lawful purpose of the System.

Moneys in the Series 2000 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2000 A Bonds as the same shall come due, when other moneys are insufficient therefor, and for no other purpose. Whenever the moneys in the Series 2000 A Bonds Reserve Account shall be sufficient to prepay the Series 2000 A 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 2000 A Bonds and accrued interest thereon to such prepayment date.

Moneys in the Series 2000 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2000 B Bonds as the same shall come due, when other moneys are insufficient therefor, and for no other purpose. Whenever the moneys in the Series 2000 B Bonds Reserve Account shall be sufficient to prepay the Series 2000 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 2000 B Bonds and accrued interest thereon to such prepayment date.

Moneys in the Series 2000 C Bonds Sinking Fund, the Series 2000 D Bonds Sinking Fund and the Series 2000 E Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds, respectively, as the same shall become due. Moneys in the Series 2000 C Bonds Reserve Account, the Series 2000 D Bonds Reserve Account and the Series 2000 E Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds, respectively, as the same shall come due, when other moneys in the Series 2000 C Bonds Sinking Fund, the Series 2000 D Bonds Sinking Fund and the Series 2000 E Bonds Sinking Fund are insufficient therefor, and for no other purpose, except for transfers to the Rebate Fund permitted hereunder.

Except to the extent transferred to the Rebate Fund at the request of the Issuer, all investment earnings on moneys in the Series 2000 A Bonds Reserve Account, the Series 2000 B Bonds Reserve Account, the Series 2000 C Bonds Sinking Fund, the Series 2000 C Bonds Reserve Account, the Series 2000 D Bonds Sinking Fund, the Series 2000 D Bonds Reserve Account, the Series 2000 E Bonds Sinking Fund and the Series 2000 E Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the

respective Bond 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 2000 A Bonds, the Series 2000 B Bonds, the Series 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds, respectively, and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Except with respect to transfers to the Rebate Fund permitted hereunder, any withdrawals from the Series 2000 A Bonds Reserve Account, the Series 2000 B Bonds Reserve Account, the Series 2000 C Bonds Reserve Account, the Series 2000 D Bonds Reserve Account or the Series 2000 E Bonds Reserve Account which result in a reduction in the balance therein to below the respective Reserve Requirements 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 appropriate reserve account in an amount equal to the maximum amount of principal and interest which will become due in any year for account of the Bonds of such series, including such additional parity Bonds.

The Issuer shall not be required to make any further payments into the Series 2000 A Bonds Reserve Account, the Series 2000 B Bonds Reserve Account, the Series 2000 C Bonds Sinking Fund, the Series 2000 C Bonds Reserve Account, the Series 2000 D Bonds Sinking Fund, the Series 2000 D Bonds Reserve Account, the Series 2000 E Bonds Sinking Fund or the Series 2000 E 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 made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Bonds, in accordance with the respective principal amounts then Outstanding.

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

The Depository Bank is hereby designated as the Fiscal Agent for the administration of the Tap Fee Escrow Account as herein provided.

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 Council and the Authority.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2000 A Bonds Reserve Account, the Series 2000 B Bonds Reserve Account, the Series 2000 C Bonds Sinking Fund, the Series 2000 C Bonds Reserve Account, the Series 2000 D Bonds Sinking Fund, the Series 2000 D Bonds Reserve Account, the Series 2000 E Bonds Sinking Fund and the Series 2000 E Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2000 A Bonds Reserve Account, the Series 2000 B Bonds Reserve Account, the Series 2000 C Bonds Sinking Fund, the Series 2000 C Bonds Reserve Account, the Series 2000 D Bonds Sinking Fund, the Series 2000 D Bonds Reserve Account, the Series 2000 E Bonds Sinking Fund and the Series 2000 E Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

Except with respect to transfers to the Rebate Fund permitted hereunder, the Series 2000 A Bonds Reserve Account, the Series 2000 B Bonds Reserve Account, the Series 2000 C Bonds Sinking Fund, the Series 2000 C Bonds Reserve Account, the Series 2000 D Bonds Sinking Fund, the Series 2000 D Bonds Reserve Account, the Series 2000 E Bonds Sinking Fund and the Series 2000 E Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2000 A Bonds, the Series 2000 B Bonds, the Series 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E 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 Purchaser and the Commission, as applicable, the required principal, interest and reserve account payments with

respect to the Bonds and all such payments shall be remitted to the Purchaser and the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Loan Agreements 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.

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

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

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

F. 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.

G. 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 Bond Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS; DISBURSEMENTS FROM TAP FEE ESCROW ACCOUNT

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

A. From the proceeds of the Series 2000 C Bonds, there shall first be deposited with the Commission in the Series 2000 C Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2000 C Bonds for the period commencing on the date of issuance of the Series 2000 C Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. From the proceeds of the Series 2000 D Bonds, there shall first be deposited with the Commission in the Series 2000 D Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2000 D Bonds for the period commencing on the date of issuance of the Series 2000 D Bonds and ending 6 months after the estimated date of completion of construction of the Project.

C. From the proceeds of the Series 2000 E Bonds, there shall first be deposited with the Commission in the Series 2000 E Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2000 E Bonds for the period commencing on the date of issuance of the Series 2000 E Bonds and ending 6 months after the estimated date of completion of construction of the Project.

D. Next, from the proceeds of the Series 2000 A Bonds, there shall be deposited with the Commission in the Series 2000 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2000 A Bonds Reserve Account.

E. Next, from the proceeds of the Series 2000 B Bonds, there shall be deposited with the Commission in the Series 2000 B Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2000 B Bonds Reserve Account.

F. Next, from the proceeds of the Series 2000 C Bonds, there shall be deposited with the Commission in the Series 2000 C Bonds Reserve Account, the amount,

if any, set forth in the Supplemental Resolution for funding the Series 2000 C Bonds Reserve Account.

G. Next, from the proceeds of the Series 2000 D Bonds, there shall be deposited with the Commission in the Series 2000 D Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2000 D Bonds Reserve Account.

H. Next, from the proceeds of the Series 2000 E Bonds, there shall be deposited with the Commission in the Series 2000 E Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2000 E Bonds Reserve Account.

I. Next, from the proceeds of the Series 2000 A Bonds, there shall be deposited with the Depository Bank in the Tap Fee Escrow Account the amount, if any, set forth in the Supplemental Resolution for funding the Tap Fee Escrow Account.

J. Next, from the proceeds of the Series 2000 E Bonds, there shall be paid to the Holders of the Prior Bonds the entire outstanding principal of, all accrued interest on and the administrative fee for the Prior Bonds.

K. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2000 A Bonds, such moneys shall be deposited with the Depository Bank in the Series 2000 A Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2000 A Bonds.

L. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2000 B Bonds, such moneys shall be deposited with the Depository Bank in the Series 2000 B Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2000 B Bonds.

M. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2000 C Bonds, such moneys shall be deposited with the Depository Bank in the Series 2000 C Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2000 C Bonds.

N. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2000 D Bonds, such moneys shall be deposited with the Depository Bank in the Series 2000 D Bonds Construction Trust Fund and applied solely to payment of

costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2000 D Bonds.

O. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2000 E Bonds, such moneys shall be deposited with the Depository Bank in the Series 2000 E Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2000 E Bonds.

P. The Depository Bank shall act as a trustee and fiduciary for the Bondholders with respect to the respective Bond Construction Trust Funds and shall comply with all requirements with respect to the disposition of such funds set forth in the Bond Legislation. Except with respect to any transfers to the Rebate Fund permitted hereunder, moneys in the respective Bonds Construction Trust Funds shall be used solely to pay Costs of the Project and until so transferred or expended, are hereby pledged as additional security for the Bonds.

Section 6.02. Disbursements From the Bond Construction Trust Funds. A. Moneys in the Series 2000 A Bonds Construction Trust Fund and the Series 2000 B 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.

Until completion of acquisition and construction of the Project, the Issuer will transfer from the Series 2000 A Bonds Construction Trust Fund and the Series 2000 B Bonds Construction Trust Fund 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 installment payments on the Series 2000 A Bonds and the Series 2000 B Bonds, respectively, if there are not sufficient Gross Revenues to make such monthly payment.

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 Series 2000 A Bonds Construction Trust Fund and the Series 2000 B Bonds Construction Trust Fund shall be disposed of in accordance with the regulations of the Purchaser.

B. Except as provided in Section 6.01 hereof, disbursements from the Series 2000 C Bonds Construction Trust Fund and the Series 2000 D Bonds Construction Trust Fund shall be made only after submission to the Depository Bank, of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

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

(b) 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;

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

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

In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Series 2000 C Bonds Construction Trust Fund and the Series 2000 D Bonds Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the respective Bond Construction Trust Funds shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from such funds. The Consulting Engineers shall from time to time file with the Depository Bank written statements advising the Depository Bank of its then authorized representative.

Pending such application, moneys in the Series 2000 C Bonds Construction Trust Fund and the Series 2000 D Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

After completion of construction of the Project, as certified by the Consulting Engineers, and all Costs of the Project have been paid, the Depository Bank shall transfer any moneys remaining in the Series 2000 C Bonds Construction Trust Fund to the Series 2000 C Bonds Reserve Account, and any moneys remaining in the Series 2000 D Bond Construction Trust Fund to the Series 2000 D Bonds Reserve Account, provided that, in no event shall more than 10% of the proceeds of the Series 2000 C Bonds or the Series 2000 D Bonds be deposited in the respective Reserve Account, and when such Reserve Accounts are fully funded, shall return such remaining moneys to the Issuer for deposit in the Revenue Fund. The Issuer shall thereafter, apply such moneys in full, first to the next ensuing interest payment due on the Series 2000 C Bonds and the Series 2000 D Bonds and thereafter to the next ensuing principal payment due thereon. Any remaining proceeds of the Series 2000 C Bonds and the Series 2000 D Bonds shall be used as directed in writing by the Authority.

