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NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

**Sewer Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)**

Date of Closing: October 12, 2006

BOND TRANSCRIPT

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NORTON-HARDING-JIMTOWN-PUBLIC SERVICE DISTRICT

**Sewer Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)**

BOND TRANSCRIPT

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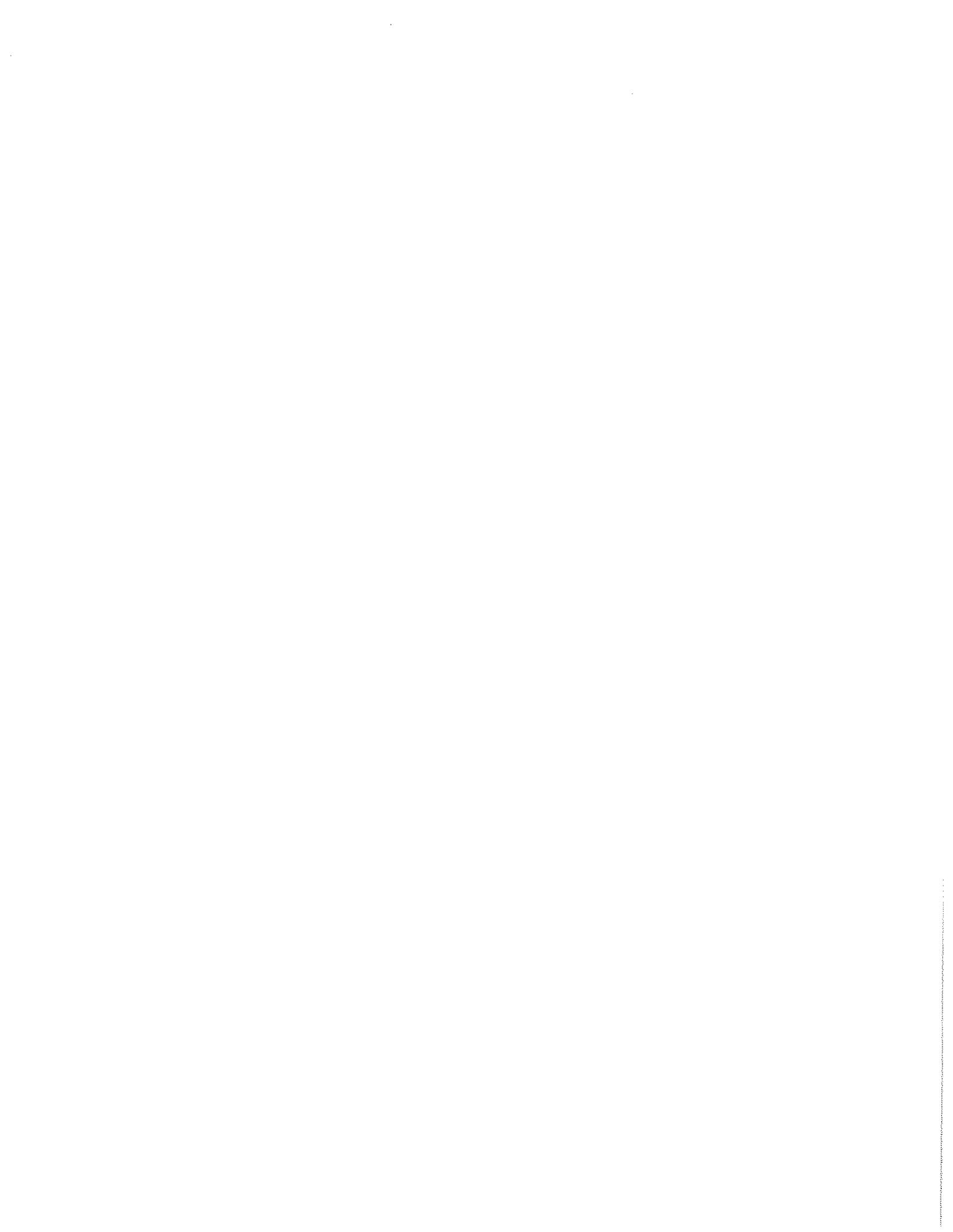
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NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

SEWER REVENUE BONDS, SERIES 2006 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

BOND RESOLUTION

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NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$333,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2006 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 NORTON-HARDING-JIMTOWN 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. Norton-Harding-Jimtown Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Randolph County of said State.

B. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed public sewerage facilities of the Issuer, consisting of a wastewater collection and treatment system to serve approximately 56 customers, together with all appurtenant facilities (collectively, the "Project"), which constitute public service properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (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 Issuer intends to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Infrastructure Fund pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), in the total aggregate principal amount of not more than \$333,000 (the "Series 2006 A Bonds"), to permanently finance a portion of the costs of acquisition and construction of the Project. 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 2006 A 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 Series 2006 A Bonds 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 2006 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2006 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 2006 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 no outstanding bonds or obligations of the Issuer which will rank on a parity with the Series 2006 A Bonds or are secured by revenues or assets of the System.

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 2006 A Bonds, and to make payments into all funds and accounts and other payments provided for herein.

I. 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 and issuance of the Series 2006 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 2006 A Bonds or such final order will not be subject to appeal.

J. 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 2006 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 2006 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 2006 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 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 the Series 2006 A 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 2006 A Bonds for all or a portion of the proceeds of the Series 2006 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 Thrasher Engineering, Inc., Clarksburg, West Virginia, or any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System or portion thereof in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931,

as amended; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions.

"Costs" or "Costs of the Project" means those costs described in Section 1.02D 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 monies 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 Norton-Harding-Jimtown Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia in Randolph 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 2006 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 2006 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2006 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 2006 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 monies, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; and (iv) for purposes of consents or other action by a specified percentage of Bondholders, any Bonds registered to the Issuer.

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

"Paying Agent" means the Commission or other entity designated as such for the Series 2006 A Bonds in the Supplemental Resolution.

"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 Board of Treasury Investments pursuant to Chapter 12, Article 6 (c) 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 established by Section 5.01 hereof.

"Revenue Fund" means the Revenue Fund established by Section 5.01 hereof.

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

"Series 2006 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), authorized to be issued hereby.

"Series 2006 A Bonds Construction Trust Fund" means the Series 2006 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2006 A Bonds Reserve Account" means the Series 2006 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2006 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on the Series 2006 A Bonds in the then current or any succeeding year.

"Series 2006 A Bonds Sinking Fund" means the Series 2006 A Bonds Sinking Fund established by Section 5.02 hereof.

"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 2006 A Bonds; provided, that any matter intended by this Resolution to be included

in the Supplemental Resolution with respect to the Series 2006 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 Series 2006 A Bonds, or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund, the Series 2006 A Bonds Sinking Fund and the Series 2006 A Bonds Reserve Account.

"System" means the complete properties of the Issuer for the collection, treatment, purification or disposal of liquid or solid wastes, sewerage or industrial wastes, in its entirety or any integral part thereof, and all sewerage 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 sewerage system.

"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 adoption 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; 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, certificates or other document may be executed by an Acting Chairman or Acting Secretary.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT AND AUTHORIZATION OF REFUNDING

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 not to exceed \$1,575,733, 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 2006 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and has entered into or will enter into contracts for the acquisition and construction of the Project, in an amount compatible with the financing plan submitted to the Authority and the Council.

The cost of the Project is estimated not to exceed \$1,575,733, of which \$333,000 will be obtained from proceeds of the Series 2006 A Bonds; \$1,000,000 will be obtained from an U.S. Army Corps of Engineers grant; and \$242,733 will be obtained from an Infrastructure Fund grant.

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, if any, on the Series 2006 A Bonds, funding a reserve account for the Series 2006 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2006 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 2006 A Bonds of the Issuer. The Series 2006 A Bonds shall be issued as a single bond, designated as "Sewer Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund)," in the principal amount of not more than \$333,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2006 A Bonds remaining after funding of the Series 2006 A Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest on the Series 2006 A Bonds, if any, shall be deposited in or credited to the Series 2006 A Bonds Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2006 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 2006 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 2006 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 2006 A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2006 A Bonds. The Series 2006 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 shall have such terms as set forth in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2006 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 2006 A Bonds shall cease to be such officer of the Issuer before the Series 2006 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 2006 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 2006 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 2006 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 2006 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 2006 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 2006 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 2006 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 2006 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 2006 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 2006 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 2006 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2006 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 2006 A Bonds shall be secured 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 Series 2006 A 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 2006 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2006 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 2006 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 2006 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 2006 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2006 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 2006 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 2006 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1

\$333,000

KNOW ALL MEN BY THESE PRESENTS: That on this _____ day of _____, 2006, NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Randolph 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 THREE HUNDRED THIRTY-THREE THOUSAND DOLLARS (\$333,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 200-, 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 _____, 2006.

This Bond is issued: (i) to pay a portion of the costs of acquisition and construction of public sewerage facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The 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 _____, 2006, and a Supplemental Resolution duly adopted by the Issuer on _____, 2006 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

There are no outstanding bonds or obligations of the Issuer which rank on a parity with the Bonds or are secured by revenues or assets of the System.

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, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2006 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2006 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds; provided however, that so long as there exists in the Series 2006 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated as of the date first written above.

[SEAL]

Chairman

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is the Series 2006 A Bond described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2006.

THE HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$		(13) \$	
(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

(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 2006 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. Filing of Amended Schedule. Upon completion of the acquisition and construction 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 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 2006 A Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission.

The following special funds or accounts are hereby created with and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

- (1) Series 2006 A Bonds Sinking Fund; and
- (2) Series 2006 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 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 monies 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 remit to the Commission, commencing 3 months prior to the first date of payment of principal of the Series 2006 A Bonds, for deposit in the Series 2006 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2006 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 2006 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.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission, commencing 3 months prior to the first date of payment of principal of the Series 2006 A Bonds, if not fully funded upon issuance of the Series 2006 A Bonds, for deposit in the Series 2006 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2006 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2006 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 2006 A Bonds Reserve Requirement.

(4) 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 Accounts. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvest in Qualified Investments. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Monies in the Series 2006 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2006 A Bonds, as the same shall become due. Monies in the Series 2006 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2006 A Bonds, as the same shall come due, when other monies in the Series 2006 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2006 A Bonds Sinking Fund and the Series 2006 A Bonds Reserve Account shall be returned, not less than once each

year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2006 A Bonds Construction Trust Fund, 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 2006 A Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2006 A Bonds Reserve Account which result in a reduction in the balance therein to below the Series 2006 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 2006 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 2006 A Bonds Sinking Fund or the Series 2006 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2006 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2006 A Bonds Sinking Fund and the Series 2006 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.

Monies in the Series 2006 A Bonds Sinking Fund and the Series 2006 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2006 A Bonds Sinking Fund and the Series 2006 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2006 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 2006 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 monies in excess of the maximum amounts insured by FDIC in any of the funds and accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

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

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

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

J. All Tap Fees shall be deposited by the Issuer, as received, in the Series 2006 A Bonds Construction Trust Fund, and following completion of the Project, shall

be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2006 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2006 A Bonds, there shall be deposited with the Commission in the Series 2006 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 2006 A Bonds for the period commencing on the date of issuance of the Series 2006 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 2006 A Bonds, there shall be deposited with the Commission in the Series 2006 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2006 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2006 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2006 A Bonds Construction Trust Fund and applied solely to payment of the costs of the acquisition and construction 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 2006 A Bonds.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2006 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 with a requisition for the costs incurred for the Project, together with such documentation as the Council shall require. Payments of all costs shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2006 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 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, monies in the Series 2006 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

The Issuer shall expend all proceeds of the Series 2006 A Bonds within 3 years of the date of issuance of the Council's 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 2006 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 2006 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 2006 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2006 A Bond shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2006 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 2006 A Bonds shall be secured 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 Series 2006 A 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 in and approved by the Commission Order of the Public Service Commission of West Virginia entered on September 16, 2005, in Case No. 05-0500-PSD-CN, and such rates are hereby adopted.

So long as the Series 2006 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 2006 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 Series 2006 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 2006 A Bonds, immediately be remitted to the Commission for deposit in the Series 2006 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 2006 A Bonds. Any balance remaining after the payment of the Series 2006 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 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 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 this 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 2006 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2006 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 2006 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 2006 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 2006 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. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2006 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 2006 A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the design, 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 to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any increase in rates adopted by the Issuer and approved by the Public Service Commission of West Virginia, 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 2006 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 2006 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 costs of acquiring, constructing and installing 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, 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 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 shall 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 2006 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2006 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 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 2006 A Bonds, and shall submit said report to the Council and the Authority, or any other original purchaser of the Series 2006 A Bonds. Such audit report submitted to the Authority and the Council shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

The Issuer shall permit the 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 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 2006 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 2006 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2006 A Bonds; provided that, in the event that amounts equal to or in excess of the Reserve Requirements are on deposit respectively in the Series 2006 A Bonds Reserve Account and the reserve accounts for obligations on a parity with the Series 2006 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 2006 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2006 A 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 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 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 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 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 20 days after the same shall become due and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals

and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either the water system or the 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 waterworks facilities are not owned by the Issuer, the Issuer shall use diligent efforts to enter into a termination agreement with the provider of such water services, subject to any required approval of such agreements by the Public Service Commission of West Virginia.

Section 7.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of 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 2006 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 Project 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.

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 Council. 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. The Issuer shall verify such insurance prior to commencement of construction.

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

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

Section 7.17. Completion and Operation of Project; Permits and Orders. The Issuer shall complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and State requirements and standards. The Issuer shall take all steps to properly operate and maintain the System and make the necessary replacements due to normal wear and tear so long as the Series 2006 A Bonds are outstanding.

The Issuer has obtained all permits required by State and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the Series 2006 A Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. [RESERVED]

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2006 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, and shall take effect immediately upon delivery of the Series 2006 A 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 and construction 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 2006 A 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 Council for written approval. The Issuer shall obtain the written approval of the Council before expending any proceeds of the Series 2006 A 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 Council before expending any proceeds of the Series 2006 A Bonds made available due to bid or construction or project underruns.

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

ARTICLE VIII

INVESTMENT OF FUNDS; USE OF PROCEEDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often 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 2006 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 2006 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 2006 A Bonds as a condition to issuance of the Series 2006 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 2006 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 2006 A 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 2006 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 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 2006 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 2006 A Bonds:

- (1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2006 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 2006 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2006 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.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Series 2006 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 Series 2006 A 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 Series 2006 A Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2006 A Bonds, or the rights of such Registered Owners.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Series 2006 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 2006 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 monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2006 A 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 Series 2006 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2006 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 2006 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2006 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 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 2006 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 2006 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.

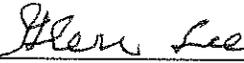
Section 11.05. Conflicting Provisions Repealed. All orders or resolutions, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed.

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

Adopted this 10th day of October, 2006.



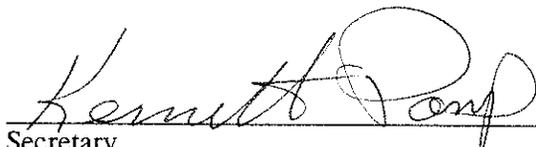
Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT on the 10th day of October, 2006.

Dated: October 12, 2006.

[SEAL]


Secretary

09.25.06
664900.00002

EXHIBIT A

Loan Agreement included in bond transcript as Document 3.

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2006 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 SEWER REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF NORTON-HARDING-JIMTOWN 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 Norton-Harding-Jimtown Public Service District (the "Issuer") has duly and officially adopted a bond resolution on October 10, 2006, (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$333,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2006 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 Sewer Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), of the Issuer (the "Bonds" or "Series 2006 A Bonds"), in the principal amount not to exceed \$333,000, and has authorized the execution and delivery of the loan agreement relating to the Series 2006 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 2006 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
NORTON-HARDING-JIMTOWN 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 Sewer

Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$333,000. The Series 2006 A Bonds shall be dated the date of delivery thereof, shall finally mature September 1, 2046, and shall bear no interest. The principal of the Series 2006 A Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2008, and maturing September 1, 2046, 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 2006 A Bonds. The Series 2006 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 2006 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, including all schedules and exhibits attached thereto, 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, provided that the proceeds of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2006 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 2006 A Bonds under the Bond Resolution.

Section 6. The Issuer does hereby appoint and designate Citizens National Bank, Elkins, West Virginia, to serve as Depository Bank under the Bond Resolution.

Section 7. Series 2006 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2006 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2006 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2006 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 2006 A Bonds, as advanced from time to time, shall be deposited in or credited to the Series 2006 A Bonds Construction Trust Fund for payment of the costs of the acquisition and construction of the Project, including, without limitation, costs of issuance of the Series 2006 A Bonds and related costs.

Section 10. 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 2006 A Bonds may be delivered on or about October 12, 2006, to the Authority pursuant to the Loan Agreement.

Section 11. The acquisition and construction of the Project and the financing thereof 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 12. The Issuer hereby determines that it is in the best interest of the Issuer to invest all monies in the funds and accounts established by the Bond Resolution held by the Depository Bank until expended, subject to any limitation of the Purchaser with respect of the proceeds of the Bonds, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Monies in the Series 2006 A Bonds Sinking Fund and the Series 2006 A Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 13. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 14. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 10th day of October, 2006.

NORTON-HARDING-JIMTOWN
PUBLIC SERVICE DISTRICT

By: Glen Lee
Its: Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Norton-Harding-Jimtown Public Service District on the 10th day of October, 2006.

Dated: October 12, 2006

[SEAL]


Secretary

10.04.06
664900.00002

IC-1
(11/01/04)

LOAN AGREEMENT

THIS LOAN AGREEMENT, made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), acting on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council"), and the governmental agency designated below (the "Governmental Agency").

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

(Governmental Agency)

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered upon request of the Council to make loans to governmental agencies for the acquisition or construction of projects by such governmental agencies, subject to such provisions and limitations as are contained in the Act;

WHEREAS, the Governmental Agency constitutes a governmental agency as defined by the Act;

WHEREAS, the Governmental Agency is authorized and empowered by the statutes of the State to acquire, construct, improve, operate and maintain a project, as defined by the Act, and to finance the cost of acquisition and construction of the same by borrowing money to be evidenced by revenue bonds issued by the Governmental Agency;

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

WHEREAS, the Governmental Agency has completed and filed with the Authority an Application for a Construction Loan with attachments and exhibits and an Amended Application for a Construction Loan also with attachments and exhibits (together,

as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, having reviewed the Application and made all findings required by the Act and having available sufficient funds therefor, the Council has authorized the Authority to lend the Governmental Agency the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Governmental Agency with money in the Infrastructure Fund, subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Council's loan program (the "Program") as hereinafter set forth.

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

ARTICLE I

Definitions

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

1.2 "Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser of the Bonds, acting in its administrative capacity pursuant to Section 10 of the Act and upon authorization from the Council.

1.3 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any qualified successor thereto; provided, however, when a Loan is made for a Project financed, in part, by the Office of Abandoned Mine Lands, "Consulting Engineers" shall mean the West Virginia Department of Environmental Protection, or any successor thereto.

1.4 "Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Section 9 of the Act.

1.5 "Loan" means the loan to be made by the Authority to the Governmental Agency through the purchase of Local Bonds, as hereinafter defined, pursuant to this Loan Agreement.

1.6 "Local Act" means the official action of the Governmental Agency required by Section 4.1 hereof, authorizing the Local Bonds.

1.7 "Local Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of the Local Statute, as hereinafter defined, to evidence the Loan and to be purchased by the Authority, all in accordance with the provisions of this Loan Agreement.

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

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

1.10 "Project" means the project hereinabove referred to, to be constructed or being constructed by the Governmental Agency in whole or in part with the net proceeds of the Local Bonds.

1.11 "System" means the project owned by the Governmental Agency, of which the Project constitutes all or to which the Project constitutes an improvement, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

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

ARTICLE II

The Project and the System

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

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

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

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

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

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

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

2.8 The Governmental Agency shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Council and the Authority and shall verify or have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Governmental Agency, the Governmental Agency or (at the option of the Governmental Agency) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime

contractor and all subcontractors, as their interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Governmental Agency on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds is outstanding. Prior to commencing operation of the Project, the Governmental Agency must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

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

2.10 The Governmental Agency shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Governmental Agency shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of this Loan Agreement.

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

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

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

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

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

(h) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof, and the Authority and the Council shall have received a certificate of the accountant for the Governmental Agency, or such other person or firm experienced in the finances of governmental agencies and satisfactory to the Authority and the Council, to such effect; and

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

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

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

3.4 The Local Bonds shall be delivered to the Authority, at the offices of the Authority, on a date designated by the Governmental Agency by written notice to the Authority, which written notice shall be given not less than ten (10) business days prior to the date designated; provided, however, that if the Authority is unable to accept delivery on the date designated, the Local Bonds shall be delivered to the Authority on a date as close as

possible to the designated date and mutually agreeable to the Authority, the Council and the Governmental Agency. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Loan Closing." Notwithstanding the foregoing, the Date of Loan Closing shall in no event occur more than ninety (90) days after the date of execution of this Loan Agreement by the Authority or such later date as is agreed to in writing by the Council.

3.5 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Council for loans from the Infrastructure Fund to finance projects and that the obligation of the Authority to make any such loan is subject to the Council's authorization and the Governmental Agency's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing. The Governmental Agency specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Infrastructure Fund to purchase all the Local Bonds and that, prior to execution of this Loan Agreement, the Authority may commit to and purchase the revenue bonds of other governmental agencies for which it has sufficient funds available.

ARTICLE IV

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

4.1 The Governmental Agency shall, as one of the conditions of the Authority to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Governmental Agency in accordance with the Local Statute, which shall, as adopted or enacted, contain provisions and covenants in substantially the form as follows, unless the specific provision or covenant is modified or waived by the Council:

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

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the "Reserve Account") was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof (which, with an approving opinion of bond counsel to the Governmental Agency, may be with a letter of credit or surety) in an amount

equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement"), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

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

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

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by a pledge of either the gross or net revenues of the System, as more fully set forth in Schedule X attached hereto and in the Local Act;

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

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

(iv) That, except as otherwise required by State law or with the written consent of the Council and the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Local Bonds

outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

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

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

(vii) That the Governmental Agency will not render any free services of the System;

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

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

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

(xi) That the Governmental Agency shall annually cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority and the Council, which report shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the Governmental Agency's

revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

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

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

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

(xv) That, as long as the Authority is the owner of any of the Local Bonds, the Governmental Agency may not redeem any Local Bonds by it without the written consent of the Authority and the Council and otherwise in compliance with this Loan Agreement;

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

(xvii) That the Governmental Agency shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payment. The Governmental Agency shall complete the Monthly Payment Form, attached hereto as Exhibit D and incorporated herein by reference, and submit a copy of said form along with a copy of the check or electronic transfer to the Authority by the 5th day of such calendar month;

(xviii) That, unless it qualifies for an exception to the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, which exception shall be set forth in an opinion of bond counsel, the Governmental Agency will furnish to the Authority, annually, at such time as it is required to perform its rebate calculations under the

Internal Revenue Code of 1986, as amended, a certificate with respect to its rebate calculations and, at any time, any additional information requested by the Authority;

(xix) That the Governmental Agency shall take any and all action, or shall refrain from taking any action regarding the use of the proceeds of the Local Bonds, as shall be deemed necessary by the Authority to maintain the exclusion from gross income for federal income tax purposes of interest on the State's general obligation bonds or any bonds secured by the Local Bonds;

(xx) That the Governmental Agency shall have obtained the certificate of the Consulting Engineer in the form attached hereto as Exhibit A, to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority and 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;

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

(xxii) That the Governmental Agency shall furnish to the Authority such information with respect to earnings on all funds constituting "gross proceeds" of the Local Bonds (as that term is defined in the Internal Revenue Code of 1986, as amended) from time to time as the Authority may request;

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

(xxiv) That the Governmental Agency shall list the funding provided by the Authority and the Council in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project; and

(xxv) That, unless it qualifies for an exception, the Governmental Agency shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the "West Virginia Jobs Act") and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act. The Governmental Agency shall provide the Council and the Authority with a certificate stating that (I) the Governmental Agency will comply with all the requirements of the West Virginia Jobs Act; (II) the Governmental Agency has included the provisions of the West Virginia Jobs Act in each contract and subcontract for the Project; (III) the Governmental Agency has received or will receive, prior to entering into contracts or subcontracts, from each contractor or subcontractor a certificate demonstrating compliance with Section 4 of the West Virginia Jobs Act or waiver certificates from the West Virginia Division of Labor ("DOL"); and (IV) the Governmental Agency will file with the DOL and the Council copies of the waiver certificates and certified payrolls or comparable documents that include the number of employees, the county and state wherein the employees reside and their occupation, following the procedures established by the DOL. The monthly requisitions submitted to the Council shall also certify that the Governmental Agency is monitoring compliance by its contractors and subcontractors and that the required information has been submitted.

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

4.2 The Loan shall be secured by the pledge and assignment by the Governmental Agency, as effected by the Local Act, of the fees, charges and other revenues of the Governmental Agency from the System as further set forth by and subject only to such reservations and exceptions as are described in Schedules X and Y hereto or are otherwise expressly permitted in writing by the Authority and the Council.

4.3 The principal of the Loan shall be repaid by the Governmental Agency on the days and in the years provided in Schedule X hereto. Interest payments on the Loan shall be made by the Governmental Agency on a quarterly basis as provided in said Schedule X.

4.4 The Loan shall bear interest from the date and at the rate or rates per annum set forth on Schedule X hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

4.5 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Governmental Agency. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series, as reflected by Schedule X hereto.

4.6 The Governmental Agency agrees to expend the net proceeds of the Local Bonds for the Project within 3 years of the issuance of the bonds which are the source of money used to purchase the Local Bonds, unless otherwise agreed to by the Council.

ARTICLE V

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

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

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

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

5.4 The Governmental Agency hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Governmental Agency, the Authority may exercise any or all of the rights and powers granted under the Act and State law, including, without limitation, the right to an appointment of a receiver.

ARTICLE VI

Other Agreements of the Governmental Agency

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

6.2 The Governmental Agency hereby covenants that it will rebate any amounts required by Section 148 of the Internal Revenue Code of 1986, as amended, and will take all steps necessary to make any such rebates. In the event the Governmental Agency fails to make any such rebates as required, then the Governmental Agency shall pay any and all penalties, obtain a waiver from the Internal Revenue Service and take any other actions necessary or desirable to preserve the exclusion from gross income for federal income tax purposes of interest on the Local Bonds.

6.3 Notwithstanding Section 6.2, the Authority may at any time, in its sole discretion, cause the rebate calculations prepared by or on behalf of the Governmental Agency to be monitored or cause the rebate calculations for the Governmental Agency to be prepared, in either case at the expense of the Governmental Agency.

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

6.5 The Governmental Agency hereby agrees to file with the Authority and the Council upon completion of acquisition and construction of the Project a schedule in substantially the form of Amended Schedule B to the Application, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE VII

Miscellaneous

7.1 Additional definitions, additional terms and provisions of the Loan and additional covenants and agreements of the Governmental Agency, if any, may be set forth in Schedule Z attached hereto and incorporated herein by reference, with the same effect as if contained in the text of this Loan Agreement.

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

7.3 The Authority shall take all actions required by the Council in making and enforcing this Loan Agreement.

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

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

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

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

7.8 The Authority acknowledges that certain terms and requirements in this Loan Agreement may not be applicable when the Project is financed in part by the West Virginia Department of Environmental Protection, Office of Abandoned Mine Lands and under that circumstance those terms and requirements are specifically waived or modified as agreed to by the Authority and set forth in the Local Act.

