NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2013 A
(West Virginia Infrastructure Fund)

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NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

SEWER REVENUE BONDS, SERIES 2013 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

BOND RESOLUTION

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PHASE II

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2013 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. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the

Issuer that there be acquired and constructed improvements and extensions to the existing public sewerage system of the Issuer, consisting of a sanitary sewer extension to unserved areas of Norton and extend service to Coalton in Randolph County (collectively, the "Project"), which constitute properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (the existing public sewerage system of the Issuer, the Project and any further 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 in a single series being the Sewer Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), in the aggregate principal amount of $1,000,000 (the "Series 2013 A Bonds"), to permanently finance a portion of the costs of acquisition and construction of the Project. The remaining Costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Said Costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2013 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 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, including the initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2013 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 2013 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 32 years.

F. It is in the best interests of the Issuer that its Series 2013 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), in form satisfactory to the respective parties (the "Loan Agreement"), approved hereby if not previously approved by resolution of the Issuer.

G. There are Outstanding obligations of the Issuer which will rank on a parity with the Series 2013 A Bonds as to liens, pledge and source of and security for payment, being the Issuer's Sewer Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund),

dated October 12, 2006, issued in the original aggregate principal amount of $333,000 (the "Series 2006 A Bonds" or the "Prior Bonds").

The Series 2013 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all respects. Prior to the issuance of the Series 2013 A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2013 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the covenants of the Prior Bonds and the Prior Resolutions.

H. The estimated revenues to be derived in each year following completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest, if any, on the Series 2013 A Bonds and the Prior 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 2013 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 2013 A Bonds or such Final Order will not be subject to appeal or rehearing and the Issuer shall supply an opinion of counsel to such effect.

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 2013 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 Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Series 2013 A Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 16, Article 13A and Chapter 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 2013 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 2013 A Bonds, the Prior Bonds and any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

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

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

"Closing Date" means the date upon which there is an exchange of the Series 2013 A Bonds for all or a portion of the proceeds of the Series 2013 A Bonds from the Authority and the Council.

"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, if any.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 8.01 hereof) or any Tap Fees, as hereinafter defined.

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

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

"Issuer" means 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 into by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2013 A Bonds from the Issuer by the Authority, the forms of which

shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Net Proceeds" means the face amount of the Series 2013 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2013 A Bonds Reserve Account.

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

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

"Outstanding," when used with reference to Bonds or Prior Bonds and as of any particular date, describes all Bonds or Prior Bonds theretofore and thereupon being authenticated and delivered, except (i) any Bond or Prior Bonds cancelled by the Bond Registrar or Registrar for the Prior Bonds at or prior to said date; (ii) any Bond or Prior Bonds for the payment of which monies, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond or Prior Bonds deemed to have been paid as provided in Article X hereof; and (iv) any Prior Bonds deemed to have been paid in accordance with the resolution authorizing the issuance thereof; and (v) for purposes of consents or other action by a specified percentage of Bondholders or Holders of Prior Bonds, any Bonds or Prior Bonds registered to the Issuer.

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

"Paying Agent" means the Commission or other entity designated as such for the Series 2013 A Bonds in the Supplemental Resolution.

"Prior Bonds" means the Series 2006 A Bonds.

"Prior Resolutions" means the Resolutions authorizing the Prior Bonds.

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

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

(a) Government Obligations;

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

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

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

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

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

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

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

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

"Registrar" means the Bond Registrar.

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund continued by the Section 5.01 hereof.

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Series 2013 A Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in the Reserve Accounts of the Series 2013 A Bonds and the Prior Bonds.

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

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

"Series 2006 A Bonds" means the Sewer Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), dated October 12, 2006, issued in the original aggregate principal amount of $333,000, of the Issuer, authorized by the Prior Resolutions.

"Series 2013 A Bonds" means the Sewer Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Resolution.

"Series 2013 A Bonds Construction Trust Fund" means the Series 2013 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2013 A Bonds Reserve Account" means the Series 2013 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2013 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 2013 A Bonds in the then current or any succeeding year.

"Series 2013 A Bonds Sinking Fund" means the Series 2013 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 2013 A Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the supplemental resolution or resolutions authorizing the sale of the Series 2013 A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2013 A Bonds, and not so included, may be included in another Supplemental Resolution.

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

"System" means the complete existing sewerage system of the Issuer 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; and shall include the Project and any and all extensions, additions, betterments and improvements thereto hereafter acquired or constructed for the sewerage system from any sources whatsoever, both within and without the Issuer.

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

"West Virginia 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.

Additional terms and phrases are defined in this Resolution as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms refer to this Resolution; and the term "hereafter" means after the date of adoption of this Resolution.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Resolution so numbered.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of $7,400,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2013 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, in an amount and otherwise compatible with the financing plan submitted to the Authority and the Council.

The total Cost of the Project is estimated not to exceed $7,400,000, of which approximately $1,000,000 will be obtained from proceeds of the Series 2013 A Bonds, approximately $1,400,000 will be obtained from a grant from the Council, approximately $3,500,000 will be obtained from a United States Department of Agriculture grant and approximately $1,500,000 will be obtained from a Small Cities Block 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 on the Series 2013 A Bonds, funding the Reserve Account for the Series 2013 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2013 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 2013 A Bonds of the Issuer. The Series 2013 A Bonds shall be issued as a single bond, designated as "Sewer Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund)," in the principal amount of not more than $1,000,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2013 A Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalizing interest on the Series 2013 A Bonds, if any, shall be deposited in or credited to the Series 2013 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 2013 A Bonds shall be issued in such principal amount; 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 2013 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 2013 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 2013 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 2013 A Bonds. The Series 2013 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 such denominations as determined by a Supplemental Resolution. Such Bonds shall bear interest, if any, and shall be dated as set forth in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2013 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 2013 A Bonds shall cease to be such officer of the Issuer before the Series 2013 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 2013 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. The Bond Registrar for the Series 2013 A Bonds shall be the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns. No Series 2013 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2013 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2013 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 2013 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 such Bonds shall be incontestable in the hands of a bona fide Holder for value.

So long as the Series 2013 A Bonds remain Outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Bonds.

The registered Series 2013 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 2013 A Bonds or transferring the registered Series 2013 A Bonds are exercised, all Series 2013 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2013 A Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Series 2013 A 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 Series 2013 A Bonds or, in the case of any proposed redemption of Series 2013 A Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2013 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2013 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 2013 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2013 A Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds. The payment of the debt service of the Series 2013 A Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2013 A Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2013 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2013 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 2013 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 2013 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 2013 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2013 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:

[Remainder of Page Intentionally Blank]

(FORM OF SERIES 2013 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2013 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: This ____ day of _____, 2013, that NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT, a public service district, 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 _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20___, to and including _____ 1, 20____ as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference with interest of _____% per annum payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____1, 20___ to an including _____ _____1, 20___ as set forth on the Debt Service Schedule attached as Exhibit B hereto and incorporated herein by reference.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this bond is payable by check or draft of the Paying Agent mailed to the Registered Owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the next month preceding an interest payment date, or such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated _____, 2013.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of improvements and extensions to the existing public sewerage system of the Issuer

(the "Project"); (ii) to fund the Series 2013 A Bonds Reserve Account; and (iii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage system of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Resolution duly adopted by the Issuer on _____, 2013, and a Supplemental Resolution duly adopted by the Issuer on _____, 2013 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S SEWER REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED OCTOBER 12, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $333,000 (THE "SERIES 2006 A BONDS") (HEREINAFTER, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2013 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 2013 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 all Operating Expenses of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2013 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations Outstanding on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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.

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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 the day and year first written above.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2013 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, 2013.

THE HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2013 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 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.

Section 3.12. "Amended Schedule" Filing. 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 (or continued if previously established by the Prior Resolutions) and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

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

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

(3) Series 2013 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 (or continued if previously established by the Prior Resolutions) 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 (established by the Prior Resolutions and continued hereby);

(2) Series 2006 A Bonds Reserve Account (established by the Prior Resolutions and continued hereby);

(3) Series 2013 A Bonds Sinking Fund; and

(4) Series 2013 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds.

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

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

(2) The Issuer shall next, on the first day of each month, remit to the Commission commencing 4 months prior to the first date of payment of interest of the Series 2013 A Bonds, for deposit in the Series 2013 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will mature and come due on the Series 2013 A Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2013 A Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission, (i) the amounts required by the Prior Resolutions to pay principal of the Prior Bonds; and (ii) commencing 4 months prior to the first date of payment of principal of the Series 2013 A Bonds, for deposit in the Series 2013 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2013 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 2013 A Bonds Sinking Fund and the next quarterly principal payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission, (i) for deposit in the Reserve Accounts for the Prior Bonds, the amounts required by the Prior Resolutions; and (ii) commencing 4 months prior to the first date of payment of principal of the Series 2013 A Bonds, if not fully funded upon issuance of the Series 2013 A Bonds, for deposit in the Series 2013 A Bonds Reserve Account, an amount equal

to 1/120th of the Series 2013 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2013 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 2013 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, a sum 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 reinvested in Qualified Investments. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Monies in the Series 2013 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2013 A Bonds as the same shall become due. Monies in the Series 2013 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2013 A Bonds as the same shall come due, when other monies in the Series 2013 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2013 A Bonds Sinking Fund and the Series 2013 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 2013 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 2013 A Bonds and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 2013 A Bonds Reserve Account which result in a reduction in the balance therein to below the 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 2013 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2013 A Bonds Sinking Fund or the Series 2013 A Bonds Reserve Account, when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2013 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2013 A Bonds and the Prior Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2013 A Bonds Sinking Fund and the Series 2013 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. 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 2013 A Bonds Sinking Fund and the Series 2013 A Bonds Reserve Account, shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2013 A Bonds Sinking Fund and the Series 2013 A Bonds Reserve Account, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2013 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 account payments with respect to the Series 2013 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. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

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 law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the respective parties 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 all funds and accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

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

H. The Gross Revenues of the System shall only be used for purposes 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 2013 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2013 A Bonds, there shall first be deposited with the Commission in the Series 2013 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 2013 A Bonds for the period commencing on the date of issuance of the Series 2013 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 2013 A Bonds, there shall be deposited with the Commission in the Series 2013 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2013 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2013 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2013 A Bonds Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2013 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 2013 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 of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2013 A Bonds Construction Trust Fund shall be made only after submission to and approval from the Authority and the Council, of a certificate, signed by an Authorized Officer stating that:

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

(b) Each item for which the payment is proposed to be made is or was necessary in connection with the 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 2013 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 2013 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, if applicable.

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 2013 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 2013 A Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The payment of the debt service of the Series 2013 A Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System on a parity with the lien on such Net Revenues in favor of the

Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2013 A Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Bonds. The payment of the debt service of the Series 2013 A Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2013 A Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement and the Issuer shall supply a certificate of certified public accountant to such effect. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Recommended Decision of the Public Service Commission of West Virginia entered on September 11, 2012, which became a Final Order on October 1, 2012 in Case No. 12-0386-PSD-CN, and such rates are hereby adopted.

So long as the Series 2013 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 2013 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 2013 A Bonds and the Prior 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 fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2013 A Bonds, immediately be remitted to the Commission for deposit in the Sinking Funds, 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 2013 A Bonds. Any balance remaining after the payment of the Series 2013 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 that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, by resolution duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amount required to be paid into said fund by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2013 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2013 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, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2013 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2013 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 2013

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, or any other obligations related to the Project or the System.

Section 7.07. Parity Bonds. So long as the Prior Bonds are Outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolutions shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2013 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 (unless less restrictive then the provisions of the Prior Resolutions).

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2013 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.

So long as the Series 2013 A Bonds or the Prior Bonds are Outstanding, no Parity Bonds shall be issued at any time, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) 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 2013 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 2013 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 and construction 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 will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds issued pursuant to this Bond Legislation shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

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

The Issuer shall file with the Council and the Authority, or any other original purchaser of the Series 2013 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2013 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 payable from the revenues of the System.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required, in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2013 A Bonds, and shall submit said report to the Council and the Authority, or any other original purchaser of the Series 2013 A Bonds. Such audit report submitted to the Authority and the Council shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the Loan Agreement and the Act, the Issuer has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to 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 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.

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

Section 7.09. Rates. Prior to the issuance of the Series 2013 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 2013 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 2013 A Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2013 A Bonds Reserve Account and the reserve accounts for obligations on a parity with the Series 2013 A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2013 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 2013 A Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the Council within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget and no such increased expenditures shall be made until the Issuer shall have approved such expenditures by a resolution duly adopted. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance within 30 days of adoption to the 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 on behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for 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 will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

The Issuer shall provide and maintain competent and adequate engineering services satisfactory to the 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.

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

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the water facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water provider, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

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

Section 7.15. Insurance and Construction Bonds.

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

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may

appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

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

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

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

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

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

The Issuer shall also require all contractors engaged in the construction of the Project to carry such workers' 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 and the Issuer shall verify such insurance prior to commencement of construction. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

Section 7.16. 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 Division 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 Division 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 will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer has obtained all permits required by State and federal laws for the acquisition and construction of the Project and all orders and approvals from the Public Service Commission of West Virginia and the Council necessary for the acquisition and construction of the Project, the operation of the System and all approvals for issuance of the Bonds required by State law, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect.

Section 7.18. RESERVED.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2013 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2013 A Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.20. Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the Council with copies of all documents submitted to the Authority.

The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, the Council or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

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

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

Section 7.22. Contracts; Change Orders; Public Releases.

A. The Issuer shall, simultaneously with the delivery of the Series 2013 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 2013 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 2013 A Bonds made available due to bid or construction or project underruns.