The Issuer shall expend all proceeds of the Series 2000 C Bonds and the Series 2000 D Bonds within 3 years of the date of issuance of the Authority's Bonds, the proceeds of which were used to make the loans of the Issuer.

C. To make disbursements from the Series 2000 E Bonds Construction Trust Fund, the Issuer shall each month provide the Council with a requisition for the costs incurred for the Project, together with such documentation as the Council shall require. Payments of all Costs of the Project from the proceeds of the Series 2000 E Bonds shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2000 E Bonds Construction Trust Fund shall be made only after submission to and approval from the Council, of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

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

(b) 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;

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

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

Pending such application, moneys in the Series 2000 E Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

After completion of construction of the Project, as certified by the Consulting Engineers, and all costs of the Project have been paid, any remaining proceeds of the Series 2000 E Bonds shall be applied as directed by the Council.

The Issuer shall expend all proceeds of the Series 2000 E Bonds within 3 years of the date of issuance of the State's general obligation bonds, the proceeds of which were used to make the loan to the Issuer.

Section 6.03. Disbursements from Tap Fee Escrow Account. Moneys in the Tap Fee Escrow Account shall be used solely to reimburse the Issuer in the amount of Two Hundred and Fifty Dollars ($250.00) for each customer on the System who, prior to issuance of the Bonds, declined service from the System and who, subsequent to issuance of the Bonds, requested service from the System. Disbursements from the Tap Fee Escrow Account shall be made only after submission to the Depository Bank and the Purchaser, of a resolution of the Issuer, signed by the Chairman and the General Manager of the Issuer, stating, among other things:

(a) The number of taps installed for new customers on the System for which reimbursement is being requested in this particular resolution;

(b) None of the taps for which the reimbursement is sought has formed the basis for any disbursement theretofore made;

(c) None of the customers for which tap cost reimbursement is sought has previously been a customer of the System at that location, and each such customer was offered, and subsequently declined prior to August 28, 2000, the service of the System prior to the issuance of the Bonds;

(d) Each customer for which tap cost reimbursement is sought has paid the Issuer the maximum tap charge permitted by the Public Service Commission of West Virginia; and

(e) The Issuer has incurred the cost of installing each tap for which reimbursement is sought.

The form of such resolution is attached hereto as "Exhibit B" and incorporated herein by reference.

Upon receipt of a resolution in the form set forth in Exhibit B which has been executed by the Chairman and General Manager of the Issuer, the Depository Bank shall be authorized to disburse the amount requested in such resolution to the Issuer. The Depository Bank shall have no obligation to either verify the statements contained in any resolution or to monitor the application of disbursements from such Tap Fee Escrow Account.

At anytime after January 1, 2006, the Issuer may, by written request, petition the Purchaser to release any monies remaining in the Tap Fee Escrow Account into the Renewal and Replacement Fund. The Purchaser may, in its sole discretion, grant such a request. In the event that the Purchaser authorizes the transfer of such monies into the Renewal and Replacement Fund, the Depository Bank shall be notified of such authorization by a letter from the Purchaser, signed by the State Director of the Purchaser (or any individual in an office succeeding thereto), which letter shall serve as conclusive evidence to the Depository Bank of such authorization. Upon receipt of such authorization, the Depository Bank shall transfer all monies remaining in the Tap Fee Escrow Account into the Renewal and Replacement Fund.

Pending such application, moneys in the Tap Fee Escrow Account shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the 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 Bonds or the interest, if any, thereon is Outstanding and unpaid.

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

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2000 A Bonds, the Series 2000 B Bonds, the Series 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the System. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges , with all requisite appeal periods having expired without successful appeal. 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 Commission Order of the Public Service Commission of West Virginia entered July 11, 2000, in Case No. 99-1345-PWD-CN and such rates are hereby adopted.

So long as the 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,

fees and charges initially established for the System in connection with the 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 Bonds are outstanding and except as otherwise required by law or with the written consent of the Purchaser, the Authority and the Council, 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 2000 A Bonds and the Series 2000 B Bonds, immediately be remitted to the National Finance Office designated in the Series 2000 A Bonds and the Series 2000 B Bonds, and with respect to the Series 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds, immediately be remitted to the Commission for deposit in the respective Sinking Funds, and, with the written permission of the Purchaser, the Authority and the Council, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Bonds. Any balance remaining after the payment of all Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

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

amount required to be paid into said 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 in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the 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, pledge 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 or all of the income and revenues of the System pledged for payment of the Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Bonds pursuant to this Bond Legislation, except with the prior written consent of the Authority, the Purchaser and the Council under the conditions and in the manner herein provided.

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

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

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates adopted by the Issuer, the period for appeal of which has expired prior to the date of 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 hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

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

Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on revenues of the System is subject to the prior and superior liens of the 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 Bonds.

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

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Purchaser, the Authority and the Council, 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 Council 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 Council, 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 Council, 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 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 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 the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Bonds, and shall submit said report to the Purchaser, the Council and the Authority, or any other original purchaser of the Bonds. Such audit report submitted to the Purchaser, the Authority and the Council shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that 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 Council, 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 of the Project, the Issuer shall also provide the Purchaser, the Authority and the Council, 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 Purchaser, the Authority and the Council with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the issuance of the 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 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Reserve Accounts and the reserve accounts for obligations on a parity with the 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 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Purchaser, the Authority and the Council within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a

professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Purchaser, the Authority and the Council and to any Holder of any Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Purchaser, the Authority and the Council and to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for two years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the respective Loan Agreements, and forward a copy of such report to the Authority and the Council 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 Authority and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council 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 Council 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 Council 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 employ qualified operating personnel properly certified by the State to operate the System during the entire term of the Loan Agreement.

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

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

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the 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 Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

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

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

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

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

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

The Issuer shall also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided that the amounts and terms of such coverage are satisfactory to the Authority and the 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 and Operation of Project; Permits and Orders. The Issuer will 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 entered, or will have entered, into a Water Purchase Contract with the Town of Delbarton to sell treated water to the Town.

The Issuer has obtained all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the Public Service Commission of West Virginia and the Council necessary for the acquisition and construction of the Project, 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. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Bonds are used for Private Business Use

if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of the portion of the Project to which such Private Business Use is related. All of the foregoing shall be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will timely file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2000 C Bonds and the Series 2000 D Bonds and the interest thereon including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the 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 Bonds.

Section 7.20. 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 and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the Council with copies of all documents submitted to the Authority.

The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Purchaser, the Authority, the Council 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.

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

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

C. The Issuer shall list the funding provided by the Purchaser, 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 ground breaking or dedication of the Project.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

Section 8.01. Investments. Any moneys 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 moneys 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 moneys 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 except as otherwise provided herein with respect to the Rebate Fund. 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, the Depository Bank, or such other bank or national banking association, as the case may be, 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, or such other bank or national banking association, as the case may be, may make any and all investments permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

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

Section 8.02. Arbitrage and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2000 C Bonds and the Series 2000 D Bonds which would cause Series 2000 C Bonds or the Series 2000 D Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take any and all actions that may be required of

it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2000 C Bonds or the Series 2000 D Bonds) so that the interest, if any, on the Series 2000 C Bonds or the Series 2000 D Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Tax Certificate and Rebate. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2000 C Bonds and the Series 2000 D Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2000 C Bonds and the Series 2000 D Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, unless otherwise agreed by the Authority, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and shall be used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. In addition, the Issuer shall cooperate with the Authority in preparing rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer. To the extent not so performed by the Authority, the Issuer and the Depository Bank (at the expense of the Issuer) may provide for the

employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Depository Bank may deem appropriate in order to assure compliance with this Section 8.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 8.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay the required rebate amount and any and all penalties and other amounts, from lawfully available sources, obtain a waiver from the Internal Revenue Service and take any other actions necessary in order to maintain the exclusion of interest on the Series 2000 C Bonds and the Series 2000 D Bonds from gross income for federal income tax purposes.

The Issuer shall furnish to the Authority, annually, and at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority. In addition, the Issuer shall cooperate with the Authority in preparing any required rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation or, if the Issuer qualifies for any exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 2000 C Bonds and the Series 2000 D Bonds subject to rebate. The Issuer shall also furnish the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on all funds constituting "gross proceeds" of the Series 2000 C Bonds and the Series 2000 D Bonds (as such term "gross proceeds" is defined in the Code).

Section 8.04. 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 2000 E Bonds as a condition to issuance of the Series 2000 E 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 2000 E Bonds as may be necessary in order to maintain the status of the Series 2000 E 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 2000 E 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 Council, as the case may be, from which the proceeds of the Series 2000 E 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 Council, 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.

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 Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on any series of the 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 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar or any other Paying Agent or a Holder of a Bond; or

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

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 2000 A Bonds, the Series 2000 B Bonds, the Series 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds shall be on a parity with each other.

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 exercise.