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

7.10 This Loan Agreement shall terminate upon the earlier of:

- (i) the end of ninety (90) days after the date of execution hereof by the Authority or such later date as is agreed to in writing by the Council if the Governmental Agency has failed to deliver the Local Bonds to the Authority;
- (ii) termination by the Authority and the Council pursuant to Section 6.1 hereof; or
- (iii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Governmental Agency to the Authority, acting on behalf of the Council.

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

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

(SEAL)

By: *[Signature]*
Its: Chairman
Date: October 12, 2006

Attest:

Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: *[Signature]*
Its: Director
Date: October 12, 2006

Attest:

Barbara B Meadows
Its: Secretary-Treasurer

{C1131386.1}

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

(Issuer)

(Name of Bonds)

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

1. My firm is engineer for the acquisition and construction of _____ to the _____ system (the "Project") of _____ (the "Issuer"), to be constructed primarily in _____ County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the same meanings set forth in the bond _____ adopted or enacted by the Issuer on _____, and the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), dated _____.

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

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by [DEP/BPH/PSC] and any change orders approved by the Issuer, the Council and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least _____ years if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and my firm¹ has ascertained that all

¹If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then insert the following: [and in reliance upon the opinion of _____,

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

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

[SEAL]

By: _____
West Virginia License No. _____

Esq.] and delete "my firm has ascertained that".

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

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

West Virginia Infrastructure and
Jobs Development Council
300 Summers Street, Suite 980
Charleston, West Virginia 25301

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

Ladies and Gentlemen:

We are bond counsel to _____ (the
"Governmental Agency"), a _____.

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

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

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond _____ duly adopted or enacted by the Governmental Agency on _____, as supplemented by the supplemental resolution duly adopted by the Governmental Agency on _____ (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement has been undertaken. The Local Bonds are subject to redemption prior

to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

2. The Loan Agreement inures to the benefit of the Authority and the Council and cannot be amended so as to affect adversely the rights of the Authority or the Council or diminish the obligations of the Governmental Agency without the consent of the Authority and the Council.

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

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

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

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

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

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

Very truly yours,

EXHIBIT C

MONTHLY FINANCIAL REPORT

Name of Governmental Agency _____
 Name of Bond Issue(s) _____
 Type of Project _____ Water _____ Wastewater _____
 Fiscal Year _____ Report Month _____

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

 Name of Person Completing Form

 Address

 Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

- Item 1 You will need a copy of the current fiscal year budget adopted by the Governmental Agency to complete Items 1 and 2. In Item 1, provide the amount of actual **Gross Revenues** for the current month and the total amount year-to-date in the respective columns. Divide the budgeted annual Gross Revenues by 12. For example, if Gross Revenues of \$1,200 are anticipated to be received for the year, each month the base would be increased by \$100 ($\$1,200/12$). This is the incremental amount for the Budget Year-to-Date column.
- Item 2 Provide the amount of actual **Operating Expenses** for the current month and the total amount year-to-date in the respective columns. Any administrative fee should be included in the Operating Expenses. Divide the budgeted annual Operating Expenses by 12. For example, if Operating Expenses of \$900 are anticipated to be incurred for the year, each month the base would be increased by \$75 ($\$900/12$). This is the incremental amount for the Budget Year-to-Date column.
- Item 3 Provide the **Bond Payments (principal, interest and reserve account)** for all the outstanding bonds of the Governmental Agency according to the source of funding. For example, Clean Water State Revolving Fund loan from Department of Environmental Protection, Drinking Water Treatment Revolving Fund loan from Bureau for Public Health, Infrastructure Fund loan from Infrastructure and Jobs Development Council, or a loan from the Water Development Authority, etc.
- Item 4 Provide the amount deposited into the **Renewal and Replacement Fund** each month. This amount is equal to 2.5% of Gross Revenues minus the total reserve account payments included in Item 3. If Gross Revenues are \$1,200, then \$30 (2.5% of \$1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Governmental Agency.

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

EXHIBIT D

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest	\$
Principal	\$
Total:	\$
Reserve Account:	\$

Witness my signature this ___ day of _____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds \$333,000
Purchase Price of Local Bonds \$333,000

The Local Bonds shall bear no interest. Commencing March 1, 2008, principal on the Local Bonds is payable quarterly. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Governmental Agency shall submit its payments monthly to the Commission which will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority.

The Local Bonds are fully registered in the name of the Authority as to interest, if any, and principal and the Local Bonds shall grant the Authority a first lien on the gross or net revenues of the Governmental Agency's system as provided in the Local Act.

The Governmental Agency may prepay the Local Bonds in full at any time at the price of par but only with the Council's written consent. The Governmental Agency shall request approval from the Authority and Council in writing of any proposed debt which will be issued by the Governmental Agency on a parity with the Local Bonds which request must be filed at least 60 days prior to the intended date of issuance.

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

SCHEDULE Y

\$333,000

Norton-Harding-Jimtown Public Service District

0% Interest Rate; 40 Years

Closing Date: October 12, 2006

Debt Service Schedule

Part 1 of 4

Date	Principal	Coupon	Total P+I
12/01/2006	-	-	-
03/01/2007	-	-	-
06/01/2007	-	-	-
09/01/2007	-	-	-
12/01/2007	-	-	-
03/01/2008	2,149.00	-	2,149.00
06/01/2008	2,149.00	-	2,149.00
09/01/2008	2,149.00	-	2,149.00
12/01/2008	2,149.00	-	2,149.00
03/01/2009	2,149.00	-	2,149.00
06/01/2009	2,149.00	-	2,149.00
09/01/2009	2,149.00	-	2,149.00
12/01/2009	2,149.00	-	2,149.00
03/01/2010	2,149.00	-	2,149.00
06/01/2010	2,149.00	-	2,149.00
09/01/2010	2,149.00	-	2,149.00
12/01/2010	2,149.00	-	2,149.00
03/01/2011	2,149.00	-	2,149.00
06/01/2011	2,149.00	-	2,149.00
09/01/2011	2,149.00	-	2,149.00
12/01/2011	2,149.00	-	2,149.00
03/01/2012	2,149.00	-	2,149.00
06/01/2012	2,149.00	-	2,149.00
09/01/2012	2,149.00	-	2,149.00
12/01/2012	2,149.00	-	2,149.00
03/01/2013	2,149.00	-	2,149.00
06/01/2013	2,149.00	-	2,149.00
09/01/2013	2,149.00	-	2,149.00
12/01/2013	2,149.00	-	2,149.00
03/01/2014	2,149.00	-	2,149.00
06/01/2014	2,149.00	-	2,149.00
09/01/2014	2,149.00	-	2,149.00
12/01/2014	2,149.00	-	2,149.00
03/01/2015	2,149.00	-	2,149.00
06/01/2015	2,149.00	-	2,149.00
09/01/2015	2,149.00	-	2,149.00
12/01/2015	2,149.00	-	2,149.00
03/01/2016	2,149.00	-	2,149.00
06/01/2016	2,149.00	-	2,149.00
09/01/2016	2,149.00	-	2,149.00
12/01/2016	2,149.00	-	2,149.00
03/01/2017	2,149.00	-	2,149.00
06/01/2017	2,149.00	-	2,149.00
09/01/2017	2,149.00	-	2,149.00

\$333,000

Norton-Harding-Jimtown Public Service District

0% Interest Rate; 40 Years

Closing Date: October 12, 2006

Debt Service Schedule

Part 2 of 4

Date	Principal	Coupon	Total P+I
12/01/2017	2,149.00	-	2,149.00
03/01/2018	2,149.00	-	2,149.00
06/01/2018	2,149.00	-	2,149.00
09/01/2018	2,149.00	-	2,149.00
12/01/2018	2,149.00	-	2,149.00
03/01/2019	2,149.00	-	2,149.00
06/01/2019	2,149.00	-	2,149.00
09/01/2019	2,149.00	-	2,149.00
12/01/2019	2,149.00	-	2,149.00
03/01/2020	2,149.00	-	2,149.00
06/01/2020	2,149.00	-	2,149.00
09/01/2020	2,149.00	-	2,149.00
12/01/2020	2,149.00	-	2,149.00
03/01/2021	2,149.00	-	2,149.00
06/01/2021	2,149.00	-	2,149.00
09/01/2021	2,149.00	-	2,149.00
12/01/2021	2,149.00	-	2,149.00
03/01/2022	2,149.00	-	2,149.00
06/01/2022	2,149.00	-	2,149.00
09/01/2022	2,149.00	-	2,149.00
12/01/2022	2,149.00	-	2,149.00
03/01/2023	2,148.00	-	2,148.00
06/01/2023	2,148.00	-	2,148.00
09/01/2023	2,148.00	-	2,148.00
12/01/2023	2,148.00	-	2,148.00
03/01/2024	2,148.00	-	2,148.00
06/01/2024	2,148.00	-	2,148.00
09/01/2024	2,148.00	-	2,148.00
12/01/2024	2,148.00	-	2,148.00
03/01/2025	2,148.00	-	2,148.00
06/01/2025	2,148.00	-	2,148.00
09/01/2025	2,148.00	-	2,148.00
12/01/2025	2,148.00	-	2,148.00
03/01/2026	2,148.00	-	2,148.00
06/01/2026	2,148.00	-	2,148.00
09/01/2026	2,148.00	-	2,148.00
12/01/2026	2,148.00	-	2,148.00
03/01/2027	2,148.00	-	2,148.00
06/01/2027	2,148.00	-	2,148.00
09/01/2027	2,148.00	-	2,148.00
12/01/2027	2,148.00	-	2,148.00
03/01/2028	2,148.00	-	2,148.00
06/01/2028	2,148.00	-	2,148.00
09/01/2028	2,148.00	-	2,148.00

\$333,000

Norton-Harding-Jimtown Public Service District

0% Interest Rate; 40 Years

Closing Date: October 12, 2006

Debt Service Schedule

Part 3 of 4

Date	Principal	Coupon	Total P+I
12/01/2028	2,148.00	-	2,148.00
03/01/2029	2,148.00	-	2,148.00
06/01/2029	2,148.00	-	2,148.00
09/01/2029	2,148.00	-	2,148.00
12/01/2029	2,148.00	-	2,148.00
03/01/2030	2,148.00	-	2,148.00
06/01/2030	2,148.00	-	2,148.00
09/01/2030	2,148.00	-	2,148.00
12/01/2030	2,148.00	-	2,148.00
03/01/2031	2,148.00	-	2,148.00
06/01/2031	2,148.00	-	2,148.00
09/01/2031	2,148.00	-	2,148.00
12/01/2031	2,148.00	-	2,148.00
03/01/2032	2,148.00	-	2,148.00
06/01/2032	2,148.00	-	2,148.00
09/01/2032	2,148.00	-	2,148.00
12/01/2032	2,148.00	-	2,148.00
03/01/2033	2,148.00	-	2,148.00
06/01/2033	2,148.00	-	2,148.00
09/01/2033	2,148.00	-	2,148.00
12/01/2033	2,148.00	-	2,148.00
03/01/2034	2,148.00	-	2,148.00
06/01/2034	2,148.00	-	2,148.00
09/01/2034	2,148.00	-	2,148.00
12/01/2034	2,148.00	-	2,148.00
03/01/2035	2,148.00	-	2,148.00
06/01/2035	2,148.00	-	2,148.00
09/01/2035	2,148.00	-	2,148.00
12/01/2035	2,148.00	-	2,148.00
03/01/2036	2,148.00	-	2,148.00
06/01/2036	2,148.00	-	2,148.00
09/01/2036	2,148.00	-	2,148.00
12/01/2036	2,148.00	-	2,148.00
03/01/2037	2,148.00	-	2,148.00
06/01/2037	2,148.00	-	2,148.00
09/01/2037	2,148.00	-	2,148.00
12/01/2037	2,148.00	-	2,148.00
03/01/2038	2,148.00	-	2,148.00
06/01/2038	2,148.00	-	2,148.00
09/01/2038	2,148.00	-	2,148.00
12/01/2038	2,148.00	-	2,148.00
03/01/2039	2,148.00	-	2,148.00
06/01/2039	2,148.00	-	2,148.00
09/01/2039	2,148.00	-	2,148.00

\$333,000

Norton-Harding-Jimtown Public Service District

0% Interest Rate; 40 Years

Closing Date: October 12, 2006

Debt Service Schedule

Part 4 of 4

Date	Principal	Coupon	Total P+I
12/01/2039	2,148.00	-	2,148.00
03/01/2040	2,148.00	-	2,148.00
06/01/2040	2,148.00	-	2,148.00
09/01/2040	2,148.00	-	2,148.00
12/01/2040	2,148.00	-	2,148.00
03/01/2041	2,148.00	-	2,148.00
06/01/2041	2,148.00	-	2,148.00
09/01/2041	2,148.00	-	2,148.00
12/01/2041	2,148.00	-	2,148.00
03/01/2042	2,148.00	-	2,148.00
06/01/2042	2,148.00	-	2,148.00
09/01/2042	2,148.00	-	2,148.00
12/01/2042	2,148.00	-	2,148.00
03/01/2043	2,148.00	-	2,148.00
06/01/2043	2,148.00	-	2,148.00
09/01/2043	2,148.00	-	2,148.00
12/01/2043	2,148.00	-	2,148.00
03/01/2044	2,148.00	-	2,148.00
06/01/2044	2,148.00	-	2,148.00
09/01/2044	2,148.00	-	2,148.00
12/01/2044	2,148.00	-	2,148.00
03/01/2045	2,148.00	-	2,148.00
06/01/2045	2,148.00	-	2,148.00
09/01/2045	2,148.00	-	2,148.00
12/01/2045	2,148.00	-	2,148.00
03/01/2046	2,148.00	-	2,148.00
06/01/2046	2,148.00	-	2,148.00
09/01/2046	2,148.00	-	2,148.00
Total	\$333,000.00	-	\$333,000.00

Yield Statistics

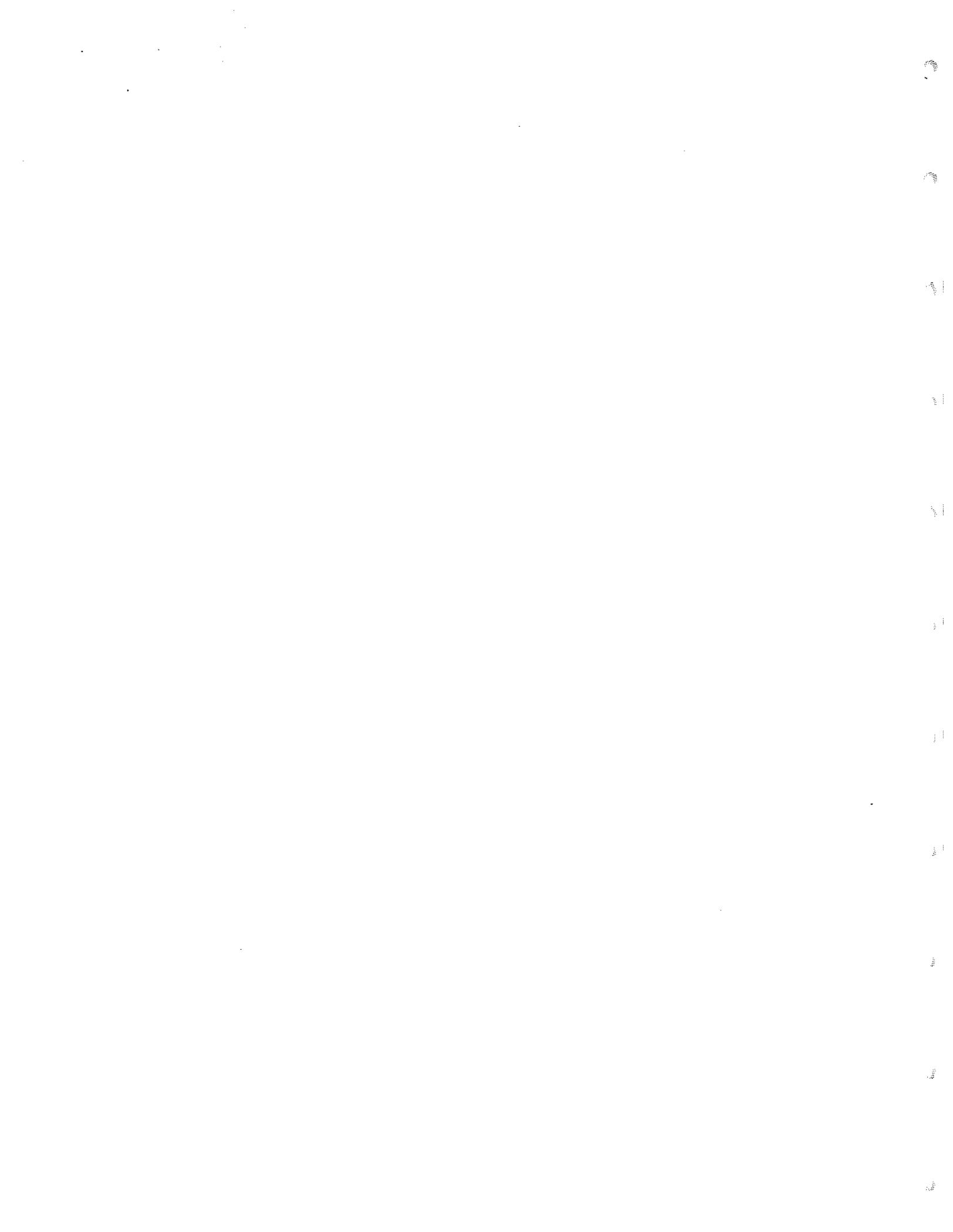
Bond Year Dollars	\$6,871.11
Average Life	20.634 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	1.04E-10
Bond Yield for Arbitrage Purposes	1.04E-10
All Inclusive Cost (AIC)	1.04E-10

IRS Form 8038

Net Interest Cost	-
Weighted Average Maturity	20.634 Years

SCHEDULE Z

None.



PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTONEntered: September 16, 2005**FINAL**10-06-2005

CASE NO. 05-0500-PSD-CN

NORTON-HARDING-JIMTOWN PUBLIC SERVICE
DISTRICT, a public utility, Elkins,
Randolph County.Application for a certificate of convenience
and necessity to construct, operate and
maintain Phase I of a sanitary sewer extension
to Norton and Harding.RECOMMENDED DECISION

On March 11, 2005, the Norton-Harding-Jimtown Public Service District (Applicant) filed a Notice of Intent to file a certificate application for the construction, operation and maintenance of Phase I of a sanitary sewer extension to be completed in three (3) planned phases in the Norton, Harding, Jimtown and Coalton areas in Randolph County.

On April 12, 2005, the Applicant filed an application for a certificate of convenience and necessity to construct, maintain and operate a sanitary sewer extension at or near Norton and Harding in Randolph County and to furnish sanitary sewer service with connection to the Town of Junior treatment plant. The Applicant estimated that construction will cost approximately \$1,333,000. The cost of construction is proposed to be financed with a U. S. Army Corps of Engineers (USACE) grant in the amount of \$1,000,000 and a West Virginia Infrastructure and Jobs Development Council (WVIJDC) loan in the amount of \$333,000.

By a Notice of Filing Order entered on April 12, 2005, the Public Service Commission required the Applicant to provide the public legal notice of the filing of its application by publication of said Notice of Filing once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Randolph County, making due return to this Commission of proper certification of publication. The Notice of Filing contained the rates and charges proposed by the Applicant and made provision for the filing of protest, objection or intervention within thirty (30) days from the date of publication.

On April 25, 2005, Staff Attorney Cecelia Gail Jarrell filed the Initial Joint Staff Memorandum to which was attached the Initial Internal Memorandum prepared by Karen L. Buckley, Utilities Analyst II, Water and Wastewater Division, and John Mottesheard, Engineering Technician, Engineering Division. Staff reported that the District does not currently provide sewer service to customers; however, Phase I will

provide service to approximately sixty-six (66) new customers. Staff stated that it would continue to review the District's filing, which appeared to be complete, and make a final recommendation within the Commission's guidelines. Staff also stated that there were no apparent issues that would preclude referral to the Division of Administrative Law Judges.

On April 28, 2005, the Applicant filed an Affidavit of Publication which indicated that the Notice of Filing was published on April 22, 2005, in The Inter-Mountain, a newspaper duly qualified by the Secretary of State, published and generally circulated in Randolph County.

By Commission Referral Order dated May 4, 2005, this proceeding was referred to the Division of Administrative Law Judges for a decision to be rendered on or before November 8, 2005.

By Procedural Order dated July 5, 2005, the Final Joint Staff Memorandum was required to be filed on or before July 11, 2005.

On July 11, 2005, Staff Attorney Cecelia Gail Jarrell filed the Further Joint Staff Memorandum. Ms. Jarrell reported that Staff was unable to file the final recommendation on July 11, 2005, but anticipated filing it by the end of the week.

On July 21, 2005, a sanitary survey concerning the Applicant's water system was filed.

On July 21, 2005, the Applicant filed a proposed Project Cooperation Agreement between the Department of Army and the Applicant in connection with the Army's grant.

By Procedural Order dated July 25, 2005, the Final Joint Staff Memorandum was required to be filed on or before July 29, 2005.

On July 28, 2005, a corrected copy of a sanitary survey concerning the Applicant's water system was filed.

On July 29, 2005, Staff Attorney Jarrell filed the Final Joint Staff Memorandum to which was attached the July 1, 2005 Final Internal Memorandum prepared by Karen L. Buckley, Utilities Analyst II, Water and Wastewater Division and John Mottsheard, Engineering Technician, Engineering Division. Engineering Staff reported that the District currently provides water service to approximately 654 residential and small commercial customers, but has no sewer customers. The Phase I sewer extension proposes to serve approximately 66 customers in Harding and Norton as part of a comprehensive plan to eventually serve a total of 440 customers in the Norton, Harding, Coalton and Jimtown areas. The first phase will consist of a gravity type system with 2,400 feet of 8-inch main, 3,500 feet of 6-inch and 1,500 feet of 4-inch lateral service line, 30 manholes, gravity line cleanouts, 9 lift stations, 3,000 feet of 6-inch PVC force main, 4,000 feet of 2-inch force main, 1,000 feet of 1.25-inch force main, 190 feet of 6-inch river crossing and related appurtenances. Staff finds the Phase I operation and maintenance (O & M) costs, which have been calculated at \$15,100 per year, or \$19 per customer per month, to be reasonable. Operation and maintenance costs

will include labor, collection, pumping and power. A letter from the Town of Junior confirms that it can treat the additional wastewater resulting from this project. All applicable permits have been received or applied for. There is no environmental or historical impact due to the project's construction. The estimated project cost of \$1,333,000 results in a \$20,200 per customer cost which Staff believes to be high. There are 23 customers per mile which Staff finds acceptable. Staff also finds the engineering fee, 14.5% of the cost of construction, acceptable. Engineering Staff recommended that the project be approved based on the information provided.

Financial Staff reported that the estimated cost of \$1,333,000 is proposed to be financed with a USACE grant in the amount of \$1,000,000 and a WVIFDC in the amount of \$333,000 at 0% interest for 40 years. The loan will be amortized over a period of 38 years with annual principal payments of \$8,763. The loan requires a 10% debt reserve equal to \$876. Funding commitment letters from both the USACE and the WVIJDC were submitted. The District's Rule 42 exhibit was based on 56 customers and for the year ending June 30, 2004. The total amount of annual expenses due to the project is approximately \$25,439. Staff has determined the leak adjustment to be \$1.00 which Staff based on the standard \$1.00 leak adjustment. Staff will adjust this figure once a future rate case is filed and historical figures can be reviewed. Staff revised the District's proposed tariffs and reduced the proposed 5 schedules to 4 since there are no industrial customers. Other Staff revisions were made to comply with the new Tariff Rules which became effective December 24, 2002.

The District's proposed tariff includes a minimum charge of \$28.50 per month based on 3,000 gallons and an unmetered rate, equal to 4,000 gallons of water usage, of \$38.00. The proposed rates and charges will generate approximately \$26,844 in additional annual operating revenues which will be sufficient to cover the project costs, debt service and reserve requirements. The pro forma surplus will be \$1,404 and the debt coverage will be 133.68% which is adequate to meet the funding agency's requirement of 115%. Staff opined that the proposed project is financially feasible and should be approved. Staff recommended that the District's application for a certificate of convenience and necessity to construct Phase I of a sanitary sewer extension to Norton and Harding in Randolph County at a cost of \$1,333,000 be approved as follows: (1) project financing of a \$333,000 WVIJDC loan at 0% interest for 40 years and a USACE grant in the amount of \$1,000,000; (2) the proposed/Staff-recommended rates and charges; (3) copies of the bids are to be filed with the Commission and made part of the file as soon as the bids are tabulated; and (4) any change in the plans, scope or financing for the project that affects rates requires the District to notify the Commission and to request a reopening of the certificate case for adjustments and approval and any change in project costs that does not affect rates requires the District to file an affidavit signed by its CPA or bond counsel.

The Staff recommendation was served upon the District by letter dated July 29, 2005, from the Commission's Executive Secretary. That letter provided the District with ten (10) days in which to submit a written response and also informed the District that its failure to

respond to the Staff recommendation or any other filings could result in a decision being made in the case without hearing and without further notice. The 10-day response period expired on August 9, 2005, with no response or objection being filed by the District.

To date, no written protests have been filed.

FINDINGS OF FACT

1. On April 12, 2005, the Norton-Harding-Jimtown Public Service District filed an application for a certificate of convenience and necessity to construct, maintain and operate a sanitary sewer extension at or near Norton and Harding in Randolph County and to furnish sanitary sewer service with connection to the Town of Junior treatment plant. (See, filing dated April 12, 2005).

2. The total estimated project cost of \$1,333,000 is to be funded by a U.S. Army Corps of Engineers grant in the amount of \$1,000,000 and a West Virginia Infrastructure and Jobs Development Council loan in the amount of \$333,000. (See, filing dated April 12, 2005).

3. The Applicant filed an Affidavit of Publication reflecting that the Notice of Filing of the certificate application was published in The Inter-Mountain, a newspaper duly qualified by the Secretary of State, published and generally circulated in Randolph County. (See, filing dated April 28, 2005).

4. No protests or objections were filed to the Applicant's certificate application within the thirty-day response period, which expired on May 22, 2005, or as of the date of this Order. (See, case file generally).

5. The Applicant's proposed rates and charges will generate approximately \$26,844 in additional annual operating revenues which will be sufficient to cover the project costs, debt service and reserve requirements. The pro forma surplus will be \$1,404 and the debt coverage will be 133.68%. (See, Final Joint Staff Memorandum and attachment filed July 29, 2005).

6. The customers to be served by this project do not currently have access to a public sewer system. They must rely on septic systems which discharge effluent into ditches, drainage ways or the Tygart River and its tributaries. Many of the septic systems in this area are failing. (See, Amendment #1 to Facility Plan, filed April 11, 2005, with application).

7. Commission Staff is of the opinion that the Applicant's proposed project is financially feasible and should be approved. (See, Final Joint Staff Memorandum and attachment filed July 29, 2005).