C. The Issuer 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 ground breaking or dedication of the Project.

ARTICLE VIII

INVESTMENT OF FUNDS

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

Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then

current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank, or such other bank or national banking association, as the case may be, may make any and all investments permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2013 A Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest, if any, on the Series 2013 A Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use of Proceeds; Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2013 A Bonds as a condition to issuance of the Series 2013 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 2013 A Bonds as may be necessary in order to maintain the status of the Series 2013 A Bonds as public purpose 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 2013 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 2013 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 2013 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 2013 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2013 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 2013 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2013 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, Registrar or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2013 A Bonds shall be on a parity with the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

The receiver so appointed shall forthwith, directly or by his or her or its agents and attorneys, enter into and upon and take possession of all facilities of said System and shall hold, operate and maintain, manage and control such facilities, and each and every part thereof, and in

the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might exercise.

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

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

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

ARTICLE X

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 2013 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 2013 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2013 A Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2013 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2013 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 the Registered Owners of the Series 2013 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2013 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 thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein respectively pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds, required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest, if any, on the Series 2013 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 Series 2013 A 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 2013 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. Notices. All notices to be sent to the Issuer, the Authority or the Council shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class mail, postage prepaid, addressed as follows:

ISSUER:

Norton-Harding-Jimtown Public Service District
Box 87
Norton, West Virginia 26285
Attention: Chairman

AUTHORITY:

West Virginia Water Development Authority
1009 Bullitt Street
Charleston, West Virginia 25301
Attention: Director

COUNCIL:

West Virginia Infrastructure and Jobs Development Council
1009 Bullitt Street
Charleston, West Virginia 25301
Attention: Executive Director

All notices to be sent to the Council hereunder, shall also be sent to the Authority.

Section 11.06. Conflicting Provisions Repealed. All orders or resolutions, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Resolution and the Prior Resolutions, the Prior Resolutions shall control (unless less restrictive), so long as the Prior Bonds are Outstanding.

Section 11.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

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Section 11.08. Effective Date. This Resolution shall take effect immediately upon adoption.

Adopted this 2nd day of May, 2013.

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

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 2nd day of May, 2013.

Dated: May 6, 2013.

[SEAL]

Charlotte J. Phillips
Secretary

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NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2013 A
(West Virginia Infrastructure Fund)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND) OF NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH 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 May 2, 2013 (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2013 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 2013 A (West Virginia Infrastructure Fund), of the Issuer (the "Bonds" or the "Series 2013 A Bonds"), in the aggregate principal amount not to exceed $1,000,000, and has authorized the execution and delivery of the loan agreement relating to the Series 2013 A Bonds, including all schedules and exhibits attached thereto (collectively, the "Loan Agreement"), by and between the Issuer and 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, dates, maturity dates, redemption provisions, interest rates, interest and principal payment dates, sale prices and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

WHEREAS, the 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 provisions, 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 following bonds of the Issuer: Sewer Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $1,000,000. The Series 2013 A Bonds shall be dated the date of delivery thereof, shall finally mature December 1, 2044, and shall bear interest at the rate of 2.0% per annum. The principal and interest of the Series 2013 A Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2015, to and including December 1, 2044, 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 2013 A Bonds. The Series 2013 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 2013 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 and the execution and delivery of the Loan Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the Council and the Authority. The 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 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 Bonds under the Bond Resolution.

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

Section 7. Series 2013 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2013 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2013 A Bonds proceeds in the amount of $44,410 shall be deposited in the Series 2013 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 2013 A Bonds shall be deposited in or credited to the Series 2013 A Bonds Construction Trust Fund for payment of the Costs of the Project, including, without limitation, costs of issuance of the 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 Bonds may be delivered on or about May 6, 2013, to the Authority pursuant to the Loan Agreement.

Section 11. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 12. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 13. The Issuer hereby approves that the Chairman, the Secretary or the General Manager may approve and submit to the United States Department of Agriculture draw requests with respect to the Junior portion of the Project as shown on the Schedule B attached to the Certificate of Engineer contingent upon the following: (i) the draw request has been approved by the Town of Junior by resolution; and (ii) the draw request is within the budget as shown on the Schedule B or as amended and approved by the Issuer, the Town of Junior and the United States Department of Agriculture

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

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Adopted this 2nd day of May, 2013.

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

By: _____
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 2nd day of May, 2013.

Dated: May 6, 2013.

[SEAL]

Charlotte J Phillips

Secretary

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IC-1
(02/13)

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
(2012S-1329)

(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.

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

2.14 The Governmental Agency shall perform an annual maintenance audit which maintenance audit shall be submitted to the WDA and the Public Service Commission of West Virginia.

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

3.1 The agreement of the Authority and 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, including compliance with Chapter 21, Article 1D of the Code of West Virginia, 1931, as amended, 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. When required by the Authority, the Local Entity shall make monthly payments to the Commission by electronic transfer;

(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 making any changes to the final Schedule B and also 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: _____
Its: Chairman
Date: May 6, 2013

Attest:

_____
Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Executive Director
Date: May 6, 2013

Attest:

_____
Its: Authorized Officer

{C2576712.1}

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 schematic design for the Project began [before July 1, 2012]; (iv) 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 firm[1] has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (v) the successful bidders received any and all addenda to the original bid documents; (vi) all contractors to be awarded contracts for the construction of the Project have submitted affidavits indicating such contractor has a drug free workplace plan pursuant to Chapter 21, Article 1D of the West Virginia Code of 1931, as amended; (viii) 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; (viii) the successful bids include prices for every item on such bid forms; (ix) the uniform bid procedures were followed; (x) 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; (xi) as of the effective date thereof, [2]the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (xii) 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 (xii) 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.

4. The Project will serve _____ new customers in the _____ area.

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

[SEAL]

_____

By: _____
West Virginia License No. _____

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

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

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
1009 Bullitt Street
Charleston, WV 25301

West Virginia Water Development Authority
1009 Bullitt Street
Charleston, WV 25301

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** _____

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

_____
Name of Person Completing Form

_____
Address

_____
Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

Item 1 — You will need a copy of the current fiscal year budget adopted by the 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
1009 Bullitt Street
Charleston, WV 25301

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	$1,000,000
Purchase Price of Local Bonds	$1,000,000

The Local Bonds shall bear interest at a rate of 2% per annum. Commencing March 1, 2015, principal and interest 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 authorize the Commission to electronically debit its monthly payments. The Commission 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 interests 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: Norton Harding Jimtown Public Service District Sewer Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund),dated October 12, 2006, issued in the original aggregate principal amount of $333,000.

Number of New Users: 264
Location: Norton and Coalton areas

SCHEDULE Y
DEBT SERVICE SCHEDULE

Bond Debt Service

Norton Harding Jimtown PSD

IF

$1,000,000

30 Years

0% Interest Rate

Dated Date 5/6/2013

Delivery Date 5/6/2013

Period Ending	Principal	Coupon	Interest	Debt Service
3/1/2015	6,102	2.000%	5,000.00	11,102.00
6/1/2015	6,133	2.000%	4,969.49	11,102.49
9/1/2015	6,163	2.000%	4,938.83	11,101.83
12/1/2015	6,194	2.000%	4,908.01	11,102.01
3/1/2016	6,225	2.000%	4,877.04	11,102.04
6/1/2016	6,256	2.000%	4,845.92	11,101.92
9/1/2016	6,287	2.000%	4,814.64	11,101.64
12/1/2016	6,319	2.000%	4,783.20	11,102.20
3/1/2017	6,350	2.000%	4,751.61	11,101.61
6/1/2017	6,382	2.000%	4,719.86	11,101.86
9/1/2017	6,414	2.000%	4,687.95	11,101.95
12/1/2017	6,446	2.000%	4,655.88	11,101.88
3/1/2018	6,478	2.000%	4,623.65	11,101.65
6/1/2018	6,511	2.000%	4,591.26	11,102.26
9/1/2018	6,543	2.000%	4,558.70	11,101.70
12/1/2018	6,576	2.000%	4,525.99	11,101.99
3/1/2019	6,609	2.000%	4,493.11	11,102.11
6/1/2019	6,642	2.000%	4,460.06	11,102.06
9/1/2019	6,675	2.000%	4,426.85	11,101.85
12/1/2019	6,709	2.000%	4,393.48	11,102.48
3/1/2020	6,742	2.000%	4,359.93	11,101.93
6/1/2020	6,776	2.000%	4,326.22	11,102.22
9/1/2020	6,810	2.000%	4,292.34	11,102.34
12/1/2020	6,844	2.000%	4,258.29	11,102.29
3/1/2021	6,878	2.000%	4,224.07	11,102.07
6/1/2021	6,912	2.000%	4,189.68	11,101.68
9/1/2021	6,947	2.000%	4,155.12	11,102.12
12/1/2021	6,982	2.000%	4,120.39	11,102.39
3/1/2022	7,017	2.000%	4,085.48	11,102.48
6/1/2022	7,052	2.000%	4,050.39	11,102.39
9/1/2022	7,087	2.000%	4,015.13	11,102.13
12/1/2022	7,122	2.000%	3,979.70	11,101.70
3/1/2023	7,158	2.000%	3,944.09	11,102.09
6/1/2023	7,194	2.000%	3,908.30	11,102.30
9/1/2023	7,230	2.000%	3,872.33	11,102.33
12/1/2023	7,266	2.000%	3,836.18	11,102.18
3/1/2024	7,302	2.000%	3,799.85	11,101.85
6/1/2024	7,339	2.000%	3,763.34	11,102.34
9/1/2024	7,375	2.000%	3,726.64	11,101.64
12/1/2024	7,412	2.000%	3,689.77	11,101.77
3/1/2025	7,449	2.000%	3,652.71	11,101.71
6/1/2025	7,487	2.000%	3,615.46	11,102.46
9/1/2025	7,524	2.000%	3,578.03	11,102.03

Bond Debt Service

Norton Harding Jimtown PSD

IF

$1,000,000

30 Years

0% Interest Rate

Period Ending	Principal	Coupon	Interest	Debt Service
12/1/2025	7,562	2.000%	3,540.41	11,102.41
3/1/2026	7,599	2.000%	3,502.60	11,101.60
6/1/2026	7,637	2.000%	3,464.60	11,101.60
9/1/2026	7,676	2.000%	3,426.42	11,102.42
12/1/2026	7,714	2.000%	3,388.04	11,102.04
3/1/2027	7,753	2.000%	3,349.47	11,102.47
6/1/2027	7,791	2.000%	3,310.70	11,101.70
9/1/2027	7,830	2.000%	3,271.75	11,101.75
12/1/2027	7,869	2.000%	3,232.60	11,101.60
3/1/2028	7,909	2.000%	3,193.25	11,102.25
6/1/2028	7,948	2.000%	3,153.71	11,101.71
9/1/2028	7,988	2.000%	3,113.97	11,101.97
12/1/2028	8,028	2.000%	3,074.03	11,102.03
3/1/2029	8,068	2.000%	3,033.89	11,101.89
6/1/2029	8,108	2.000%	2,993.55	11,101.55
9/1/2029	8,149	2.000%	2,953.01	11,102.01
12/1/2029	8,190	2.000%	2,912.26	11,102.26
3/1/2030	8,231	2.000%	2,871.31	11,102.31
6/1/2030	8,272	2.000%	2,830.16	11,102.16
9/1/2030	8,313	2.000%	2,788.80	11,101.80
12/1/2030	8,355	2.000%	2,747.23	11,102.23
3/1/2031	8,397	2.000%	2,705.46	11,102.46
6/1/2031	8,439	2.000%	2,663.47	11,102.47
9/1/2031	8,481	2.000%	2,621.28	11,102.28
12/1/2031	8,523	2.000%	2,578.87	11,101.87
3/1/2032	8,566	2.000%	2,536.26	11,102.26
6/1/2032	8,609	2.000%	2,493.43	11,102.43
9/1/2032	8,652	2.000%	2,450.38	11,102.38
12/1/2032	8,695	2.000%	2,407.12	11,102.12
3/1/2033	8,738	2.000%	2,363.65	11,101.65
6/1/2033	8,782	2.000%	2,319.96	11,101.96
9/1/2033	8,826	2.000%	2,276.05	11,102.05
12/1/2033	8,870	2.000%	2,231.92	11,101.92
3/1/2034	8,914	2.000%	2,187.57	11,101.57
6/1/2034	8,959	2.000%	2,143.00	11,102.00
9/1/2034	9,004	2.000%	2,098.20	11,102.20
12/1/2034	9,049	2.000%	2,053.18	11,102.18
3/1/2035	9,094	2.000%	2,007.94	11,101.94
6/1/2035	9,140	2.000%	1,962.47	11,102.47
9/1/2035	9,185	2.000%	1,916.77	11,101.77
12/1/2035	9,231	2.000%	1,870.84	11,101.84
3/1/2036	9,277	2.000%	1,824.69	11,101.69
6/1/2036	9,324	2.000%	1,778.30	11,102.30
9/1/2036	9,370	2.000%	1,731.68	11,101.68
12/1/2036	9,417	2.000%	1,684.83	11,101.83
3/1/2037	9,464	2.000%	1,637.75	11,101.75
6/1/2037	9,512	2.000%	1,590.43	11,102.43

Bond Debt Service

Norton Harding Jimtown PSD

IF

$1,000,000

30 Years

0% Interest Rate

Period Ending	Principal	Coupon	Interest	Debt Service
9/1/2037	9,559	2.000%	1,542.87	11,101.87
12/1/2037	9,607	2.000%	1,495.07	11,102.07
3/1/2038	9,655	2.000%	1,447.04	11,102.04
6/1/2038	9,703	2.000%	1,398.76	11,101.76
9/1/2038	9,752	2.000%	1,350.25	11,102.25
12/1/2038	9,801	2.000%	1,301.49	11,102.49
3/1/2039	9,850	2.000%	1,252.48	11,102.48
6/1/2039	9,899	2.000%	1,203.23	11,102.23
9/1/2039	9,948	2.000%	1,153.74	11,101.74
12/1/2039	9,998	2.000%	1,104.00	11,102.00
3/1/2040	10,048	2.000%	1,054.01	11,102.01
6/1/2040	10,098	2.000%	1,003.77	11,101.77
9/1/2040	10,149	2.000%	953.28	11,102.28
12/1/2040	10,200	2.000%	902.53	11,102.53
3/1/2041	10,251	2.000%	851.53	11,102.53
6/1/2041	10,302	2.000%	800.28	11,102.28
9/1/2041	10,353	2.000%	748.77	11,101.77
12/1/2041	10,405	2.000%	697.00	11,102.00
3/1/2042	10,457	2.000%	644.98	11,101.98
6/1/2042	10,509	2.000%	592.69	11,101.69
9/1/2042	10,562	2.000%	540.15	11,102.15
12/1/2042	10,615	2.000%	487.34	11,102.34
3/1/2043	10,668	2.000%	434.26	11,102.26
6/1/2043	10,721	2.000%	380.92	11,101.92
9/1/2043	10,775	2.000%	327.32	11,102.32
12/1/2043	10,829	2.000%	273.44	11,102.44
3/1/2044	10,883	2.000%	219.30	11,102.30
6/1/2044	10,937	2.000%	164.88	11,101.88
9/1/2044	10,992	2.000%	110.20	11,102.20
12/1/2044	11,047	2.000%	55.24	11,102.24
	1,000,000		332,247.05	1,332,247.05

SCHEDULE Z

(None)

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

10/1/2012

Entered: September 11, 2012

CASE NO. 12-0386-PSD-CN

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT, a public utility, Norton, Randolph County.