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

DEFEASANCE AND PAYMENT OF BONDS

Section 10.01. Payment of Series 2000 A Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holder of the Series 2000 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 2000 A Bonds only, 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 Series 2000 B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Section 10.02. Payment of Series 2000 B Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holder of the Series 2000 B Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 2000 B Bonds only, 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 Series 2000 B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Section 10.03. Defeasance of Series 2000 C Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Series 2000 C Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 2000 C Bonds only, 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 Owners of the Series 2000 C 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 on the Series 2000 C Bonds from gross income for federal income tax purposes.

Series 2000 C Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Commission at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Series 2000 C Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2000 C Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the

first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 2000 C Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 2000 C Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

Section 10.04. Defeasance of Series 2000 D Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Series 2000 D Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 2000 D Bonds only, 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 Owners of the Series 2000 D 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 on the Series 2000 D Bonds from gross income for federal income tax purposes.

Series 2000 D Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Commission at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Series 2000 D Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2000 D Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 2000 D Bonds

on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 2000 D Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

Section 10.05. Payment of Series 2000 E Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holder of the Series 2000 E 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 with respect to the Series 2000 E Bonds only, 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 Series 2000 E Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Bonds shall be made without the consent in writing of the Registered Owners of the Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein respectively pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds, required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest, if any, on the 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 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 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. All orders or resolutions, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed; provided that, this Section shall not be applicable to the Loan Agreement or the Loan Resolution (Form FmHA 442-47).

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, 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. Public Notice of Proposed Financing. Prior to making formal application to the Public Service Commission of West Virginia for a Certificate of Public Convenience and Necessity and adoption of this Resolution, the Secretary of the Governing Body shall have caused to be published in a newspaper of general circulation in each municipality in Mingo County Public Service District and within the boundaries of the Issuer, a Class II legal advertisement stating:

(a) The maximum amount of the Bonds to be issued;

(b) The maximum interest rate and terms of the Bonds authorized hereby;

(c) The public service properties to be acquired or constructed and the cost of the same;

(d) The maximum anticipated rates which will be charged by the Issuer; and

(e) The date that the formal application for a certificate of public convenience and necessity is to be filed with the Public Service Commission of West Virginia.

Section 11.08. Effective Date. This Resolution shall take effect immediately upon adoption.

Adopted this 21st day of August, 2000.

Robert Adams
Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of MINGO COUNTY PUBLIC SERVICE DISTRICT on the 21st day of August, 2000.

Dated: August 28, 2000.

[SEAL]

Secretary

08/21/00
610170/98002

EXHIBIT A

Loan Agreement included in bond transcript as Documents 4, 5 and 6.

EXHIBIT B

MINGO COUNTY PUBLIC SERVICE DISTRICT

Water Revenue Bonds,
Series 2000 A (United States Department of Agriculture),
Series 2000 B (United States Department of Agriculture),
Series 2000 C (West Virginia Water Development Authority),
Series 2000 D (West Virginia Water Development Authority) and
Series 2000 E (West Virginia Infrastructure Fund)

RESOLUTION

RESOLUTION PROVIDING AS TO REIMBURSEMENT FROM TAP FEE ESCROW ACCOUNT

WHEREAS, the Mingo County Public Service District has incurred certain costs for the installation of water taps for certain new customers on the System which was financed from the proceeds of the Series 2000 Bonds and the Public Service Board of the District hereby finds as follows:

A. The District has installed _____ taps for new customers of the System;

B. None of the _____ taps for which reimbursement is sought has formed the basis for any disbursement heretofore made;

C. None of the customers for which tap cost reimbursement is sought has previously been a customer of the System at that location, and each such customer was offered, and subsequently declined the service of the System prior to August 28, 2000, the date of issuance of the Series 2000 Bonds;

D. Each customer for which tap cost reimbursement is sought has paid the Issuer the maximum tap charge permitted by the Public Service Commission of West Virginia; and

E. The Issuer has incurred the cost of installing each tap for which reimbursement is sought.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF MINGO COUNTY PUBLIC SERVICE DISTRICT, that the District be reimbursed the amount of $_____ from the Tap Fee Escrow Account held by One Valley Bank, National Association, Charleston, West Virginia.

Adopted by the Public Service Board of Mingo County Public Service District on this _____ day of _____, _____.

MINGO COUNTY PUBLIC SERVICE DISTRICT

_____
Chairman

_____
General Manager

MINGO COUNTY PUBLIC SERVICE DISTRICT

Water Revenue Bonds,
Series 2000 A (United States Department of Agriculture),
Series 2000 B (United States Department of Agriculture),
Series 2000 C (West Virginia Water Development Authority),
Series 2000 D (West Virginia Water Development Authority) and
Series 2000 E (West Virginia Infrastructure Fund)

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 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), WATER REVENUE BONDS, SERIES 2000 B (UNITED STATES DEPARTMENT OF AGRICULTURE), WATER REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), WATER REVENUE BONDS, SERIES 2000 D (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) AND WATER REVENUE BONDS, SERIES 2000 E (WEST VIRGINIA INFRASTRUCTURE FUND), OF MINGO COUNTY PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENTS RELATING TO THE SERIES 2000 C BONDS, THE SERIES 2000 D BONDS, AND THE SERIES 2000 E BONDS; AUTHORIZING AND APPROVING THE SALE OF THE SERIES 2000 A BONDS AND THE SERIES 2000 B BONDS TO THE UNITED STATES DEPARTMENT OF AGRICULTURE AND THE SERIES 2000 C BONDS, THE SERIES 2000 D BONDS AND THE SERIES 2000 E 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 Mingo County Public Service District (the "Issuer") has duly and officially adopted a bond resolution, effective August 21, 2000 (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING REFUNDING OF THE OUTSTANDING WATERWORKS SYSTEM DESIGN NOTES, SERIES 1998 AND SERIES 1999 (WEST VIRGINIA INFRASTRUCTURE FUND), OF MINGO COUNTY PUBLIC SERVICE DISTRICT AND THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF MINGO COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $2,200,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), NOT MORE THAN $2,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2000 B (UNITED STATES DEPARTMENT OF AGRICULTURE), NOT MORE THAN $2,853,436 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), NOT MORE THAN $715,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2000 D (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), AND NOT MORE THAN $8,916,818 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2000 E (WEST VIRGINIA INFRASTRUCTURE FUND); 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 LOAN AGREEMENTS RELATING TO THE SERIES 2000 C BONDS, THE SERIES 2000 D BONDS AND THE SERIES 2000 E 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 2000 A (United States Department of Agriculture), Series 2000 B (United States Department of Agriculture), Series 2000 C (West Virginia Water Development Authority), Series 2000 D (West Virginia Water Development Authority) and Series 2000 E (West Virginia Infrastructure Fund), of the Issuer (collectively, the "Bonds" and individually, the "Series 2000 A Bonds", the "Series 2000 B Bonds", the "Series 2000 C Bonds", "the Series 2000 D Bonds" and the "Series 2000 E Bonds"), in the respective aggregate principal amounts not to exceed $2,2000,000, $2,000,000, $2,853,436, $715,000 and $8,916,818, and has authorized the execution and delivery of the loan agreement relating to the Series 2000 C Bonds, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), the loan agreement relating to the Series 2000 D Bonds, by and between the Issuer and the Authority and the loan agreement relating to the Series 2000 E Bonds, by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council") (collectively, the "Loan Agreement"), all in accordance with Chapter 16, Article 13A, Chapter 22C, Article 1 and Chapter 31, Article 15A 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 Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

WHEREAS, the Series 2000 A Bonds and the Series 2000 B 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 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E 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 Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

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

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. The Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), of the Issuer, originally represented by a single Bond, numbered AR-1 in the principal amount of $2,200,000. The Series 2000 A Bonds shall be dated the date of delivery thereof, shall bear interest at the rate of 4.50% per annum, interest only payable in monthly installments for the first 24 months commencing 30 days following delivery of the Series 2000 A Bonds and continuing on the corresponding day of each month and, thereafter, principal and interest are payable in monthly installments of $10,098 on the corresponding day of each month, except that the final installment shall be paid at the end of forty years from the date of the Series 2000 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 2000 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 2000 A Bonds. Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer.

B. The Water Revenue Bonds, Series 2000 B (United States Department of Agriculture), of the Issuer, originally represented by a single Bond, numbered BR-1 in the principal amount of $2,000,000. The Series 2000 B Bonds shall be dated the date of delivery thereof, shall bear interest at the rate of 4.50% per annum, interest only payable in monthly installments for the first 24 months commencing 30 days following delivery of the Series 2000 B Bonds and continuing on the corresponding day of each month and, thereafter, principal and interest are payable in monthly installments of $9,180 on the corresponding day of each month, except that the final installment shall be paid at the end of forty years from the date of the Series 2000 B 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 2000 B 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 2000 B Bonds. Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer.

C. The Water Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), of the Issuer, originally represented by a single Bond, numbered

CR-1, in the principal amount of $2,853,436. The Series 2000 C Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2039, and shall bear interest at the rate of 5.8% per annum, payable semiannually on April 1 and October 1 of each year, beginning April 1, 2001. The Series 2000 C Bonds shall be payable in annual installments of principal on October 1 of each year, commencing October 1, 2002, and ending October 1, 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 2000 C Bonds. The Series 2000 C Bonds shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2000 C Bonds.

D. The Water Revenue Bonds, Series 2000 D (West Virginia Water Development Authority), of the Issuer, originally represented by a single Bond, numbered DR-1, in the principal amount of $715,000. The Series 2000 D Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2039, and shall bear interest at the rate of 5.8% per annum, payable semiannually on April 1 and October 1 of each year, beginning April 1, 2001. The Series 2000 D Bonds shall be payable in annual installments of principal on October 1 of each year, commencing October 1, 2002, and ending October 1, 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 2000 D Bonds. The Series 2000 D Bonds shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2000 D Bonds.