8. The Applicant has filed no response nor any objection to the recommendations of Commission Staff contained in the Final Joint Staff Memorandum filed herein on July 29, 2005. (See, July 29, 2005 Executive Secretary's letter; case file generally).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the issuance of a certificate of convenience and necessity to the Norton-Harding-Jimtown Public Service District to construct, maintain and operate a sanitary sewer extension at or near Norton and Harding in Randolph County and to furnish sanitary sewer service with connection to the Town of Junior treatment plant and as is more particularly set forth and described in the certificate application filed herein on April 12, 2005.

2. It is reasonable to approve the financing of the project certificated herein, which consists of a U.S. Army Corps of Engineers grant in the amount of \$1,000,000 and a West Virginia Infrastructure and Jobs Development Council loan in the amount of \$333,000.

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

ORDER

IT IS, THEREFORE, ORDERED that the application filed herein on April 12, 2005, by the Norton-Harding-Jimtown Public Service District for a certificate of convenience and necessity to construct, maintain and operate a sanitary sewer extension at or near Norton and Harding in Randolph County, with connection to the Town of Junior treatment plant, and as is more particularly set forth and described in said certificate application, be, and hereby is, granted, without need for a formal hearing.

IT IS FURTHER ORDERED that the financing of the project, consisting of a U.S. Army Corps of Engineers grant in the amount of \$1,000,000 and a West Virginia Infrastructure and Jobs Development Council loan in the amount of \$333,000 be, and hereby is, approved.

IT IS FURTHER ORDERED that the rates attached as Appendix A, be, and hereby are, approved for use by the District upon substantial completion of the project. The District shall file with the Commission a proper tariff and five (5) copies within thirty (30) days from the date of substantial completion.

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

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

IT IS FURTHER ORDERED that the Norton-Harding-Jimtown Public Service District be, and hereby is, directed to file a copy of the engineer's

certified tabulation of bids for the project within ten (10) days of the opening date.

IT IS FURTHER ORDERED that, if there are any changes in the plans and/or scope of the project or if a change in financing affects rates, the Norton-Harding-Jimtown Public Service District shall obtain Commission approval of such changes prior to commencing construction.

IT IS FURTHER ORDERED that, if there are any changes in the project costs that do not affect rates, the Norton-Harding-Jimtown Public Service District shall file herein an affidavit duly executed by its accountant verifying that the District's rates and charges are not affected.

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

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

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

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

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

Deborah Yost VanDervort
Deborah Yost VanDervort
Administrative Law Judge

DYV:s
050500ab.wpd

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT
CASE NO. 05-0500-PSD-CN
APPROVED RATES

SCHEDULE I

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for general domestic, commercial and industrial service.

RATES (customers with metered water supply)

First	3,000 gallons used per month	\$9.50 per 1,000 gallons
Next	7,000 gallons used per month	\$9.50 per 1,000 gallons
Over	10,000 gallons used per month	\$4.75 per 1,000 gallons

FLAT RATE CHARGE (customers with non-metered water supply)

Equivalent of 4,000 gallons of water supply \$38.00 per month

MINIMUM CHARGE

No bill will be rendered for less than \$28.50 per month, which is the equivalent of 3,000 gallons of usage with a 5/8" meter.

DELAYED PAYMENT PENALTY

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

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 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.

RETURNED CHECK CHARGE

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

LEAK ADJUSTMENT

\$1.00 per 1,000 gallons is to be used when a bill reflects unusual water consumption which can be attributed to eligible water leakage on customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

SCHEDULE II

SURFACE OR GROUND WATER SURCHARGE

An additional amount shall be charged where surface or ground water is introduced into the sanitary system where evidence of a violation exists.

Surcharge formula to be applied in cases where surface drainage is connected to the utility's sewer system.

APPLICABILITY

Whenever the utility has discovered that a customer's roof drain, downspout, storm sewer or similar facilities conducting surface water have been connected to the utility's sewer system and such customer has failed to take appropriate action, within thirty (30) days of a demand by the utility in accordance with the Rules of the Public Service Commission, to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

$$S = A \times R \times .0006233 \times C$$

S = The surcharge in dollars

A = The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet.

R = The measured monthly rainfall, in inches

.0006233 = A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water.

C = The utility's approved rate per thousand gallons of metered water usage.

The utility shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing or on-site inspection that rain or surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water in accordance with the Rules of the Public Service Commission of West Virginia.

SCHEDULE III

SURCHARGE FORMULA TO BE APPLIED TO A CUSTOMER PRODUCING UNUSUAL WASTE

The charge for the treatment of unusual waste will be calculated on the basis of the following formula.

$$C_i = V_o V_i + B_o B_i + S_o S_i$$

- C_i = charge to unusual users per year
 V_o = average unit cost of transport and treatment chargeable to volume, in dollars per gallon
 V_i = volume of wastewater from unusual users, in gallons per year
 B_o = average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per pound
 B_i = weight of BOD from unusual users, in pounds per year
 S_o = average unit cost of treatment (including sludge treatment) chargeable to total solids in dollars per pound
 S_i = weight of total solids from unusual users, in pounds per year

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made. Waste containing materials which, in the judgement of the utility should not be introduced into the sewer system, need not be handled by it. The results of the preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefore, based upon the formula set out above.

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the utility records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the utility, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as aforesaid.

SCHEDULE IV

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for wastewater and leachate haulers.

RATES

Each customer shall pay a commodity charge of \$28.50 per 1,000 gallons per load. Load will be two times the actual capacity of the truck or other transport method delivering wastewater and leachate. Actual capacity shall be determined or verified by the District.

DELAYED PAYMENT PENALTY

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

RETURNED CHECK CHARGE

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

West Virginia Infrastructure & Jobs Development Council

Public Members:

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

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

Katy Mallory, PE
Executive Secretary

Katy.Mallory@verizon.net

August 4, 2004

Michael Kittle, Chairman
Norton-Harding-Jimtown Public Service District
P.O. Box 87
Norton, West Virginia 26285

Re: Norton-Harding-Jimtown Public Service District
Sewer Project 2003S-778 Phase 1

Dear Mr. Kittle:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council"), at its August 4, 2004 meeting, reviewed the Norton-Harding-Jimtown Public Service District's (the "District") revised preliminary application regarding its proposed phase 1 sewer project to provide sewer to approximately 56 customers in Harding and Norton (the "Project").

Based on the findings of the Sewer Technical Review Committee, the Infrastructure Council has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The District should carefully review the enclosed comments of the Sewer Technical Review Committee as the District may need to address certain issues raised in said comments as it proceeds with the Project.

The West Virginia Infrastructure and Jobs Development Council determined that the District should utilize a \$1,000,000 Corps of Engineers grant and voted to offer a binding commitment for an Infrastructure Fund loan of \$333,000 (0%, 40 yrs) to finance this \$1,333,000 project.

In order to receive the proposed binding commitment the District must adhere to a certain project schedule. Please contact Katy Mallory at 558-4607 by **September 24, 2004** to establish the necessary schedule and finalize the proposed binding commitment.

Sincerely,



Mark Prince

Enclosure

cc: Mike Johnson, DEP (w/o enclosure)
Dan Bailey, COE
Region VII Planning & Development Council
Clay Riley, P.E., Thrasher Engineering, Inc.

West Virginia Infrastructure & Jobs Development Council

Public Members:

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

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

Katy Mallory, PE
Executive Secretary

Katy.Mallory@verizon.net

February 4, 2004

Michael Kittle, Chairman
Norton-Harding-Jimtown
Public Service District
P.O. Box 87
Norton, West Virginia 26285

Re: Norton-Harding-Jimtown Public Service District
Sewer Project 2003S-778

Dear Mr. Kittle:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") has reviewed the Norton-Harding-Jimtown Public Service District's (the "District") preliminary application regarding its proposed project to provide sewer service to approximately 438 customers in areas of Norton, Harding, Coalton and Jimtown (the "Project").

Based on the findings of the Sewer Technical Review Committee, the Infrastructure Council has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The District should carefully review the enclosed comments of the Sewer Technical Review Committee as the District may need to address certain issues raised in said comments as it proceeds with the Project.

Upon consideration of the preliminary application, the Infrastructure Council recommends that the District pursue a \$1,000,000 Corps of Engineers grant, a \$1,500,000 Small Cities Block Grant and a \$2,500,000 Special Appropriations grant to fund this \$9,200,000 project. Please contact the Corps of Engineers office at 399-5824 and the WV Development Office at 558-4010 for specific information on the steps the District needs to follow to apply for these funds. **Please note that this letter does not constitute funding approval from these agencies.**

The Infrastructure Council also determined the District may be eligible for an Infrastructure Fund assistance of \$4,200,000 pending final determination of the project's eligibility and readiness to proceed. **This letter is not a commitment letter of Infrastructure Funds.** The Project will be placed on the Infrastructure Council's pending list of projects.

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

Sincerely,



Mark Prince

Enclosure

cc: Mike Johnson, DEP (w/o enclosure)
Debbie Legg, WVDO (w/o enclosure)
Dan Bailey, COE
Region VII Planning & Development Council
Clay P. Riley, P.E., Thrasher Engineering, Inc.

West Virginia Infrastructure & Jobs Development Council

Public Members:

Mark Prince, Chairman
Hurricane
Dwight Calhoun, Vice Chairman
Petersburg
C. R. "Rennie" Hill, III
Beckley
Tim Stranko
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Charleston, West Virginia 25301
Telephone: (304) 558-4607
Facsimile: (304) 558-4609

Katy Mallory, PE

Executive Secretary
Katy.Mallory@verizon.net

September 7, 2004

Michael Kittle, Chairman
Norton-Harding-Jimtown Public Service District
P.O. Box 87
Norton, West Virginia 26285

Re: Norton-Harding-Jimtown Public Service District
Sewer Project 2003S-778 Phase 1

Dear Mr. Kittle:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") provides this binding offer of an Infrastructure Fund loan of approximately \$333,000 (the "Loan") to the Norton-Harding-Jimtown Public Service District (the "District") for above referenced wastewater project (the "Project"). The Loan will be subject to the terms set forth on Schedule A attached hereto and incorporated herein by reference. The final Loan amount will be established after the District has received acceptable bids for the Project. The Infrastructure Council will set aside a portion of the Infrastructure Fund to make the Loan upon the District's compliance with the program requirements.

This commitment is contingent upon the Project meeting the following schedule:

- a. Submit Plans & Specifications to the Bureau for Public Health no later than December 30, 2004
- b. File Certificate Case with the Public Service Commission no later than March 31, 2005; and
- c. Advertise for bids no later than August 31, 2005
(The District must receive authority from the Infrastructure Council before bidding the project.)

The Infrastructure Council reserves the right to withdraw this Loan commitment if any of the above schedule dates are not met. The Infrastructure Council may, when justifiable circumstances occur, offer to modify the schedule. Any decision to modify the schedule is at the sole discretion of the Infrastructure Council.

If the District becomes aware that it will not meet one or more of the above schedule dates, the District should immediately notify the Infrastructure Council of this fact and the circumstances which have

Michael Kittle
September 7, 2004
Page 2

caused or will cause the District to be unable to meet the schedule. In addition, please immediately notify the Infrastructure Council if any of the other dates on the attached schedule have or will not be met.

The Infrastructure Council will enter into Loan agreement with the District following receipt of the completed Schedule B, a final, nonappealable order from the Public Service Commission authorizing construction of the Project; evidence of all permits; evidence of acceptable bids; and any other documents requested by the Infrastructure Council.

No statements or representations made before or after the issuance of this contingent commitment by any person or member of the Infrastructure Council shall be construed as approval to alter or amend this commitment, as all such amendments or alterations shall only be made in writing after approval of the Infrastructure Council.

If the District has any questions regarding this commitment, please contact Katy Mallory at the above-referenced telephone number.

Sincerely,



Mark Prince

MP/km
Attachment

NOTE: This letter is sent in triplicate. Please acknowledge receipt and immediately return two copies to the Infrastructure Council.

Norton-Harding-Jimtown Public Service District

By: _____

Its: _____

Date: _____

cc: Samme Gee, Esq., Jackson & Kelly
Clay Riley, Thrasher
✓ John Stump, Steptoe & Johnson
Dan Bailey, COE
Michael Griffith, CPA
Region VII

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

Norton-Harding-Jimtown Public Service District
Wastewater Project 2003S-778
September 7, 2004

SCHEDULE A

- A. Approximate Amount: \$ 333,000 Loan
- B. Loan: \$ 333,000
1. Maturity Date: 40 years from date of closing.
 2. Interest Rate: 0%
 3. Loan Advancement Date(s) Monthly, upon receipt of proper requisition
 4. Debt Service Commencement: The first quarter following completion of construction, which date must be identified prior to closing.
 5. Special Conditions:
 - A. Reserve requirements One year's annual debt service
OR
Funding one year's annual debt service over the first ten years.
 - B. Coverage 115% unless reserve fund is fully funded then coverage is 110%
- NOTICE: The terms set forth above are subject to change following the receipt of construction bids.
- C. Other Funding: USACE grant \$ 1,000,000
- D. Total Project Cost: \$ 1,333,000

PROJECT SCHEDULE

PROJECT:	Norton-Harding-Jimtown PSD	IJDC Loan	\$333,000.00
COUNTY:	Randolph	USACE Grant	\$1,000,000.00
PROJECT NUMBER:	2003S-778 Phase I	TOTAL	\$1,333,000.00

Action	Responsible Party	Start	Completion
Prepare & Submit Plans & Specs to BPH	Thrasher	September 2004	December 2004
Plans & Specs. Review & Approval (6 Weeks)	BPH	December 2004	February 2005
Prepare & Submit Permit Applications	Thrasher		February 2005
Rule 42	Griffith & Associates	November 2004	February 2005
Pre-File with PSC (30 Days)	Jeff Zurbuch		February 2005
File Certificate Case with PSC	Jeff Zurbuch		March 2005
Review & Approve PSC Certificate (6 months)	PSC	March 2005	September 2005
Rights-of-Way, Easements and Land Acquisition (80%)	PSD	January 2005	July 2005
Authority to Advertise	IJDC		July 2005
Advertise for Bids (1 Month)	PSD/Thrasher	July 2005	August 2005
Bid Opening (90 Days)	PSD/Thrasher		August 2005
Loan Closing	Step toe & Johnson		November 2005
Construction	Thrasher/ PSD/Contractor	November 2005	July 2006

West Virginia Infrastructure & Jobs Development Council

Public Members:

Mark Prince
Hurricane
Dwight Calhoun
Petersburg
Tim Stranko
Morgantown
Dave McComas
Prichard

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

Jefferson E. Brady, PE
Executive Director

Jefferson.Brady@verizon.net

September 8, 2006

Glenn Lee, Chairman
Norton-Harding-Jimtown
Public Service District
P.O. Box 87
Norton, West Virginia 26285

Re: Binding Commitment Letter - Revision
Wastewater Project 2003S-778a
Bid Overrun

Dear Mr. Lee:

The West Virginia Infrastructure and Jobs Development Council (the "Council") has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The Council has reviewed the Norton-Harding-Jimtown Public Service District's (the "District") request for revised funding commitment for an Infrastructure Fund grant of \$242,733 to complete the funding for its wastewater project. At the September 6, 2006 Council meeting the Council voted to revise the binding commitment as shown on the attached revised Schedule A. All other conditions of the revision to its September 7, 2004 binding commitment remain in effect.

If the District has any questions regarding this commitment, please contact Jeff Brady at the above-referenced telephone number.

Sincerely,



Mark Prince

Attachments

cc: Samme Gee, Esq., Jackson Kelly
Clay Riley, Thrasher Engineering, Inc.
John Stump, Steptoe & Johnson
Dan Bailey, COE
Michael Griffith, CPA
Region VII Planning & Development Council

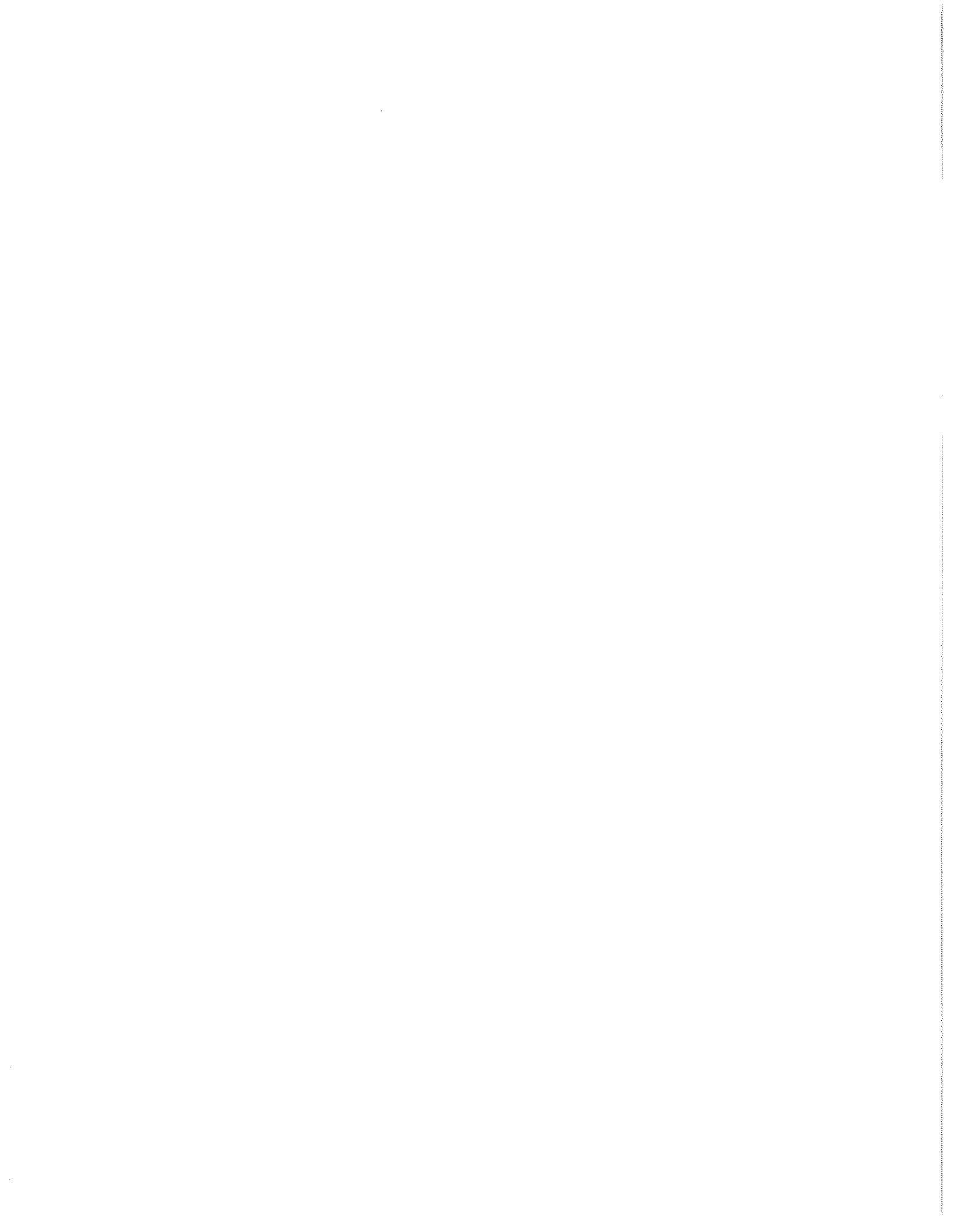
NOTE: This letter is sent in triplicate. Please acknowledge receipt and immediately return two copies to the Infrastructure Council.

Norton-Harding-Jimtown Public Service District

By: _____

Its: _____

Date: _____



NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On the 12th day of October, 2006, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and the undersigned Chairman of Norton-Harding-Jimtown Public Service District (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

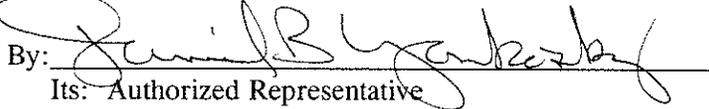
1. On the 12th day of October, 2006, the Authority received the Norton-Harding-Jimtown Public Service District Sewer Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), issued in the principal amount of \$333,000, as a single, fully registered Bond, numbered AR-1 and dated October 12, 2006 (the "Bonds").

2. At the time of such receipt, the Bonds had been executed by the Chairman and the Secretary of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Bonds, of the sum of \$184,784, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer by the Authority and the Council as acquisition and construction of the Project progresses.

Dated as of the day and year first written above.

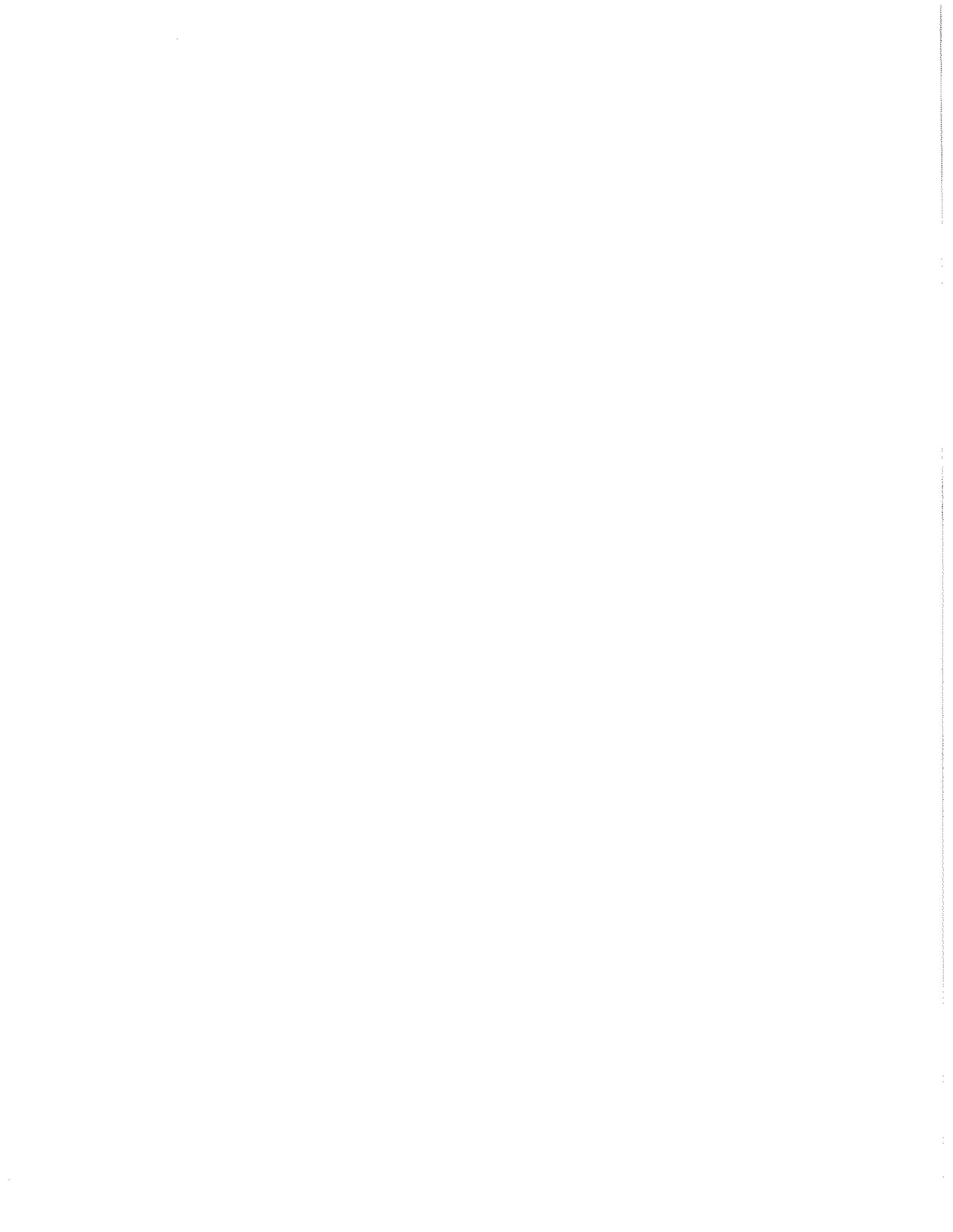
WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By: 
Its: Authorized Representative

NORTON-HARDING-JIMTOWN
PUBLIC SERVICE DISTRICT

By: 
Its: Chairman

10.04.06
664900.00002



NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

The Huntington National Bank,
as Bond Registrar
Charleston, West Virginia

Ladies and Gentlemen:

On this the 12th day of October, 2006, there are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of the Norton-Harding-Jimtown Public Service District Sewer Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), in the principal amount of \$333,000, dated October 12, 2006 (the "Bonds"), executed by the Chairman and Secretary of Norton-Harding-Jimtown Public Service District (the "Issuer"), and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Resolution and a Supplemental Resolution, both duly adopted by the Issuer on October 10, 2006 (the "Bond Legislation");

(2) A copy of the Bond Legislation authorizing the above-described Bond issue, duly certified by the Secretary of the Issuer;

(3) Executed counterparts of the loan agreement dated October 12, 2006, 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 "Loan Agreement"); and

(4) An executed opinion of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Bonds.

You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the account of the Issuer of the sum of \$184,784, representing a portion of the principal amount of the Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

NORTON-HARDING-JIMTOWN
PUBLIC SERVICE DISTRICT

By: Glen Lee
Its: Chairman

10.04.06
664900.00002



UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 2006 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

SPECIMEN

No. AR-1

\$333,000

KNOW ALL MEN BY THESE PRESENTS: That on this 12th day of October, 2006, NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Randolph 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 THREE HUNDRED THIRTY-THREE THOUSAND DOLLARS (\$333,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2008, 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 October 12, 2006.

This Bond is issued: (i) to pay a portion of the costs of acquisition and construction of public sewerage facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The 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 October 10, 2006, and a Supplemental Resolution duly adopted by the Issuer on October 10, 2006 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally

and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

There are no outstanding bonds or obligations of the Issuer which rank on a parity with the Bonds or are secured by revenues or assets of the System.

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, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2006 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2006 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds; provided however, that so long as there exists in the Series 2006 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All monies received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied

solely to payment of the costs of the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated as of the date first written above.

[SEAL]

[Signature]

Chairman

ATTEST

[Signature]

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is the Series 2006 A Bond described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: October 12, 2006.