Application for a certificate of convenience and necessity to construct, operate and maintain Phase II of a sanitary sewer extension to unserved areas of Norton and extend service to Coalton in Randolph County.

CASE NO. 12-0749-PSD-S-PC

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT, a public utility, Norton, Randolph County, and the TOWN OF JUNIOR,

Application for approval of an amended Sewer Treatment Agreement between the District and the Town of Junior.

RECOMMENDED DECISION

This Order grants the certificate and approves the inter-utility agreement.

On March 27, 2012, the Norton-Harding-Jimtown Public Service District (Utility) filed an application for a certificate of convenience and necessity to improve and expand its sanitary sewer system. The case was designated 12-0386-PSD-CN. On April 10, 2012, the Commission referred the matter. The current decision due date is October 9, 2012.

On March 27, 2012, the Commission ordered the Utility to publish notice of its filing.

On May 11, 2012, the Utility filed an affidavit of publication indicating that the Utility properly published the notice. There were no protests filed pursuant to the first notice.

On June 25, 2012, Staff recommended granting the certificate. Staff recommended that the Utility's rates not be increased. The Utility had sought a 5.26% rate increase related to the project. Staff further recommended denying several tariff changes requested by the Utility.

On July 5, 2012, the Utility indicated that it had overestimated the number of new customers to be served by the project in its application. The Utility indicated that it would have to develop new rates and make a new publication containing the accurate rates needed to support the project. The Utility requested a tolling of the statutory deadline and necessary delays in the application processing to accommodate its corrections.

By Procedural Order issued July 11, 2012, the Utility was required to submit an accurate new customer count and a proposed revised Notice of Filing containing the newly calculated rates on or before July 25, 2012.

On July 20, 2012, the Utility reported the new customer count and recommended certain rates to be published. By Procedural Order issued July 20, 2012, the Utility was ordered to publish a revised notice of filing. The new proposed rates represented an increase of 31.58% in the Utility's rates.

On August 20, 2012, the Utility filed an affidavit of publication indicating that it properly published the revised notice in Randolph County. It also filed an affidavit that it mailed notice to its customers. There have been no protests received pursuant to the second notice.

On August 23, 2012, Staff recommended granting the certificate. Staff recommended an increase in the Utility's rates of 1.2%.

On August 31, 2012, the Utility indicated that it was in agreement with the Staff recommendations, including the recommended rates. The Utility did request that a rate review be conducted one year after the project was completed to reexamine the issue of adequate rates to support the project.

On May 17, 2012, the Utility filed a petition requesting the Commission's consent for the Utility to enter into a revised agreement with the Town of Junior (Town) concerning treatment of its sewage. The case was designated as 12-0749-PSD-S-PC. On July 19, 2012, the Commission referred the matter requiring a decision on or before January 1, 2013.

On July 6, 2012, Staff recommended certain revisions to the contract's paragraph five regarding how the treatment rate would be modified in the future. Staff further recommended that the Town pass an ordinance reflecting the new proposed treatment rate and that the Town file an application for a certificate of convenience and necessity for the upgrades to its treatment plant.

On August 17, 2012, a revised contract was filed by the Utility with the proposed modifications requested by Staff. The Utility indicated that both the Utility and the Town agreed with the modifications recommended by Staff.

By Procedural Order issued August 23, 2012, the two cases were consolidated and the Town was made a party to the proceeding.

On August 30, 2012, Staff recommended granting consent for the inter-utility agreement. Staff further recommended warning the Town that it must seek a certificate of convenience and necessity for the anticipated upgrades to its treatment plant and requiring the Town to provide the Commission with a schedule for its project.

FINDINGS OF FACT

1. On March 27, 2012, the Utility filed an application for a certificate of convenience and necessity to make certain improvements and extensions to its wastewater system in Randolph County. The extension will provide service to approximately 265 new customers. The project anticipates a $2,900,000 upgrade to the Town's sewer treatment plant which will be funded by a $2,900,000 fee provided to the Town by the Utility with funds from the project. The Town treats the Utility's effluent. (Application and Staff filings of August 23 and August 30, 2012).

2. The proposed project is the second phase of a project which was completed and previously approved by the Commission in Case No. 05-0500-PSD-CN. (Staff filing of August 23, 2012).

3. The Utility operates an existing sanitary sewer system serving 78 customers. (Id.).

4. The project will result in a modification of the agreement between the Utility and the Town regarding the treatment of the effluent. The amended agreement was filed with the Commission on June 5, 2012, in a petition seeking Commission approval of the modifications. (See Petition filed on June 5, 2012, and Staff filing of August 30, 2012).

5. On August 17, 2012, the Utility and the Town filed a revised agreement incorporating changes to the agreement recommended by Staff. (See filing of August 17, 2012).

6. On August 30, 2012, Staff recommending approving the revised agreement filed on August 17, 2012. Staff further recommended that the Town be warned that it must file for a certificate of convenience and necessity for the proposed treatment plant upgrades anticipated by the agreement. Staff recommended that the Town be required to submit to the Commission a schedule for the upgrade of its plant including a date when the application for a certificate would be filed with the Commission as well as other performance milestones. Staff stressed the importance of having capacity to treat the Utility's effluent when the Utility's project was completed. (Staff filing of August 30, 2012).

7. The proposed new customers rely on septic systems and other on-site disposal systems for their wastewater. Many of the septic systems are failing, in part due to the types of soils and topography of the area. Untreated and partially treated sewage contaminates local

streams and waters and often runs into open ditches, roadways and culverts in the area. The Randolph County Health Department has indicated that these discharges constitute an ongoing and serious public health threat. (Staff filing of August 23, 2012).

8. The West Virginia Department of Environmental Protection and the West Virginia Bureau for Public Health (Health Department) support the project and the Health Department has issued a permit to construct. (Permit No. 18,536 and Staff filing of August 23, 2012).

9. The project was approved by the West Virginia Infrastructure and Jobs Development Council. (See No. 2012S-1329).

10. The project will include 8.8 miles of new sewer mains, one new mainline sewage pumping station and a fee to pay for improvements to the Town's existing wastewater treatment plant. (Staff filings of August 23 and August 30, 2012).

11. The Town of Junior's treatment plant will have adequate capacity to treat the additional flows from the Utility once the treatment plant is upgraded pursuant to the project. (Id.).

12. The proposed project is anticipated to cost $7,400,000 with associated construction costs of $6,404,500. (See application and Staff filing of August 23, 2012).

13. The cost of engineering design is $268,000, or 4.2% of the construction cost, which Staff considers to be reasonable. (Staff filing of August 23, 2012).

14. The customer density is 53 new customers per mile of gravity line, which Staff considers to be reasonable. (Staff filing of August 23, 2012).

15. The cost per customer of $21,900 includes the significant cost of upgrading the Town's treatment system. (Id.).

16. Staff believes the project is viable and appropriate. (Id.).

17. The plans and specifications for the project do not have any apparent conflicts with the Commission's rules. (Id).

18. The project is estimated to increase operation and maintenance expenses annually for the Utility by $52,796. (Staff filing of August 23, 2012).

19. The project is proposed to be financed by a Small Cities Block grant in the amount of $1,500,000, a U.S. Department of Agriculture Rural Utilities Service ARRA grant in the amount of $3,500,000, a West Virginia Infrastructure and Jobs Development Council loan in the amount of $1,000,000 at 2% interest for 30 years, and an Infrastructure grant in the amount of $1,400,000. (See application and Staff filing of August 23, 2012).

20. The Utility requested modifications to its tariff for EFT, credit card, HCA and drop box payments to be equal to actual charges from financial institutions for processing the payments. Staff recommended denial of the proposed tariff modifications. (Id.).

21. The Utility requested a disconnect/reconnect/administrative fee in its tariff. Staff recommended denying the modification arguing that no cost data was provided. (Id.).

22. The Utility published notice of a 31.58% increase in its rates associated with the project. Staff recommends increasing the Utility's rates by 1.2%. (Notice of Filing published August 1, 2012 and Staff filing of August 23, 2012).

23. The Utility's five-year average of capital additions is $3,188. (Id.).

24. Under the Utility's proposed rates, there would be a surplus of $45,323 and debt service coverage of 195.6%. The Staff-recommended rates result in a surplus of $3,525 and a debt service coverage of 116.66%. The Utility's bonds require a coverage of 115%. (Staff filing of August 23, 2012).

25. Staff recommended modifications to the Utility's leak adjustment rate and certain modifications to the existing tariff regarding the language for minimum charges and returned checks as well as including language regarding a security deposit. (Id.).

26. Staff recommended granting the certificate with a 1.2% rate increase over existing rates and approval of the proposed financing. (Staff filing of June 25, 2012).

27. The Utility indicated that it was in agreement with the Staff recommendations but recommended a rate review one year after completion of the project. (See Utility filing of August 31, 2012).

CONCLUSIONS OF LAW

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

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

3. The Staff-recommended tariff and rates are reasonable, just, based primarily upon the cost of providing service, agreed to by the Utility and should be approved for all service rendered upon substantial completion of the project.

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

5. The Town should be warned that it must file for a certificate of convenience and necessity with the Commission for the anticipated upgrades to its treatment system which are

necessary in order for the Town to have adequate capacity to treat the additional flow created by the Utility's project.

6. The Town should be required to provide the Commission with a schedule for prosecuting its upgrade including when it anticipates filing an application for a certificate.

7. The terms and conditions of the modified sewer treatment agreement between the Utility and the Town are reasonable, neither party thereto is given an undue advantage over the other and the agreement does not adversely affect the public in this State.

8. The modified sewer treatment agreement as filed by the parties on August 17, 2012, is reasonable and should be approved.

ORDER

IT IS, THEREFORE, ORDERED that Norton-Harding-Jimtown Public Service District be, and hereby is, granted a certificate of convenience and necessity to construct the extension and improvements to its wastewater system as described in its application of March 27, 2012. The cost of the project shall not exceed $7,400,000. Approval is contingent upon the Utility obtaining all necessary state and federal permits before construction. Upon receipt, the Utility shall file with the Commission all permits not yet obtained.

IT IS FURTHER ORDERED that the proposed financing, consisting of a Small Cities Block grant in the amount of $1,500,000, a U.S. Department of Agriculture Rural Utilities Service ARRA grant in the amount of $3,500,000, a West Virginia Infrastructure and Jobs Development Council loan in the amount of $1,000,000 for thirty years at 2% interest, and a West Virginia Infrastructure and Jobs Development Council grant in the amount of $1,400,000, be, and hereby is, approved.

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

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

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

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

IT IS FURTHER ORDERED that the attached rates be, and hereby are, approved for use by Norton-Harding-Jimtown Public Service District for all service rendered on and after the date that the project is substantially complete. The Utility shall file with the Commission a proper tariff and five (5) copies within thirty (30) days of the date that the project approved is certified as substantially complete.

IT IS FURTHER ORDERED that Norton-Harding-Jimtown Public Service District file an application for Commission rate review one year after the project certificated by this order is certified as substantially complete.

IT IS FURTHER ORDERED that the Town of Junior be, and hereby is, warned that it is essential that it have its treatment plant upgraded prior to the completion of the Utility's project in order to have adequate capacity to treat the increased waste flow. The Town is further warned that it must file an application for a certificate of convenience and necessity with the Commission in order to proceed with the anticipated upgrade of its system.

Case No. 12-1347-S-CN

IT IS FURTHER ORDERED that the Town of Junior file with the Commission a schedule of its plans to upgrade its treatment plant. The Town shall include key project milestones including a date for the filing of its certificate application with the Commission. If any project milestones are tied to the Utility's progress or performance these connections should be identified and an explanation of how the milestones will be coordinated with the Utility should be included. The Town shall file this schedule with the Commission within twenty days of the date that this order becomes a final Commission order.