E. The Water Revenue Bonds, Series 2000 E (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered ER-1, in the principal amount of $8,916,818. The Series 2000 E Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2040, and shall bear no interest. The principal of the Series 2000 E Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2002, and ending June 1, 2040, 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 2000 E Bonds. The Series 2000 E Bonds shall be subject to redemption upon the written consent of the Authority and the Council, 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 2000 E Bonds.

Section 2. All other provisions relating to the Bonds and the text of the 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 Council 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 Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2000 A Bonds, the Series 2000 B Bonds and Series 2000 E Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate One Valley Bank, National Association, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds under the Bond Resolution and does approve and accept the Registrar's Agreement to be dated the date of delivery of the 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 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds under the Bond Resolution.

Section 6. The Issuer does hereby appoint and designate One Valley Bank, National Association, Charleston, West Virginia, to serve as Depository Bank under the Bond Resolution.

Section 7. All proceeds of the Series 2000 A Bonds and the Series 2000 B Bonds shall be deposited in or credited to the Series 2000 A Bonds Construction Trust Fund and the Series 2000 B Bonds Construction Trust Fund, respectively, 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 2000 A Bonds and the Series 2000 B Bonds.

Section 8. Series 2000 A Bonds proceeds in the amount of $175,000 shall be deposited in the Tap Fee Escrow Account.

Section 9. Series 2000 A Bonds proceeds in the amount of -0- shall be deposited in the Series 2000 A Bonds Reserve Account.

Section 10. Series 2000 B Bonds proceeds in the amount of -0- shall be deposited in the Series 2000 B Bonds Reserve Account.

Section 11. Series 2000 C Bonds proceeds in the amount of $263,000 shall be deposited in the Series 2000 C Bonds Sinking Fund, as capitalized interest.

Section 12. Series 2000 C Bonds proceeds in the amount of -0- shall be deposited in the Series 2000 C Bonds Reserve Account.

Section 13. Series 2000 D Bonds proceeds in the amount of $66,000 shall be deposited in the Series 2000 D Bonds Sinking Fund, as capitalized interest.

Section 14. Series 2000 D Bonds proceeds in the amount of -0- shall be deposited in the Series 2000 D Bonds Reserve Account.

Section 15. Series 2000 E Bonds proceeds in the amount of -0- shall be deposited in the Series 2000 E Bonds Sinking Fund, as capitalized interest.

Section 16. Series 2000 E Bonds proceeds in the amount of -0- shall be deposited in the Series 2000 E Bonds Reserve Account.

Section 17. Series 2000 E Bonds proceeds in the amount of $362,859 shall be paid to the Commission as payment in full of the Prior Bonds.

Section 18. The balance of the proceeds of the Series 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds shall be deposited in or credited to the respective Bonds Construction Trust Funds for payment of the costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 19. 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 Bonds to be issued hereby and by the Bond Resolution approved and provided for, to the end that the Series 2000 A Bonds and the Series 2000 B Bonds may be delivered on or about August 28, 2000, to the Purchaser pursuant to the Letter of Conditions, and the Series 2000 C Bonds, the Series 2000 D Bonds and the Series 2000 E Bonds may be delivered on or about August 28, 2000, to the Authority pursuant to the Loan Agreement.

Section 20. The acquisition and construction of the Project, the refunding of the Prior Bonds and the financing thereof in part with proceeds of the 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 21. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys 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 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 moneys to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Moneys in the Series 2000 A Bonds Reserve Account, the Series 2000 B Bonds Reserve Account, the Series 2000 C Bonds Sinking Fund, the Series 2000 D Bonds Sinking Fund and the Series 2000 E Bonds Sinking Fund, including the Reserve Accounts therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 22. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by 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 (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations promulgated or to be promulgated thereunder.

Section 23. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 24. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 21st day of August, 2000.

MINGO COUNTY PUBLIC SERVICE DISTRICT

Robert Adams
Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Mingo County Public Service District on this 21st day of August, 2000.

Dated: August 28, 2000.

[SEAL]

Secretary

08/23/00
610170/98002

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MINGO COUNTY PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2000 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

No. AR-1

Date: August 28, 2000

FOR VALUE RECEIVED, the MINGO COUNTY PUBLIC SERVICE DISTRICT (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 TWO HUNDRED THOUSAND DOLLARS ($2,200,000), plus interest on the unpaid principal balance at the rate of 4.5% 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 $10,098, 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, betterments and improvements to the waterworks system (the "System") of Borrower, is payable solely from the revenues to be derived from the operation of the System after there have first been 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 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 of 1931, as amended (the "Act"), and a Resolution and Supplemental Resolution of the Borrower, both duly adopted on August 21, 2000, 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 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 WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2000 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,000,000; (2) WATER REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,853,436; (3) WATER REVENUE BONDS, SERIES 2000 D (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $715,000; AND (4) WATER REVENUE BONDS, SERIES 2000 E (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $8,916,818.

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

MINGO COUNTY PUBLIC SERVICE DISTRICT

SPECIMEN

[CORPORATE SEAL]

Robert Adams

Chairman
Post Office Box 408
Chattaroy, West Virginia 25667

ATTEST:

SPECIMEN

Secretary

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$283,500	08/28/00	(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: _____, _____.

_____

In presence of:

_____

08/23/00
610170/98002

STEPTOE & JOHNSON

ATTORNEYS AT LAW

BANK ONE CENTER

SEVENTH FLOOR

P. O. BOX 1588

CHARLESTON, W. VA. 25326-1588

(304) 353-8000

FACSIMILE (304) 353-8180

BANK ONE CENTER, SIXTH FLOOR
P. O. BOX 2190
CLARKSBURG, W. VA. 26302-2190
(304) 624-8000
FACSIMILE (304) 624-8183

1000 HAMPTON CENTER
P. O. BOX 1616
MORGANTOWN, W. VA. 26507-1616
(304) 598-8000
FACSIMILE (304) 598-8116

126 EAST BURKE STREET
P. O. BOX 2629
MARTINSBURG, W. VA. 25402-2629
(304) 263-8991
FACSIMILE (304) 262-3541

RILEY BUILDING, FOURTH FLOOR
14TH AND CHAPLINE STREETS
P. O. BOX 150
WHEELING, W. VA. 26003-0020
(304) 233-0000
FACSIMILE (304) 233-0014

THE RIVERS OFFICE PARK
260 STAR AVENUE, SUITE 220
P. O. BOX 628
PARKERSBURG, W. VA. 26102-0628
(304) 422-8463
FACSIMILE (304) 422-8462

ALAN B. MOLLOHAN INNOVATION CENTER
1000 TECHNOLOGY DRIVE
P. O. BOX 2210
FAIRMONT, W. VA. 26554-8824
(304) 368-8000
FACSIMILE (304) 368-8413

WRITER'S DIRECT DIAL NUMBER

August 28, 2000

Mingo County Public Service District
Water Revenue Bonds, Series 2000 A
(United States Department of Agriculture)

Mingo County Public Service District
Chattaroy, 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 Mingo County Public Service District in Mingo County, West Virginia (the "Issuer"), of its $2,200,000 Water Revenue Bonds, Series 2000 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"), and a Bond Resolution duly adopted by the Issuer on August 21, 2000, and a Supplemental Resolution duly adopted by the Issuer on August 21, 2000 (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 corporate power to adopt 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 adopted 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 Water Revenue Bonds, Series 2000 B (United States Department of Agriculture), Water Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), Water Revenue Bonds, Series 2000 D (West Virginia Water Development Authority), and Water Revenue Bonds, Series 2000 E (West Virginia Infrastructure Fund), issued concurrently herewith, and subject to no other prior lien granted under the Act.

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 said 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

08/09/00
610170/98002

CLS95338.1

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MINGO COUNTY PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2000 B
(UNITED STATES DEPARTMENT OF AGRICULTURE)

No. BR-1 Date: August 28, 2000

FOR VALUE RECEIVED, the MINGO COUNTY PUBLIC SERVICE DISTRICT (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 DOLLARS ($2,000,000), plus interest on the unpaid principal balance at the rate of 4.5% 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 $9,180, 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, betterments and improvements to the waterworks system (the "System") of Borrower, is payable solely from the revenues to be derived from the operation of the System after there have first been 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 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 of 1931, as amended (the "Act"), and a Resolution and Supplemental Resolution of the Borrower, both duly adopted on August 21, 2000, 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 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 WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,200,000; (2) WATER REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,853,436; (3) WATER REVENUE BONDS, SERIES 2000 D (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $715,000; AND (4) WATER REVENUE BONDS, SERIES 2000 E (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $8,916,818.

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

MINGO COUNTY PUBLIC SERVICE DISTRICT
(Name of Borrower)

[CORPORATE SEAL]

SPECIMEN

Chairman
P. O. Box 408
Chattaroy, West Virginia 25667

ATTEST:

SPECIMEN

Secretary

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$190,000	08/28/00	(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: _____, _____.