THE HUNTINGTON NATIONAL BANK,
as Registrar


Authorized Officer

SPECIMEN

(Form of)

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	\$184,784	10/12/2006	(13)	\$	
(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

\$333,000

Norton-Harding-Jimtown Public Service District (West Virginia)

0% Interest Rate; 40 Years

Closing Date: October 12, 2006

Sources & Uses

Dated 10/12/2006 | Delivered 10/12/2006

Sources Of Funds

Par Amount of Bonds	\$333,000.00
Total Sources	\$333,000.00

Uses Of Funds

Deposit to Project Construction Fund	333,000.00
Total Uses	\$333,000.00

\$333,000

Norton-Harding-Jimtown Public Service District (West Virginia)

0% Interest Rate; 40 Years

Closing Date: October 12, 2006

Debt Service Schedule

Part 1 of 4

Date	Principal	Coupon	Total P+I
12/01/2006	-	-	-
03/01/2007	-	-	-
06/01/2007	-	-	-
09/01/2007	-	-	-
12/01/2007	-	-	-
03/01/2008	2,149.00	-	2,149.00
06/01/2008	2,149.00	-	2,149.00
09/01/2008	2,149.00	-	2,149.00
12/01/2008	2,149.00	-	2,149.00
03/01/2009	2,149.00	-	2,149.00
06/01/2009	2,149.00	-	2,149.00
09/01/2009	2,149.00	-	2,149.00
12/01/2009	2,149.00	-	2,149.00
03/01/2010	2,149.00	-	2,149.00
06/01/2010	2,149.00	-	2,149.00
09/01/2010	2,149.00	-	2,149.00
12/01/2010	2,149.00	-	2,149.00
03/01/2011	2,149.00	-	2,149.00
06/01/2011	2,149.00	-	2,149.00
09/01/2011	2,149.00	-	2,149.00
12/01/2011	2,149.00	-	2,149.00
03/01/2012	2,149.00	-	2,149.00
06/01/2012	2,149.00	-	2,149.00
09/01/2012	2,149.00	-	2,149.00
12/01/2012	2,149.00	-	2,149.00
03/01/2013	2,149.00	-	2,149.00
06/01/2013	2,149.00	-	2,149.00
09/01/2013	2,149.00	-	2,149.00
12/01/2013	2,149.00	-	2,149.00
03/01/2014	2,149.00	-	2,149.00
06/01/2014	2,149.00	-	2,149.00
09/01/2014	2,149.00	-	2,149.00
12/01/2014	2,149.00	-	2,149.00
03/01/2015	2,149.00	-	2,149.00
06/01/2015	2,149.00	-	2,149.00
09/01/2015	2,149.00	-	2,149.00
12/01/2015	2,149.00	-	2,149.00
03/01/2016	2,149.00	-	2,149.00
06/01/2016	2,149.00	-	2,149.00
09/01/2016	2,149.00	-	2,149.00
12/01/2016	2,149.00	-	2,149.00
03/01/2017	2,149.00	-	2,149.00
06/01/2017	2,149.00	-	2,149.00
09/01/2017	2,149.00	-	2,149.00

\$333,000

Norton-Harding-Jimtown Public Service District (West Virginia)

0% Interest Rate; 40 Years

Closing Date: October 12, 2006

Debt Service Schedule

Part 2 of 4

Date	Principal	Coupon	Total P+I
12/01/2017	2,149.00	-	2,149.00
03/01/2018	2,149.00	-	2,149.00
06/01/2018	2,149.00	-	2,149.00
09/01/2018	2,149.00	-	2,149.00
12/01/2018	2,149.00	-	2,149.00
03/01/2019	2,149.00	-	2,149.00
06/01/2019	2,149.00	-	2,149.00
09/01/2019	2,149.00	-	2,149.00
12/01/2019	2,149.00	-	2,149.00
03/01/2020	2,149.00	-	2,149.00
06/01/2020	2,149.00	-	2,149.00
09/01/2020	2,149.00	-	2,149.00
12/01/2020	2,149.00	-	2,149.00
03/01/2021	2,149.00	-	2,149.00
06/01/2021	2,149.00	-	2,149.00
09/01/2021	2,149.00	-	2,149.00
12/01/2021	2,149.00	-	2,149.00
03/01/2022	2,149.00	-	2,149.00
06/01/2022	2,149.00	-	2,149.00
09/01/2022	2,149.00	-	2,149.00
12/01/2022	2,149.00	-	2,149.00
03/01/2023	2,148.00	-	2,148.00
06/01/2023	2,148.00	-	2,148.00
09/01/2023	2,148.00	-	2,148.00
12/01/2023	2,148.00	-	2,148.00
03/01/2024	2,148.00	-	2,148.00
06/01/2024	2,148.00	-	2,148.00
09/01/2024	2,148.00	-	2,148.00
12/01/2024	2,148.00	-	2,148.00
03/01/2025	2,148.00	-	2,148.00
06/01/2025	2,148.00	-	2,148.00
09/01/2025	2,148.00	-	2,148.00
12/01/2025	2,148.00	-	2,148.00
03/01/2026	2,148.00	-	2,148.00
06/01/2026	2,148.00	-	2,148.00
09/01/2026	2,148.00	-	2,148.00
12/01/2026	2,148.00	-	2,148.00
03/01/2027	2,148.00	-	2,148.00
06/01/2027	2,148.00	-	2,148.00
09/01/2027	2,148.00	-	2,148.00
12/01/2027	2,148.00	-	2,148.00
03/01/2028	2,148.00	-	2,148.00
06/01/2028	2,148.00	-	2,148.00
09/01/2028	2,148.00	-	2,148.00

\$333,000

Norton-Harding-Jimtown Public Service District (West Virginia)

0% Interest Rate; 40 Years

Closing Date: October 12, 2006

Debt Service Schedule

Part 3 of 4

Date	Principal	Coupon	Total P+I
12/01/2028	2,148.00	-	2,148.00
03/01/2029	2,148.00	-	2,148.00
06/01/2029	2,148.00	-	2,148.00
09/01/2029	2,148.00	-	2,148.00
12/01/2029	2,148.00	-	2,148.00
03/01/2030	2,148.00	-	2,148.00
06/01/2030	2,148.00	-	2,148.00
09/01/2030	2,148.00	-	2,148.00
12/01/2030	2,148.00	-	2,148.00
03/01/2031	2,148.00	-	2,148.00
06/01/2031	2,148.00	-	2,148.00
09/01/2031	2,148.00	-	2,148.00
12/01/2031	2,148.00	-	2,148.00
03/01/2032	2,148.00	-	2,148.00
06/01/2032	2,148.00	-	2,148.00
09/01/2032	2,148.00	-	2,148.00
12/01/2032	2,148.00	-	2,148.00
03/01/2033	2,148.00	-	2,148.00
06/01/2033	2,148.00	-	2,148.00
09/01/2033	2,148.00	-	2,148.00
12/01/2033	2,148.00	-	2,148.00
03/01/2034	2,148.00	-	2,148.00
06/01/2034	2,148.00	-	2,148.00
09/01/2034	2,148.00	-	2,148.00
12/01/2034	2,148.00	-	2,148.00
03/01/2035	2,148.00	-	2,148.00
06/01/2035	2,148.00	-	2,148.00
09/01/2035	2,148.00	-	2,148.00
12/01/2035	2,148.00	-	2,148.00
03/01/2036	2,148.00	-	2,148.00
06/01/2036	2,148.00	-	2,148.00
09/01/2036	2,148.00	-	2,148.00
12/01/2036	2,148.00	-	2,148.00
03/01/2037	2,148.00	-	2,148.00
06/01/2037	2,148.00	-	2,148.00
09/01/2037	2,148.00	-	2,148.00
12/01/2037	2,148.00	-	2,148.00
03/01/2038	2,148.00	-	2,148.00
06/01/2038	2,148.00	-	2,148.00
09/01/2038	2,148.00	-	2,148.00
12/01/2038	2,148.00	-	2,148.00
03/01/2039	2,148.00	-	2,148.00
06/01/2039	2,148.00	-	2,148.00
09/01/2039	2,148.00	-	2,148.00

\$333,000

Norton-Harding-Jimtown Public Service District (West Virginia)

0% Interest Rate; 40 Years

Closing Date: October 12, 2006

Debt Service Schedule

Part 4 of 4

Date	Principal	Coupon	Total P+I
12/01/2039	2,148.00	-	2,148.00
03/01/2040	2,148.00	-	2,148.00
06/01/2040	2,148.00	-	2,148.00
09/01/2040	2,148.00	-	2,148.00
12/01/2040	2,148.00	-	2,148.00
03/01/2041	2,148.00	-	2,148.00
06/01/2041	2,148.00	-	2,148.00
09/01/2041	2,148.00	-	2,148.00
12/01/2041	2,148.00	-	2,148.00
03/01/2042	2,148.00	-	2,148.00
06/01/2042	2,148.00	-	2,148.00
09/01/2042	2,148.00	-	2,148.00
12/01/2042	2,148.00	-	2,148.00
03/01/2043	2,148.00	-	2,148.00
06/01/2043	2,148.00	-	2,148.00
09/01/2043	2,148.00	-	2,148.00
12/01/2043	2,148.00	-	2,148.00
03/01/2044	2,148.00	-	2,148.00
06/01/2044	2,148.00	-	2,148.00
09/01/2044	2,148.00	-	2,148.00
12/01/2044	2,148.00	-	2,148.00
03/01/2045	2,148.00	-	2,148.00
06/01/2045	2,148.00	-	2,148.00
09/01/2045	2,148.00	-	2,148.00
12/01/2045	2,148.00	-	2,148.00
03/01/2046	2,148.00	-	2,148.00
06/01/2046	2,148.00	-	2,148.00
09/01/2046	2,148.00	-	2,148.00
Total	\$333,000.00	-	\$333,000.00

Yield Statistics

Bond Year Dollars	\$6,871.11
Average Life	20.634 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	1.04E-10
Bond Yield for Arbitrage Purposes	1.04E-10
All Inclusive Cost (AIC)	1.04E-10

IRS Form 8038

Net Interest Cost	-
Weighted Average Maturity	20.634 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:

October 12, 2006

Norton-Harding-Jimtown Public Service District
Sewer Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)

Norton-Harding-Jimtown Public Service District
Norton, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs
Development Council
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Norton-Harding-Jimtown Public Service District (the "Issuer"), a public service district, public corporation and political subdivision created and existing under the laws of the State of West Virginia, of its \$333,000 Sewer Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), 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 October 12, 2006, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2008, and maturing September 1, 2046, 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 31, Article 15A 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 a public sewerage facilities of the Issuer (the "Project"); and (ii) paying certain costs of issuance of the Bonds and related costs.

We have also examined the applicable provisions of the Act, the Bond Resolution duly adopted by the Issuer on October 10, 2006, as supplemented by a Supplemental Resolution duly adopted by the Issuer on October 10, 2006, (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

1. The Issuer is a duly created and validly existing public service district, public corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt the Bond Legislation and to issue and sell the Bonds, all under the Act and other applicable provisions of law.
2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and the Council and cannot be amended by the Issuer so as to affect adversely the rights of the Authority and the Council or diminish the obligations of the Issuer without the written consent of the Authority and the Council.
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 against the Issuer in accordance with their terms. The Bond Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.
4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System, all in accordance with the terms of the Bonds and the Bond Legislation.
5. The Bonds are, under the Act, exempt from taxation by the State of West Virginia and the other taxing bodies of the State, and the interest on the Bonds, if any, is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.
6. The Bonds have not been issued on the basis that the interest, if any, thereon is or will be excluded from gross income of the owners thereof for federal income tax purposes. We express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Bonds.

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

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

Very truly yours,

A handwritten signature in black ink that reads "Steptoe & Johnson PLLC". The signature is written in a cursive, flowing style.

STEPTOE & JOHNSON PLLC



BUSCH, ZURBUCH & THOMPSON, PLLC

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Richard H. Talbott, Jr., Of Counsel
* Also admitted in Virginia

October 12, 2006

Norton-Harding-Jimtown Public Service District
Sewer Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)

Norton-Harding-Jimtown Public Service District
Norton, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to Norton-Harding-Jimtown Public Service District, a public service district, in Randolph County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, relating to the above-captioned bonds of the Issuer (the "Bonds"), a loan agreement for the Bonds dated October 12, 2006, including all schedules and exhibits attached thereto, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council") (the "Loan Agreement"), the Bond Resolution duly adopted by the Issuer on October 10, 2006, as supplemented by the Supplemental Resolution duly adopted by the Issuer on October 10, 2006, (collectively, the "Bond Legislation"), orders of The County Commission of Randolph County relating to the Issuer and the appointment of members of the Public Service Board of the Issuer, and other documents, papers, agreements, instruments and certificates relating to the Bonds and the Issuer. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Resolution and the Loan Agreement when used herein.

I am of the opinion that:

1. The Issuer is duly created and validly existing as a public service district and as a public corporation and political subdivision of the State of West Virginia.
2. The members and officers of the Public Service Board of the Issuer have been duly, lawfully and properly appointed and elected, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.
3. The Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the Authority thereto, constitutes a valid and binding agreement of the Issuer enforceable in accordance with its terms.
4. The Bond Legislation has been duly adopted by the Issuer and is in full force and effect.
5. The execution and delivery of the Bonds and the Loan Agreement and the consummation of the transactions contemplated by the Bonds, the Loan Agreement and the Bond Legislation and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any order, resolution, agreement or other instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, court order or consent decree to which the Issuer is subject.
6. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, all requisite orders, certificates and approvals from The County Commission of Randolph County, the West Virginia Department of Environmental Protection and the Council, and 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 all requisite orders and approvals from the Public Service Commission of West Virginia, including the Recommended Decision entered on September 16, 2005, which became Final Order of the Public Service Commission dated October 6, 2005, in Case No. 05-0500-PSD-CN, among other things, granting a certificate of convenience and necessity for the Project, approving the financing for the Project. The time for appeal of the Commission Order has expired prior to the date hereof without any appeal and remains in full force and effect.
7. To the best of my knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bonds, the Loan Agreement, the Resolution, the acquisition and construction of the Project, the operation of the System, the validity of the Bonds, the collection of the Gross Revenues or pledge of the Net Revenues for the Bonds.

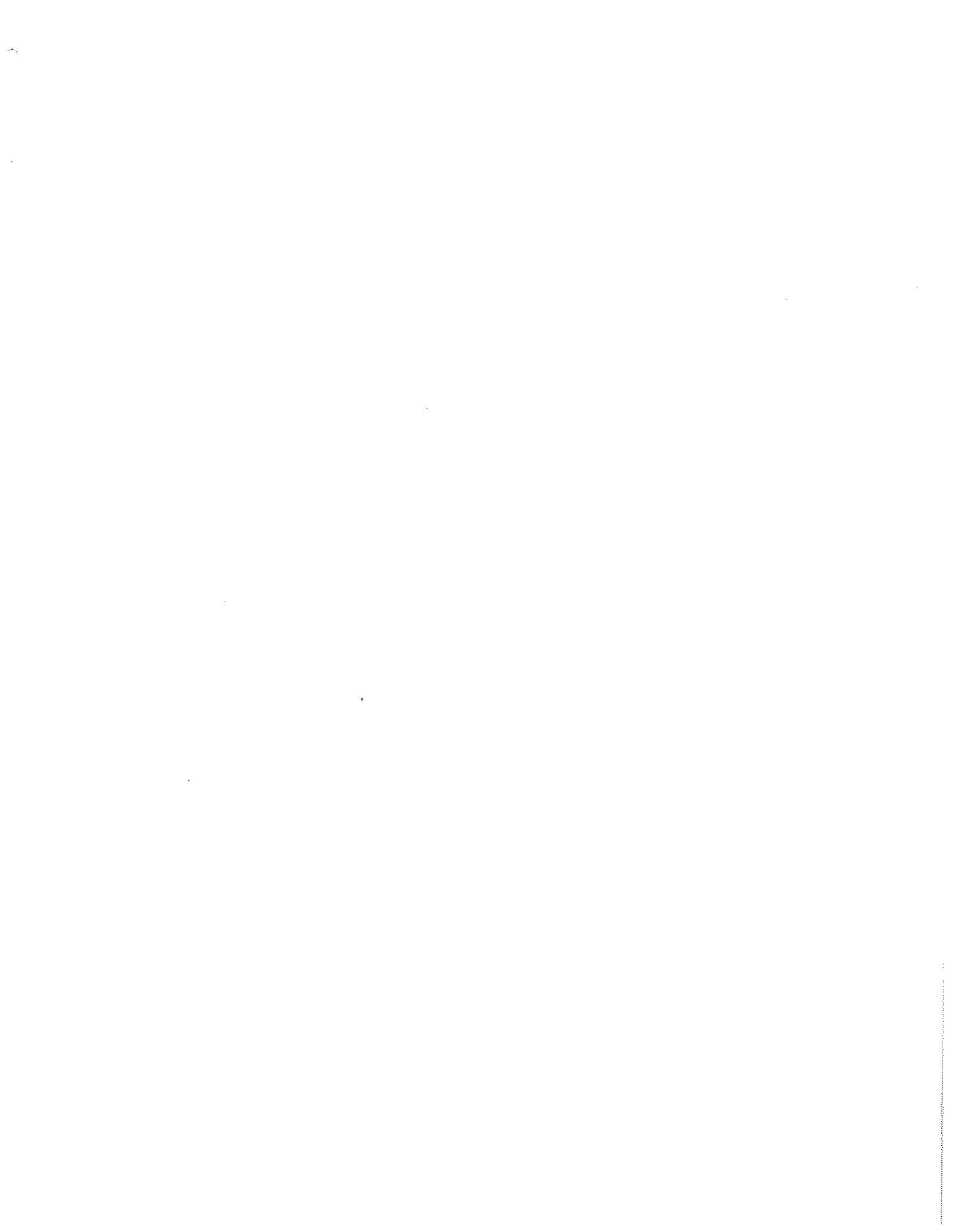
8. Prior to the execution of construction contracts by the Issuer, I will verify that all successful bidders have made the required provisions for all insurance and payment and performance bonds and we will verify such insurance policies and bonds for accuracy. Prior to the execution of construction contracts by the Issuer, I will review the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, and verify that such surety bonds and policies (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interests of the Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act, the Bond Legislation and the Loan Agreements; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

Very truly yours,

By: 

BUSCH, ZURBUCH & THOMPSON, PLLC



BUSCH, ZURBUCH & THOMPSON, PLLC

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* Also admitted in Virginia

www.bztlaw.com

October 12, 2006

West Virginia Infrastructure and
Jobs Development Council
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

RE: Norton-Harding-Jimtown Public Service District
Sewer Project

Dear Ladies and Gentlemen:

This firm represents Norton-Harding-Jimtown Public Service District (the "District") with regard to a proposed project to construct Phase 1-Sanitary Sewer Extension to Norton and Harding Project ("the Project"), and provides this final title opinion on behalf of the District to satisfy the requirements of the West Virginia Infrastructure and Jobs Development Council (the "Council") with regard to the financing proposed for the Project. Please be advised of the following:

1. That I am of the opinion that the Norton-Harding-Jimtown Public Service District is duly created and existing public service district possessed with all the powers and authority granted to public service districts under the laws of the State of West Virginia and has full power and authority to construct, operate and maintain the Project as approved by the Bureau for Public Health.

2. That the District has obtained approval for all necessary permits and approvals for the construction of the Project.

3. That I have investigated and ascertained the location and am familiar with the legal description of the necessary sites, including easements and/or rights of way, required by the Project as set forth in the plans for the Project prepared by Thrasher Engineering, the consulting engineers for the Project.

4. I have examined the records on file in the Office of the Clerk of the County Commission of Randolph County, West Virginia, the county in which the project is to be located, and, in my opinion, the District has acquired legal title or such other estate or interest in the necessary site components for the Project sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the facilities to be constructed.

5. That all deeds or other documents which have been acquired to date by the District have been duly recorded in the aforesaid Clerk's Office in order to protect the legal title to and interest of the District.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Thompson", with a long horizontal flourish extending to the right.

David E. Thompson

DET/amp

cc: Samme L. Gee, Esquire



NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. CERTIFICATION OF COPIES OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME
7. LAND AND RIGHTS-OF-WAY
8. MEETINGS, ETC.
9. CONTRACTORS' INSURANCE, ETC.
10. LOAN AGREEMENT
11. RATES
12. PUBLIC SERVICE COMMISSION ORDER
13. SIGNATURES AND DELIVERY
14. BOND PROCEEDS
15. GRANTS
16. SPECIMEN BOND
17. CONFLICT OF INTEREST
18. PROCUREMENT OF ENGINEERING SERVICES
19. EXECUTION OF COUNTERPARTS

We, the undersigned CHAIRMAN and the undersigned SECRETARY of the Public Service Board of Norton-Harding-Jimtown Public Service District in Randolph County, West Virginia (the "Issuer") and the undersigned COUNSEL to the Issuer hereby certify, on this 12th day of October, 2006, in connection with the Issuer's Sewer Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds" or the "Series 2006 A Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond Resolution of the Issuer duly adopted October 10, 2006, and the Supplemental Resolution duly adopted October 10, 2006, (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, the acquisition or construction of the Project, the operation of the System, the receipt of Grant proceeds or the Net Revenues, or in any way contesting or affecting the validity of the Bonds or the Grants, or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or application of the Net Revenues or any other monies or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, the pledge or application of monies and security or the collection of the Gross Revenues or the pledge of the Net Revenues as security for the Bonds.

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

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the approval, execution and delivery by the Issuer of the Loan Agreement, and the Issuer has met all conditions prescribed in the Loan Agreement. The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete the Project.

There are no outstanding bonds or obligations of the Issuer which rank on a parity with the Bonds or are secured by revenues or assets of the System.

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

Bond Resolution

Supplemental Resolution

Loan Agreement

Public Service Commission Orders

Infrastructure and Jobs Development Council Approval

County Commission Orders on Creation of District

County Commission Orders Appointing Current Boardmembers

Oaths of Office of Current Boardmembers

Rules of Procedure

Affidavit of Publication on Notice of Filing

Minutes of Current Year Organizational Meeting

Excerpt of Minutes on Adoption of Bond Resolution, Supplemental Resolution
and First Draw Resolution

Environmental Health Services Permit

Evidence of Insurance

West Virginia Infrastructure & Jobs Development Council Grant Agreement

Evidence of the U.S. Army Corps of Engineers Grant

Treatment Agreement with the Town of Junior

6. **INCUMBENCY AND OFFICIAL NAME:** The proper corporate title of the Issuer is "Norton-Harding-Jimtown Public Service District." The Issuer is a public service district and public corporation duly created by The County Commission of Randolph County and presently existing under the laws of, and a public corporation and political subdivision of, the State of West Virginia. The Issuer operates the System in Randolph County, West Virginia. The governing body of the Issuer is its Public Service Board consisting of 3 duly appointed, qualified and acting members whose names and dates of commencement and termination of current terms of office are as follows:

<u>Name</u>	<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
Glenn Lee	December 31, 2004	January 1, 2011
O. B. Currence	December 31, 2002	January 1, 2009
Kenneth Pomp	December 31, 2000	January 1, 2007

The names of the duly elected and/or appointed, qualified and acting officers of the Public Service Board of the Issuer for the calendar year 2006 are as follows:

Chairman - Glenn Lee
Secretary - Kenneth Pomp
Treasurer - O. B. Currence

The duly appointed and acting counsel to the Issuer is Busch, Zurbuch & Thompson, PLLC in Elkins, West Virginia.

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

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

9. CONTRACTORS' INSURANCE, ETC.: All contractors will be required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond Legislation. All insurance for the System required by the Bond Legislation and Loan Agreement is in full force and effect.

10. LOAN AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Loan Agreement which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information in the Loan Agreement not misleading; and (iv) the Issuer is in compliance with all covenants, terms and representations in the Loan Agreement.

11. RATES: The Issuer has received the Commission Order of the Public Service Commission of West Virginia entered on September 16, 2005, in Case No. 05-0500-PSD-CN, approving the rates and charges for the services of the System, and has adopted a resolution prescribing such rates and charges. The time for appeal of such Order has expired prior to the date hereof without any appeal, and such rates and charges will become effective upon completion of the Project.

12. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered September 16, 2005, which became a Final Order of the Public Service Commission on October 6, 2005, in Case No. 05-0500-PSD-CN, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project approving the financing for the Project and approving the rates and charges of the System. The time for appeal of the Order has expired prior to the date hereof without any appeal and remains in full force and effect.

13. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Chairman did officially sign all of the Bonds of the aforesaid issue, consisting upon original issuance of a single Bond, numbered AR-1, dated the date hereof, by his or her manual signature, and the undersigned Secretary did officially cause the official seal of the Issuer to be affixed upon the Bonds and to be attested by his or her manual signature, and the Registrar did officially authenticate, register and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the Loan Agreement. Said official seal is also impressed above the signatures appearing on this certificate.

14. BOND PROCEEDS: On the date hereof, the Issuer received \$184,784 from the Authority and the Council, being a portion of the principal amount of the Series 2006 A Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

15. GRANTS: As of the date hereof, the grant from the U.S. Army Corps. of Engineers in the amount of \$1,000,000 and the grant from the Council in the amount of \$242,733 are committed for the Project and in full force and effect.

16. SPECIMEN BOND: Delivered concurrently herewith is a true and accurate specimen of the Bond.

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

18. 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.

19. 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.

WITNESS our signatures and the official seal of NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT as of the date first written above.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

Allen Lee

Chairman

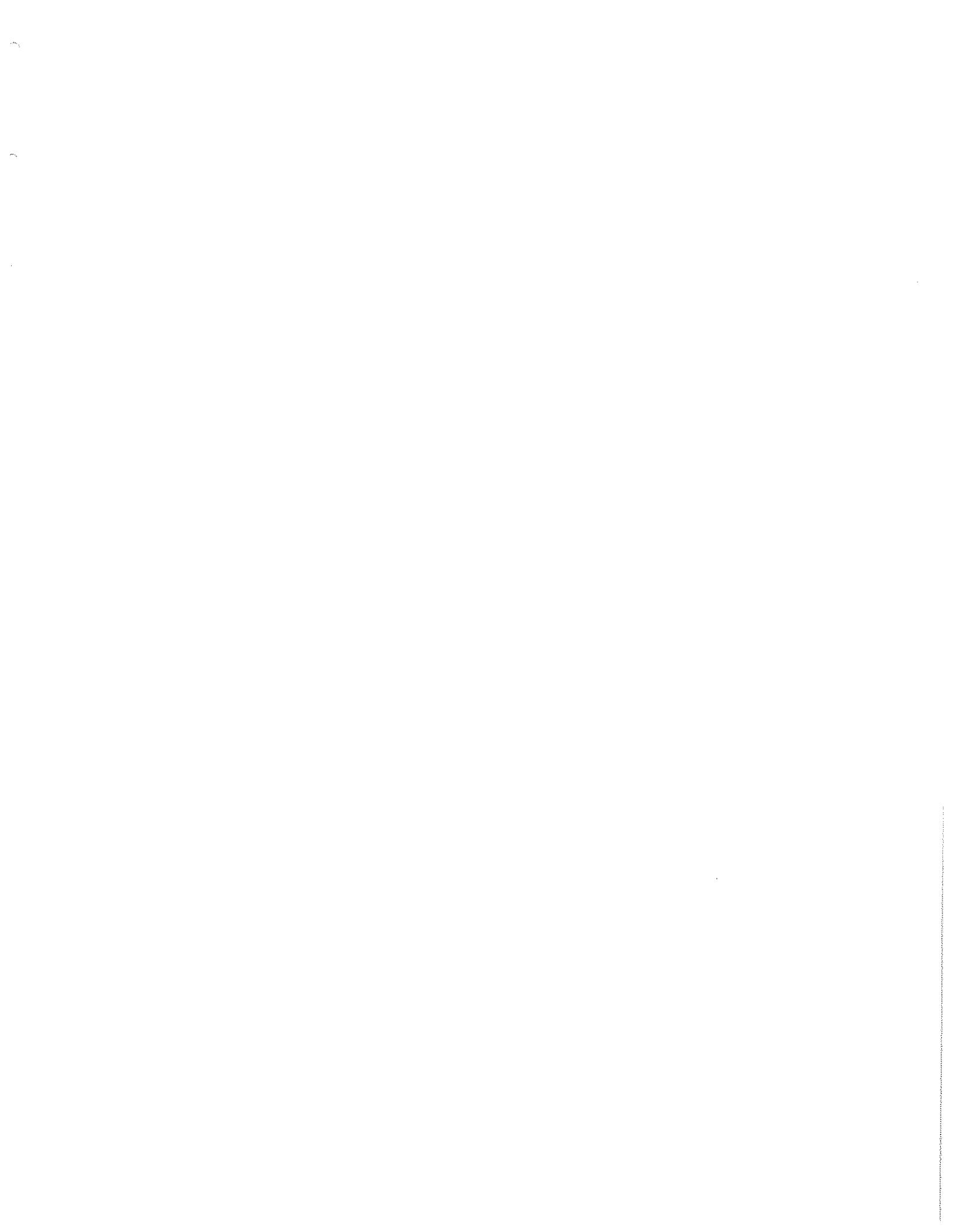
Kenneth R. Pugh

Secretary

Jeffrey S. Zumbach

Counsel to Issuer

10.04.06
664900.00002



NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)

CERTIFICATE OF ENGINEER

I, H. Wood Thrasher, Registered Professional Engineer, West Virginia License No. 9478, of Thrasher Engineering, Inc., Charleston, West Virginia, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of a public sewerage facility (the "Project" or the "System") of Norton-Harding-Jimtown Public Service District (the "Issuer") to be constructed primarily in Randolph County, West Virginia, which acquisition and construction are being financed by the proceeds of the above-captioned bonds (the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Resolution adopted by the Issuer on October 13, 2006, (the "Resolution"), and the Loan Agreement for the Bonds, 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"), dated October 13, 2006, (the "Loan Agreement").