IT IS FURTHER ORDERED that the revised contract between the Town of Junior and the Utility which was filed August 17, 2012, be, and hereby is approved, without specifically approving the terms and conditions thereof.

IT IS FURTHER ORDERED that the matter be removed from the open docket.

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

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

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

K. A. George

Keith A. George
Administrative Law Judge

KAG:cdk
120386ae.doc

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT
CASE NO. 12-0386-PSD-CN

APPROVED RATES

SCHEDULE I

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for general domestic, commercial and industrial sewer service.

RATES (Customers with metered water supply)

First	3,000 gallons used per month	$9.61 per 1,000 gallons
Next	7,000 gallons used per month	$9.61 per 1,000 gallons
All Over	10,000 gallons used per month	$4.81 per 1,000 gallons

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

Equivalent of 4,000 gallons of water supply $38.44 per month

MINIMUM CHARGE

No bill will be rendered for less than $28.83 per month.

DELAYED PAYMENT PENALTY

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

TAP FEE

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

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

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

RETURNED CHECK CHARGE

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

LEAK ADJUSTMENT

$2.44 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

SECURITY DEPOSIT

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

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

Wherever the utility has discovered that a customer's roof drain, downspout, storm sewer or similar facility conducting surface water has been connected to the utility's sewer system and such customer has failed to take appropriate action within thirty (30) days of receipt of a demand by the utility in accordance with the rules and regulations 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 collecting 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.

The surcharge shall be calculated and imposed for each month the condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the rules and regulations 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:

$$Ci = VoVi + BoBi + SoSi$$

- 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 water from unusual users, in gallons per year
- Bo = average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD), in dollars per pound
- Bi = weight of BOD from unusual users, in pounds per year
- So = average unit cost of treatment (including sludge treatment) chargeable to total solids, in dollars per pound
- Si = weight of total solids from unusual users, in pounds per year

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

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

SCHEDULE IV

APPLICABLE INSIDE AND OUTSIDE THE LIMITS OF THE UTILITY

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

SCHEDULE V

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 up to a maximum of $25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank due to insufficient funds.

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: December 28, 2012

CASE NO. 12-1347-S-CN

TOWN OF JUNIOR
Application for a certificate of convenience and necessity
to upgrade its wastewater treatment plant in Barbour County.

RECOMMENDED DECISION

This Order grants the certificate.

On September 25, 2012, the Town of Junior (Utility) filed an application for a certificate of convenience and necessity to make improvements to its existing wastewater treatment plant in Barbour County.

On September 27, 2012, the Commission ordered the Utility to publish notice of its filing.

On September 28, 2012, the Utility requested expedited treatment. The Utility indicated that improvements to its wastewater treatment plant were necessary for the Norton-Harding-Jimtown Public Service District (PSD) to bid and build the project which was approved by the Commission in Case No. 12-0386-PSD-CN. Specifically, the Utility indicated that the funding agency was concerned about the timing of the Utility's application.

On October 9, 2012, the Commission referred the matter requiring a decision on or before February 7, 2013.

On October 26, 2012, the Utility filed an affidavit of publication indicated that the Utility properly published notice in Barbour County. There have been no protests filed pursuant to the notice.

On December 26, 2012, Staff recommended that the Utility be granted a certificate.

FINDINGS OF FACT

1. On September 26, 2012, the Utility filed an application for a certificate of convenience and necessity to improve its existing wastewater treatment plant. (See application).

2. The Utility currently operates a sanitary sewer system which serves 199 residential customers, one large institutional customer (the Regional Jail) and one sale for resale customer, the PSD. (Staff filing of December 26, 2012).

3. The Utility's existing wastewater treatment plant has a design capacity of 140,000 gallons per day. The Utility currently treats 155,000 gallons per day which is approximately 11% above the plant's designed capacity. (Id.).

4. The PSD was recently granted a certificate in Case No. 12-0386-PSD-CN approving the extension of the PSD's facilities to serve an additional 265 customers. (See Case No. 12-0386-PSD-CN and Staff filing of December 26, 2012).

5. The proposed upgrade to the Utility's treatment plant is absolutely essential in order to provide treatment for the added customers proposed by the PSD project. The PSD project cannot proceed without the increase in capacity of the Utility's plant. (Staff filing of December 26, 2012).

6. The proposed project will increase the Utility's treatment plant to a new design capacity of 280,000 gallons per day. (Id.).

7. The work includes the construction of a new oxidation ditch, a new clarifier, a new sludge pumping system and a new emergency generator, the conversion of an existing sludge-holding tank into a clarifier and the conversion of two existing clarifiers into two sludge-holding tanks and other necessary work. (Id.).

8. The project is estimated to cost $2,900,000 with a construction cost of $2,028,175 which Staff views as reasonable considering the scope of the project. (Id.).

9. The estimated cost of the project on a per-customer basis, including the 265 new customers of the PSD, is approximately $6,250 per customer, which Staff views as reasonable. (Id.).

10. The proposed funding of the project is a $2,900,000 contribution by the PSD. (Id.).

11. The PSD is paying the $2,900,000 contribution from funds it received in its certificate filing in Case No. 12-0386-PSD-CN which was provided by a grant from the U.S. Department of Agricultural Rural Utilities Service. (Id.).

12. The Utility will not need to increase its rates due to the project. (Id.).

13. The project will result in a new modern treatment facility for the Utility which should have a long life and provide adequate excess capacity for future growth in the area. (Id.).

14. The project plans and specifications do not conflict with the Commission's rules. (Staff filing of December 26, 2012).

15. The West Virginia Bureau for Public Health has issued a permit to construct. (See Permit No. 19,118).

16. The Utility is pursuing necessary permits and regulatory approvals and should have them in place prior to construction. (Staff filing of December 26, 2012).

17. The project will increase the Utility's operation and maintenance expenses by $23,675 a year. (Id.).

18. The additional revenue from the additional sewage flow for the 265 new customers served by the PSD will more than offset the increased operation and maintenance expenses from the project. (Id.).

19. Staff recommended that the certificate be issued. (Id.).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the project.

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

ORDER

IT IS, THEREFORE, ORDERED that the Town of Junior be, and hereby is, granted a certificate of convenience and necessity to construct the proposed improvements to its wastewater treatment plant as described in its application of September 25, 2012. The cost of the project shall not exceed $2,900,000. The approval is contingent on the receipt of all necessary state and federal permits prior to construction. The Utility shall file all copies of all necessary permits with the Commission upon receipt.

IT IS FURTHER ORDERED that the proposed financing, consisting of a contribution from the Norton-Harding-Jimtown Public Service District in the amount of $2,900,000, be, and hereby is, approved.

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

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

IT IS FURTHER ORDERED that the Utility submit to the Commission a copy of the certificate of substantial completion issued for each construction contract associated with the project, as soon as they are available, but no later than ten (10) days after the issuance of such documents.

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

IT IS FURTHER ORDERED that the matter be removed from the open docket.

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

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

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

K. A. George

Keith A. George
Administrative Law Judge

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09:27 AM DEC 30 2012 PSC EXEC SEC

SEWER TREATMENT AGREEMENT

THIS SEWER TREATMENT AGREEMENT (hereinafter "this Agreement") made this 9th day of October, 2012, 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 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 plans to seek West Virginia Public Service Commission approval of a Phase II sanitary sewer extension to serve residents within the area of the PSD's jurisdiction in Randolph County, West Virginia;

WHEREAS, the PSD does not have a sewer treatment plant of its own and has been provided sewer treatment service by the Town for the PSD's Phase I Sanitary sewer extension, which was completed in or about 2006, pursuant to a prior Sewer Treatment Agreement dated December 20, 2005;

WHEREAS, given the Town's relatively close proximity to the area of the PSD's Phase I sanitary sewer extension and its planned Phase II sanitary sewer extension, the Town's sewer treatment plant could provide the most feasible sewer service to collect, treat and dispose of the PSD's wastewater from both Phases provided that certain upgrades of the sanitary sewer treatment plant are made;

WHEREAS, the Town is amenable to connection of the PSD's Phase II sanitary sewer extension to its treatment plant to accept wastewater generated by the Phase II extension for treatment and discharge, while continuing to accept wastewater from the Phase I extension, provided that upgrades are made to the Town's sewer treatment plant;

WHEREAS, the Town and the PSD understand that the Town's sewer treatment plant has insufficient capacity to accept the wastewater anticipated from the PSD's Phase II sewer extension without upgrades, and the Town and the PSD desire that the Town's sewer treatment system be upgraded to accommodate connection of the Phase II extension to the Town's system, with the PSD to contribute funds to aid in construction of the upgrades; 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 upgrades to the Town's sewer treatment plant and acceptance of wastewater from the PSD's Phase II sanitary sewer extension; and the approval of the West Virginia Public Service Commission of this Agreement, the PSD's Phase II sewer extension project, and upgrade of the Town's sewer treatment plant. 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 II extension. The PSD shall cause to be constructed its Phase II sanitary sewer extension to serve up to 312 additional residential customers in the PSD's area of jurisdiction as designed by Thrasher Engineering, Inc. The Phase II 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 in Phase I as well as that contemplated in Phase II 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 and Phase II sewer extensions to the location of the interconnections between the PSD's sewer collection system to the Town's sewer system.

3. Contribution in aid of construction. The PSD shall contribute the sum of $2,900,000.00 in aid of construction for the Town to upgrade its sewer treatment plant, provided such funding is made available through funding/financing acceptable to the PSD and the West Virginia Public Service Commission. Upon approval of acceptable funding/financing, the Town shall make the upgrades to its sewer treatment plant needed to accommodate acceptance and treatment of the wastewater from the PSD's Phase II extension, while continuing to receive wastewater from the PSD's Phase I extension, as designed by the Town's engineer, Thrasher Engineering, Inc.

4. 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 and Phase II sewer extensions 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 and Phase II sewer extensions.

5. Metered flow and payment for sewer service. The PSD's wastewater shall be metered by flow meters installed at points of discharge from the PSD's sanitary sewer collection system into the Town's public sewer system. The PSD was responsible for all costs associated with installation of the two flow meters installed during the Phase I extension; those meters became the

property of the Town upon completion of the Phase I connection. During the Phase II extension, sufficient additional flow meters shall be installed such that upon completion of Phase II all sewer flows from the PSD's customers to the Town's system will be metered. The PSD shall be responsible for all costs associated with installation of the flow meters during Phase II, and those meters shall become the property of the Town upon completion of Phase II. The two flow meters installed in Phase I remain the property of the Town. The Town and the PSD shall both have the right to read the Town's flow meters, and both shall have reasonable access to the flow meters 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 meters and shall be $2.25 per 1000 gallons as passed by ordinance of the Town until such time as it is revised by ordinance or by the Public Service Commission. 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 and Phase II extensions.

6. 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 II sanitary sewer extension is completed and discharge begins from Phase II into the Town's public sewer system. The prior Sewer Treatment Agreement between the parties dated December 20, 2005 shall remain in effect until the initial term for this Agreement begins. Thereafter, the prior Sewer Treatment Agreement shall be void and replaced by this Agreement, and this Agreement shall automatically be renewed from year to year after its initial term 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.

7. Further agreement needed for connection of subsequent extension phases. The PSD and the Town recognize that the PSD may plan subsequent phases of sanitary sewer extensions after Phases I and II 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 and approval of regulatory agencies.

8. No assignment or transfer. Neither the Town nor the PSD may assign or transfer its rights and interests in this Agreement to another entity without the prior written consent of the other party.

9. Law. This Agreement shall be governed by the laws of the State of West Virginia.

10. 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 Public Convenience and Necessity from the West Virginia Public Service Commission for the PSD's planned Phase II 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 10 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: Gary A. Miller
Its Mayor

Date: 9-20-12

Attest: _____
Recorder

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

By: Kenneth Poup
Its Chairman

Date: 10-9-12

Attest: _____
Secretary

This Agreement is approved on behalf of USDA Rural Development this 29th day of November, 2012.

By: Robert D. Lewis

Title: State Director

s:\norton.psd\sewer\phase.II\sewertreatagrrev 7-9-12

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

February 2, 2005

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-778b

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") revised preliminary application regarding its proposed project to provide sanitary sewer service to approximately 268 customers in Norton and Coalton (the "Project").

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

Upon consideration of the revised preliminary application, the Infrastructure Council determined the District pursue $1,500,000 Small Cities Block Grant and $3,655,200 Rural Utilities Service loan/grant assistance to fund this $5,155,200 Phase II project. Please contact the WV Development Office at 558-4010and the Rural Utilities Service office at 636-2158 for specific information on the steps the District needs to follow to apply for these funds. Please **note that this letter <u>does not</u> constitute funding approval from these agencies.**

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)
Joseph Crickenberger, RUS
Region VII Planning & Development Council
Clay Riley, P.E., Thrasher Engineering, Inc.

WEST VIRGINIA
Infrastructure & Jobs Development Council

Gov. Earl Ray Tomblin
Chairman

Kenneth Lowe, Jr.
Public Member

David "Bones" McComas
Public Member

Ron Justice
Public Member

Louis R. Spatafore
Public Member

Joseph Freeland
Public Member

D. K. "Bud" Carr
Public Member

James W. Ellars, P.E.
Executive Director

Barbara J. Pauley
Administrative Secretary

Friday, April 13, 2012

Kenneth Pomp, Chairman
Norton-Harding-Jimtown Public Service District
P.O. Box 87
Norton, WV 26285-0087

Re: Norton-Harding-Jimtown Public Service District
Phase II Sewer Extension - Project 2012S-1329 (originally 2003S-778b)
Revised Preliminary Application Approved
IJDC Binding Commitment
(Action Required by Friday, May 11, 2012)

Dear Mr. Pomp:

The West Virginia Infrastructure and Jobs Development Council (Council) has reviewed the revised preliminary application for the above-named project (Project). At its April 11, 2012 meeting, the Council voted to approve that the Norton-Harding-Jimtown Public Service District (Sponsor) receive a binding commitment for an Infrastructure Fund loan (Loan) of approximately $1,000,000 and an Infrastructure Fund grant (Grant) of approximately $1,400,000 for the above-named Project.