_____

In presence of:

_____

08/23/00
610170/98002

STEPTOE & JOHNSON

ATTORNEYS AT LAW

BANK ONE CENTER

SEVENTH FLOOR

P. O. BOX 1588

CHARLESTON, W. VA. 25326-1588

(304) 353-8000

FACSIMILE (304) 353-8180

BANK ONE CENTER, SIXTH FLOOR
P. O. BOX 2190
CLARKSBURG, W. VA. 26302-2190
(304) 624-8000
FACSIMILE (304) 624-8183

1000 HAMPTON CENTER
P. O. BOX 1616
MORGANTOWN, W. VA. 26507-1616
(304) 598-8000
FACSIMILE (304) 598-8116

128 EAST BURKE STREET
P. O. BOX 2629
MARTINSBURG, W. VA. 25402-2629
(304) 263-6981
FACSIMILE (304) 262-3541

RILEY BUILDING, FOURTH FLOOR
14TH AND CHAPLINE STREETS
P. O. BOX 150
WHEELING, W. VA. 26003-0020
(304) 233-0000
FACSIMILE (304) 233-0014

THE RIVERS OFFICE PARK
200 STAR AVENUE, SUITE 220
P. O. BOX 628
PARKERSBURG, W. VA. 26102-0628
(304) 422-6463
FACSIMILE (304) 422-6462

ALAN B. MOLLOHAN INNOVATION CENTER
1000 TECHNOLOGY DRIVE
P. O. BOX 2210
FAIRMONT, W. VA. 26554-8624
(304) 366-8000
FACSIMILE (304) 366-8413

WRITER'S DIRECT DIAL NUMBER

August 28, 2000

Mingo County Public Service District
Water Revenue Bonds, Series 2000 B
(United States Department of Agriculture)

Mingo County Public Service District
Chattaroy, 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 Mingo County Public Service District in Mingo County, West Virginia (the "Issuer"), of its $2,000,000 Water Revenue Bonds, Series 2000 B (United States Department of Agriculture), dated the date hereof (the "Bonds"), pursuant to Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Resolution duly adopted by the Issuer on August 21, 2000, and a Supplemental Resolution duly adopted by the Issuer on August 21, 2000 (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 corporate power to adopt 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 adopted 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 Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), Water Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), Water Revenue Bonds, Series 2000 D (West Virginia Water Development Authority), and Water Revenue Bonds, Series 2000 E (West Virginia Infrastructure Fund), issued concurrently herewith, and subject to no other prior lien granted under the Act.

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 said 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

08/09/00
610170/98002

CH398807.1

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MINGO COUNTY PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2000 C
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. CR-1 $2,853,436

KNOW ALL MEN BY THESE PRESENTS: That MINGO COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Mingo County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of TWO MILLION EIGHT HUNDRED FIFTY THREE THOUSAND FOUR HUNDRED THIRTY SIX DOLLARS ($2,853,436), in annual installments on October 1 of each year, commencing October 1, 2002, as set forth on the "Debt Service Schedule" attached as Exhibit A hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, such interest shall be payable semiannually on April 1 and October 1 in each year, commencing April 1, 2001. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated August 22, 2000.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public waterworks system of the Issuer (the "Project"); (ii) to pay interest on the Bonds of this Series (the "Bonds") during the construction of the Project and for not more than 6 months thereafter; and (iii) to

pay certain costs of issuance hereof and related costs. The existing public waterworks system of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on August 21, 2000, and a Supplemental Resolution duly adopted by the Issuer on August 21, 2000 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,200,000; (2) WATER REVENUE BONDS, SERIES 2000 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL PRINCIPAL AMOUNT OF $2,000,000; (3) WATER REVENUE BONDS, SERIES 2000 D (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $715,000; AND (4) WATER REVENUE BONDS, SERIES 2000 E (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $8,916,818 (COLLECTIVELY, THE "SERIES 2000 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 2000 Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2000 C Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2000 C Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of

the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 2000 Bonds; provided however, that so long as there exists in the Series 2000 C Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2000 Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the 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 moneys, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, MINGO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated August 28, 2000.

[SEAL]

SPECIMEN

Chairman

ATTEST:

SPECIMEN

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2000 C Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: August 28, 2000.

ONE VALLEY BANK,
NATIONAL ASSOCIATION,
as Registrar

SECRETARY

Authorized Officer

EXHIBIT A

Mingo County Public Service District (West Virginia)

WDA Loan (Loan Program II, 1999 Series A) of $2,853,436
5.8% Interest Rate
Closing Date: August 28, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
10/01/2000	-	-	-	-
4/01/2001	-	-	97,920.41	97,920.41
10/01/2001	-	-	82,749.64	82,749.64
4/01/2002	-	-	82,749.64	82,749.64
10/01/2002	22,007.00	5.800%	82,749.64	104,756.64
4/01/2003	-	-	82,111.44	82,111.44
10/01/2003	23,283.00	5.800%	82,111.44	105,394.44
4/01/2004	-	-	81,436.23	81,436.23
10/01/2004	24,634.00	5.800%	81,436.23	106,070.23
4/01/2005	-	-	80,721.85	80,721.85
10/01/2005	26,063.00	5.800%	80,721.85	106,784.85
4/01/2006	-	-	79,966.02	79,966.02
10/01/2006	27,574.00	5.800%	79,966.02	107,540.02
4/01/2007	-	-	79,166.38	79,166.38
10/01/2007	29,174.00	5.800%	79,166.38	108,340.38
4/01/2008	-	-	78,320.33	78,320.33
10/01/2008	30,866.00	5.800%	78,320.33	109,186.33
4/01/2009	-	-	77,425.22	77,425.22
10/01/2009	32,656.00	5.800%	77,425.22	110,081.22
4/01/2010	-	-	76,478.19	76,478.19
10/01/2010	34,550.00	5.800%	76,478.19	111,028.19
4/01/2011	-	-	75,476.24	75,476.24
10/01/2011	36,554.00	5.800%	75,476.24	112,030.24
4/01/2012	-	-	74,416.18	74,416.18
10/01/2012	38,674.00	5.800%	74,416.18	113,090.18
4/01/2013	-	-	73,294.63	73,294.63
10/01/2013	40,917.00	5.800%	73,294.63	114,211.63
4/01/2014	-	-	72,108.04	72,108.04
10/01/2014	43,290.00	5.800%	72,108.04	115,398.04
4/01/2015	-	-	70,852.63	70,852.63
10/01/2015	45,801.00	5.800%	70,852.63	116,653.63
4/01/2016	-	-	69,524.40	69,524.40
10/01/2016	48,457.00	5.800%	69,524.40	117,981.40
4/01/2017	-	-	68,119.14	68,119.14
10/01/2017	51,268.00	5.800%	68,119.14	119,387.14
4/01/2018	-	-	66,632.37	66,632.37
10/01/2018	54,241.00	5.800%	66,632.37	120,873.37
4/01/2019	-	-	65,059.38	65,059.38
10/01/2019	57,387.00	5.800%	65,059.38	122,446.38
4/01/2020	-	-	63,395.16	63,395.16
10/01/2020	60,716.00	5.800%	63,395.16	124,111.16
4/01/2021	-	-	61,634.40	61,634.40
10/01/2021	64,237.00	5.800%	61,634.40	125,871.40
4/01/2022	-	-	59,771.52	59,771.52
10/01/2022	67,963.00	5.800%	59,771.52	127,734.52
4/01/2023	-	-	57,800.60	57,800.60

Ferris, Baker Watts, Incorporated
Public Finance

File = wdalns99-sf-Mingo- SINGLE PURPOSE
8/ 8/2000 2:55 PM

Mingo County Public Service District (West Virginia)

WDA Loan (Loan Program II, 1999 Series A) of $2,853,436

5.8% Interest Rate

Closing Date: August 28, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
10/01/2023	71,905.00	5.800%	57,800.60	129,705.60
4/01/2024	-	-	55,715.35	55,715.35
10/01/2024	76,076.00	5.800%	55,715.35	131,791.35
4/01/2025	-	-	53,509.15	53,509.15
10/01/2025	80,488.00	5.800%	53,509.15	133,997.15
4/01/2026	-	-	51,175.00	51,175.00
10/01/2026	85,156.00	5.800%	51,175.00	136,331.00
4/01/2027	-	-	48,705.47	48,705.47
10/01/2027	90,095.00	5.800%	48,705.47	138,800.47
4/01/2028	-	-	46,092.72	46,092.72
10/01/2028	95,321.00	5.800%	46,092.72	141,413.72
4/01/2029	-	-	43,328.41	43,328.41
10/01/2029	100,849.00	5.800%	43,328.41	144,177.41
4/01/2030	-	-	40,403.79	40,403.79
10/01/2030	106,699.00	5.800%	40,403.79	147,102.79
4/01/2031	-	-	37,309.52	37,309.52
10/01/2031	112,887.00	5.800%	37,309.52	150,196.52
4/01/2032	-	-	34,035.79	34,035.79
10/01/2032	119,435.00	5.800%	34,035.79	153,470.79
4/01/2033	-	-	30,572.18	30,572.18
10/01/2033	126,362.00	5.800%	30,572.18	156,934.18
4/01/2034	-	-	26,907.68	26,907.68
10/01/2034	133,691.00	5.800%	26,907.68	160,598.68
4/01/2035	-	-	23,030.64	23,030.64
10/01/2035	141,445.00	5.800%	23,030.64	164,475.64
4/01/2036	-	-	18,928.74	18,928.74
10/01/2036	149,649.00	5.800%	18,928.74	168,577.74
4/01/2037	-	-	14,588.91	14,588.91
10/01/2037	158,328.00	5.800%	14,588.91	172,916.91
4/01/2038	-	-	9,997.40	9,997.40
10/01/2038	167,511.00	5.800%	9,997.40	177,508.40
4/01/2039	-	-	5,139.58	5,139.58
10/01/2039	177,227.00	5.800%	5,139.58	182,366.58
Total	2,853,436.00	-	4,452,470.69	7,305,906.69