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

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the Council and the Authority and any change orders approved by the Issuer, the Authority, the Council and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least forty years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in Schedule B attached hereto as Exhibit A and in reliance upon the opinion of Busch, Zurbuch & Thompson, PLLC, of even date herewith, all successful bidders will have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds will be verified for accuracy prior to the execution of construction contracts; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid

documents relating to the Project reflect the Project as approved by the Council and the bid forms provided to the bidders contain the critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and the operation of the System; (ix) in reliance upon the certificate of Griffith & Associates, Certified Public Accountants, of even date, as of the effective date thereof, the rates and charges for the System as approved by the Public Service Commission of West Virginia and adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement and the Resolution; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project set forth in Schedule B attached hereto and approved by the Council; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

WITNESS my signature and seal on this 12th day of October, 2006.

THRASHER ENGINEERING, INC.

(SEAL)



H. Wood Thrasher, P.E.
West Virginia License No. 9478

09.25.06
664900.00002

WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL

SCHEDULE B

NORTON-HARDING-JIMTOWN PSD

PHASE I SEWER SYSTEM

COST OF PROJECT, SOURCES OF FUNDS AND COST OF FINANCING

A. Cost of Project	Total	IJDC	US ARMY CORPS
1. Construction			
Contract 1	1,174,100.00	293,525.00	880,575.00
2. Technical Services			
Basic Engineering	10,333.00	2,583.00	7,750.00
Basic Engineering	113,167.00	113,167.00	
a. Basic Engineering Subtotal	123,500.00	115,750.00	7,750.00
b. Inspection	60,000.00	15,000.00	45,000.00
c. Special Services	60,000.00	60,000.00	-
3. Legal & Fiscal			
a. Legal	28,000.00	28,000.00	-
b. Accounting	10,000.00	10,000.00	-
4. Sites and Other Lands	4,900.00	4,900.00	-
5. Miscellaneous			
a1. Admin	14,500.00	14,500.00	-
a2. Admin USACE Admin	20,000.00	-	20,000.00
b. Permits	5,000.00	5,000.00	-
6. Interim Financing	-	-	-
7. Construction Contingency (5%)	64,233.00	17,558.00	46,675.00
8. Total of Lines 1 through 7	1,564,233.00	564,233.00	1,000,000.00
B. Cost of Financing			
9. Capitalized Interest	-	-	-
10 Other Costs	-	-	-
a. Bond Counsel	11,000.00	11,000.00	-
b. Bank Registrar Fee	500.00	500.00	-
11. Total Cost of Financing (Lines 15 and 16)	11,500.00	11,500.00	-
12. TOTAL PROJECT COST (line 8 plus line 11)	1,575,733.00	575,733.00	1,000,000.00
C. Sources of Funds			
13. Federal Grants: (U.S. Army COE)	1,000,000.00	-	1,000,000.00
14. State Grants (WV IJDC)	242,733.00	242,733.00	
15. Other Grants	-	-	-
16. TOTAL GRANTS line 8 plus line 11	1,242,733.00	242,733.00	1,000,000.00
17 Size of Bond Issue	333,000.00	333,000.00	-

Shawn Lee
NORTON HARDING JIMTOWN PSD

Ray Kelly
CONSULTING ENGINEER

DATE: 10-10-06

DATE: 10/11/06



October 12, 2006

Norton-Harding-Jimtown Public Service District
Sewer Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)

Norton-Harding-Jimtown Public Service District
Norton, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the sewer rates and charges set forth in the Commission Order of the Public Service Commission of West Virginia (the "PSC") entered September 16, 2005, which became Final Order of the PSC on October 6, 2005, in Case No. 05-0500-PSD-CN, the projected operating expenses and the anticipated customer usage as furnished to us by Thrasher Engineering, Inc., Consulting Engineers, it is our opinion that the revenues from such rates and charges will be sufficient to provide for all operating expenses of the sewerage system (the "System") of Norton-Harding-Jimtown Service District (the "Issuer"), and to leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Issuer's Sewer Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund) to be issued on the date hereof.

Very truly yours,

Michael D. Griffith, CPA
Griffith & Associates

MDG/dk

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Chairman of the Public Service Board of Norton-Harding-Jimtown Public Service District in Randolph County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of \$333,000 Sewer Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), of the Issuer, dated October 12, 2006, (the "Series 2006 A Bonds" or "Bonds"), hereby certify, on this the 12th day of October, 2006, as follows:

1. I am one of the officers of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Resolution duly adopted by the Issuer on October 10, 2006 (the "Bond Resolution"), authorizing the Bonds.

2. This certificate may be relied upon as the certificate of the Issuer.

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on October 12, 2006, the date on which the Bonds are being physically delivered in exchange for a portion of the principal amount of the Series 2006 A Bonds (100% par value), and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

4. In the Bond Resolution pursuant to which the Bonds are issued, the Issuer has covenanted that it shall not take, or permit or suffer to be taken, any action with respect to Issuer's use of the proceeds of the Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (collectively, the "Code"), issued by the West Virginia Water Development Authority (the "Authority") or the West Virginia Infrastructure and Jobs Development Council (the "Council"), as the case may be, from which the proceeds of the Bonds are derived, to lose their status as tax-exempt bonds. The Issuer hereby covenants to take all actions necessary to comply with such covenant.

5. The Series 2006 A Bonds were sold on October 12, 2006, to the Authority, pursuant to a loan agreement dated October 12, 2006, by and between the Issuer and the Authority, on behalf of the Council, for an aggregate purchase price of \$333,000 (100% of par), at which time, the Issuer received \$184,784 from the Authority and the Council, being a portion of the principal amount of the Series 2006 A Bonds. No accrued interest has been or will be paid on the Series 2006 A Bonds. The balance of the principal amount of the Series 2006 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2006 A Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of a public sewerage facilities of the Issuer (the "Project"); and (ii) paying certain costs of issuance of the Bonds and related costs.

7. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the acquisition and construction of the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Series 2006 A Bonds Reserve Account, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the acquisition and construction of the Project on or before September 1, 2007. The acquisition and construction of the Project is expected to be completed by May 1, 2007.

8. The total cost of the Project financed from the proceeds of the Bonds and grants is estimated at \$1,575,733. Sources and uses of funds for the Project are as follows:

SOURCES

Gross Proceeds of the Series 2006 A Bonds	\$ 333,000
Grant from the Council	\$ 242,733
Grant from the U.S. Army Corps of Engineers	<u>\$1,000,000</u>
Total Sources	<u>\$1,575,733</u>

USES

Acquisition and Construction of Project	\$ 1,564,233
Costs of Issuance	<u>11,500</u>
Total Uses	<u>\$ 1,575,733</u>

9. Pursuant to Article V of the Bond Resolution, the following special funds or accounts have been created or continued relative to the Series 2006 A Bonds:

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund;
- (3) Series 2006 A Bonds Construction Trust Fund;
- (4) Series 2006 A Bonds Sinking Fund; and
- (5) Series 2006 A Bonds Reserve Account.

10. Pursuant to Article VI of the Bond Resolution, the proceeds of the Bonds will be deposited as follows:

A. Series 2006 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2006 A Bonds Reserve Account.

B. The balance of the proceeds of the Series 2006 A Bonds, as advanced from time to time, shall be deposited in or credited to the Series 2006 A Bonds Construction Trust Fund for payment of the costs of the acquisition and construction of the Project, including, without limitation, costs of issuance of the Series 2006 A Bonds and related costs.

11. Monies held in the Series 2006 A Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 2006 A Bonds and will not be available to meet costs of acquisition and construction of the Project. Monies in the Series 2006 A Bonds Reserve Account will be used only for the purpose of paying principal of and interest, if any, on the Series 2006 A Bonds as the same shall become due, when other monies in the Series 2006 A Bonds Sinking Fund are insufficient therefor. All investment earnings on monies in the Series 2006 A Bonds Sinking Fund and Series 2006 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2006 A Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Resolution.

12. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within 6 months of the date hereof.

13. The Issuer will take such steps as requested by the Authority to ensure that the Authority's bonds meet the requirements of the Code.

14. With the exception of the amount deposited in the Series 2006 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the acquisition and construction of the Project within 9 months from the date of issuance thereof.

15. The Issuer does not expect to sell or otherwise dispose of the Project in whole or in part prior to the last maturity date of the Bonds.

16. The amount designated as costs of issuance of the Bonds consists only of costs which are directly related to and necessary for the issuance of the Bonds.

17. All property financed with the proceeds of the Bonds will be owned and held by (or on behalf of) a qualified governmental unit.

18. No proceeds of the Bonds will be used, directly or indirectly, in any trade or business carried on by any person who is not a governmental unit.

19. The original proceeds of the Bonds will not exceed the amount necessary for the purposes of the issue.

20. The Issuer shall use the Bond proceeds solely for the costs of the acquisition and construction of the Project, and the Project will be operated solely for a public purpose as a local governmental activity of the Issuer.

21. The Bonds are not federally guaranteed.

22. The Issuer has retained the right to amend the Bond Resolution authorizing the issuance of the Bonds if such amendment is necessary to assure that the Bonds remain governmental or public purpose bonds.

23. The Issuer has either (a) funded the Series 2006 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due, on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2006 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2006 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due, on the Bonds in the then current or any succeeding year.

Monies in the Series 2006 A Bonds Reserve Account and the Series 2006 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the acquisition and construction of the Project.

24. There are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Bonds, (b) are to be sold pursuant to a common plan of financing together with the Bonds and (c) will be paid out of substantially the same sources of funds or will have substantially the same claim to be paid out of substantially the same sources of funds as the Bonds.

25. To the best of my knowledge, information and belief, there are no other facts, estimates and circumstances which would materially change the expectations herein expressed.

26. The Issuer will comply with instructions as may be provided by the Authority, at any time, regarding use and investment of proceeds of the Bonds, rebates and rebate calculations.

27. To the best of my knowledge, information and belief, the foregoing expectations are reasonable.

WITNESS my signature as of the date first written above.

NORTON-HARDING-JIMTOWN
PUBLIC SERVICE DISTRICT

By: *Glen Lee*
Its: Chairman

10.04.06
664900.00002

January 14, 1975

IN RE - - JIMTOWN PUBLIC SERVICE DISTRICT-ENLARGEMENT

This matter came on again to be considered upon the petition in writing heretofore filed with the Court, signed by David M. Nutter, member of the public service board of Jimtown Public Service District, requesting the enlargement of the Jimtown service district, requesting premission for the said district to furnish sewer service to customers residing within said district, and requesting that the said district be renamed "Norton-Harding-Jimtown Public Service District", upon the notice of a public hearing required by statute to be held in this matter, and upon the certificate of publication of said notice evidencing its publication in the Elkins Inter-Mountain. Thereupon, the Court proceeded to hold said public hearing. And again came Harry A. Smith, III, counsel for the public service district, and moved the Court to enlarge the said public service district and for the other petitioned-for relief, and there being insufficient opposition or protest made, the Court being of opinion that the said enlargement is in the best interests of the public welfare, and will be conducive to the preservation of public health comfort and convenience of such area, and the rights of no individual will be adversely affected thereby, thereupon, on motion of E. M. Liggett, seconded by James F. Parsons, it is accordingly ORDERED that the Jimtown Public Service District be and the same is hereby enlarged, which enlarged district includes the following territory, which territory is situate in Leesville and Roaring Creek Districts of Randolph County, West Virginia, being more particularly bounded and described as follows:

BEGINNING at a point on the height of land on Laurel Mountain, at the intersection of the Barbour County - Randolph County line, about 3/4 of a mile south of the Laurel Mountain Lookout Tower.

Thence westerly along or near the height of land on Laurel Mountain passing through or over the water gap of the Tygart Valley River at Aggregate, continuing along or near the height of land on Rich Mountain to the divide between the Cassity Fork of the Middle Fork River and Roaring Creek, a tributary of the Tygart Valley River.

Thence northerly along the divide between Roaring Creek, Flatbush Fork - a tributary of Roaring Creek, and Middle Fork River to State Secondary 20/3 of U. S. Route 33.

Thence easterly along State Secondary 20/3 to U. S. Route 33.

Thence southeasterly along U. S. Route 33 to its intersection with state Secondary Route 17.

Thence easterly along an imaginary line about 200 linear feet northerly of State Secondary Route 17 and parallel to State Secondary Route 17 as it meanders to the Barbour County-Randolph County line.

Thence southerly along the Barbour County-Randolph County line to the place of beginning, and excluding the incorporated town of Womelsdorf (Coalton P.O.).

It is further ORDERED that the said public service district be permitted to supply sewerage services to residents lying within the above-described territory and that the said public service district be renamed "Norton-Harding-Jimtown Public Service District".

At Test

Virgil Hamrick
Garrett Bennett

Clark

Deputy

West Virginia Department of Highways for Project No. APL 9458 001 Bata Shoe Factory access road Right of Way.

IN RE - - - JIMTOWN WATER SERVICE DISTRICT
CREATION OF A PUBLIC SERVICE DISTRICT

This day this matter came on again for hearing; upon the petition in writing heretofore filed with this Court and signed by a number of residents and legal voters residing within the hereinafter described boundary requesting the creation of a public service district for the purpose of furnishing treated water to customers residing within said district; upon the notice of a public hearing required by Statute to be published; and upon the certificate of publication of such notice evidencing the publication of said notice.

Whereupon this matter came on for hearing, and came Gerale Martin, a resident of the proposed water service district, who moved the Court to create such Public Service District, and the Court having ascertained that there was no objection or opposition thereto, and the Court, being of the opinion that it is in the best interest and public welfare to grant such relief, the Court being of the further opinion that the construction, acquisition, maintenance, and operation of the treated water supply system would be conducive to the preservation of public health, comfort, and convenience of said area, and the rights of no individual would be adversely affected, accordingly, it is

ADJUDGED and ORDERED that the Public Service District be and is hereby created, which shall be known as the Jimtown Water Service District, located in Roaring Creek District of Randolph County, West Virginia, more particularly bounded and described as follows:

BEGINNING at a point in U. S. Route #33, situate on or about the real estate owned by one Forest Bowers et als; thence running in a westerly direction along said right of way to a point approximately opposite the Kittle Run Road in said Roaring Creek District, thence leaving said right of way in a northerly direction for a distance of 5/10 of a mile to a point; thence in an easterly direction in a line adjacent to said U. S. Route #33 to a point located in the said Forest Bowers land; thence in a southerly direction for 5/10 of a mile back to the place of beginning; thence running in a southerly direction for a distance of 5/10 of a mile to a point in certain real estate owned by Kay Elmore; thence in a line adjacent and parallel to U. S. Route #33, in a westerly direction to said Kittle Run Road; thence in a northerly direction for 5/10 of a mile back to U. S. Route

1
Route #33; and extending from the land owned by Ray Elmore and Forest Bowers to the said Kittle Run Area.

Whereupon the said Gerald Martin did move that a Public Service Board consisting of three (3) members to be selected in accordance with West Virginia Code Chapter 16, Art. 13a, Sec. 3, (1953 as amended) and it is accordingly

ADJUDGED and ORDERED that the following board members are appointed for the respective terms of office running from September 14, 1971:

Gerald Martin -- Two Year Term
David Nutter -- Four Year Term
Bernard Bennett -- Six Year Term

It is further ADJUDGED and ORDERED that the aforesaid three Board Members shall appear before the Clerk of this Court and qualify as members of such Public Service Board by taking the oath of office administered by the Clerk of this Court as in such cases is required by law.

NO FURTHER BUSINESS appearing in these proceedings, it is ORDERED that Court do now adjourn.

Attest: Barrett L. Liggett President

T U E S D A Y, N O V E M B E R N I N T H 1 9 7 1

STATE OF WEST VIRGINIA,
COUNTY OF RANDOLPH, TO WIT:

At a Regular Session of the County Court, held in and for the aforesaid County and State, at the Court House thereof, on Tuesday, November 9, 1971.

Present: Barrett L. Liggett, President, and John W. Scallon, Commissioner thereof.

The following orders were made and entered of record:

IN RE - - -PAUL G. RAINES - NOTARY APPLICATION

Upon the application of Paul G. Raines for appointment as Notary Public in and for the said County of Randolph, it was shown to the satisfaction of this Court that said applicant is a resident of the County from which he seeks appointment, that he is competent to perform the duties of such office and that he is a person of good moral character.

State of West Virginia,
Randolph County, to wit:

I, Rosezetta Lloyd, Clerk of the County Commission in and for the aforesaid County and State, the same being a Court of Record and having an Official Seal, do hereby certify that the foregoing is a true and correct copy from Records of my office. AND I DO FURTHER CERTIFY that under the laws of the State of West Virginia, I am the legal custodian of said records.

Ct Order Bk "D" Page 263

Given under my hand and the Official Seal of my office, in my office, in the City of Elkins, Randolph County, West Virginia, this the 28th day of Jan, 19 98.

Rosezetta Lloyd
Clerk

This day, Newton F. Riggleman appeared before the Circuit Judge of Randolph County, West Virginia, and took the oath prescribed by law as such Circuit Clerk of Randolph County, which said Newton F. Riggleman, was elected to the Office of Circuit Clerk on the 5th day of November, 1974., and entered into and acknowledged bond in the penalty of Five Thousand Dollars (\$5,000.00), conditioned according to law, with The Travelers Indemnity Company as surety thereon, which bond is approved and ordered to be recorded and filed.

IN RE - - - JIMTOWN PUBLIC SERVICE DISTRICT - PETITION FILED

This day, Harry Smith, III., Attorney, filed a petition to enlarge the said Jimtown Public Service District and for the said Public Service District to be renamed "Norton-Jimtown-Harding Public Service District".

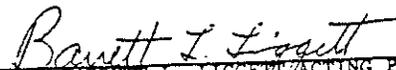
It was ordered by the Court that proper notices be published in the newspaper and that a hearing be set at a later date.

IN RE - - - SMITH PROPERTY RANDOLPH AVENUE - TO BE PURCHASED BY RANDOLPH COUNTY COURT.

Upon Motion of James F. Parsons, and seconded by Barrett L. Liggett, it is ORDERED that the RANDOLPH COUNTY COURT enter into an OPTION and LEASE for purchasing said property on RANDOLPH AVENUE from Mildred Smith and Hosea A. Smith, Jr.

NO FURTHER BUSINESS APPEARING in these proceedings, it is ORDERED that Court do now adjourn.

Attest:


BARRETT L. LIGGETT, ACTING PRESIDENT

STATE OF WEST VIRGINIA,

RANDOLPH COUNTY COURT CLERK'S OFFICE:

At a Special Session of the County Court held in and for the aforesaid County and State, on January 3, 1975, at 10:00 A. M.

Present: Fred S. Poling, Barrett L. Liggett and James F. Parsons.

The following orders were made and entered of record.

IN RE - - - FRED S. POLING, PRESIDENT OF COURT - 1975

Upon Motion duly made and seconded, it is ORDERED that Fred S. Poling be and he is hereby elected to serve as Randolph County Court President for the year of 1975.

State of West Virginia, County of Randolph, ss.

LEGAL NOTICE

Please take notice that on the fourteenth day of January, 1975, at 10 A.M., a hearing will be held by the County Court of Randolph County, West Virginia, at the Randolph County Courthouse on the proposed reorganization of the Jefferson Public Service District to include the following territory, which territory is shown in Landowners and Rearing Creek Districts of Randolph County and which is bounded and described as follows:

BEGINNING at a point on the height of land on Laurel Mountain, at the intersection of the Barbours County-Randolph County line, about 1/2 of a mile south of the Laurel Mountain Lookout Tower; thence southerly along or near the height of land on Laurel Mountain passing through or over the water gap of the Tygart Valley River at Applegate, continuing along or near the height of land on Rich Mountain to the divide between the Casey Fork of the Middle Fork River and Rearing Creek, a tributary of the Tygart Valley River;

Thence northerly along the divide between Rearing Creek, Flatman Fork, a tributary of Rearing Creek, and Middle Fork River to State Secondary 26.1 of U.S. Route 22;

Thence easterly along State Secondary 26.1 to U.S. Route 22;

Thence southerly along U.S. Route 22 to its intersection with State Secondary Route 17;

Thence easterly along an imaginary line about 200 linear feet northerly of State Secondary Route 17 and parallel to State Secondary Route 17 as it meanders in the Barbours County-Randolph County line;

Thence southerly along the Barbours County-Randolph County line to the place of beginning, and including the Incorporated Town of Williamson, (Canton, P.O.).

The said public hearing will also consider proposals that the said Public Service District be permitted to supply sewerage services to residents and businesses lying within the above-described territory and that the said Public Service District be reorganized "Northern-Rearing-Creek-Jefferson Public Service District."

All persons residing in or owning or having an interest in property in the above-described proposed public service district shall have an opportunity, at the hearing for and under the provisions here provided, if, at the said hearing, within a period of thirty percent or more of the qualified voters registered and residing within the proposed public service district, no further action will be taken by the County Court in either case unless the proposed reorganization shall be approved by a majority vote of the qualified registered voters voting at a referendum to be called by the County Court for such purpose.

Dated at Elkins, West Virginia, this 20th day of December, 1974.

Virgil Hamrick
Clerk of the County Court of
Randolph County, West Virginia

I, Charles R. Olson, Publisher of THE INTER-MOUNTAIN, a newspaper published at Elkins, in said county, do hereby certify that the annexed advertisement was published on the following dates:

January 2
19 *75* as required by law.

Given under my hand this *22* day of *February* 19 *79*
Charles R. Olson
Publisher

Printer's Fee: \$ *22.40*

fore me this *23* day of *February* 19 *79*
Ernest P. ...
Notary Public

26 day of *Jan* 19 *75*

LEGAL NOTICE

Please take notice that on the fourteenth day of January, 1975, at 10 A.M., a hearing will be held by the County Court of Randolph County, West Virginia, at the Randolph County Courthouse on the proposed enlargement of the Jimtown Public Service District to include the following territory, which territory is situated in Leadsville and Roaring Creek Districts of Randolph County and which is bounded and described as follows:

BEGINNING at a point on the height of land on Laurel Mountain at the intersection of the Barbour County - Randolph County line, about 3/4 of a mile south of the Laurel Mountain Lookout Tower. Thence westerly along or near the height of land on Laurel Mountain passing through or over the water gap of the Tygart Valley River at Agregates, continuing along or near the height of land on Rich Mountain to the divide between the Cassity Fork of the Middle Fork River and Roaring Creek, a tributary of the Tygart Valley River.

Thence northerly along the divide between Roaring Creek, Flatbush Fork - a tributary of Roaring Creek, and Middle Fork River to State Secondary 20/3 or U. S. Route 33.

Thence easterly along State Secondary 20/3 to U. S. Route 33.

Thence southeasterly along U. S. Route 33 to its intersection with State Secondary Route 17.

Thence easterly along an imaginary line about 200 linear feet northerly of State Secondary Route 17 and parallel to State Secondary Route 17 as it meanders to the Barbour County-Randolph County line.

Thence southerly along the Barbour County-Randolph County

line to the place of beginning, and excluding the incorporated Town of Womelsdorf, (Coalton P.O.).

The said public hearing will also consider proposals that the said Public Service District be permitted to supply sewerage services to residents and businesses lying within the above-described territory and that the said Public Service District be renamed "Norton-Harding-Jimtown Public Service District."

All persons residing in or owning or having any interest in property in the above-described proposed public service district shall have an opportunity, at the said hearing, to be heard for and against the above three proposals. If, at the said hearing, written protest is filed by thirty percent or more of the qualified voters registered and residing within the proposed public service district, no further action will be taken by the County Court in acting upon the proposals unless the proposals shall be approved by a majority vote of the qualified registered voters voting at a referendum to be called by the County Court for such purpose.

Dated at Elkins, West Virginia, this 30th day of December, 1974.

Virgil Hamrick

Virgil Hamrick
Clerk of the County Court of
Randolph County, West Virginia.

Posted
~~By~~ the within *notice* ⁱⁿ the within
named *Butcher Store - Post Office -*
Bowers Store - Clayton Store -
Antoinette Tidaco
on the 2 day of Jan, 1975, by delivering
a true copy thereof to *these locations* in ~~_____~~
in Randolph County, West Va.

D. B. White S. R. C.
By _____ Deputy

STATE OF WEST VIRGINIA
RANDOLPH COUNTY CLERK'S OFFICE:

I, Virgil Hamrick, Clerk of the County Commission in
and for the aforesaid County and State, the same being a Court
of Record and having an Official Seal, do hereby certify that
the foregoing is a true and correct copy from Court Order
Book No. "T" at page No. 3 of the records of my office. AND I
DO FURTHER CERTIFY THAT I am the legal custodian of said records
under the laws of the State of West Virginia.

Given under my hand and Official
Seal of my office, in my Office,
in the City of Elkins, Randolph
County, West Virginia, this the
3rd day of February, 1978

Virgil Hamrick
Clerk



Ch Order
Bk

" T "

Page 3

the Court and took the oath prescribed by law as such Notary Public, and entered into and acknowledged a bond in the penalty of Five Hundred Dollars (\$500.00), conditioned according to law, with Sidney H. Tedford, as surety thereon, which bond is approved and ordered to be recorded and filed.

IN RE - - - MICHAEL ROSS, NOTARY QUALIFICATION

Michael Ross, who was on the 5th day of December, 1974, duly commissioned a Notary Public in and for the aforesaid County and State, by the Governor of the State of West Virginia, appeared before the Court and took the oath prescribed by law as such Notary Public, and entered into and acknowledged a bond in the penalty of Five Hundred Dollars (\$500.00), conditioned according to law, with Virgil Hamrick as surety thereon, which bond is approved and ordered to be recorded and filed.

IN RE - - - EUGENE ANTHONY, - NOTARY QUALIFICATION

Eugene Anthony, who was on the 20th day of December, 1974, duly commissioned a Notary Public in and for the aforesaid County and State, by the Governor of the State of West Virginia, appeared before the Court and took the oath prescribed by law as such Notary Public, and entered into and acknowledged a bond in the penalty of Five Hundred Dollars (\$500.00), conditioned according to law, with Virgil Hamrick, as surety thereon, which bond is approved and ordered to be recorded and filed.