The final Loan and Grant amounts will be established after the sponsor has received acceptable bids for the Project. The Loan and Grant will be subject to the terms set forth on Schedule A attached hereto and incorporated herein by reference.

If the Sponsor has any questions regarding this commitment, please contact James W. Ellars (304) 414-6501 (X106).

Sincerely,

Kenneth Lowe, Jr.

Attachment

cc: DEP Rep Name, DEP
WHITEHAIR, SHANE, Region VII-Planning & Development Council
RILEY, CLAY, Thrasher Engineering, Inc.
GRIFFITH, MICHAEL D, Griffith & Associates
Samme Gee IC, Jackson Kelly PLLC

180 Association Drive • Charleston, WV 25311 • Phone (304) 414-6501 • Fax (304) 414-0866

www.wvinfrastructure.com

NOTE: Please print and acknowledge receipt below, keep one original, and immediately return one copy to the Infrastructure Council.

NORTON-HARDING-JIMTOWN PSD

By: _____

Its: _____

Date: _____

Norton-Harding-Jimtown Public Service District
Project 2012S-1329 (originally 2003S-778b)

SCHEDULE A

A.	Approximate Amount:	$1,000,000 $1,400,000	Loan Grant
B.	Loan:		$1,000,000
	1. Maturity Date:		30 yrs from date of closing.
	2. Interest Rate:		2%
	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 at closing.
	5. Special Conditions		None
C.	Grant:		$1,400,000
	1. Grant Advancement Date(s):		Monthly, upon receipt of proper requisition and after complete advancement of Loan funding.
	2. Special Conditions:		None
	NOTICE: The terms set forth above are subject to change following the receipt of construction bids.		
D.	Other Funding Sources:		
	RUS ARRA grant		$3,500,000
	SCBG		$1,500,000
E.	Total Project Cost:		$7,400,000
F.	Proposed User Rates:	Approximately	$39.64 / 4000 gallons

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2013 A
(West Virginia Infrastructure Fund)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On this 6th day of May, 2013, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Chairman of Norton-Harding-Jimtown Public Service District (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received from the Issuer its Sewer Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), in the principal amount of $1,000,000 (the "Series 2013 A Bonds"), issued as a single, fully registered Bond, numbered AR-1 and dated May 6, 2013.

2. At the time of such receipt, all the Series 2013 A Bonds have 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 Series 2013 A Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2013 A Bonds, of the sum of $223,500, being a portion of the principal amount of the Series 2013 A Bonds. The balance of the principal amount of the Series 2013 A Bonds will be advanced by the Authority and the West Virginia Infrastructure and Jobs Development Council to the Issuer as acquisition and construction of the Project progresses.

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WITNESS our respective signatures on the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: Sheila A. Miller
Its: Authorized Representative

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

By: Kenneth Pomp
Its: Chairman

664900.00004

5881009

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2013 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 6th day of May, 2013, there are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of Norton-Harding-Jimtown Public Service District Sewer Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), in the principal amount of $1,000,000, dated May 6, 2013 (the "Series 2013 A Bonds" or 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 duly adopted by the Issuer on May 2, 2013 and a Supplemental Resolution duly adopted by the Issuer on May 2, 2013 (collectively, the "Bond Legislation");

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

(3) Executed counterparts of a loan agreement for the Series 2013 A Bonds, dated May 6, 2013, by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "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 Series 2013 A Bonds to the Authority upon payment to the Issuer of the sum of $223,500, representing a portion of the principal amount of the Series 2013 A 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.

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Dated as of the day and year first written above.

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

664900.00004

5881007

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2013 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $1,000,000

KNOW ALL MEN BY THESE PRESENTS: This 6th day of May, 2013, that NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT, a public service district, 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 ONE MILLION DOLLARS ($1,000,000), 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, 2015, to and including December 1, 2044 as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference with interest of 2.0% payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2015, to and including December 1, 2044 as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this bond is payable by check or draft of the Paying Agent mailed to the Registered Owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the next month preceding an interest payment date, or such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated May 6, 2013.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of improvements and extensions to the existing public sewerage system of the Issuer (the "Project"); (ii) to fund the Series 2013 A Bonds Reserve Account; and (iii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage system of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued

under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Resolution duly adopted by the Issuer on May 2, 2013, and a Supplemental Resolution duly adopted by the Issuer on May 2, 2013 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S SEWER REVENUE BONDS, SERIES 2006 A (WEST VIRGINIA INFRASTRUCTURE FUND), DATED OCTOBER 12, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $333,000 (THE "SERIES 2006 A BONDS") (HEREINAFTER, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2013 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 2013 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 all Operating Expenses of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2013 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations Outstanding on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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.

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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 the day and year first written above.

[SEAL]

Chairman

ATTEST:

Secretary

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2013 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: May 6, 2013.

THE HUNTINGTON NATIONAL BANK,
as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $223,500	05/06/2013	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

Bond Debt Service

Norton Harding Jimtown PSD

IF

$1,000,000

30 Years

Dated Date 5/6/2013

Delivery Date 5/6/2013

Period Ending	Principal	Coupon	Interest	Debt Service
3/1/2015	6,102	2.000%	5,000.00	11,102.00
6/1/2015	6,133	2.000%	4,969.49	11,102.49
9/1/2015	6,163	2.000%	4,938.83	11,101.83
12/1/2015	6,194	2.000%	4,908.01	11,102.01
3/1/2016	6,225	2.000%	4,877.04	11,102.04
6/1/2016	6,256	2.000%	4,845.92	11,101.92
9/1/2016	6,287	2.000%	4,814.64	11,101.64
12/1/2016	6,319	2.000%	4,783.20	11,102.20
3/1/2017	6,350	2.000%	4,751.61	11,101.61
6/1/2017	6,382	2.000%	4,719.86	11,101.86
9/1/2017	6,414	2.000%	4,687.95	11,101.95
12/1/2017	6,446	2.000%	4,655.88	11,101.88
3/1/2018	6,478	2.000%	4,623.65	11,101.65
6/1/2018	6,511	2.000%	4,591.26	11,102.26
9/1/2018	6,543	2.000%	4,558.70	11,101.70
12/1/2018	6,576	2.000%	4,525.99	11,101.99
3/1/2019	6,609	2.000%	4,493.11	11,102.11
6/1/2019	6,642	2.000%	4,460.06	11,102.06
9/1/2019	6,675	2.000%	4,426.85	11,101.85
12/1/2019	6,709	2.000%	4,393.48	11,102.48
3/1/2020	6,742	2.000%	4,359.93	11,101.93
6/1/2020	6,776	2.000%	4,326.22	11,102.22
9/1/2020	6,810	2.000%	4,292.34	11,102.34
12/1/2020	6,844	2.000%	4,258.29	11,102.29
3/1/2021	6,878	2.000%	4,224.07	11,102.07
6/1/2021	6,912	2.000%	4,189.68	11,101.68
9/1/2021	6,947	2.000%	4,155.12	11,102.12
12/1/2021	6,982	2.000%	4,120.39	11,102.39
3/1/2022	7,017	2.000%	4,085.48	11,102.48
6/1/2022	7,052	2.000%	4,050.39	11,102.39
9/1/2022	7,087	2.000%	4,015.13	11,102.13
12/1/2022	7,122	2.000%	3,979.70	11,101.70
3/1/2023	7,158	2.000%	3,944.09	11,102.09
6/1/2023	7,194	2.000%	3,908.30	11,102.30
9/1/2023	7,230	2.000%	3,872.33	11,102.33
12/1/2023	7,266	2.000%	3,836.18	11,102.18
3/1/2024	7,302	2.000%	3,799.85	11,101.85
6/1/2024	7,339	2.000%	3,763.34	11,102.34
9/1/2024	7,375	2.000%	3,726.64	11,101.64
12/1/2024	7,412	2.000%	3,689.77	11,101.77
3/1/2025	7,449	2.000%	3,652.71	11,101.71
6/1/2025	7,487	2.000%	3,615.46	11,102.46
9/1/2025	7,524	2.000%	3,578.03	11,102.03

Bond Debt Service

Norton Harding Jimtown PSD

IF

$1,000,000

30 Years

Period Ending	Principal	Coupon	Interest	Debt Service
12/1/2025	7,562	2.000%	3,540.41	11,102.41
3/1/2026	7,599	2.000%	3,502.60	11,101.60
6/1/2026	7,637	2.000%	3,464.60	11,101.60
9/1/2026	7,676	2.000%	3,426.42	11,102.42
12/1/2026	7,714	2.000%	3,388.04	11,102.04
3/1/2027	7,753	2.000%	3,349.47	11,102.47
6/1/2027	7,791	2.000%	3,310.70	11,101.70
9/1/2027	7,830	2.000%	3,271.75	11,101.75
12/1/2027	7,869	2.000%	3,232.60	11,101.60
3/1/2028	7,909	2.000%	3,193.25	11,102.25
6/1/2028	7,948	2.000%	3,153.71	11,101.71
9/1/2028	7,988	2.000%	3,113.97	11,101.97
12/1/2028	8,028	2.000%	3,074.03	11,102.03
3/1/2029	8,068	2.000%	3,033.89	11,101.89
6/1/2029	8,108	2.000%	2,993.55	11,101.55
9/1/2029	8,149	2.000%	2,953.01	11,102.01
12/1/2029	8,190	2.000%	2,912.26	11,102.26
3/1/2030	8,231	2.000%	2,871.31	11,102.31
6/1/2030	8,272	2.000%	2,830.16	11,102.16
9/1/2030	8,313	2.000%	2,788.80	11,101.80
12/1/2030	8,355	2.000%	2,747.23	11,102.23
3/1/2031	8,397	2.000%	2,705.46	11,102.46
6/1/2031	8,439	2.000%	2,663.47	11,102.47
9/1/2031	8,481	2.000%	2,621.28	11,102.28
12/1/2031	8,523	2.000%	2,578.87	11,101.87
3/1/2032	8,566	2.000%	2,536.26	11,102.26
6/1/2032	8,609	2.000%	2,493.43	11,102.43
9/1/2032	8,652	2.000%	2,450.38	11,102.38
12/1/2032	8,695	2.000%	2,407.12	11,102.12
3/1/2033	8,738	2.000%	2,363.65	11,101.65
6/1/2033	8,782	2.000%	2,319.96	11,101.96
9/1/2033	8,826	2.000%	2,276.05	11,102.05
12/1/2033	8,870	2.000%	2,231.92	11,101.92
3/1/2034	8,914	2.000%	2,187.57	11,101.57
6/1/2034	8,959	2.000%	2,143.00	11,102.00
9/1/2034	9,004	2.000%	2,098.20	11,102.20
12/1/2034	9,049	2.000%	2,053.18	11,102.18
3/1/2035	9,094	2.000%	2,007.94	11,101.94
6/1/2035	9,140	2.000%	1,962.47	11,102.47
9/1/2035	9,185	2.000%	1,916.77	11,101.77
12/1/2035	9,231	2.000%	1,870.84	11,101.84
3/1/2036	9,277	2.000%	1,824.69	11,101.69
6/1/2036	9,324	2.000%	1,778.30	11,102.30
9/1/2036	9,370	2.000%	1,731.68	11,101.68
12/1/2036	9,417	2.000%	1,684.83	11,101.83
3/1/2037	9,464	2.000%	1,637.75	11,101.75
6/1/2037	9,512	2.000%	1,590.43	11,102.43

Bond Debt Service

Norton Harding Jimtown PSD

IF

$1,000,000

30 Years

Period Ending	Principal	Coupon	Interest	Debt Service
9/1/2037	9,559	2.000%	1,542.87	11,101.87
12/1/2037	9,607	2.000%	1,495.07	11,102.07
3/1/2038	9,655	2.000%	1,447.04	11,102.04
6/1/2038	9,703	2.000%	1,398.76	11,101.76
9/1/2038	9,752	2.000%	1,350.25	11,102.25
12/1/2038	9,801	2.000%	1,301.49	11,102.49
3/1/2039	9,850	2.000%	1,252.48	11,102.48
6/1/2039	9,899	2.000%	1,203.23	11,102.23
9/1/2039	9,948	2.000%	1,153.74	11,101.74
12/1/2039	9,998	2.000%	1,104.00	11,102.00
3/1/2040	10,048	2.000%	1,054.01	11,102.01
6/1/2040	10,098	2.000%	1,003.77	11,101.77
9/1/2040	10,149	2.000%	953.28	11,102.28
12/1/2040	10,200	2.000%	902.53	11,102.53
3/1/2041	10,251	2.000%	851.53	11,102.53
6/1/2041	10,302	2.000%	800.28	11,102.28
9/1/2041	10,353	2.000%	748.77	11,101.77
12/1/2041	10,405	2.000%	697.00	11,102.00
3/1/2042	10,457	2.000%	644.98	11,101.98
6/1/2042	10,509	2.000%	592.69	11,101.69
9/1/2042	10,562	2.000%	540.15	11,102.15
12/1/2042	10,615	2.000%	487.34	11,102.34
3/1/2043	10,668	2.000%	434.26	11,102.26
6/1/2043	10,721	2.000%	380.92	11,101.92
9/1/2043	10,775	2.000%	327.32	11,102.32
12/1/2043	10,829	2.000%	273.44	11,102.44
3/1/2044	10,883	2.000%	219.30	11,102.30
6/1/2044	10,937	2.000%	164.88	11,101.88
9/1/2044	10,992	2.000%	110.20	11,102.20
12/1/2044	11,047	2.000%	55.24	11,102.24
	1,000,000		332,247.05	1,332,247.05

(Form of)

ASSIGNMENT

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

Dated: _____, 20____.