Mingo County Public Service District (West Virginia)

WDA Loan (Loan Program II, 1999 Series A) of $2,853,436
5.8% Interest Rate
Closing Date: August 28, 2000

DEBT SERVICE SCHEDULE

YIELD STATISTICS

Bond Year Dollars	$76,766.73
Average Life	26.903 Years
Average Coupon	5.8000001%
Net Interest Cost (NIC)	5.8000001%
True Interest Cost (TIC)	5.7993178%
Bond Yield for Arbitrage Purposes	5.7993178%
All Inclusive Cost (AIC)	5.7993178%

IRS FORM 8038

Net Interest Cost	5.8000001%
Weighted Average Maturity	26.903 Years

Mingo County Public Service District (West Virginia)

WDA Loan (Loan Program II, 1999 Series A) of $2,853,436
5.8% Interest Rate
Closing Date: August 28, 2000

SOURCES & USES

Dated 08/28/2000 Delivered 08/28/2000

SOURCES OF FUNDS	
Par Amount of Bonds	$2,853,436.00
TOTAL SOURCES	$2,853,436.00
USES OF FUNDS	
Deposit to Project Fund	2,853,436.00
TOTAL USES	$2,853,436.00

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

08/23/00
610170/98002

STEPTOE & JOHNSON

ATTORNEYS AT LAW

BANK ONE CENTER

SEVENTH FLOOR

P. O. BOX 1588

CHARLESTON, W. VA. 25326-1588

(304) 353-8000

FACSIMILE (304) 353-8180

BANK ONE CENTER, SIXTH FLOOR
P. O. BOX 2190
CLARKSBURG, W. VA. 26302-2190
(304) 624-8000
FACSIMILE (304) 624-8183

1000 HAMPTON CENTER
P. O. BOX 1616
MORGANTOWN, W. VA. 26507-1616
(304) 598-8000
FACSIMILE (304) 598-8116

126 EAST BURKE STREET
P. O. BOX 2629
MARTINSBURG, W. VA. 25402-2629
(304) 263-6991
FACSIMILE (304) 262-3541

RILEY BUILDING, FOURTH FLOOR
14TH AND CHAPLINE STREETS
P. O. BOX 150
WHEELING, W. VA. 26003-0020
(304) 233-0000
FACSIMILE (304) 233-0014

THE RIVERS OFFICE PARK
200 STAR AVENUE, SUITE 220
P. O. BOX 628
PARKERSBURG, W. VA. 26102-0628
(304) 422-6463
FACSIMILE (304) 422-6462

ALAN B. MOLLOHAN INNOVATION CENTER
1000 TECHNOLOGY DRIVE
P. O. BOX 2210
FAIRMONT, W. VA. 26554-8824
(304) 368-8000
FACSIMILE (304) 368-8413

WRITER'S DIRECT DIAL NUMBER

August 28, 2000

Mingo County Public Service District
Water Revenue Bonds, Series 2000 C
(West Virginia Water Development Authority)

Mingo County Public Service District
Chattaroy, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Mingo County Public Service District (the "Issuer"), a public service district and public corporation and political subdivision created and existing under the laws of the State of West Virginia, of its $2,853,436 Water Revenue Bonds, Series 2000 C (West Virginia Water Development Authority), 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 August 22, 2000, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") 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 and interest to the Authority, with interest payable April 1 and October 1 of each year, commencing April 1, 2001, at the rate of 5.8% per annum, and with principal installments payable on October 1 of each year, commencing October 1, 2002, and ending October 1, 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 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain improvements and extensions

to the existing public waterworks system of the Issuer (the "Project"); (ii) paying interest on the Bonds prior to and during the acquisition and construction of the Project and for a period not to exceed 6 months after completion of acquisition and construction of the Project; and (iii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Resolution duly adopted by the Issuer on August 21, 2000, as supplemented by a Supplemental Resolution duly adopted by the Issuer on August 21, 2000 (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.

In connection with the issuance of the Bonds, the Issuer has executed a Certificate as to Arbitrage, dated as of the date hereof (the "Certificate as to Arbitrage"), which, among other things, sets forth restrictions on the investment and expenditure of the Bond proceeds and earnings thereon, to ensure that the arbitrage requirements of the Internal Revenue Code of 1986, as amended, and regulations thereunder (collectively, the "Code"), necessary to establish and maintain the excludability of interest on the Bonds from gross income for federal income tax purposes, are and will continue to be met.

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 corporate 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 cannot be amended by the Issuer so as to affect adversely the rights of the Authority or diminish the obligations of the Issuer without the written consent of the Authority.

3. The Bond Legislation and all other necessary orders and resolutions have been duly and effectively adopted by the Issuer and constitute valid and binding obligations of the Issuer enforceable upon the Issuer. 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 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 Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), Water Revenue Bonds, Series 2000 B (United States Department of Agriculture), Water Revenue Bonds, Series 2000 D (West Virginia Water Development Authority), and Water Revenue Bonds, Series 2000 E (West Virginia Infrastructure Fund), issued concurrently herewith, all in accordance with the terms of the Bonds and the Bond Legislation.

5. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (a) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to the Code and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code. It should be noted, however, that interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth in the Bond Legislation and the Certificate as to Arbitrage, and other certificates delivered in connection with the issuance of the Bonds. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. We express no opinion regarding 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 the interest on the Bonds is exempt from personal and corporate 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 Loan Agreement, 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 their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

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

Very truly yours,

STEPTOE & JOHNSON

08/23/00
610170/98002

CH595332.2

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MINGO COUNTY PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2000 D
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. DR-1 $715,000

KNOW ALL MEN BY THESE PRESENTS: That MINGO COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Mingo 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 SEVEN HUNDRED FIFTEEN THOUSAND DOLLARS ($715,000), in annual installments on October 1 of each year, commencing October 1, 2002, as set forth on the "Debt Service Schedule" attached as Exhibit A hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, such interest shall be payable semiannually on April 1 and October 1 in each year, commencing April 1, 2001. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated August 22, 2000.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public waterworks system of the Issuer (the "Project"); (ii) to pay interest on the Bonds of this Series (the "Bonds") during the construction of the Project and for not more than 6 months thereafter; and (iii) to pay certain costs of issuance hereof and related costs. The existing public waterworks system

of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on August 21, 2000, and a Supplemental Resolution duly adopted by the Issuer on August 21, 2000 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,200,000; (2) WATER REVENUE BONDS, SERIES 2000 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,000,000; (3) WATER REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,853,436; AND (4) WATER REVENUE BONDS, SERIES 2000 E (WEST VIRGINIA INFRASTRUCTURE FUND), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $8,916,818 (COLLECTIVELY, THE "SERIES 2000 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 2000 Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2000 D Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2000 D Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount

payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 2000 Bonds; provided however, that so long as there exists in the Series 2000 D Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2000 Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the 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 moneys, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, MINGO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated August 28, 2000.

[SEAL]

Robert Adams
Chairman

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2000 D Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: August 28, 2000.

ONE VALLEY BANK,
NATIONAL ASSOCIATION,
as Registrar

Authorized Officer

SPECIMEN

EXHIBIT A

Mingo County Public Service District (West Virginia)

WDA Loan (Supplemental Fund) of $715,000
5.80% Interest Rate
Closing Date: August 28, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
10/01/2000	-	-	-	-
4/01/2001	-	-	24,536.42	24,536.42
10/01/2001	-	-	20,735.00	20,735.00
4/01/2002	-	-	20,735.00	20,735.00
10/01/2002	5,514.00	5.800%	20,735.00	26,249.00
4/01/2003	-	-	20,575.09	20,575.09
10/01/2003	5,834.00	5.800%	20,575.09	26,409.09
4/01/2004	-	-	20,405.91	20,405.91
10/01/2004	6,173.00	5.800%	20,405.91	26,578.91
4/01/2005	-	-	20,226.89	20,226.89
10/01/2005	6,531.00	5.800%	20,226.89	26,757.89
4/01/2006	-	-	20,037.49	20,037.49
10/01/2006	6,909.00	5.800%	20,037.49	26,946.49
4/01/2007	-	-	19,837.13	19,837.13
10/01/2007	7,310.00	5.800%	19,837.13	27,147.13
4/01/2008	-	-	19,625.14	19,625.14
10/01/2008	7,734.00	5.800%	19,625.14	27,359.14
4/01/2009	-	-	19,400.86	19,400.86
10/01/2009	8,183.00	5.800%	19,400.86	27,583.86
4/01/2010	-	-	19,163.55	19,163.55
10/01/2010	8,657.00	5.800%	19,163.55	27,820.55
4/01/2011	-	-	18,912.50	18,912.50
10/01/2011	9,159.00	5.800%	18,912.50	28,071.50
4/01/2012	-	-	18,646.88	18,646.88
10/01/2012	9,691.00	5.800%	18,646.88	28,337.88
4/01/2013	-	-	18,365.85	18,365.85
10/01/2013	10,253.00	5.800%	18,365.85	28,618.85
4/01/2014	-	-	18,068.51	18,068.51
10/01/2014	10,847.00	5.800%	18,068.51	28,915.51
4/01/2015	-	-	17,753.95	17,753.95
10/01/2015	11,477.00	5.800%	17,753.95	29,230.95
4/01/2016	-	-	17,421.11	17,421.11
10/01/2016	12,142.00	5.800%	17,421.11	29,563.11
4/01/2017	-	-	17,068.99	17,068.99
10/01/2017	12,846.00	5.800%	17,068.99	29,914.99
4/01/2018	-	-	16,696.46	16,696.46
10/01/2018	13,592.00	5.800%	16,696.46	30,288.46
4/01/2019	-	-	16,302.29	16,302.29
10/01/2019	14,380.00	5.800%	16,302.29	30,682.29
4/01/2020	-	-	15,885.27	15,885.27
10/01/2020	15,214.00	5.800%	15,885.27	31,099.27
4/01/2021	-	-	15,444.07	15,444.07
10/01/2021	16,096.00	5.800%	15,444.07	31,540.07
4/01/2022	-	-	14,977.28	14,977.28
10/01/2022	17,030.00	5.800%	14,977.28	32,007.28
4/01/2023	-	-	14,483.41	14,483.41