IN RE - - - JUDI EDGELL DEAN - NOTARY QUALIFICATION

Judi Edgell Dean, who was on the 3rd day of December, 1974, duly commissioned a Notary Public in and for the aforesaid County and State, by the Governor of the State of West Virginia, appeared before the Court and took the oath prescribed by law as such Notary Public, and entered into and acknowledged a bond in the penalty of Five Hundred Dollars (\$500.00), conditioned according to law, with Ray Powell, as surety thereon, which bond is approved and ordered to be recorded and filed.

IN RE - - - LEADSVILLE PUBLIC SERVICE DISTRICT - DIRECTORS APPT'D

UPON MOTION by Barrett L. Liggett and seconded by James F. Parsons, it is ORDERED that DALE PHILLIPS, LUNSFORD HOLLAND and RALPH HESS be and they are hereby appointed as Directors of the Leadsville Public Service District, and the said Dale Phillips, Lunsford Holland and Ralph Hess appeared before the Court and took the oath prescribed by law as such Directors.

IN RE - - - JIMTOWN PUBLIC SERVICE DISTRICT - ENLARGEMENT

This matter came on again to be considered upon the petition in writing heretofore filed with the Court, signed by David W. Nutter, member of the public service board of Jimtown Public Service District, requesting the enlargement of the said district to furnish

said district be renamed "Norton-Harding Jimtown Public Service District", upon the notice of a public hearing required by statute to be held in this matter, and upon the certificate of publication of said notice evincing its publication in the Elkins Inter-Mountain. Thereupon, the Court proceeded to hold said public hearing. And again came Harry A. Smith, III, counsel for the public service district, and moved the Court to enlarge the said public service district and for the other petitioned-for relief, and there being insufficient opposition or protest made, the Court being of opinion that the said enlargement is in the best interests of the public welfare, and will be conducive to the preservation of public health, comfort and convenience of such area, and the rights of no individual will be adversely affected thereby, thereupon, on motion of B. L. Liggett, seconded by James F. Parsons, it is accordingly ORDERED that the Jimtown Public Service District be and the same is hereby enlarged, which enlarged district includes the following territory, which territory is situate in Leadsville and Roaring Creek Districts of Randolph County, West Virginia, being more particularly bounded and described as follows:

BEGINNING at a point on the height of land on Laurel Mountain, at the intersection of the Barbour County - Randolph County line, about 3/4 of a mile south of the Laurel Mountain Lookout Tower. Thence westerly along or near the height of land on Laurel Mountain passing through or over the water gap of the Tygarts Valley River at Aggregates, continuing along or near the height of land on Rich Mountain to the divide between the Cassity Fork of the Middle Fork River and Roaring Creek, a tributary of the Tygart Valley River.

Thence northerly along the divide between Roaring Creek, Flatbush Fork - a tributary of Roaring Creek, and Middle Fork River to State Secondary 20/3 of U.S. Route 33.

Thence easterly along State Secondary 20/3 to U. S. Route 33.

Thence southeasterly along U. S. Route 33 to its intersection with State Secondary Route 17.

Thence easterly along an imaginary line about 200 linear feet northerly of State Secondary Route 17 and parallel to State Secondary Route 17 as its meanders to the Barbour County-Randolph County line.

Thence southerly along the Barbour County-Randolph County line to the place of beginning, and excluding the incorporated Town of Womelsdorf (Coalton P. O.).

It is further ORDERED that the said public service district is permitted to supply sewerage services to residents lying within the above-described territory and that the said public service district be renamed "Norton-Harding-Jimtown Public Service District.

State of West Virginia,
Randolph County, to wit:

I, Rosezetta Lloyd, Clerk of the County Commission in and for the aforesaid County and State, the same being a Court of Record and having an Official Seal, do hereby certify that the foregoing is a true and correct copy from Records of my office. AND I DO FURTHER CERTIFY that under the laws of the State of West Virginia, I am the legal custodian of said records.

Ct Order Bk "T" Page 3.

Given under my hand and the Official Seal of my office, in my office, in the City of Elkins, Randolph County, West Virginia, this the 29th day of Jan, 19 98.

Rosezetta Lloyd
Clerk

David Rice - 911 Director - responded that all will have an opportunity to discuss road name changes in February.

Mrs. Weese - asked who made final decision on road names, was informed that the County Commission. Sent petition with alternative name: Fansler Road for Ferguson Road.

Barbara Hannah - asked what name was selected for Old Rt 33 (Old Seneca Pike) and wanted more public input on road names.

Mike Mullens - asked that administrator of L. Montoney estate be removed and advised that he was willing to "show cause" to give administrator 30 days to close estate and pay bills and, if administrator fails to do this, asked that Morgan Haymond be appointed as administrator.

Motion made by Commr. Schmidlen and seconded by Commr. Elbon to ask for Mullens to "show cause" and return after 30 days with result.

OLD BUSINESS :

Jack Roy - Randolph County Sheriff - discussed need for Budget Revenue for Jail Medical: (1) Will cut prescription from monthly to weekly, (2) Release some inmates in next week, (3) Place some on work release so they can cover own medical expenses, (4) Can move Home Confinement Balance to end of Fiscal Year (not mid-year).

Motion made by Commr. Schmidlen and seconded by Commr. Elbon to increase Revenue (per list) by \$60,000. and Jail Medical by \$60,000.

Motion made by Commr. Schmidlen and seconded by Commr. Elbon to appoint Glenn Lee to Norton-Harding-Jimtown PSD for a six year term beginning January 1, 2005 to January 1, 2011.



I, SANDRA PAWELCZYK, Clerk of the County Commission of Randolph County, West Virginia, hereby certify that the foregoing is a true copy from the records of my office. Given under my hand and the Official Seal of my office, in my office, in the City of Elkins, Randolph County, West Virginia.
This the 3rd day of July, 2006
Teste: Sandra Pawelczyk Clerk

Bids were received as follows:

Middle Fork Builders -	\$79,285.00
ATW Construction -John Welch	26,500.00

Commission will discuss the bids that were received.

Back to Public Comment:

Lina Taylor spoke in opposition to Zoning Ordinances.

Mick Cunningham spoke in opposition to Zoning Ordinances.

Arlene Tingler spoke in opposition to Zoning Ordinances.

WV EXTENSION AGENT - Ronnie Helmondollar appeared before the Commission to request the purchase of a Digital Duplicator for the WV Extension Service Office at the cost of \$3400.00.

Commission will make a decision on January 14, 2003.

NORTON HARDING-JIMTOWN PSD - Motion made by Commr. Schmidlen and seconded by President Herron to re-appoint O. B. Currence to the Norton-Harding Jintown PSD - 6 year term - beginning January 1, 20203.

ELKINS FCCLA - Letter was received and read by the County Clerk thanking the Commission for their donation to help with the Christmas Baskets for the needy.

ERRONEOUS ASSESSMENTS - Motion made by Commr. Schmidlen and seconded by President Herron to approve the correction of Erroneous Assessments.

PUBLIC COMMENT: Mick Cunningham told the Commission that there was no such thing as abandoned piece of property.

BILLS, PAYMENT OF - Motion made by Commr. Schmidlen and seconded by Commr. Herron to approve the payment of bills.

I, SANDRA PAWELCZYK, Clerk of the County Commission of Randolph County, West Virginia, hereby certify that the foregoing is a true copy from the records of my office. Given under my hand and the Official Seal of my office, in my office, in the City of Elkins, Randolph County, West Virginia.

This the 3rd day of July, 2006

Teste: Sandra Pawelczyk Clerk

CASA – Sara Thomas, Executive Director of CASA requested funding for the CASA program. County commission informed Sara that there was a grant carry-over from 2003 in the amount of \$4,250.00. If she will submit bills CASA could be reimbursed from this carry-over.

NORTON-HARDING-JIMTOWN PSD – County Commission authorized the appointment of Kenny Pomp to fill the unexpired term of Mr. Kittle.
 Motion made by Commr. Schmidlen and seconded by Commr. Elbon
 All yes
 Motion carried

YMCA – Presented a letter requesting funding. No action taken

HUMANE SOCIETY – Daniel Ackerman presented a bill on behalf of the Randolph County Humane Society in the amount of \$15,158.00 in regard to the Jones/Payne case. Payment will be made in full to the Humane Society upon approval of bills.

COMMUNITY ARTS CENTER – Mr. Thacker requested support in the amount of \$5,000.00 no action taken. County Commission gave Mr. Thacker an application for a \$35,000.00 grant.

ERRONEOUS ASSESSMENT: Approve erroneous assessments
 Motion made by Commr. Schmidlen and seconded by Commr. Elbon
 All yes
 Motion carried

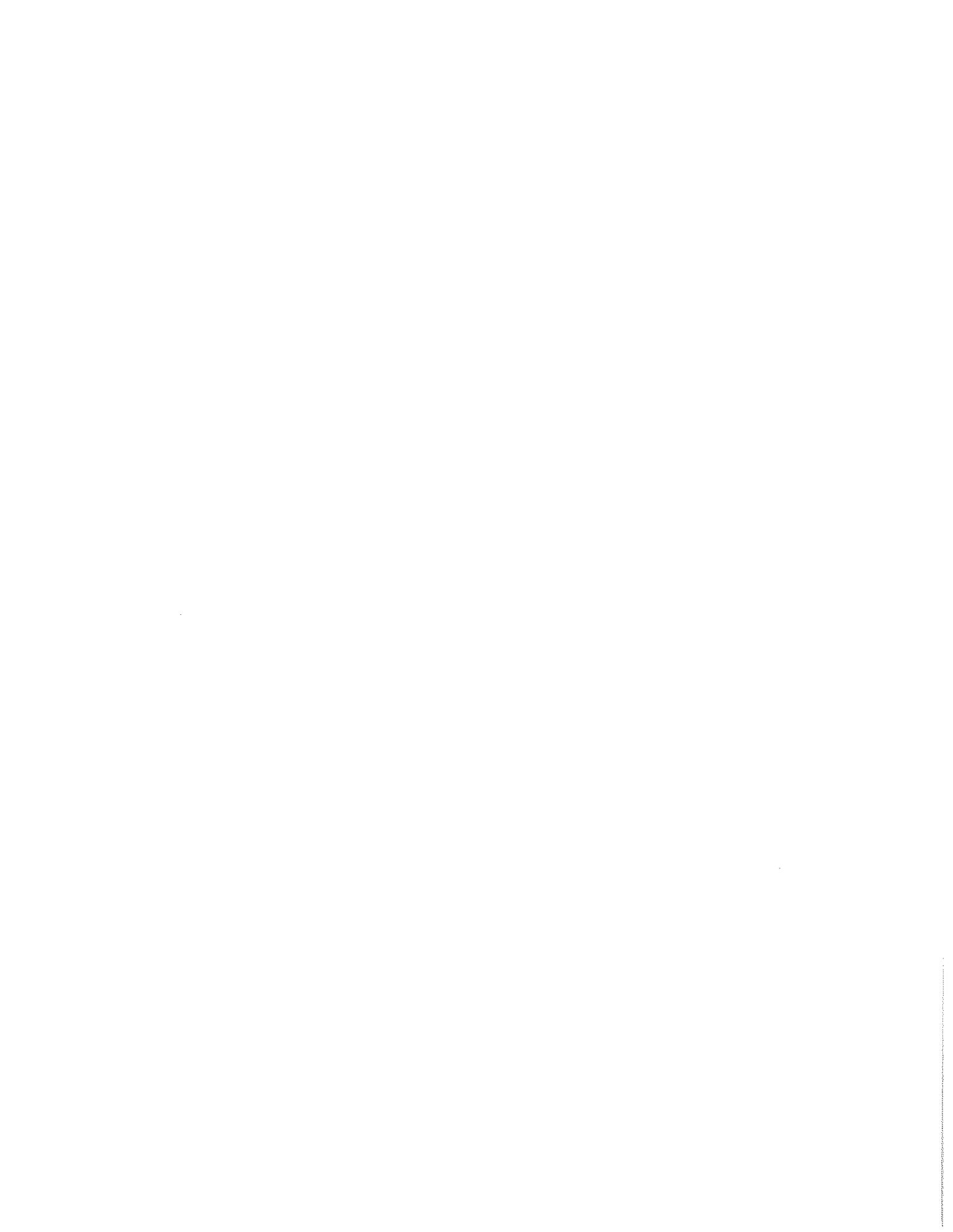
DIVISION OF PROPERTY - Approved
 Motion made by Commr. Schmidlen and seconded by Commr. Elbon
 All yes
 Motion carried

PAYMENT OF BILLS - Approved
 Motion made by Commr Elbon and seconded by Commr. Schmidlen
 All yes.
 Motion carried

ADJORN THE MEETING
 Motion made by Commr. Schmidlen and seconded by Commr. Elbon
 All yes.
 Motion carried

ATTEST: Voras K. Haynes
 Voras K. Haynes, President

I, SANDRA PAWELCZYK, Clerk of the County Commission of Randolph County, West Virginia, hereby certify that the foregoing is a true copy from the records of my office. Given under my hand and the Official Seal of my office, in my office, in the City of Elkins, Randolph County, West Virginia.
 This the 3rd day of July, 2006
 Teste: Sandra Pawelczyk Clerk



OATH OF OFFICE

STATE OF WEST VIRGINIA,
COUNTY OF RANDOLPH, TO WIT:

I 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 Member - NHJ PSD. to the best of my skill and judgement, SO HELP ME GOD.

O. B. Curran
(Signature of Affiant)

TAKEN, ACKNOWLEDGED AND SUBSCRIBED to before, a Notary Public or Official, this the 22nd day of Oct, 2004.

Rosette Lloyd

My Commission expires: 12-31-2004

I, SANDRA PAWELCZYK, Clerk of the County Commission of Randolph County, West Virginia, hereby certify that the foregoing is a true copy from the records of my office. Given under my hand and the Official Seal of my office, in my office, in the City of Elkins, Randolph County, West Virginia.

This the 3rd day of July, 2006
Teste: Sandra Pawelczyk Clerk

OATH OF OFFICE

STATE OF WEST VIRGINIA,

COUNTY OF RANDOLPH, TO-WIT:

I, GLENN E. LEE, 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 my duties as a member of the Public Service Board for Norton, Harding and Jimtown, Randolph County, West Virginia, to the best of my skill and judgment.

Glenn E Lee

Subscribed and sworn or affirmed before me, in said County and State, this the 3rd day of February, 2005.

J. Hanning
CIRCUIT JUDGE

FILED

FEB 3 3 01 PM '05

I, SANDRA PAWELCZYK, Clerk of the County Commission of Randolph County, West Virginia, hereby certify that the foregoing is a true copy from the records of my office. Given under my hand and the Official Seal of my office, in my office, in the City of Elkins, Randolph County, West Virginia.

This the 3rd day of July 2006
Teste: Sandra Pawelczyk Clerk

OATH OF OFFICE

STATE OF WEST VIRGINIA,
COUNTY OF RANDOLPH, TO WIT:

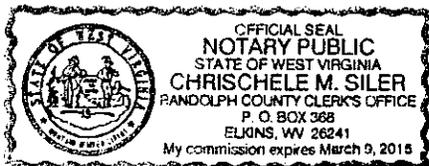
I do solemnly swear that I will support the Constitution of
the United States and the Constitution of the State of West Virginia
and that I will faithfully discharge the duties of the office of
NORTON-HARDING-JIMTOWN PSD to the best of my skill
and judgement, SO HELP ME GOD.

Kenneth B. Boush
(Signature of Affiant)

TAKEN, ACKNOWLEDGED AND SUBSCRIBED to before, a Notary Public or
Official, this the 1st day of November, 2005.

Christhele M. Siler

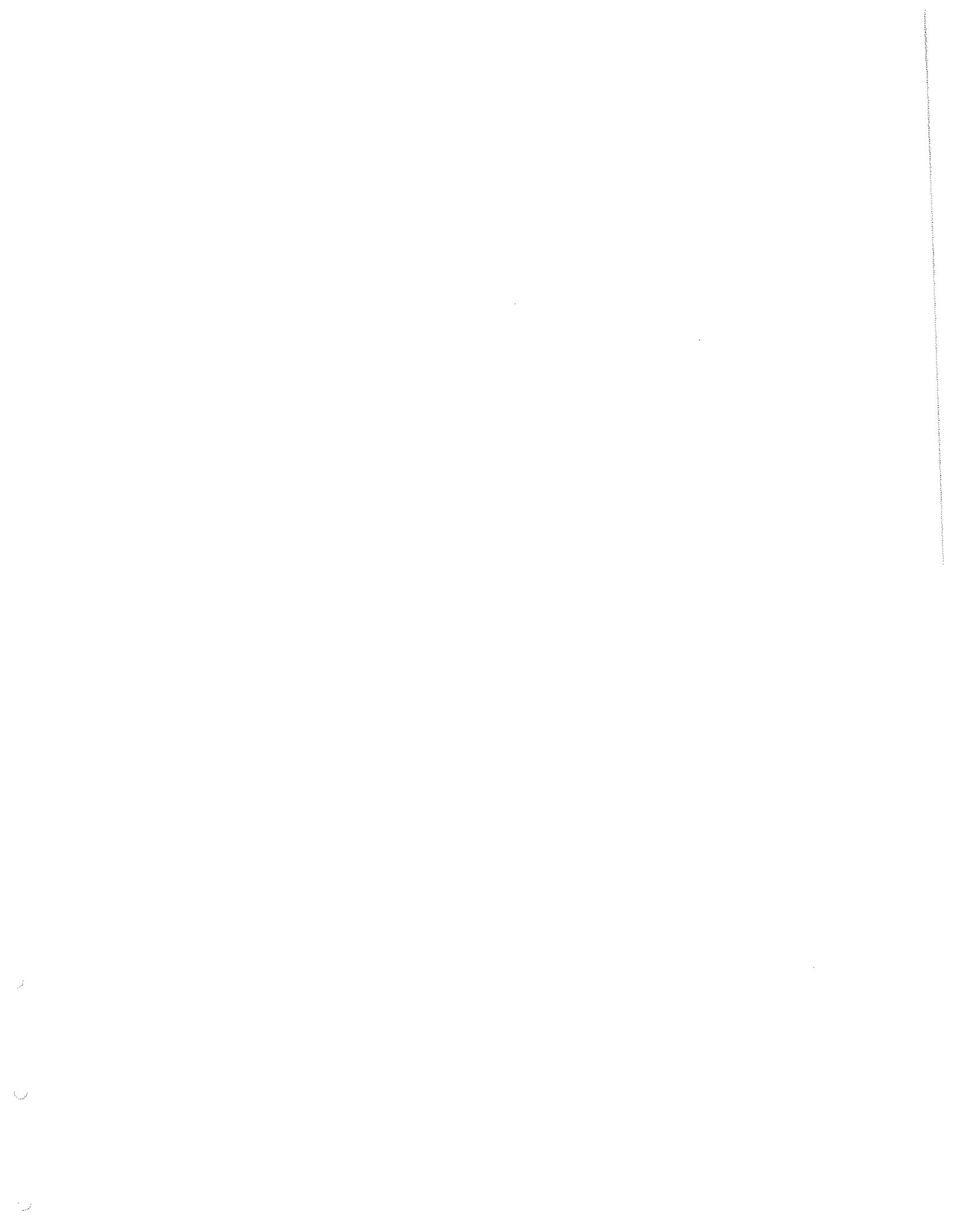
My Commission expires: March 9, 2015



I, SANDRA PAWELCZYK, Clerk of the County Commission
of Randolph County, West Virginia, hereby certify that the
foregoing is a true copy from the records of my office.
Given under my hand and the Official Seal of my office, in my
office, in the City of Elkins, Randolph County, West Virginia.

This the 3rd day of July, 2006
Teste: Sandra Pawelczyk Clerk

Nov 1 1 24 PM '05
FILED



RULES OF PROCEDURE
NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

ARTICLE I

NAME AND PLACE OF BUSINESS

Section 1. Name: NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT.

Section 2. The principal office of this Public Service District will be located at Scott Road, Norton, Randolph County, West Virginia.

Section 3. The Common Seal of the District shall consist of 2 concentric circles between which circles shall be inscribed Norton-Harding-Jimtown 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 Randolph County, West Virginia, or otherwise appointed pursuant to the Act, who shall serve for such terms as may be specified in the order of the County Commission or otherwise.

Section 2. Should any member of the Public Service Board resign or otherwise become legally disqualified to serve as a member of the Public Service Board, the Secretary shall immediately notify the County Commission or other entity provided under the Act and request the appointment of a qualified person to fill such vacancy. Prior to the end of the term of any member of the Public Service Board, the Secretary shall notify the County Commission or other entity provided under the Act of the pending termination and request the County Commission or other entity provided under the Act to enter an order of appointment or re-appointment to maintain a fully qualified membership of the Public Service Board.

ARTICLE IV

MEETINGS OF THE PUBLIC SERVICE BOARD

Section 1. The members of the Public Service Board of this District shall hold regular monthly meetings on the Second Monday 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 Randolph 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 Randolph 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.

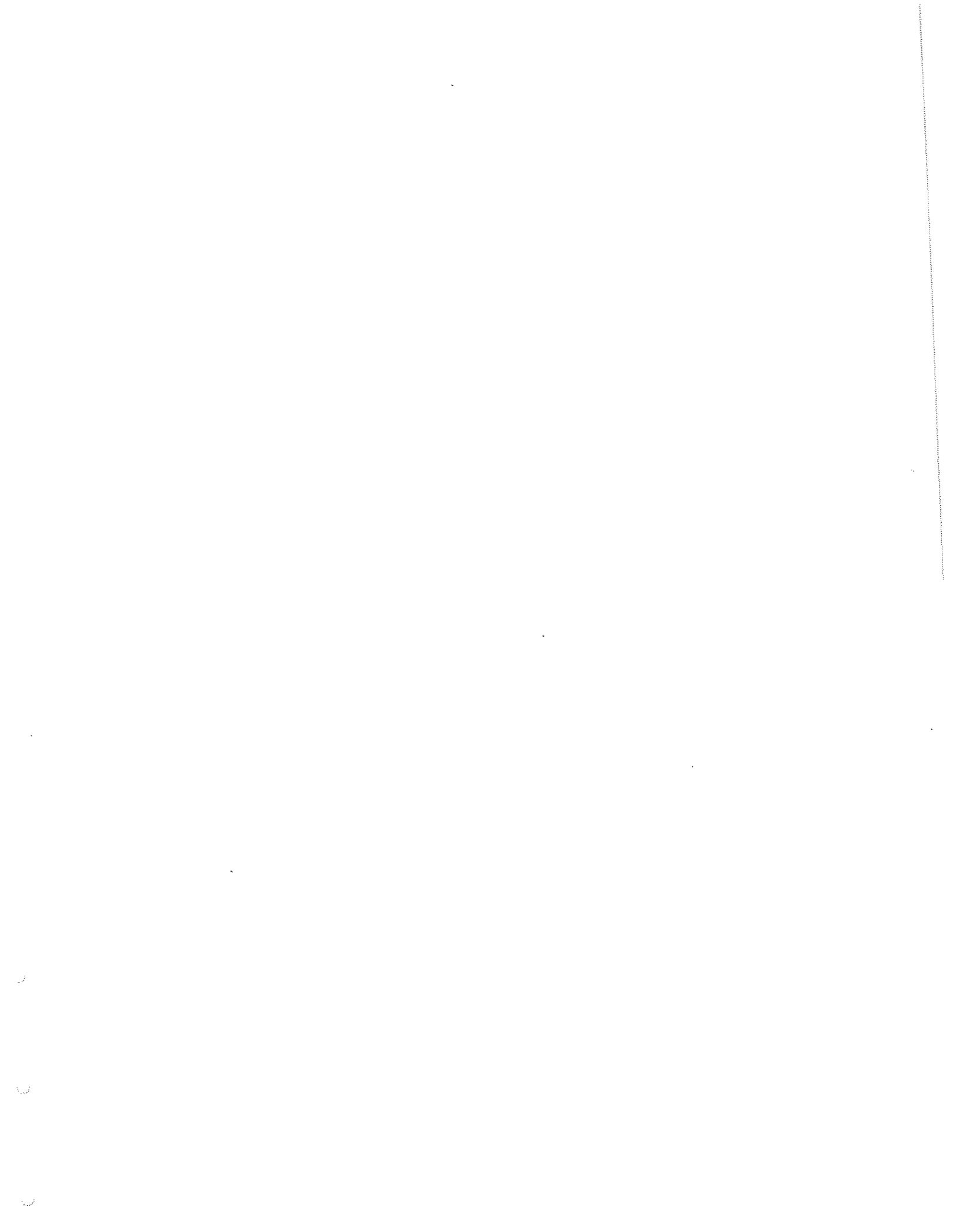
ARTICLE VII

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 23rd day of November, 2004.



State of West Virginia, County of Randolph, ss.

I, Donald W. Smith, General Manager of THE INTER-MOUNTAIN, a newspaper published at Elkins, in said county, do hereby certify that the annexed advertisement was published on the following dates:

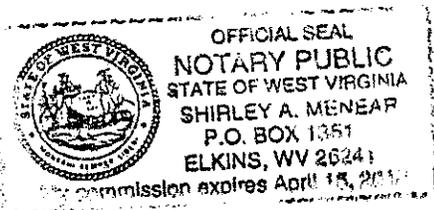
April 22 _____

20 05 _____ as required by law.

Given under my hand this 22nd day of April 20, 05

Donald Smith
General Manager

Printer's Fee: \$ 417.80 _____



Subscribed and sworn to before me this 22nd day of April 20, 05

Shirley A. Meneaf
Notary Public

My Commission Expires the 15th day of April 20, 12

LEGAL ADVERTISEMENT

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA CHARLESTON

Entered by the Public Service Commission of West Virginia, in the City of Charleston on the 12th day of April, 2005.

CASE NO. 05-0500-PSD-CN

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT P.O. Box 87 Norton, WV 26285-0087

Application for a Certificate of Convenience and Necessity to construct, operate and maintain Phase I of a sanitary sewer extension to Norton and Harding in Randolph County. The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, in Charleston, West Virginia.

NOTICE OF FILING

WHEREAS, on April 12, 2005, the Norton-Harding-Jimtown Public Service District filed an application, duly verified, for a Certificate to construct Phase I of a sanitary sewer extension to Norton and Harding in Randolph County. The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, in Charleston, West Virginia.

WHEREAS, the Norton-Harding-Jimtown Public Service District (Applicant) estimates that construction will cost approximately \$1,333,000. It is proposed that the cost of construction will be financed as follows: U.S. Army Corps of Engineers grant in the amount of \$1,000,000; and a West Virginia Infrastructure Jobs Development Council loan in the amount of \$333,000.

WHEREAS, the utility anticipates charging the following sewer rates for its customers:

SCHEDULE I

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for domestic, commercial and industrial sewer service.

USAGE CHARGE

First 3,000 gallons used per month \$9.50 per 1,000 gallons Next 7,000 gallons used per month \$9.50 per 1,000 gallons Over 10,000 gallons used per month \$4.75 per 1,000 gallons

MINIMUM CHARGE

Each customer shall pay a minimum charge of \$ 28.50 per month. (Equivalent to 3,000 gallons of water usage)

UNMETERED RATE

Customers with a non-metered water supply \$ 38.00 per month. (Equivalent to 4,000 gallons of water usage)

DELAYED PAYMENT PENALTY

The above schedule is not. 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 charges are to be made whenever the utility installs a new tap to serve an applicant:

A tap fee of \$100 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This tap fee shall be paid in full at the time of completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of \$350 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 sewer bills, a connection fee of \$20.00 shall be charged on the event the delinquent sewer bills are collected in full. An administrative fee of \$20.00 shall be charged.