_____

In the presence of:

_____

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information

May 6, 2013

Norton-Harding-Jimtown Public Service District
Sewer Revenue Bonds, Series 2013 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 $1,000,000 Sewer Revenue Bonds, Series 2013 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 May 6, 2013, 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 interest at the rate of 2% per annum, with principal and interest payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2015, to and including December 1, 2044, 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 improvements and extensions to the existing public sewerage system of the Issuer (the "Project"); (ii) funding the Series 2013 A Bonds Reserve Account; and (iii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Resolution duly adopted by the Issuer on May 2, 2013, as supplemented by a Supplemental Resolution duly adopted by the Issuer on May 2, 2013 (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 or 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 in connection with the issuance and sale of the Bonds and constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms. The Bond Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's Sewer Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), dated October 12, 2006, issued in the original aggregate principal amount of $333,000 (the "Series 2006 A Bonds" or the "Prior Bonds"), 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 the gross income of the owners thereof for federal income tax purposes. We express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Bonds.

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

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

Very truly yours,

STEPTOE & JOHNSON PLLC

664900.00004

BUSCH, ZURBUCH & THOMPSON, PLLC

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* *Also admitted in Virginia*

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May 6, 2013

Norton-Harding-Jimtown Public Service District
Sewer Revenue Bonds, Series 2013 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:

We are counsel to Norton-Harding-Jimtown Public Service District, a public service district, in Randolph County, West Virginia (the "Issuer"). As such counsel, we have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a loan agreement for the Series 2013 A Bonds dated May 6, 2013, 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 May 2, 2013, as supplemented by the Supplemental Resolution duly adopted by the Issuer on May 2, 2013 (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 above-captioned Bonds of the Issuer (collectively, the "Bonds"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreements when used herein.

We are of the opinion that:

1. The Issuer is duly created and validly existing as a public service district and as a public corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt the Bond Legislation, all under the Act and other applicable provisions of law.

2. The Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a valid and binding agreement of the Issuer enforceable in accordance with its terms.

3. The members and officers of the Public Service Board of the Issuer have been duly, lawfully and properly appointed or elected, as applicable, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.

4. The Bond Legislation has been duly adopted by the Issuer and is in full force and effect.

5. The execution and delivery of the Bonds and 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 ordinance, 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, the receipt of all requisite orders, certificates and approvals from The County Commission of Randolph County, the Council and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges. The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on September 11, 2012, which became a Final Order on October 1, 2012 in Case No. 12-0386-PSD-CN, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the rates and charges for the System and the financing for the Project. The time for appeal of the Order has expired prior to the date hereof without any appeal. The Order remains in full force and effect.

7. The Issuer has duly published a notice of the acquisition and construction of the Project, the issuance of the Bonds and related matters, as required under Chapter 16, Article 13A, Section 25 of the West Virginia Code of 1931, as amended, and has duly complied with the provisions thereof.

8. To the best of our knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Loan Agreements, the Bond Legislation, the acquisition and construction of the Project, the operation of the System, the validity of the Bonds or the collection or pledge of the Net Revenues therefor.

9. We have ascertained that all successful bidders have provided the drug-free workplace affidavit, submitted their drug-free workplace plan, and the contracts contain language that complies with the Drug-Free Workplace Act, Article 1D, Chapter 21 of the West Virginia Code. We have also ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and verified such insurance policies and bonds for accuracy. Based upon our review of the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, we are of the opinion that such surety bonds and policies (i) are in compliance with the contracts; (ii) are adequate in form, substance and amount to protect the various interests of the Issuer; (iii) have been executed by duly authorized representatives of the proper parties; (iv) meet the requirements of the Act, the Bond Legislation and the Loan Agreement; and (v) 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,

BUSCH, ZURBUCH & THOMPSON, PLLC

By: Jeffrey S. Zurbuch

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* *Also admitted in Virginia*

May 6, 2013

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
Final Title Opinion

Dear Ladies & Gentlemen:

This firm represents Norton-Harding-Jimtown Public Service District (the "District") with regard to a proposed sewer line extension 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 we are of the opinion that the Norton-Harding-Jimtown Public Service District is a duly created and existing public service district possessed with all the powers and authority granted to public service districts under the laws of the State of West Virginia and has the full power and authority to construct, operate and maintain the Project as approved by the Bureau for Public Health.

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

3. That we have investigated and ascertained the location of, and are familiar with the legal description of, the necessary sites required for the construction of the Project as set forth in the plans for the Project prepared by Thrasher Engineering, Inc., the consulting engineers for the Project.

4. That we 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 our 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, except and subject to the following.

Easements on the following listed properties are being acquired by eminent domain, and the necessary filings have been made in the Office of the Clerk of the County Commission of Randolph County, West Virginia to permit the District a right-of-entry on the subject properties for the purpose of construction, operation, maintenance, rehabilitation, and removal of the subject facilities. The District's title thereto is defeasible in the event the District does not satisfy any resulting judgment and/or award in the proceedings pending in the Circuit Court of Randolph County for acquisition of permanent easements and/or temporary easements on said properties, and our certification is subject to the pending litigation.

13-C-37 Willie E. Poling (Tax Map 3, Parcel 40)	Order Granting Petitioner Immediate Right-of-Entry, Possession, and Use – April 2, 2013
13-C-49 Anna O'Kernick (Tax Map 2, Parcels 50 and 60)	Order Granting Petitioner Immediate Right-of-Entry, Possession, and Use – April 11, 2013

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

Sincerely,

BUSCH, ZURBUCH & THOMPSON, PLLC

By: Jeffrey S. Zurbuch

Phase II

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2013 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. NEW CUSTOMERS
12. INSURANCE
13. VERIFICATION OF SCHEDULE
14. RATES
15. PUBLIC SERVICE COMMISSION ORDER
16. SIGNATURES AND DELIVERY
17. BOND PROCEEDS
18. PUBLICATION OF NOTICE OF PSC FILING
19. SPECIMEN BONDS
20. CONFLICT OF INTEREST
21. GRANTS
22. PROCUREMENT OF ENGINEERING SERVICES
23. 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 this 6th day of May, 2013 in connection with the Issuer's Sewer Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), dated the date hereof (the "Series 2013 A Bonds" or the "Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond Resolution of the Issuer duly adopted May 2, 2013, and the Supplemental Resolution duly adopted May 2, 2013 (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 moneys or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, the pledge or application of moneys 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 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 Outstanding obligations of the Issuer which will rank on a parity with the Series 2013 A Bonds as to liens, pledge and source of and security for payment, being the Issuer's Sewer Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), dated October 12, 2006, issued in the original aggregate principal amount of $333,000 (the "Series 2006 A Bonds" or the "Prior Bonds").

The Series 2013 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all respects. Prior to the issuance of the Series 2013 A Bonds, the Issuer has obtained (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2013 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no Outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the covenants of the Prior Bonds and the Prior Resolutions.

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

Bond Resolution

Supplemental Resolution

Series 2013 A Bonds Loan Agreement

Public Service Commission Orders

Infrastructure and Jobs Development Council Approval

County Commission Orders Creating and Enlarging the Boundaries of the District and Public Service Commission Order relating thereto

County Commission Orders Appointing Current Boardmembers

Oaths of Office of Current Boardmembers

Rules of Procedure

Minutes of Current Year Organizational Meeting

Minutes on Adoption of Bond Resolution and Supplemental Resolution

Prior Bonds Resolution

Consent of West Virginia Water Development Authority

Infrastructure Fund Grant Agreement

United States Department of Agriculture Letter of Conditions

United States Department of Agriculture Grant Resolution

Evidence of Small Cities Block Grant

Evidence of Insurance

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 governing body of the Issuer is its Public Service Board consisting of 3 duly appointed, qualified and acting members whose names and dates of commencement and termination of current terms of office are as follows:

Name	Date of Commencement of Office	Date of Termination of Office
Kenneth Pomp	April 10, 2013	December 31, 2019
Glenn Lee	February 2, 2011	January 1, 2017
O. B. Currence	January 22, 2009	January 22, 2015

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 2013 are as follows:

Chairperson	-	Kenneth Pomp
Secretary	-	Glen Lee
Treasurer	-	O.B. Currence

Charlotte Phillips was elected Secretary for purposes of the Series 2013 A Bonds.

The duly appointed and acting counsel to the Issuer is Busch, Zurbuch & Thompson, PLLC, 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 and subcontractors have been required to maintain Workers' Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond Legislation and the Loan Agreement. The successful bidders have provided the Drug-Free Workplace Affidavit as evidence of compliance with the provisions of Article 1D, Chapter 21 of

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

12. INSURANCE. The Issuer will maintain or, as appropriate, will require all contractors to maintain workers' compensation, public liability, property damage insurance, standard hazard insurance, builder's risk insurance, flood insurance and business interruption insurance, where applicable, in accordance with the Bond Legislation and the Loan Agreement. All insurance for the System required by the Bond Legislation and the Loan Agreement are in full force and effect.

13. VERIFICATION OF SCHEULE: The final Schedule B attached to the Certificate of Consulting Engineer, accurately represents the estimated Costs of the Project, the sources of funds available to pay the Costs of the Project and the costs of financing of the Bonds.

14. RATES: The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on September 11, 2012, which became a Final Order on October 1, 2012 in Case No. 12-0386-PSD-CN, approving the rates and charges for the services of the System, and has adopted a resolution prescribing such rates and charges. The rates will be effective when the Project is substantially complete.

15. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on September 11, 2012, which became a Final Order on October 1, 2012 in Case No. 12-0386-PSD-CN, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project, approving the rates and charges for the System and approving the financing for the Project. The time for appeal of the Order has expired prior to the date hereof. The Order remains in full force and effect.

16. 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 said Bonds and to be attested by his or her manual signature, and the Registrar did officially authenticate and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the Loan Agreement. Said official seal is also impressed above the signatures appearing on this certificate.

17. BOND PROCEEDS: On the date hereof, the Issuer received $223,500 from the Authority and the Council, being a portion of the principal amount of the Series 2013 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.

18. PUBLICATION OF NOTICE OF PSC FILING: The Issuer has published any required notice with respect to, among other things, the acquisition and construction of the Project, anticipated user rates and charges, and filing of a formal application for a certificate of public convenience and necessity with the Public Service Commission of West Virginia, in accordance with Chapter 16, Article 13A, Section 25 of the West Virginia Code of 1931, as amended.

19. SPECIMEN BONDS: Delivered concurrently herewith is a true and accurate specimen of the Bonds.

20. CONFLICT OF INTEREST: No 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.

21. GRANTS: As of the date hereof, the grant from the West Virginia Infrastructure & Jobs Development Council in the amount of $1,400,000; the United States Department of Agriculture grant in the amount of $3,500,000; and the grant from the Small Cities Block Grant in the amount of $1,500,000 are committed and in full force and effect.

22. 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.

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

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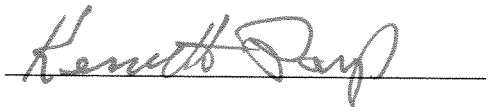
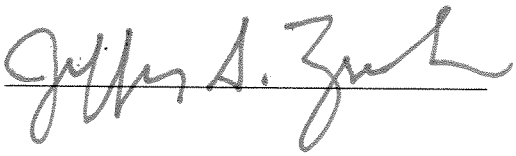
WITNESS our signatures and the official seal of NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
	Chairman
	Secretary
	Counsel to Issuer

664900.00004

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NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2013 A
(West Virginia Infrastructure Fund)

CERTIFICATE OF ENGINEER

I, Clay Riley, Registered Professional Engineer, West Virginia License No. 015634, of Thrasher Engineering, Inc., Clarksburg, West Virginia hereby certify this 6th day of May, 2013 as follows:

1. My firm is engineer for the acquisition and construction of certain improvements and extensions (the "Project") to the existing public sewerage sytem (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 in part by the proceeds of the above-captioned bonds (the "Series 2013 A Bonds" or 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 May 2, 2013, the Supplemental Resolution adopted by the Issuer on May 2, 2013, and the Loan Agreement for the Series 2013 A 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 May 6, 2013 (the "Loan Agreement").

2. The Series 2013 A Bonds are being issued for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project; (ii) funding the Series 2013 A Bonds Reserve Account; and (iii) 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 Authority and any change orders approved by the Issuer, the Council, the Authority and all necessary governmental bodies; (ii) the schematic design for the Project began before July 1, 2012; (iii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least (32) thirty-two years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iv) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and the Issuer's counsel, Jeff Zurbuch, Esquire, has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (v) the successful bidders received any and all addenda to the original bid documents; (vi) the successful bidders have provided the Drug-Free Workplace Affidavit as evidence of compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code; (vii) the bid documents relating to the Project reflect the Project as approved by the West Virginia Department of Environmental Protection and the bid forms

provided to the bidders contain the critical operational components of the Project; (viii) the successful bids include prices for every item on such bid forms; (ix) the uniform bid procedures were followed; (x) 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; (xi) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the Authority and the Council; and (xii) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

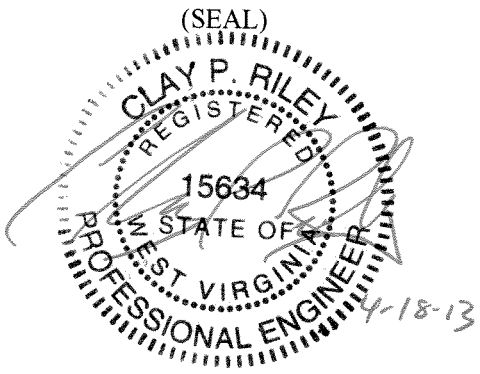
4. The Project has been designed to, and the construction contracts provide for 264 new customers in the Norton and Coalton areas.