Mingo County Public Service District (West Virginia)

WDA Loan (Supplemental Fund) of $715,000
5.80% Interest Rate
Closing Date: August 28, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
10/01/2023	18,018.00	5.800%	14,483.41	32,501.41
4/01/2024	-	-	13,960.89	13,960.89
10/01/2024	19,063.00	5.800%	13,960.89	33,023.89
4/01/2025	-	-	13,408.06	13,408.06
10/01/2025	20,168.00	5.800%	13,408.06	33,576.06
4/01/2026	-	-	12,823.19	12,823.19
10/01/2026	21,338.00	5.800%	12,823.19	34,161.19
4/01/2027	-	-	12,204.39	12,204.39
10/01/2027	22,576.00	5.800%	12,204.39	34,780.39
4/01/2028	-	-	11,549.69	11,549.69
10/01/2028	23,885.00	5.800%	11,549.69	35,434.69
4/01/2029	-	-	10,857.02	10,857.02
10/01/2029	25,270.00	5.800%	10,857.02	36,127.02
4/01/2030	-	-	10,124.19	10,124.19
10/01/2030	26,736.00	5.800%	10,124.19	36,860.19
4/01/2031	-	-	9,348.85	9,348.85
10/01/2031	28,287.00	5.800%	9,348.85	37,635.85
4/01/2032	-	-	8,528.52	8,528.52
10/01/2032	29,927.00	5.800%	8,528.52	38,455.52
4/01/2033	-	-	7,660.64	7,660.64
10/01/2033	31,663.00	5.800%	7,660.64	39,323.64
4/01/2034	-	-	6,742.41	6,742.41
10/01/2034	33,500.00	5.800%	6,742.41	40,242.41
4/01/2035	-	-	5,770.91	5,770.91
10/01/2035	35,443.00	5.800%	5,770.91	41,213.91
4/01/2036	-	-	4,743.07	4,743.07
10/01/2036	37,498.00	5.800%	4,743.07	42,241.07
4/01/2037	-	-	3,655.62	3,655.62
10/01/2037	39,673.00	5.800%	3,655.62	43,328.62
4/01/2038	-	-	2,505.11	2,505.11
10/01/2038	41,974.00	5.800%	2,505.11	44,479.11
4/01/2039	-	-	1,287.86	1,287.86
10/01/2039	44,409.00	5.800%	1,287.86	45,696.86
Total	715,000.00	-	1,115,679.52	1,830,679.52

Mingo County Public Service District (West Virginia)

WDA Loan (Supplemental Fund) of $715,000
5.80% Interest Rate
Closing Date: August 28, 2000

DEBT SERVICE SCHEDULE

YIELD STATISTICS

Bond Year Dollars	$19,235.85
Average Life	26.903 Years
Average Coupon	5.8000000%
Net Interest Cost (NIC)	5.8000000%
True Interest Cost (TIC)	5.7993178%
Bond Yield for Arbitrage Purposes	5.7993178%
All Inclusive Cost (AIC)	5.7993178%

IRS FORM 8038

Net Interest Cost	5.8000000%
Weighted Average Maturity	26.903 Years

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

08/23/00
610170/98002

STEPTOE & JOHNSON

ATTORNEYS AT LAW

BANK ONE CENTER

SEVENTH FLOOR

P. O. BOX 1588

CHARLESTON, W. VA. 25326-1588

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FACSIMILE (304) 353-8180

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126 EAST BURKE STREET
P. O. BOX 2629
MARTINSBURG, W.VA. 25402-2629
(304) 263-6991
FACSIMILE (304) 262-3541

RILEY BUILDING, FOURTH FLOOR
14TH AND CHAPLINE STREETS
P. O. BOX 150
WHEELING, W.VA. 26003-0020
(304) 233-0000
FACSIMILE (304) 233-0014

THE RIVERS OFFICE PARK
200 STAR AVENUE, SUITE 220
P. O. BOX 628
PARKERSBURG, W.VA. 26102-0628
(304) 422-8463
FACSIMILE (304) 422-8462

ALAN B. MOLLOHAN INNOVATION CENTER
1000 TECHNOLOGY DRIVE
P. O. BOX 2210
FAIRMONT, W.VA. 26554-8824
(304) 368-8000
FACSIMILE (304) 368-8413

WRITER'S DIRECT DIAL NUMBER

August 28, 2000

Mingo County Public Service District
Water Revenue Bonds, Series 2000 D
(West Virginia Water Development Authority)

Mingo County Public Service District
Chattaroy, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Mingo County Public Service District (the "Issuer"), a public service district and public corporation and political subdivision created and existing under the laws of the State of West Virginia, of its $715,000 Water Revenue Bonds, Series 2000 D (West Virginia Water Development Authority), 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 August 22, 2000, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") 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 and interest to the Authority, with interest payable April 1 and October 1 of each year, commencing April 1, 2001, at the rate of 5.8% per annum, and with principal installments payable on October 1 of each year, commencing October 1, 2002, and ending October 1, 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 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public waterworks system of the Issuer (the "Project"); (ii) paying interest on the Bonds and during acquisition and construction of the Project and for a period not to exceed 6 months after completion of acquisition and construction of the Project; and (iii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Resolution duly adopted by the Issuer on August 21, 2000, as supplemented by a Supplemental Resolution duly adopted by the Issuer on August 21, 2000 (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.

In connection with the issuance of the Bonds, the Issuer has executed a Certificate as to Arbitrage, dated as of the date hereof (the "Certificate as to Arbitrage"), which, among other things, sets forth restrictions on the investment and expenditure of the Bond proceeds and earnings thereon, to ensure that the arbitrage requirements of the Internal Revenue Code of 1986, as amended, and regulations thereunder (collectively, the "Code"), necessary to establish and maintain the excludability of interest on the Bonds from gross income for federal income tax purposes, are and will continue to be met.

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 corporate 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 cannot be amended by the Issuer so as to affect adversely the rights of the Authority or diminish the obligations of the Issuer without the written consent of the Authority.

3. The Bond Legislation and all other necessary orders and resolutions have been duly and effectively adopted by the Issuer and constitute valid and binding obligations of the Issuer enforceable upon the Issuer. 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 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 Water Revenue Bonds, Series 2000 A (United States Department of Agriculture), Water Revenue Bonds, Series 2000 B (United States Department of Agriculture), Water Revenue Bonds, Series 2000 C (West Virginia Water Development Authority) and Water Revenue Bonds, Series 2000 E (West Virginia Infrastructure Fund), issued concurrently herewith, all in accordance with the terms of the Bonds and the Bond Legislation.

5. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (a) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to the Code and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code. It should be noted, however, that interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth in the Bond Legislation and the Certificate as to Arbitrage, and other certificates delivered in connection with the issuance of the Bonds. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. We express no opinion regarding 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 the interest on the Bonds is exempt from personal and corporate 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 Loan Agreement, 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 their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

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

Very truly yours,

STEPTOE & JOHNSON

08/15/00
610170/98002

CH621628.2

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MINGO COUNTY PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2000 E
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. ER-1 $8,916,818

KNOW ALL MEN BY THESE PRESENTS: That MINGO COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Mingo 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 EIGHT MILLION NINE HUNDRED SIXTEEN THOUSAND EIGHT HUNDRED EIGHTEEN DOLLARS ($8,916,818), 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 December 1, 2002, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated August 22, 2000.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public waterworks system of the Issuer (the "Project"); (ii) to pay in full the entire outstanding principal of, all interest accrued on, if any, and the administrative fee for, if any, the Issuer's Waterworks System Design Notes, Series 1998 (West Virginia Infrastructure Fund) and Waterworks System Design Notes, Series 1999 (West Virginia Infrastructure Fund); and (iii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Project and any further improvements or extensions

thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on August 21, 2000, and a Supplemental Resolution duly adopted by the Issuer on August 21, 2000 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2000 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,200,000; (2) WATER REVENUE BONDS, SERIES 2000 B BONDS (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,000,000; (3) WATER REVENUE BONDS, SERIES 2000 C (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,853,436; AND (4) WATER REVENUE BONDS, SERIES 2000 D (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED AUGUST 28, 2000, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $715,000 (COLLECTIVELY, THE "SERIES 2000 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 2000 Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2000 E Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate 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, except from said special fund provided from the Net Revenues, the moneys in the Series 2000 E 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 2000 Bonds; provided however, that so long as there exists in the Series 2000 E 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 2000 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 One Valley Bank, National Association, 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 moneys, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, MINGO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated August 28, 2000.