Whenever water service has previously been discontinued or withheld for non-payment of a sewer bill, a reconnection fee of \$20.00 shall be charged.

RETURNED CHECKS CHARGE

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

LEAK ADJUSTMENT

\$3.50 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

SCHEDULE II

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE SURFACE DRAINAGE IS CONNECTED TO THE DISTRICT'S SANITARY SEWER SYSTEM

Where the District has discovered that a customer's roof-drain, down spouts, storm sewer or other similar facilities conducting surface water have been connected to the District's sewer system, and such customer has failed to take appropriate action, within thirty (30) days of receipt of a demand by the District in accordance with the Rules and Regulations of the Public Service Commission, an ultimate surcharge shall be imposed upon the customer calculated in the manner as follows:

S = A x R x D x C

- S - The surcharge in dollars. A - The area under roof and/or the area of any other water collector surface connected to the sanitary system, in square feet. R - The measured monthly rainfall, in inches. D - The number of days of rain in excess of .1 inch per square foot of surface to thousands of gallons of water. C - The District's approved rate per thousand gallons of metered water usage.

The District shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, or on-site inspection that rain or other surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from the receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to possible termination of water service in accordance with the Rules and Regulations of the Public Service Commission of West Virginia.

SCHEDULE III

SURCHARGE FORMULA TO BE APPLIED IN THE CASE OF USERS PRODUCING UNUSUAL WASTE

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

Ci = VoVi + BoBi + SoSi

- Ci - charge to unusual users per year. Vo - average unit cost of transport and treatment chargeable to volume, in dollars per gallon. Vi - volume of waste from unusual users, in gallons per year. Bo - average unit cost of treatment chargeable to Biochemical Oxygen Demand (BOD) in dollars per year. Bi - weight of BOD from unusual users in pounds per year. So - average unit costs of treatment (including sludge treatment chargeable to total solids), in dollars per pound. Si - weight of total solids from unusual users, in pounds per year.

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made. Waste containing material which, in the judgment of the Norton-Harding-Jimtown Public Service District, should not be introduced into the sewer system, need not be handled by it. The results of this preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefor, based upon the formula set out above.

Thereafter, unusual sewage service will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and the audit of the Norton-Harding-Jimtown Public Service District records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the Norton-Harding-Jimtown P.S.D., as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made aforesaid.

SCHEDULE IV

APPLICABLE WITHIN THE BOUNDARIES OF NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

Where the amount of sanitary sewage discharged into the Norton-Harding-Jimtown Public Service District wastewater collection and/or transmission and/or treatment system by certain industrial plant or plants cannot be accurately determined by the use of the plant's water meter or gauges, and said plant cannot fix a flow meter to measure such waste, a special formula will be used whereby such plant or plants will pay to the Norton-Harding-Jimtown Public Service District a sewer charge calculated at fifty (50) gallons of water per each employee at the plant each working day.

SCHEDULE V

APPLICABILITY

Applicable to entire territory served.

AVAILABILITY

Available for wastewater and leachate haulers.

RATES

Commodity Charge - Each customer shall pay a commodity charge of \$28.50 per 1,000 gallons per load. Load will be two times the actual capacity of the truck or other transport method delivering wastewater and leachate. Actual capacity shall be determined or verified by the District.

DELAYED PAYMENT PENALTY

The above schedule is not. 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.

RETURNED CHECKS CHARGE

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

This filing will establish new sewer rates for customers of the Norton-Harding-Jimtown Public Service District. The rates shall be effective for the period of the sewer extension will connect to the town of Julia, treatment plant for sewage treatment.

The requested rates and charges are only a proposal and are subject to change (increase or decrease) by the Public Service Commission in its review of the filing.

In accordance with § 24-2-11, West Virginia Code, IT IS ORDERED that the Norton-Harding-Jimtown Public Service District give notice of the filing of said application by publishing a copy of the notice in a newspaper published by the Secretary of State, publishing and of general circulation in Randolph County, making due return to this Commission of proper certification of publication immediately after publication. Anyone desiring to protest or intervene should file a written protest or notice of intervention within 30 days following the date of this publication, unless otherwise modified by Commission order. Failure to timely protest or intervene can affect your right to protest aspects of this certificate case, including any associated rate increases or to participate in future proceedings. All protests or requests to intervene should clearly state the reason for the protest or intervention. Requests for intervenes must comply with the Commission's rules on intervention set forth in the Commission's Rules of Practice and Procedure. All protests and interventions should be addressed to Sandra Squire, Executive Secretary, P.O. Box 812, Charleston, West Virginia 25323.

IT IS FURTHER ORDERED that if no protests are received within said thirty (30) day period, the Commission may waive formal hearing and grant the application based on the evidence submitted with said application and its review thereof.

FOR THE COMMISSION

Sandra Squire Executive Secretary

The Norton-Harding-Jimtown Public Service District met in regular session, pursuant to notice duly given, on January 9, 2006, at the water plant at 7:30 p.m.

Present: Glenn Lee, Chairman
O.B. Currence, Treasurer
Kenneth Pomp, Board Member
Jeff Nutter, Chief Water Plant Operator
Curtis Elmore, Water Plant Operator & Office Manager
Rick George, Maintenance Worker
John Guire, Operator-in-Training
Jean Browning, Office Assistant
Walt Schmidlen, Randolph County Commissioner
Rick Sypult, Thrasher Engineering

Glenn Lee, Chairman, presided; announced that a quorum of members was present and that the meeting was open for any business properly before it. Announcement that the meeting is being recorded.

Election of officers for 2006. Following discussion, motion by O.B. Currence, second by Kenneth Pomp, the following slate of officers was presented: Chairman, Glenn Lee; treasurer, O.B. Currence; and secretary, Kenneth Pomp. Unanimous approval. Officers for 2006 are Glenn Lee, Chairman; O.B. Currence, treasurer and Kenneth Pomp, secretary.

Minutes of the December 12, 2005 and December 20, 2005 meetings were presented by Browning and approved by the Board.

Old Business:

Phase I sewer update presented by Rick Sypult, Thrasher Engineering. Clay Riley has a meeting with Army Corps of Engineers on January 19, 2006 when permitting, right-of-ways and environmental issues will be reviewed. E-mail report has been received from Pittsburgh office, which focuses on effects on the environment and natural resources. Approximately fifteen more ROW easements are needed prior to advertising in March.

On motion Pomp, PSD employees will assist Mr. Sypult in securing easements; second by Currence; unanimous approval.

Phase II sewer update presented by Lee and Sypult. Randolph County Commission provided a letter of sponsorship for the sewer project, which will be included with SCBG application.

Kingsville/Leslie waterline extension ^{update} provided by Lee and Sypult. Glenn Lee, Clay Riley and Walt Schmidlen met with WV Regional Jail Authority Director Wynetta Fredericks on December 22, 2005 in Charleston regarding potential problems with water service to regional jail in the event of an interruption of service. Ms. Fredericks expressed interest in construction of a storage tank to serve the jail and will propose that the Regional Jail Authority provide funding for the tank. On motion by Currence; Thrasher will amend application to IJDC to include waterline to Leslie and storage tank for jail; second by Lee; unanimous approval.

New Business:

Discussion of PSD accounts at Citizens National Bank. Matter was tabled.

Implementation of Employee Handbook for the PSD was discussed. Policies regarding insurance, vacation, sick leave, holidays, retirement, funeral leave, etc. were included. Board members will review rough draft of handbook and take action at February meeting.

A motion was made by Currence for the PSD to provide PEIA coverage to full time employees. Board will contribute 80% of the premium and the employee will contribute 20%; providing the employee chooses to participate. Family coverage will be available with the employee providing 100% of the premium. Second by Pomp; unanimous approval.

Walt Schmidlen announced that project to install meter pit at the regional jail is on target.

On motion by Pomp effective 02-01-06 pay days will be every other Friday; second by Currence; unanimous approval.

Mr. Nutter informed the Board that he did not receive overtime pay for 2.5 hours on the pay period ending 12-29-05 and that Mr. Guire did not receive overtime pay for 12 hours for pay periods ending 12-29-05 and 12-13-05. It was noted that previously any hours over 80 hours per pay period resulted in overtime pay.

On motion by Currence a magnetic sign for the District's service truck will be ordered from Art Medium and employee ID's will be secured from the WV RWA; second by Pomp; unanimous approval.

On motion by Currence a pitot gauge and dechlorinator will be purchased by the District for hydrant flow testing; second by Pomp; unanimous approval.

PSD Board Members Mandatory Training Seminar will be held February 9-11, 2006 at the Charleston Civic Center. Mr. Pomp is required to attend. Lodging, evening meals and mileage expenses will be paid by the District.

Backflow prevention seminar is slated for July in Martinsburg. On motion by Lee registration fee and expenses for Mr. Nutter and Mr. Elmore to attend; second by Currence; unanimous approval.

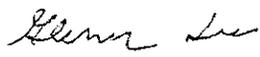
WV RWA voting membership renewal and dues was approved. Dues are number of water taps times \$0.19, which totals \$126.35.

Treasurer's report reflected:

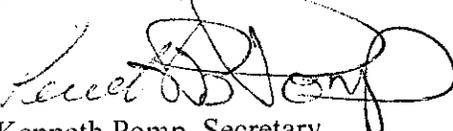
December 1, 2005 checking balance	\$40,173.26
December receipts	27,144.40
December 2005 expenditures	23,011.47
December 2005 returned check	32.04
December 31, 2005 checking balance	\$44,274.15

Bills submitted for payment are attached.

As there was no further business, the meeting was adjourned at 9:00 p.m.


Glenn Lee, Chairman


O.B. Currence, Treasurer


Kenneth Pomp, Secretary

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)

EXCERPT OF MINUTES ON ADOPTION OF BOND RESOLUTION,
SUPPLEMENTAL RESOLUTION AND FIRST DRAW RESOLUTION

On this 10th day of October, 2006, the undersigned SECRETARY of the Public Service Board of Norton-Harding-Jimtown Public Service District, hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the said Public Service Board:

The Public Service Board of Norton-Harding-Jimtown Public Service District met in regular session, pursuant to notice duly posted, on the 10th day of October, 2006, in Norton, West Virginia, at the hour of 6:00 p.m.

PRESENT: Chairman - Glenn Lee
 Secretary - Kenneth Pomp
 Treasurer - O. B. Currence

ABSENT: None.

Glenn Lee, Chairman, presided, and Kenneth Pomp acted as Secretary. The Chairman announced that a quorum of members was present and that the meeting was open for any business properly before it.

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

RESOLUTION AUTHORIZING THE ACQUISITION
AND CONSTRUCTION OF PUBLIC SEWERAGE
FACILITIES OF NORTON-HARDING-JIMTOWN
PUBLIC SERVICE DISTRICT AND THE FINANCING
OF THE COST, NOT OTHERWISE PROVIDED,
THEREOF THROUGH THE ISSUANCE BY THE

DISTRICT OF NOT MORE THAN \$333,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2006 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.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made and seconded, 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 Resolution in writing entitled:

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 SEWER REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF NORTON-HARDING-JIMTOWN 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.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by O.B. Currence and seconded by Kenneth Pomp, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

Thereupon, the Chairman presented a proposed resolution approving the payment of invoices for the sewer project from proceeds of the Bonds. Thereupon, a motion duly made by Kenneth Pomp and seconded by O. B. Currence, it was unanimously ordered that the said Resolution be adopted and be in full force and effect on and from the date hereof.

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

CERTIFICATION

I hereby certify that the foregoing action of Norton-Harding-Jimtown Public Service District remains in full force and effect and has not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature as of the date first written above.


Secretary

09.25.06
664900.00002

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

NEW ISSUE REPORT FORM

Date of Report: October 12, 2006

(See Reverse for Instructions)

ISSUE: Norton-Harding-Jimtown Public Service District Sewer Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund)

ADDRESS: Post Office Box 206, Norton, West Virginia 26285 COUNTY: Randolph

PURPOSE OF ISSUE: New Money: X
Refunding: _____ REFUNDS ISSUE(S) DATED: _____

ISSUE DATE: October 12, 2006 CLOSING DATE: October 12, 2006

ISSUE AMOUNT: \$ 333,000 RATE: 0%

1ST DEBT SERVICE DUE: March 1, 2008 1ST PRINCIPAL DUE: _____

1ST DEBT SERVICE AMOUNT: \$2,149.00 PAYING AGENT: Municipal Bond Commission

BOND
COUNSEL: Stephoe & Johnson PLLC
Contact Person: John C. Stump, Esquire
Phone: 353-8136

UNDERWRITERS
COUNSEL: Jackson Kelly PLLC
Contact Person: Samme L. Gee, Esq.
Phone: 340-1318

CLOSING BANK: Citizens National Bank, Elkins
Contact Person: Matthew R. Scott
Phone: (304) 636-6223

ESCROW TRUSTEE: _____
Contact Person: _____
Phone: _____

KNOWLEDGEABLE ISSUER CONTACT
Contact Person: Glenn Lee
Position: Chairman
Phone: 304.636.6223

OTHER: WV Infrastructure & Jobs Development Council
Contact Person: Jefferson Brady, P.E.
Function: Executive Secretary
Phone: 558-4607

DEPOSITS TO MBC AT CLOSE: _____
By: _____ Wire _____
_____ Check _____
Accrued Interest: \$ _____
Capitalized Interest: \$ _____
Reserve Account: \$ _____
Other: Pay off Prior Notes \$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: _____ Wire _____
_____ Check _____
_____ IGT _____
To Escrow Trustee: \$ _____
To Issuer: \$ _____
To Cons. Invest. Fund: \$ _____
To Other: _____ \$ _____

NOTES: _____

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: _____
TRANSFERS REQUIRED: _____

The purpose of the NEW ISSUE REPORT FORM is to provide the WV Municipal Bond Commission with an early warning of three basic facts no later than the day of closing on any issue for which the Commission is to act as fiscal agent. These are:

1. Formal notification that a new issue is outstanding.
2. Date of first action or debt service.
3. Contact people should we lack documents, information, or funds needed to administer the issue by the date of the first action or debt service.

The commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specified by the West Virginia Code 13-3-8. This notice is not intended to provide all the information needed to administer an issue, but to alert the Commission and ensure that no debt service payments are missed due to delays in assembling bond transcripts. If, at the time of closing, documents such as the ordinance and all supplements, debt service schedules, and a specimen bond or photostat are available and submitted with this form, it will greatly aid the Commission in the performance of its duties. These documents are needed to set up the proper accounts and to advise the issuer of monthly deposit requirements as far in advance of the first debt service as possible.

It is not necessary to complete all items if they are not pertinent to your issue. Indicate the County of the issuer. With PSDs that overlap more than one county, indicate the county of their business office. Complete "Rate" only if the issue has only one rate. Please complete a separate form for each series of an issue. Other important information can be recorded under "Notes."

Again, please submit this form on each new issue on the day of closing. If fund transfers into or out of the Commission at closing are required, please submit this form before closing. If no significant facts change by closing, no resubmission at closing is required. If, however, there are changes, please submit an updated form, with changes noted, at closing.

If you should have any questions concerning this form, please call the Commission.

09.25.06
664900/00002

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

CITIZENS NATIONAL BANK, Elkins, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Resolution and a Supplemental Resolution of Norton-Harding-Jimtown Public Service District (the "Issuer"), both adopted October 10, 2006 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), dated October 12, 2006, issued in the principal amount of \$333,000 (the "Bonds"), as set forth in the Bond Legislation.

WITNESS my signature on this 12th day of October, 2006.

CITIZENS NATIONAL BANK

By: 
Its: Authorized Officer

09.25.06
664900.00002

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

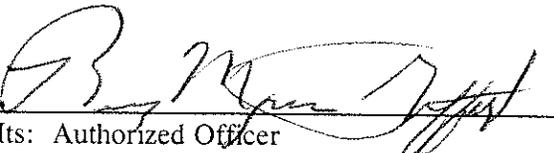
Sewer Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF DUTIES AS REGISTRAR

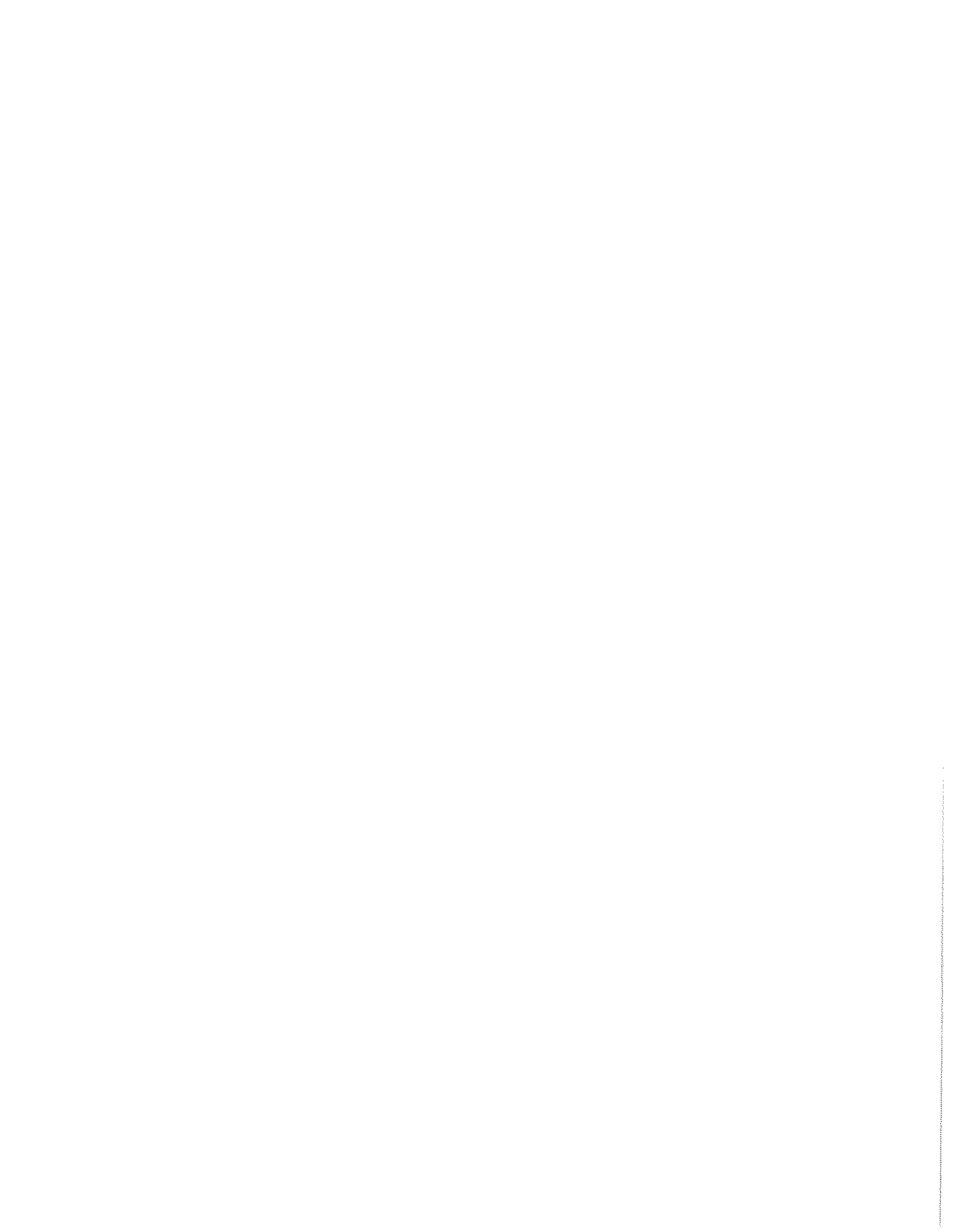
THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Norton-Harding-Jimtown Public Service District Sewer Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), dated October 12, 2006, issued in the principal amount of \$333,000 (the "Bonds"), and agrees to perform all duties of Registrar in connection with such Bonds, as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 12th day of October, 2006.

HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

10.04.06
664900.00002



NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)

CERTIFICATE OF REGISTRATION OF BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of Norton-Harding-Jimtown Public Service District (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Norton-Harding-Jimtown Public Service District Sewer Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), of the Issuer, dated October 12, 2006, in the principal amount of \$333,000, numbered AR-1, is registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 12th day of October, 2006.

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

10.04.06
664900.00002

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2006 A
(West Virginia Infrastructure Fund)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 12th day of October, 2006, by and between NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$333,000 Sewer Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), dated October 12, 2006, in fully registered form (the "Bonds"), pursuant to the Bond Resolution of the Issuer duly adopted October 10, 2006, and the Supplemental Resolution of the Issuer duly adopted October 10, 2006, (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest on the Bonds from gross income for federal income tax purposes, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER: Norton-Harding-Jimtown Public Service District
Post Office Box 87, Scott Road
Norton, West Virginia 26285
ATTN: Chairman

REGISTRAR: The Huntington National Bank
One Huntington Square
Charleston, West Virginia 25301
Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate, register and deliver the Bonds in accordance with the Bond Legislation.

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

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

NORTON-HARDING-JIMTOWN
PUBLIC SERVICE DISTRICT

By: Alan Lee
Its: Chairman

THE HUNTINGTON NATIONAL BANK

By: [Signature]
Its: Authorized Officer

09.25.06
664900.00002

EXHIBIT A

Bond Legislation included in bond transcript as Documents Nos. 1 and 2.

SCHEDULE OF COMPENSATION

(Please see the attached)

10.04.06
664900.00002

Private Financial Group
P.O. Box 633 - WE3013
Charleston, West Virginia 25322-0633



STATEMENT OF TRUSTEE'S FEES
Invoice Date October 13, 2006

Norton Harding Jimtown PSD
Account Number 6089001809

Norton Harding Jimtown PSD
Sewer Revenue Bonds, Series 2006 A
C/o John C. Stump
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

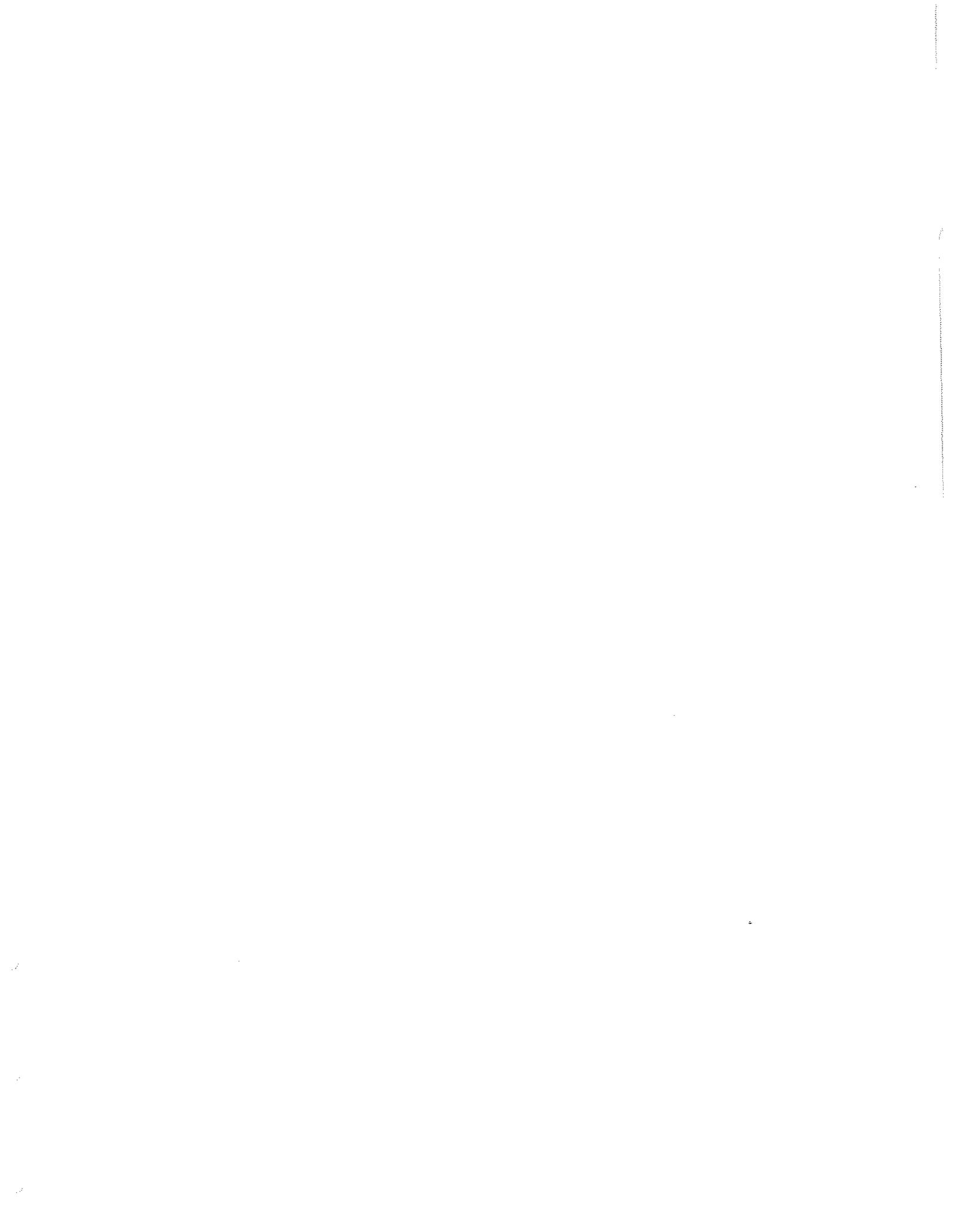
SUMMARY OF ACCOUNT

FEE CALCULATION FOR October, 2006

TOTAL AMOUNT	\$	500.00
TOTAL DUE	\$	<u>500.00</u>

* FEE INVOICES ARE PAYABLE WITHIN 30 DAYS. IF PAYMENT *
* IS NOT RECEIVED, FEES WILL BE DEDUCTED FROM THE PLAN *
* .. MAIL CHECK TO: HUNTINGTON NATIONAL BANK, ATTN: BARRY. . *
* .. GRIFFITH, PO BOX 633, CHARLESTON, WV 25322-0633 *

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT
Barry Morgan Griffith at (304)348-5035



05-0500-PSD-EN ✓

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

CAPITOL and WASHINGTON STREETS

1 DAVIS SQUARE, SUITE 200
TELEPHONE 304-558-2981

CHARLESTON, WEST VIRGINIA 25301

PERMIT

PROJECT: (Sewer)
Norton & Harding Sewers, Phase I

PERMIT NO.: 17,233

LOCATION: Norton & Harding

COUNTY: Randolph

DATE: 9-15-2006

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

Norton-Harding-Jimtown Public Service District
Post Office Box 87
Norton, West Virginia 26285

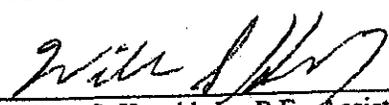
is hereby granted approval to: amend and modify Permit No. 16,369, issued January 19, 2005, for the Phase I sewer extension project to serve approximately 66 customers in Norton and Harding. The permit will be extended to September 15, 2007.

NOTE: This permit is contingent upon all unchanged conditions and requirements of Permit No. 16,369 remaining in effect.