[Remainder of Page Intentionally Blank]

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

THRASHER ENGINEERING, INC.

(SEAL)



Clay Riley, P.E.
West Virginia License No. 015634

664900.00004

5881002

Norton-Harding-Jimtown Public Service District

4/12/2013

IJDC # 2012S-1329

		TOTAL	SCBG	IJDC Loan [2%; 30yrs]	IJDC Grant	USDA/ARRA Grant (Junior)	USDA/ARRA Grant (NHJ)
A. COST OF PROJECT:							
1 CONSTRUCTION							
a. Phase II Extension		3,073,023.25	1,113,500.00	609,690.00	1,290,910.00	0.00	58,923.25
a. Phase II Extension Contingency	5%	155,590.00	0.00	0.00	109,090.00	0.00	46,500.00
b. Junior WWTP Upgrade		2,075,000.00	0.00	0.00	0.00	2,075,000.00	0.00
b. WWTP Upgrade Contingency	7%	135,000.00	0.00	0.00	0.00	135,000.00	0.00
2 TECHNICAL SERVICES [NHJ]							
a. Study & Report		30,000.00	30,000.00	0.00	0.00	0.00	0.00
b. Design		190,400.00	150,000.00	40,400.00	0.00	0.00	0.00
c. Construction Phase		47,600.00	0.00	0.00	0.00	0.00	47,600.00
d. Inspection		160,000.00	0.00	0.00	0.00	0.00	160,000.00
e. Special Services		205,000.00	0.00	0.00	0.00	0.00	205,000.00
TECHNICAL SERVICES [JR]							
a. Study & Report		5,000.00	0.00	0.00	0.00	5,000.00	0.00
b. Design		248,000.00	0.00	0.00	0.00	248,000.00	0.00
c. Construction Phase		62,000.00	0.00	0.00	0.00	62,000.00	0.00
d. Inspection		170,000.00	0.00	0.00	0.00	170,000.00	0.00
e. Special Services		15,000.00	0.00	0.00	0.00	15,000.00	0.00
3 Junior Costs							
a. Legal [Tom Michael]		7,500.00	0.00	0.00	0.00	7,500.00	0.00
b. Accounting [Bennett & Dobbins]		3,000.00	0.00	0.00	0.00	3,000.00	0.00
c. Administration [RCAP]		10,000.00	0.00	0.00	0.00	10,000.00	0.00
d. Permits [BPH / NPDES]		1,500.00	0.00	0.00	0.00	1,500.00	0.00
e. Equipment		150,000.00	0.00	0.00	0.00	150,000.00	0.00
4. NHJPSD Costs							
5 Legal (Zurbuch)		110,000.00	0.00	110,000.00	0.00	0.00	0.00
6 Accounting (Griffith)		25,000.00	0.00	25,000.00	0.00	0.00	0.00
7 Administration [Region 7]		90,000.00	90,000.00	0.00	0.00	0.00	0.00
8 Sites & Lands							
a. Acquisition Services (Morgan Haymond)		50,000.00	50,000.00	0.00	0.00	0.00	0.00
b. Property & Easements [>10 condemnation]		100,000.00	50,000.00	50,000.00	0.00	0.00	0.00
9 Permits		7,500.00	7,500.00	0.00	0.00	0.00	0.00
10 WVDOH Fees / Bonds		75,000.00	0.00	75,000.00	0.00	0.00	0.00
11 Electrical Service		25,000.00	0.00	25,000.00	0.00	0.00	0.00
12 Equipment		66,976.00	0.00	0.00	0.00	0.00	66,976.00
13 SCBG Project - Loop Road (Paid)		9,000.00	9,000.00	0.00	0.00	0.00	0.00
14 Project Contingency		33,000.75	0.00	0.00	0.00	18,000.00	15,000.75
15 SUBTOTAL		7,335,090.00	1,500,000.00	935,090.00	1,400,000.00	2,900,000.00	600,000.00
B. COST OF FINANCING							
16 Funded Reserve		44,410.00	0.00	44,410.00	0.00	0.00	0.00
17 Registrar fees		500.00	0.00	500.00	0.00	0.00	0.00
18 Bond Counsel		20,000.00	0.00	20,000.00	0.00	0.00	0.00
19 Cost of Financing		64,910.00	0.00	64,910.00	0.00	0.00	0.00
20 TOTAL Cost of Project		**7,400,000.00**	**1,500,000.00**	**1,000,000.00**	**1,400,000.00**	**2,900,000.00**	**600,000.00**
C SOURCES OF FUNDS							
21 State Grants (IJDC)		1,400,000.00	0.00	0.00	1,400,000.00	0.00	0.00
22 Federal Grants (SCBG)		1,500,000.00	1,500,000.00	0.00	0.00	0.00	0.00
23 Federal Grants (USDA)		3,500,000.00	0.00	0.00	0.00	2,900,000.00	600,000.00
24 Total Grants		6,400,000.00	1,500,000.00	0.00	1,400,000.00	2,900,000.00	600,000.00
25 Net proceeds from Bond Issuance		1,000,000.00	0.00	1,000,000.00	0.00	0.00	0.00

Norton-Harding-Jimtown PSD

4-2-13
Date

Thrasher Engineering

4-18-13
Date

May 6, 2013

Norton-Harding-Jimtown Public Service District
Sewer Revenue Bonds, Series 2013 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 & Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the sewer rates and charges set forth in the Recommended Decision entered September 11, 2012 of the Public Service Commission of West Virginia which became a Final Order on October 1, 2012 in Case No. 12-0386-PSD-CN, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Norton-Harding-Jimtown Public Service District (the "Issuer"), it is our opinion that such rates and charges will be sufficient to provide revenues (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 and interest, if any, on the Series 2013 A Bonds (West Virginia Infrastructure Fund), issued in the aggregate principal amount of $1,000,000 (the "Series 2013 A Bonds") and all other obligations secured by a lien on or payable from such revenues, including the Issuer's Sewer Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), dated October 12, 2006, issued in the original aggregate principal amount of $333,000 (the "Series 2006 A Bonds"), (hereinafter, the "Prior Bonds").

It is further our opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Series 2013 A Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Series 2013 A Bonds, if any, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for the principal of and interest, if any, on the Prior Bonds and the Series 2013 A Bonds.

Very truly yours,

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

MDG/dk

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

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2013 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 $1,000,000 Sewer Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), of the Issuer, dated May 6, 2013 (the "Series 2013 A Bonds" or the "Bonds"), hereby certifies this 6th day of May, 2013, 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 May 2, 2013 and Supplemental Resolution duly adopted by the Issuer on May 2, 2013 (collectively, the "Bond Resolution"), authorizing the Bonds.

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

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on May 6, 2013, the date on which the Bonds are being physically delivered in exchange for an initial advance of $223,500, being a portion of the principal amount of the Series 2013 A Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

4. In the Bond Resolution pursuant to which the Bonds are issued, the Issuer has covenanted that it shall not take, or permit or suffer to be taken, any action with respect to Issuer's use of the proceeds of the Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (collectively, the "Code"), issued by the West Virginia Water Development Authority (the "Authority") or the West Virginia 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 2013 A Bonds were sold on May 6, 2013, to the Authority, pursuant to a Loan Agreement dated May 6, 2013, by and between the Issuer and the Authority, on behalf of the Council, for an aggregate purchase price of $1,000,000 (100% of par), at which

time, the Issuer received $223,500 from the Authority and the Council, being the first advance of the principal amount of the Series 2013 A Bonds. No accrued interest has been or will be paid on the Series 2013 A Bonds. The balance of the principal amount of the Series 2013 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2013 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 improvements and extensions to the existing public sewerage system of the Issuer (the "Project"); (ii) funding the Series 2013 A Bonds Reserve Account; and (iii) paying certain costs of issuance 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 Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale 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 2013 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 Project on or before November 1, 2014. The acquisition and construction of the Project is expected to be completed by May 1, 2014.

8. The total Cost of the Project is estimated at $7,400,000. Sources and uses of funds for the Project are as follows:

SOURCES	
Proceeds of the Series 2013 A Bonds	$1,000,000
Infrastructure Fund Grant	$1,400,000
USDA Grant	$3,500,000
SCBG	$1,500,000
Total Sources	$7,400,000

USES	
Costs of Acquisition and Construction of the Project	$7,379,500
Costs of Issuance	$20,500
Total Uses	$7,400,000

9. Pursuant to Article V of the Bond Resolution, the following special funds or accounts have been created or continued relative to the Series 2013 A Bonds:

(1) Revenue Fund;

(2) Renewal and Replacement Fund;

(3) Series 2013 A Bonds Sinking Fund;

(4) Series 2013 A Bonds Reserve Account; and

(5) Series 2013 A Bonds Construction Trust Fund.

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

(1) Series 2013 A Bond proceeds in the amount of $-0- will be deposited in the Series 2013 A Bonds Sinking Fund as capitalized interest and applied to payment of interest on the Series 2013 A Bonds during acquisition and construction of the Project and for a period not to exceed six months following completion thereof.

(2) Series 2013 A Bonds proceeds in the amount of $44,410 will be deposited in the Series 2013 A Bonds Reserve Account.

(3) The balance of the proceeds of the Series 2013 A Bonds will be deposited in the Series 2013 A Bonds Construction Trust Fund as received from time to time and applied solely to payment of Costs of the Project, including costs of issuance of the Series 2013 A Bonds and related costs.

11. Monies held in the Series 2013 A Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 2013 A Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on monies in the Series 2013 A Bonds Sinking Fund and Series 2013 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2013 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 12 months of the date hereof.

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

14. With the exception of the amount deposited in the Series 2013 A Bonds Sinking Fund for payment of interest, if any, on the Bonds and the amount deposited in the Series 2013 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 18 months from the date of issuance thereof.

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

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

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

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

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

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

21. The Bonds are not federally guaranteed.

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

23. The Issuer has either (a) funded the Series 2013 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 2013 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2013 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due, respectively, on the Bonds in the then current or any succeeding year. Monies in the Series 2013 A Bonds Reserve Account and the Series 2013 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay Costs of the Project.

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.

[Remainder of Page Intentionally Blank]

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

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

664900.00004

5880986

January 11, 1972

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 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 T. 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 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 Tygart 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 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 Norton, part (Randolph P.S.D.).

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".

Judge

By 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

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 htat 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 1971

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.

[illegible] NOTARY APPLICATION

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 "J" Page 263

Given under my hand and the Offical 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

NTCRAFTERS FORM 122190P-481

This day, Newton F. Riggleman appeared before the Circuit Judge of Randolph ›unty, West Virginia, and took the oath prescribed by law as such Circuit Clerk : Randolph County, which said Newton F. Riggleman, was elected to the Office of ırcuit 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 › law, with The Travelers Indemnity Company as surety thereon, which bond is ›proved 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 aid Jimtown Public Service District and for the said Public Service District to e renamed "Norton-Jimtown-Harding Public Service District".

It was ordered by the Court that proper notices be published in the nawspapet nd 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 RDERED that the RANDOLPH COUNTY COURT enter into an OPTION and LEASE for purchasing aid property on RANDOLPH AVENUE from Mildred Smith and Hosea A. Smith, Jr.

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

Attest: Barrett L. Liggett
BARRETT L. LIGGETT, ACTING PRESIDENT

:TATE OF WEST VIRGINIA,
.ANDOLPH COUNTY COURT CLERK'S OFFICE:

At a Special Session of the County Court held in and for the aforesaid :ounty 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 ınd he is hereby elected to serve as Randolph County Court President for the year ›f 1975.

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 situate 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 [illegible] Route 33.

Thence easterly along State [illegible]dary 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 the within notices in the within named Butcher Store - Norton Post Office - Bowers Exxon - Slayton's Store - Antolinis Texaco on the 2 day of Jan, 1975, by delivering a true copy thereof to these locations in in Randolph County, West Va.

[signature] 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 recoreds 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

the Court and took the oath prescribed by law as such Notary Public, and entered into and acknowledged a bond in the penalty of Fie 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 Hamick 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, appearred before the Court and took the oth 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 DISTRIC T - 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 [illegible] for 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 evicencing 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 oppostion or protest made, the Court being of opinion that the said enlargement is in the best interests of the public welfare, wna dwill 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.

Order Bk "T" Pag 3.

Given under my hand and the Offical 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

YTCRAFTERS FORM 122190P 481

thanked the Commission for providing her with a part time employee to help her with these things. She said the average attendance was 83 people. She said for three weeks of the sessions the attendance was in the 90's. She said this time they did a session on drugs and drug court which was very good. She said all 5 probation officers did a great job. They also had a mock trial which was fantastic. She said that 16 Attorneys, all 3 Magistrates and all 5 Probation Officers helped out, free of charge. She said we have really good Attorneys in our County and she would like to express her gratitude to them for doing this. Commissioner Johns thanked Jaymie and Owen for their hard work. Commissioner See said he has talked to a lot of people and they loved it.