[SEAL]

SPECIMEN

Chairman

ATTEST:

SPECIMEN

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2000 E Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: August 28, 2000.

ONE VALLEY BANK,
NATIONAL ASSOCIATION,
as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$1,976,672	08/28/00	(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

Mingo County Public Service District (West Virginia)

Infrastructure Fund Loan of $8,916,818
40 Years, 0% Interest Rate
Closing Date: August 28, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
9/01/2000	-	-	-
12/01/2000	-	-	-
3/01/2001	-	-	-
6/01/2001	-	-	-
9/01/2001	-	-	-
12/01/2001	-	-	-
3/01/2002	-	-	-
6/01/2002	-	-	-
9/01/2002	-	-	-
12/01/2002	59,052.00	-	59,052.00
3/01/2003	59,052.00	-	59,052.00
6/01/2003	59,052.00	-	59,052.00
9/01/2003	59,052.00	-	59,052.00
12/01/2003	59,052.00	-	59,052.00
3/01/2004	59,052.00	-	59,052.00
6/01/2004	59,052.00	-	59,052.00
9/01/2004	59,052.00	-	59,052.00
12/01/2004	59,052.00	-	59,052.00
3/01/2005	59,052.00	-	59,052.00
6/01/2005	59,052.00	-	59,052.00
9/01/2005	59,052.00	-	59,052.00
12/01/2005	59,052.00	-	59,052.00
3/01/2006	59,052.00	-	59,052.00
6/01/2006	59,052.00	-	59,052.00
9/01/2006	59,052.00	-	59,052.00
12/01/2006	59,052.00	-	59,052.00
3/01/2007	59,052.00	-	59,052.00
6/01/2007	59,052.00	-	59,052.00
9/01/2007	59,052.00	-	59,052.00
12/01/2007	59,052.00	-	59,052.00
3/01/2008	59,052.00	-	59,052.00
6/01/2008	59,052.00	-	59,052.00
9/01/2008	59,052.00	-	59,052.00
12/01/2008	59,052.00	-	59,052.00
3/01/2009	59,052.00	-	59,052.00
6/01/2009	59,052.00	-	59,052.00
9/01/2009	59,052.00	-	59,052.00
12/01/2009	59,052.00	-	59,052.00
3/01/2010	59,052.00	-	59,052.00
6/01/2010	59,052.00	-	59,052.00
9/01/2010	59,052.00	-	59,052.00
12/01/2010	59,052.00	-	59,052.00
3/01/2011	59,052.00	-	59,052.00
6/01/2011	59,052.00	-	59,052.00
9/01/2011	59,052.00	-	59,052.00
12/01/2011	59,052.00	-	59,052.00

Mingo County Public Service District (West Virginia)

Infrastructure Fund Loan of $8,916,818
40 Years, 0% Interest Rate
Closing Date: August 28, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
3/01/2012	59,052.00	-	59,052.00
6/01/2012	59,052.00	-	59,052.00
9/01/2012	59,052.00	-	59,052.00
12/01/2012	59,052.00	-	59,052.00
3/01/2013	59,052.00	-	59,052.00
6/01/2013	59,052.00	-	59,052.00
9/01/2013	59,052.00	-	59,052.00
12/01/2013	59,052.00	-	59,052.00
3/01/2014	59,052.00	-	59,052.00
6/01/2014	59,052.00	-	59,052.00
9/01/2014	59,052.00	-	59,052.00
12/01/2014	59,052.00	-	59,052.00
3/01/2015	59,052.00	-	59,052.00
6/01/2015	59,052.00	-	59,052.00
9/01/2015	59,052.00	-	59,052.00
12/01/2015	59,052.00	-	59,052.00
3/01/2016	59,052.00	-	59,052.00
6/01/2016	59,052.00	-	59,052.00
9/01/2016	59,052.00	-	59,052.00
12/01/2016	59,052.00	-	59,052.00
3/01/2017	59,052.00	-	59,052.00
6/01/2017	59,052.00	-	59,052.00
9/01/2017	59,052.00	-	59,052.00
12/01/2017	59,052.00	-	59,052.00
3/01/2018	59,052.00	-	59,052.00
6/01/2018	59,052.00	-	59,052.00
9/01/2018	59,052.00	-	59,052.00
12/01/2018	59,052.00	-	59,052.00
3/01/2019	59,052.00	-	59,052.00
6/01/2019	59,052.00	-	59,052.00
9/01/2019	59,052.00	-	59,052.00
12/01/2019	59,052.00	-	59,052.00
3/01/2020	59,052.00	-	59,052.00
6/01/2020	59,052.00	-	59,052.00
9/01/2020	59,052.00	-	59,052.00
12/01/2020	59,052.00	-	59,052.00
3/01/2021	59,052.00	-	59,052.00
6/01/2021	59,052.00	-	59,052.00
9/01/2021	59,052.00	-	59,052.00
12/01/2021	59,052.00	-	59,052.00
3/01/2022	59,052.00	-	59,052.00
6/01/2022	59,052.00	-	59,052.00
9/01/2022	59,052.00	-	59,052.00
12/01/2022	59,052.00	-	59,052.00
3/01/2023	59,052.00	-	59,052.00
6/01/2023	59,052.00	-	59,052.00

Mingo County Public Service District (West Virginia)

Infrastructure Fund Loan of $8,916,818
40 Years, 0% Interest Rate
Closing Date: August 28, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
9/01/2023	59,052.00	-	59,052.00
12/01/2023	59,052.00	-	59,052.00
3/01/2024	59,052.00	-	59,052.00
6/01/2024	59,052.00	-	59,052.00
9/01/2024	59,052.00	-	59,052.00
12/01/2024	59,052.00	-	59,052.00
3/01/2025	59,052.00	-	59,052.00
6/01/2025	59,052.00	-	59,052.00
9/01/2025	59,052.00	-	59,052.00
12/01/2025	59,052.00	-	59,052.00
3/01/2026	59,052.00	-	59,052.00
6/01/2026	59,052.00	-	59,052.00
9/01/2026	59,052.00	-	59,052.00
12/01/2026	59,052.00	-	59,052.00
3/01/2027	59,052.00	-	59,052.00
6/01/2027	59,052.00	-	59,052.00
9/01/2027	59,052.00	-	59,052.00
12/01/2027	59,052.00	-	59,052.00
3/01/2028	59,052.00	-	59,052.00
6/01/2028	59,052.00	-	59,052.00
9/01/2028	59,052.00	-	59,052.00
12/01/2028	59,052.00	-	59,052.00
3/01/2029	59,052.00	-	59,052.00
6/01/2029	59,052.00	-	59,052.00
9/01/2029	59,052.00	-	59,052.00
12/01/2029	59,052.00	-	59,052.00
3/01/2030	59,052.00	-	59,052.00
6/01/2030	59,052.00	-	59,052.00
9/01/2030	59,052.00	-	59,052.00
12/01/2030	59,052.00	-	59,052.00
3/01/2031	59,052.00	-	59,052.00
6/01/2031	59,052.00	-	59,052.00
9/01/2031	59,052.00	-	59,052.00
12/01/2031	59,052.00	-	59,052.00
3/01/2032	59,051.00	-	59,051.00
6/01/2032	59,051.00	-	59,051.00
9/01/2032	59,051.00	-	59,051.00
12/01/2032	59,051.00	-	59,051.00
3/01/2033	59,051.00	-	59,051.00
6/01/2033	59,051.00	-	59,051.00
9/01/2033	59,051.00	-	59,051.00
12/01/2033	59,051.00	-	59,051.00
3/01/2034	59,051.00	-	59,051.00
6/01/2034	59,051.00	-	59,051.00
9/01/2034	59,051.00	-	59,051.00
12/01/2034	59,051.00	-	59,051.00

Mingo County Public Service District (West Virginia)

Infrastructure Fund Loan of $8,916,818
40 Years, 0% Interest Rate
Closing Date: August 28, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
3/01/2035	59,051.00	-	59,051.00
6/01/2035	59,051.00	-	59,051.00
9/01/2035	59,051.00	-	59,051.00
12/01/2035	59,051.00	-	59,051.00
3/01/2036	59,051.00	-	59,051.00
6/01/2036	59,051.00	-	59,051.00
9/01/2036	59,051.00	-	59,051.00
12/01/2036	59,051.00	-	59,051.00
3/01/2037	59,051.00	-	59,051.00
6/01/2037	59,051.00	-	59,051.00
9/01/2037	59,051.00	-	59,051.00
12/01/2037	59,051.00	-	59,051.00
3/01/2038	59,051.00	-	59,051.00
6/01/2038	59,051.00	-	59,051.00
9/01/2038	59,051.00	-	59,051.00
12/01/2038	59,051.00	-	59,051.00
3/01/2039	59,051.00	-	59,051.00
6/01/2039	59,051.00	-	59,051.00
9/01/2039	59,051.00	-	59,051.00
12/01/2039	59,051.00	-	59,051.00
3/01/2040	59,051.00	-	59,051.00
6/01/2040	59,051.00	-	59,051.00
Total	8,916,818.00	-	8,916,818.00

YIELD STATISTICS

Bond Year Dollars	$187,326.99
Average Life	21.008 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	1.05E-10
Bond Yield for Arbitrage Purposes	1.05E-10
All Inclusive Cost (AIC)	1.05E-10

IRS FORM 8038

Net Interest Cost	-
Weighted Average Maturity	21.008 Years

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

08/23/00
610170/98002