The Environmental Engineering Division of the OEHS-EED Philippi District Office, telephone (304) 457-2296, is to be notified prior to construction.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR



William S. Herold, Jr., P.E., Assistant Manager
Infrastructure and Capacity Development
Environmental Engineering Division

WSH:emt

pc: Thrasher Engineering, Inc.
Katheryn Emery, P.E., DEP
James W. Ellars, P.E., PSC-Engineering Division
Amy Swann, Public Service Commission
Randolph County Health Department
OEHS-EED Philippi District Office

05-0500-PSD-CN

SECRETARY'S OFFICE
COMMISSION
W VA PUBLIC SERVICE

2006 SEP 19 PM 3:16

RECEIVED

20-750
Permit file

State of West Virginia

RECEIVED
JAN 20 2005
km
DPR
CF

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

CAPITOL AND WASHINGTON STREETS, 1 DAVIS SQUARE, SUITE 200

CHARLESTON, WEST VIRGINIA
THRASHER ENGINEERING, INC.

TELEPHONE 304-558-2981

PERMIT

PROJECT: (Sewer) Norton & Harding Sewers, Phase I PERMIT NO.: 16,369
LOCATION: Norton & Harding COUNTY: Randolph DATE: 1/19/2005

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

**Norton-Harding-Jimtown Public Service District
Post Office Box 87
Norton, West Virginia 26285**

is hereby granted approval to: install approximately 2,635 LF of 8" and 3,320 LF of 6" sewer line; necessary manholes; four (4) simplex grinder pump stations; three (3) duplex grinder pump stations (1 alternate station); one (1) 28 G.P.M. duplex submersible pump station; one (1) 140 G.P.M. duplex submersible sewage pump station; one (1) 230 G.P.M. duplex submersible sewage pump station; approximately 2,993 LF of 6", 1,768 LF of 4", and 3,965 LF of 2" force main; with connection to the existing Town of Junior wastewater system.

Facilities will serve approximately 66 customers in Norton and Harding

NOTE: This permit is contingent upon maintaining a minimum ten (10) feet horizontal separation between sewer and water lines and a minimum 18" vertical separation between crossing sewer and water lines, with the water line above the sewer line.

The Environmental Engineering Division of the OEHS-EED Philippi District Office, telephone (304) 457-2296, is to be notified prior to construction.

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:nih

pc: Thrasher Engineering, Inc.
O. Robert Coontz, P.E., DEP
James W. Ellars, P.E., PSC-Engineering Division
Amy Swann, Public Service Commission
Randolph County Health Department
OEHS-EED Philippi District Office

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/06/2006

TELEPHONE (304) 375-4900 FAX (304) 375-5843
 I Bailey Insurance Agency
 Highland Avenue
 O. Box 246
 Miamstown, WV 26187
 20 Norton-Harding-Jimtown PSD
 Box 87
 Norton, WV 26285

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: American Alternative Insurance	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

POLICIES
 POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS GARAGE LIABILITY <input type="checkbox"/> ANY AUTO EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION	SK9103147-01	03/31/2006	03/31/2007	EACH OCCURRENCE \$ 1,000,00 DAMAGE TO RENTED PREMISES (EA OCCURRENCE) \$ 1,000,00 MED EXP (Any one person) \$ 5,00 PERSONAL & ADV INJURY \$ 1,000,00 GENERAL AGGREGATE \$ 3,000,00 PRODUCTS - COMP/OP AGG \$ 3,000,00 COMBINED SINGLE LIMIT (EA OCCURRENCE) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$ EACH OCCURRENCE \$ 1,000,00 AGGREGATE \$ 1,000,000 WC STATUTORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
RISKERS COMPENSATION AND EMPLOYERS' LIABILITY (PROPRIETOR/PARTNER/EXECUTIVE/ICER/MEMBER EXCLUDED) Describe under SPECIAL PROVISIONS below	SK9200887-01	03/31/2006	03/31/2007	EACH OCCURRENCE \$ 1,000,00 AGGREGATE \$ 1,000,000 WC STATUTORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

CERTIFICATE HOLDER

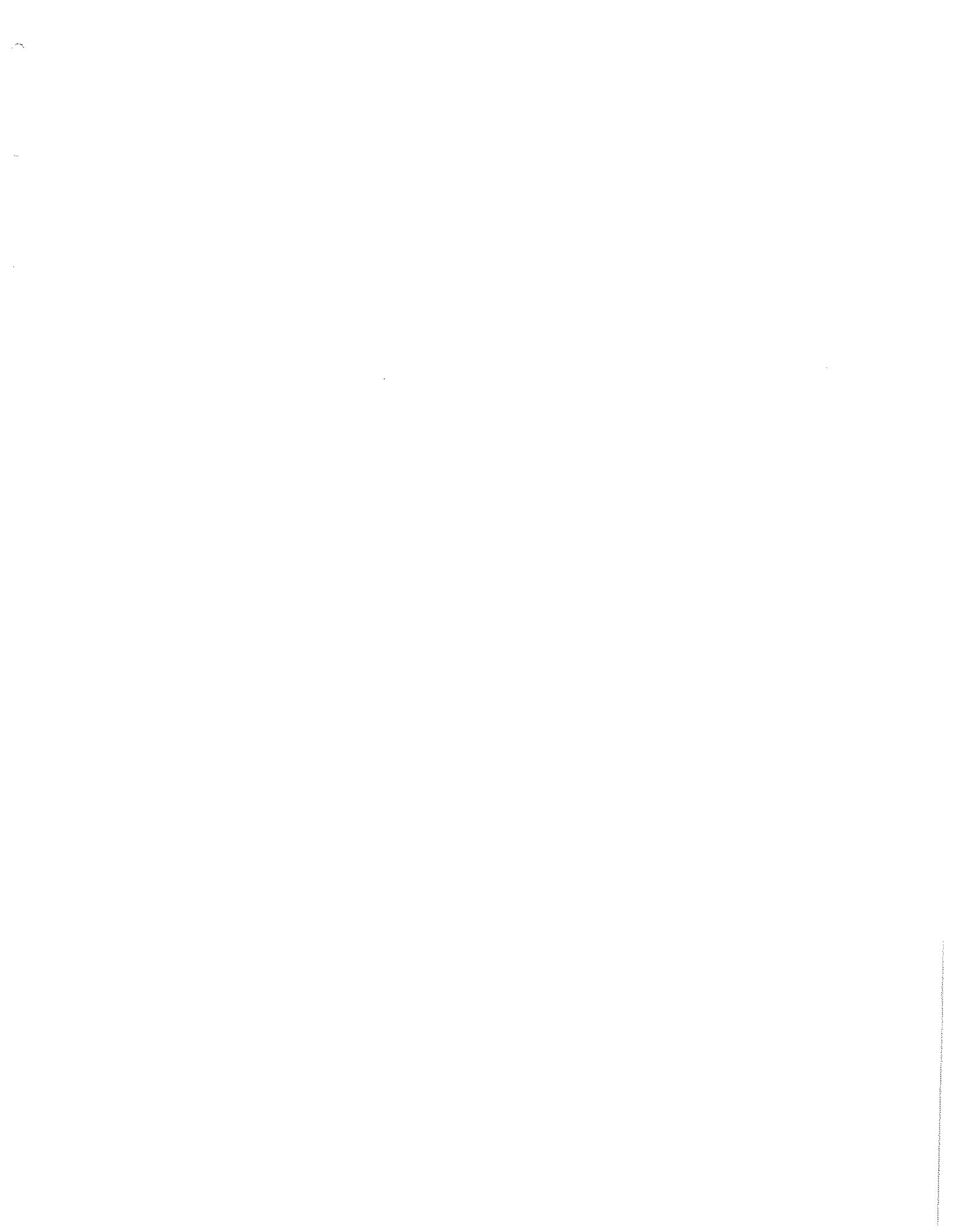
Water Development Authority
 180 Association Drive
 Charleston, WV 25311

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Karla C. Davis



GRANT AGREEMENT

This Grant Agreement entered into by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council") and the NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT (the "Governmental Agency").

RECITALS

WHEREAS, the Council has authorized the Authority to make a grant to the Governmental Agency in the amount not to exceed \$242,733 (the "Grant") for the purposes of the design, acquisition or construction of a project for which a preliminary application has been submitted and approved by the Council;

WHEREAS, the Governmental Agency wishes to accept the Grant upon such terms and conditions as are hereinafter set forth for the purposes of designing, acquiring or constructing the project described in Exhibit A attached hereto and incorporated herein by reference (the "Project");

WHEREAS, this Grant Agreement sets forth the Council, the Authority and the Governmental Agency's understandings and agreements with regard to the Grant.

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

TERMS

1. Prior to the distribution of the Grant, the Governmental Agency shall provide the Authority with a Project budget and an anticipated monthly draw schedule reflecting the receipt dates and amounts from other funding sources.

2. The Authority shall advance the Council's share of the Project costs from the Grant from time to time upon receipt of a requisition evidencing the costs incurred, which requisition must be satisfactory to the Authority.

3. The monthly requisition will also set forth (i) the amounts requested for that requisition period from all other funding agencies, and (ii) the amounts advanced for the Project to date from all other funding agencies.
4. The Governmental Agency will use the proceeds of the Grant only for the purposes specifically set forth in Exhibit A.
5. The Governmental Agency shall comply with and is bound by the Council's rules set forth as Title 167, Series 1 and more particularly Section 5.9 with respect to the sale of the Project.
6. The Governmental Agency acknowledges that the Grant may be reduced, from time to time, to reflect actual Project costs and availability of other funding.
7. The Governmental Agency shall list the Grant provided by the Authority and the Council in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project.
8. This Grant Agreement shall be governed by the laws of the State of West Virginia.

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

NORTON-HARDING-JIMTOWN
PUBLIC SERVICE DISTRICT

By: *Glen Lee*
Its: Chairman
Date: October 12, 2006

(SEAL)

Attest:

Bonnetta Rump
Its: Secretary

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

By: *Daniel B. Jenkins*
Its: Director
Date: October 12, 2006

(SEAL)

Attest:

Barbara B. Meadows
Its: Secretary-Treasurer

Exhibit A

Project Description

The Project consists of the construction of a wastewater collection and treatment system to serve approximately 56 customers, together with all appurtenant facilities.





REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
HUNTINGTON DISTRICT, CORPS OF ENGINEERS
502 EIGHTH STREET
HUNTINGTON, WEST VIRGINIA 25701-2070

Planning, Programs and Project Management Division
Planning Branch, Plan Formulation Section

Mr. Michael Kittle
Norton-Harding-Jimtown Public Service District
P.O. Box 87
Norton, WV 26285

Dear Mr. Kittle:

On behalf of the U.S. Army Corps of Engineers' Section 571 Program, I am pleased to inform you that your request for funding for the Norton-Harding-Jimtown PSD Wastewater Treatment upgrade project was approved. The competition for this funding allocation was close and your project was deemed appropriate under the criteria established. An award in the amount of \$1,000,000, which is 75% of the total project cost, was authorized.

This is a reimbursable program and should not be considered a grant program. The Corps of Engineers is authorized to provide assistance for a defined scope of work with cost sharing at 75% Federal and 25% local. You will be working with a Corps project manager on the development of a scope of work and he will also provide you with program details. Any cost estimates at this point should be considered preliminary.

We congratulate you and look forward to continuing to work together to make West Virginia a better place for us all. Mr. William Lenart of the Pittsburg District will be contacting you soon to discuss project requirements and implementation schedule. If you need to contact him, he can be reached at (412) 395-7377.

Sincerely,

A handwritten signature in black ink, appearing to read "William E. Bulen".

William E. Bulen
Colonel, Corps of Engineers
Commanding

SEWER TREATMENT AGREEMENT

THIS AGREEMENT made this 20 day of December, 2005, by and between the Town of Junior (hereinafter the "Town"), a municipal corporation of the State of West Virginia located in Barbour County, West Virginia, and the Norton-Harding-Jimtown Public Service District (hereinafter the "PSD"), a public service district and public corporation of the State of West Virginia located in Randolph County, West Virginia.

WITNESSETH:

WHEREAS, the PSD has proposed and is in the process of seeking West Virginia Public Service Commission approval of a Phase I sanitary sewer extension to serve residents of Norton and Harding in Randolph County, West Virginia;

WHEREAS, the PSD has not previously provided sewer service and does not have a sewer treatment plant;

WHEREAS, the Town has a sewer treatment plant which, given its relatively close proximity to the area of the PSD's planned Phase I sanitary sewer extension, can provide the most feasible sewer service to collect, treat and dispose of the PSD's wastewater.

WHEREAS, the Town is amenable to connection of the PSD's Phase I sanitary sewer extension to its treatment plant to accept wastewater generated by the Phase I extension for treatment and discharge;

WHEREAS, the Town and the PSD understand that the Town's sewer treatment plant has sufficient capacity to accept the wastewater anticipated from the PSD's Phase I sewer extension, but both recognize that any subsequent phases of sewer extensions by the PSD likely would require upgrades to the Town's sewer treatment system for connection to the Town's system; and

WHEREAS, the Town and the PSD have determined that they are authorized to enter into this Agreement under applicable law, subject to the approval of the appropriate regulatory agencies.

NOW, THEREFORE, in consideration of the recitals, promises and mutual benefits contained herein, the Town and the PSD do hereby agree as follows:

1. Approval of Regulatory Agencies. The obligations of the Town and the PSD under this Agreement are contingent upon the parties receiving all necessary approvals and/or permits from regulatory agencies having applicable authority, including, but not limited to, any required modification of the Town's NPDES permit approving acceptance of wastewater from the PSD's Phase I sanitary sewer extension and the approval of the West Virginia Public Service Commission of this Agreement and of the Phase I sewer extension project. Both the Town and the PSD will exert good faith efforts to satisfy the requirements of the applicable regulatory agencies.
2. Design, construction and operation of Phase I extension. The PSD shall cause to be constructed its Phase I sanitary sewer extension to serve up to 80 residential customers in Harding and parts of Norton as designed by Thrasher Engineering, Inc. The Phase I sanitary sewer extension will be constructed in compliance with generally acceptable engineering standards applicable to such projects. The PSD will operate and maintain, at its sole cost, the sanitary sewer collection system contemplated in Phase I in a manner that meets generally accepted engineering standards and which will collect and transport sewerage from the customers of the PSD's Phase I sewer extension to the location of the interconnection between the PSD's sewer system to the Town's sewer system.

3. Wastewater acceptance and treatment. The Town shall operate and maintain its public sewer system and provide facilities for the collection and treatment of waste and discharges in order to promote the health, safety and convenience of its residents, customers, commercial establishments and industrial users, to safeguard water resources in and around the Town in accordance with its NPDES Permit and any modification thereof, and the Town shall allow connection of the PSD's Phase I sewer extension to the Town's sewer service. The Town shall receive, treat and dispose of the wastewater generated by the customers connecting to the PSD's Phase I sewer extension.

4. Metered flow and payment for sewer service. The PSD's wastewater shall be metered by a flow meter to be installed at the point of discharge into the Town's public sewer system. The PSD shall be responsible for all costs associated with installation of the flow meter, which shall become the property of the Town upon completion of the connection. The Town and the PSD shall both have the right to read the Town's flow meter, and both shall have reasonable access to the flow meter to verify accuracy of the measurement of wastewater flow. The rate to be charged for acceptance, transportation, treatment and disposal of the PSD's wastewater by the Town shall be based upon the flow through the flow meter and shall be \$2.00 per 1000 gallons. The Town shall prepare and deliver to the PSD an invoice on a monthly basis. All payments due under this Agreement shall be paid by the PSD to the Town within thirty (30) days of the date of the monthly invoice for such payment. There will be a ten percent (10%) penalty for any invoice not paid within that time period. The PSD will be responsible for billing its own sewer customers connected to the Phase I extension.

5. Term. The initial term for this Agreement is for a period of forty (40) years, beginning on the date when all construction of the PSD's Phase I sanitary sewer extension is completed and discharge begins into the Town's public sewer system. Thereafter, this Agreement shall automatically be renewed from year to year unless or until terminated by either party hereto by giving written notice of termination to the other party at least six (6) months in advance of such termination.

6. Further agreement needed for connection of subsequent extension phases. The PSD and the Town recognize that the PSD plans subsequent phases of sanitary sewer extensions within its area of jurisdiction subject to funding/financing, West Virginia Public Service Commission approval and other contingencies. It is contemplated that the PSD's subsequent sewer extension phases may also connect to the Town's sewer treatment system, but connection of any such subsequent phases will require further written agreement of the parties.

7. Miscellaneous provisions.

A. This Agreement is subject to the approval of the West Virginia Public Service Commission, as are any modifications to this Agreement.

B. This Agreement is subject to the PSD obtaining a Certificate of Convenience and Necessity from the West Virginia Public Service Commission for the PSD's planned Phase I sanitary sewer extension project.

C. This Agreement represents the full and complete understanding between the parties. No modifications or amendments to this Agreement shall be binding unless in writing and in compliance with this paragraph 7 of this Agreement.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement by their appropriate officers as of the day and year first above written.

TOWN OF JUNIOR

By: Gay Miller
Its Mayor

Attest: W. A. Smith
Recorder

NORTON-HARDING-JIMTOWN PUBLIC
SERVICE DISTRICT

By: Glenn E. Lee
Its Chairman

Attest: Kenneth D. Jones
Secretary

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 16th day of December, 2005.

CASE NO. 05-1492-PSD-S-PC

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT, a public utility, Randolph County, and TOWN OF JUNIOR, Barbour County.

Application for Authority to Contract with Another Public Utility.

COMMISSION ORDER

On October 7, 2005, Norton-Harding-Jimtown Public Service District (individually, District) and the Town of Junior (individually, Town) (collectively, Petitioners) filed an Application for Authority to Contract with Another Public Utility. "The proposed contract involves the connection of the Norton-Harding-Jimtown Public Service District's planned Phase I sanitary sewer extension to the Town of Junior's sewage treatment plant." Application at paragraph 3. Both petitioners approved the form of the contract. *Id.* Petitioners assert, in the application, that the Town of Junior has adequate capacity to handle the additional wastewater and that the consideration to be paid for the contract shall be \$2.00 per 1,000 gallons for the Town to accept, transport, treat and dispose of the PSD's wastewater. Petitioners note that the Phase I sanitary sewer extension will serve up to eighty (80) additional customers. Sewer Treatment Agreement (Attachment A to Application) at paragraph 2. The proposed sewer extension is the subject of this Commission's Case Number 05-0500-PSD-CN.

On November 15, 2005, Commission Staff (Staff) filed its Initial and Final Joint Staff Memorandum. Staff notes that the District was granted a certificate of convenience and necessity for its Phase I sewer project in a final order dated October 1, 2005 in Case Number 05-0500-PSD-CN. Regarding the Sewer Treatment Agreement that is the subject of this application, Staff recommends that paragraph 4 of that agreement be changed to comply with Rule 3.1 of the Commission's *Rules and Regulations for the Government of Sewer Utilities (Sewer Rules)*, 150 C.S.R. Series 5. Paragraph 4 of the proposed agreement states that the flow meter shall remain the property of the District. However, Rule 3.1 of the *Sewer Rules* requires, in pertinent part, that "all flow meters used in serving bulk or resale

customers shall be owned and operated by the utility providing service to the bulk or resale customer.” (Emphasis added.)

Petitioners request and Staff recommends that the application be expedited.

West Virginia Code § 24-2-12 requires a public utility to receive permission from the Commission prior to entering into transactions with other utilities, in pertinent part as follows:

Unless the consent and approval of the public service commission of West Virginia is first obtained:

(a) No public utility . . . may enter into any contract with any other utility to operate any line or plant of any other utility subject thereto. . .

* * *

The commission may grant its consent in advance . . . upon proper showing that the terms and conditions thereof are reasonable and that neither party thereto is given an undue advantage over the other, and [the terms and conditions] do not adversely affect the public in this state.

* * *

[T]he commission shall, if the public will be inconvenienced thereby, enter such order as it may deem proper and as the circumstances may require, attaching thereto such conditions as it may deem proper, consent to the entering into or doing of the things herein provided, without approving the terms and conditions thereof, and thereupon it shall be lawful to do the things provided for in such order.

UPON CONSIDERATION, the Commission finds persuasive Petitioners’ and Staff’s positions that the terms and conditions thereof are reasonable except insofar as those terms and conditions violate Rule 3.1 of the Commission’s *Sewer Rules*, that neither party thereto is given an undue advantage over the other, that the transaction does not adversely affect the public in this state, and that the transaction likely will have no effect on other utilities.

ORDER

IT IS THEREFORE ORDERED that the Application for Authority to Contract with Another Public Utility filed by Petitioners Norton-Harding-Jimtown Public Service District and the Town of Junior be and hereby is approved subject to revision of numbered paragraph 4 of Attachment A to the Application (Sewer Treatment Agreement) to comply with Rule 3.1 of the *Rules and Regulations for the Government of Sewer Utilities* (150 W. Va. CSR 5), so that Petitioner Town of Junior owns the flow meter rather than Petitioner Norton-Harding-Jimtown Public Service District.

IT IS FURTHER ORDERED that a revised executed Sewer Treatment Agreement be filed with the Commission within 30 days of the date of this order.

IT IS FURTHER ORDERED that this case be removed from the Commission's docket of active cases.

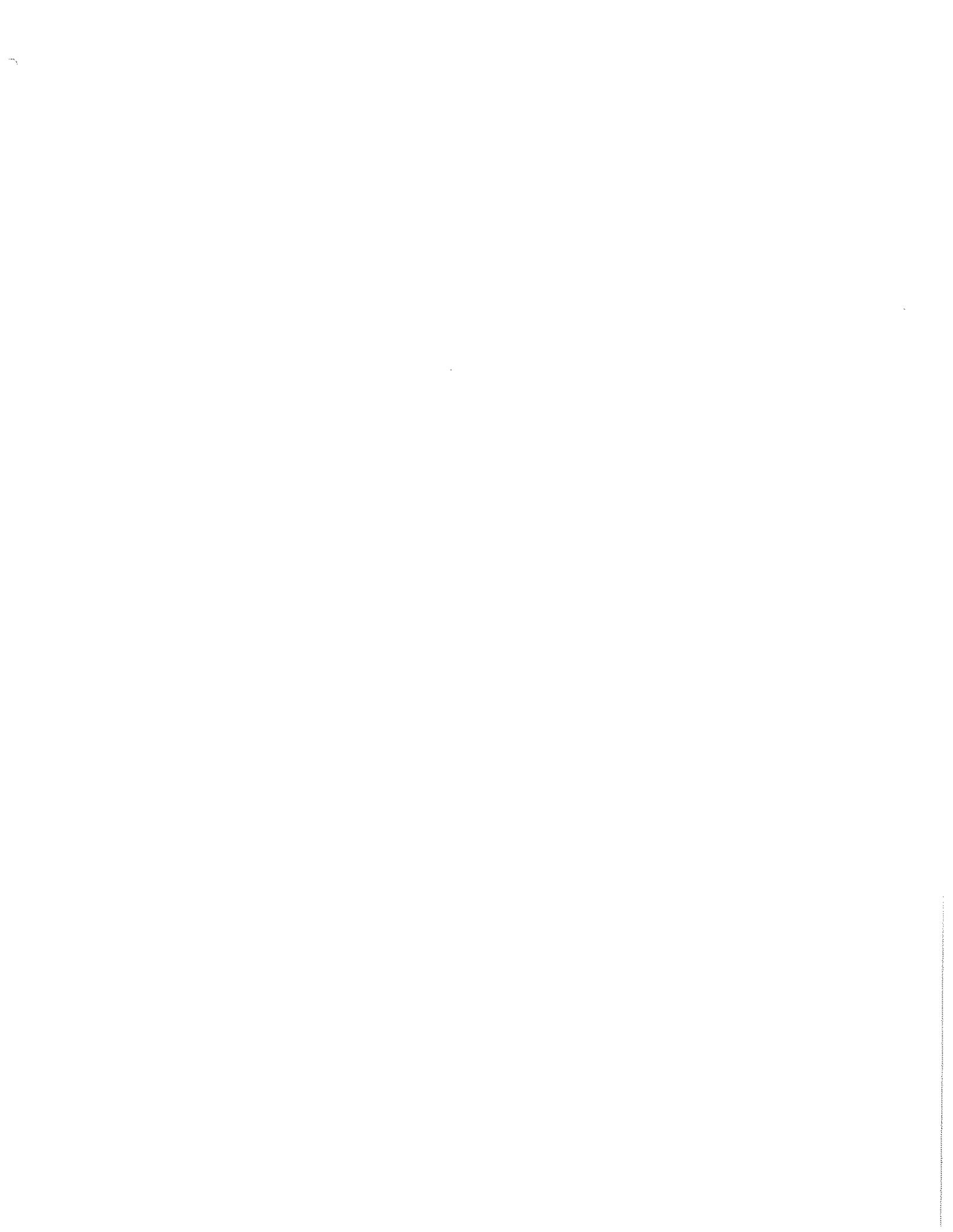
IT IS FURTHER ORDERED that the Commission's Executive Secretary shall serve a copy of this order upon all parties of record by United States First Class Mail, and upon Commission Staff by hand delivery.

A True Copy, Teste:



Sandra Squire
Executive Secretary

SMS/sek
051492c.wpd



CLOSING MEMORANDUM

To: Financing Team
From: John C. Stump, Esquire
Date: October 12, 2006
RE: NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT SEWER REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA INFRASTRUCTURE FUND)

1. DISBURSEMENTS TO NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

A. Payor: West Virginia Infrastructure and Jobs Development Council
Amount: \$184,784
Form: Wire Transfer
Payee: Norton-Harding-Jimtown Public Service District
Bank: Citizens National Bank, Elkins
Routing #: 051501150
Account #: 63347
Contact: Matthew R. Scott (304.636.4095)
Account: Norton-Harding-Jimtown Public Service District
Series 2006 A Bonds Construction Trust Fund

10.04.06
664900.00002

State of West Virginia
WATER DEVELOPMENT AUTHORITY
 180 Association Drive, Charleston, WV 25311-1217
 (304) 558-3612 - (304) 558-0299 (Fax)
 Internet: www.wvwda.org - Email: contact@wvwda.org

BOND CLOSING ATTENDANCE LIST

Date 10/12/06 Time 9:30 a.m. LGA Norton-Harding-Jimtown PSD Program IF

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
Doug Childs	WVWDA	558-3612	558-0299	dchilds@wvwda.org
Bartina B Meadows	WVWDA	558-3612	558-0299	bmeadows@wvwda.org
John Stump	Stump & Johnson PLLC	353-8196	353-8181	john.stump@stump-johnson.com
Bonnie Lyndershy	WVWDA	558-3612	558-0299	lyonkosk@wvwda.org
Franki Parsons	Jackson Kelly PLLC	340-1283	340-1272	frank@jacksonkelly.com

The Authority requests that the following information concerning the individual who will be responsible for sending Debt Service Payments to the Municipal Bond Commission be provided. (If that individual is in attendance, he/she should also sign above.) Please Print:

Name Glenn Lee, Chairman Telephone 304-636-6223 E-Mail n/a
 Address P.O. Box 206, Norton, West Virginia 26285

REMINDER: As a participant in this program, the Local Governmental Agency (LGA) agrees and is required to submit annually to the WDA a copy of its audited financial statements and a copy of its adopted budget. Also, pursuant to the Loan Agreement and the Non-Arbitrage Certificate (both of which are contained in the bond transcript) you are to provide annually to the WDA a rebate calculation certificate or an exception opinion showing whether a rebate amount is due to the US Government under arbitrage requirements in Section 148(f) of the US Internal Revenue Code, 1986, as amended.