ELKINS RANDOLPH COUNTY AIRPORT AUTHORITY TO GIVE ANNUAL REPORT AND SUBMIT BUDGET REQUEST FOR FY 2013-2014

Larry Wing appeared before the Commission. He thanked the Commission for the opportunity to come today. He said he has given several reports to the Commission before but this year he feels really good about it. He gave the Commission a profit and loss budget report for the year and went through a few items on it with them. He said their fuel sales were up for the year which really helped them out. Neils Heinke, President of the Elkins Randolph County Airport Authority was also present. Mr. Heinke said they really appreciate the County Commissions support and they try to stretch their dollars. He discussed some projects that they have done and are getting ready to do. He said they finally found a tenant for the Emerson Phares building, which is the nature conservancy, and this will help them out with funding too. Mr. Wing said they are not asking for any more money this year. They are happy with the $37,000.00 that the Commission has already budgeted for them for the year.

CONSIDER APPROVAL TO TRANSFER AUTOMOBILE TITLES FROM THE SHERIFF'S OFFICE TO THE WV UNIVERSITY POLICE

Sheriff Mark Brady appeared before the Commission. He said he has two cruisers that are not being used. These are a 2004 Crown Victoria and a 2005 Crown Victoria. He said he has spoken to the WV University Police and asked if they needed them. He explained that his office is able to utilize the WV University Police bomb and drug sniffing dogs that they have, along with their officers. He wanted to get approval from the County Commission today before he proceeds with the transfer and try to work with the County Commission and WV University Police to be able to transfer the two cruisers over to them and work out a price for the vehicles with the Commission.

Commissioner Johns moved to approve the transfer of the two automobile titles from the Sheriff's Office to the WV University Police Department.

All yes – Motion passed unanimously

CONSIDER APPROVAL OF AN APPOINTMENT TO NORTON/HARDING/JIMTOWN PSD BOARD

Commissioner See said we always advertise in the paper when there is an opening on any board. Commissioner See read a letter out loud from the Norton Harding Jimtown Public Service District Board. It said that the board had voted to have Mr. Kenneth Pomp re-appointed to the board of directors for a six year term.

Commissioner Johns moved to approve the re-appointment of Kenneth Pomp to the Norton Harding Jimtown PSD Board of Directors for a six year term beginning March 21, 2013 and ending June 30, 2019.
All yes – Motion passed unanimously

CONSIDER APPROVAL OF SIGNAGE TO RENEWAL OF THE COUNTIES INSURANCE POLICY THROUGH WV RISK POOL FOR FY 2013-2014
Commissioner See said this is something we have to do every year. It can only be done for a year at a time. He said the risk pool has said the premium will be about the same as last year and they have been a really good company to work with and any time they have a problem it has been taken care of quickly.
Commissioner Johns moved to approve the signing of the renewal of the counties insurance policy with the WV Counties Risk Pool for FY 2013-2014.
All yes – Motion passed unanimously

CONSIDER SIGNAGE TO LETTER OF PERMISSION OF ISSUANCE OF BEER PERMIT FOR OLD TIMERS REUNION
Commissioner See said every year we do this for them and haven't had any problems with it. Commissioner See read the letter out loud from the Commission. Commissioner Johns moved to approve the signage of the letter to give permission of issuance of a beer permit for the Old Timer's Reunion which will be held from August 29, 2013 to September 2, 2013.
All yes – Motion passed unanimously

FINAL SETTLEMENTS:
Commissioner Johns moved to approve the (Eight) Final Settlements, as submitted
Helen Irene Linger
Dickie D. Pingley
Roy G. Collett
William S. Shaffer
Donald Lafayette Carr
David A. Nelson
Ruth Currence
Randall Grant Riffle
All yes – Motion passed unanimously

BUDGET REVISIONS: None

ERRONEOUS ASSESSMENTS:
Commissioner Johns moved to approve the erroneous assessments, as submitted.
All yes
Motion passed unanimously

DIVISION OF PROPERTY: None

Office of the Randolph County Clerk

#2 Randolph Avenue • Elkins, WV 26241
(304) 636-0543 • Fax: (304) 636-0544

Brenda Wiseman
County Clerk

RESOLUTION

THE COUNTY COMMISSION OF RANDOLPH COUNTY met on the 22nd day of January, 2009 with a quorum present and passed the following Resolution.

BE IT RESOLVED that the Randolph County Commission hereby approves the appointment of O.B. Currence to the Norton Harding Jimtown Public Service District for a six year term.

Attest: Michael Taylor, President

Randolph County Commission

Commissioners

Michael M. Taylor Chris See Joyce A. Johns

February 02, 2011

Norton/Harding/Jimtown Public Service District
Box 87
Norton, WV 26285

Dear Sir:

The Randolph County Commission met at its regular scheduled Commission Meeting on February 02, 2011 and reappointed Mr. Glenn Lee to serve on the Norton/Harding/Jimtown Public Service District Board for another six year term beginning February 02, 2011 and ending on January 01, 2017.

Sincerely,

Michael M. Taylor, President
Randolph County Commission

4 Randolph Avenue - Suite 102 - Elkins, West Virginia 26241 - Phone(304) 636-2057 - Fax (304) 630-1125
randolphcountycommissionwv.org

OATH OF OFFICE

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

I, Kenneth Pomp do solemnly swear that I will support the Constitution of the United States and Constitution of the State of West Virginia and that I will faithfully discharge the duties as Member of Norton Harding Jimtown PSD for Randolph County, West Virginia to the best of my skill and judgment.

Kenneth Pomp

Subscribed and sworn to before me, in said County and State, this the 10th day of April, ~~2011~~. 2013

Brenda Wiseman
Randolph County Clerk

RANDOLPH COUNTY CLERK
04/10/2013
09:23:12 AM

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.

O.B. Cunnane
(Signature of Affiant)

TAKEN, ACKNOWLEDGED AND SUBSCRIBED to before, a Notary Public or Official, this the 26th day of January, 2009

Brenda Wiseman

My Commission expires: _____

WEST VIRGINIA, RANDOLPH COUNTY CLERK'S OFFICE
This instrument was this day presented to me in my office, and thereupon, together with the Certificate thereto annexed, is admitted to record. 01-29-09
Teste: Brenda Wiseman Clerk

FILED JAN26'09 AM11:30

Brenda Wiseman
RANDOLPH County Clerk
Instrument No [illegible]
Date Recorded [illegible]
Document Type OA
Pages Recorded [illegible]
Book-Page [illegible]

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 Board Member for Norton Harding Jimtown PSD to the best of my skill and judgement, SO HELP ME GOD.

Glenn Lee
(Signature of Affiant)

TAKEN, ACKNOWLEDGED AND SUBSCRIBED to before, a Notary Public or Official, this the 11th day of February, 2011.

OFFICIAL SEAL
STATE OF WEST VIRGINIA
NOTARY PUBLIC
Ryan C. Stanley
119 Snice Street
Elkins, WV 26241
My Commission Expires August 3, 2020

Ryan C. Stanley

My Commission expires: Aug 3, 2020

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.

BUSCH, ZURBUCH & THOMPSON, PLLC

ATTORNEYS AT LAW
P.O. BOX 1819
HIGH & COURT STREETS
ELKINS, WV 26241

Telephone (304) 636-3560
Facsimile (304) 636-2290

John E. Busch *(1938-2011)*
Peter G. Zurbuch
David E. Thompson
Jeffrey S. Zurbuch*
Bridgette R. Wilson
Robert C. Chenoweth

* *Also admitted in Virginia*

12:30 PM MAY 11 2012 PSC EXEC SEC DIV

PARALEGALS:
Jacqueline M. Potts, CP
Lisa S. Severino, CP

www.bztlaw.com
sender's e-mail address: jzurbuch@bztlaw.com

May 10, 2012

Ms. Sandra Squire
Executive Secretary
Public Service Commission of West Virginia
201 Brooks Street
P.O. Box 812
Charleston, WV 25323-0812

Re: Norton-Harding-Jimtown Public Service District
Case No. 12-0386-PSD-CN

Dear Ms. Squire:

Enclosed for filing on behalf of Norton-Harding-Jimtown PSD in the above-referenced case, please find an original and twelve copies of the Affidavit of Publication from The Inter-Mountain for the publication of the Notice of Filing published April 12, 2012. It was published once in accordance with the Commission Order entered March 27, 2012.

Very truly yours,

Jeffrey S. Zurbuch
WV State Bar No. 7384

JSZ/lss
Enclosures
cc: Mr. Kenny Pomp / Mr. Curtis Elmore (w/enc)

State of West Virginia, County of Randolph, ss.

I, Heather Henline, 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:

4/12 _____ _____ _____

20 12 as required by law.

Given under my hand this 9th day of May 20, 12

Heather Henline

General Manager

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
MARY A OTT-SWICK
RR 2 BOX 164
BEVERLY, WV 26253
My commission expires December 15, 2021

Printer's Fee: $ 422.34

Subscribed and sworn to before me this 9 day of May, 20, 12

Mary A Ott Swick

Notary Public

My Commission Expires the 15 day of December, 20, 21

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered by the Public Service Commission of West Virginia, in the City of Charleston on the 27th day of March 2012.

CASE NO. 12-0356-PSD-CN
NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT
Application for a Certificate of Convenience and Necessity to construct, operate and maintain Phase II of a sanitary sewer extension to unserved areas of Norton and to extend service to Coalton in Randolph County.

NOTICE OF FILING

On March 27, 2012 the Norton-Harding-Jimtown Public Service District (District) filed an application, duly verified, for a Certificate to construct certain additions and improvements to the District's sanitary sewer system in Randolph County. The application is for a Phase II sanitary sewer extension. The Phase II project will extend sanitary sewer service to unserved areas of Norton and will also extend service to Coalton 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.

The District estimates that construction will cost approximately $7,400,000. It is proposed that the cost of construction will be financed as follows: Small Cities Block Grant in the amount of $1,500,000; USDA-RUS-ARRA grant in the amount of $3,500,000; a West Virginia Infrastructure Jobs Development Council loan in the amount of $1,000,000; and a West Virginia Infrastructure Jobs Development Council grant in the amount of $1,400,000.

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

SCHEDULE I

APPLICABILITY
Applicable to entire territory served

AVAILABILITY
Available for general domestic, commercial, industrial (except usual industrial waste) and resale sewer service.

RATES

First	3,000 gallons used per month	**$10.00** per 1,000 gallons
Next	7,000 gallons used per month	**$10.00** per 1,000 gallons
Over	10,000 gallons used per month	**$ 5.00** per 1,000 gallons

FLAT RATE CHARGE (Customers with a non-metered water supply)
Each customer shall pay a minimum charge of: **$40.00** per month
(Equivalent to 4,000 gallons of water usage)

MINIMUM CHARGE (Customers with a metered water supply)
Each customer shall pay a minimum charge of: **$30.00** per month
(Equivalent to 3,000 gallons of water usage)

DELAYED PAYMENT PENALTY
The above schedule is net. On all current usage billings not paid in full when due, ten percent (10%) will be added to 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 the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to the applicant's premises that is associated with a certificate proceeding.

A tap fee of **$350.00** or the actual costs of the connection **(solely determined by the Utility)**, whichever is greater, will be charged to customers who apply for service outside a certificate proceeding before the Commission for each new tap to the system. If a sewer connection is installed by an outside contractor, then the amount of the contract is the charge.

RETURNED CHECK CHARGE
A service charge equal to the actual bank fee assessed to the Utility up to a maximum of twenty-five dollars **($25.00)** will be imposed upon any customer whose check for payment of charges is returned by the bank due for any reason.

DISCONNECT/RECONNECT FEES/ADMINISTRATIVE FEES
Sewer service will not be restored until all past due water bills have been paid in full and all accrued penalties plus a disconnection charge of **$25.00** have been paid.

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

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

INCREMENTAL COSTS
An amount not to exceed **$1.00** per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical usage. The Utility shall establish a nondiscriminatory policy regarding this provision for leak adjustments.

EFT, ACH, CREDIT CARD AND DROP BOX PAYMENTS
A service charge will be imposed on EFT, ACH, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the Utility from the financial institution for processing payment.

SCHEDULE II

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

Where the Utility has discovered that a customer's roof drain, down spouts, storm sewer or other 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 receipt of a demand by the Utility, in accordance with the Rules and Regulations 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 system, 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 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 charge able 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 cost of treatment (including sludge treatment chargeable to total solids), in dollars per pound.

Si = Weight of total solids from unusual users, in pounds per year.

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made at the owner's expense. Waste containing material which, in the judgment of the Utility, 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 thereof, 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 Utility records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid for 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 year, at the end of which an adjustment will be made as aforesaid.

SCHEDULE IV

APPLICABLE INSIDE AND OUTSIDE THE LIMITS OF THE UTILITY

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

SCHEDULE V

APPLICABILITY
Applicable within the entire territory served.

AVAILABILITY
Available for wastewater and leachate haulers.

RATES
Commodity Charge - Each customer shall pay a commodity charge of $40.00 per 1,000 gallons per load. Load will be the actual capacity of the truck or other transport method delivering wastewater and leachate. Actual capacity shall be determined or verified solely by the Utility.

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

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

These rates represent the following project-related increases over current rates to become effective upon substantial completion of the project unless otherwise ordered (based on an average usage of 4,500 gallons per month):

	INCREASE	INCREASE
Residential (4,500 gal/mo.)	$2.25	5.26%
Commercial (4,500 gal/mo.)	$2.25	5.26%

The Norton-Harding-Jimtown Public Service District has no sewer resale customers.

The proposed increased rates and charges will produce approximately $109,712 annually in additional revenue, an increase of 300.1%. The total increase granted will not exceed this estimate unless further notice is provided.

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

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

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

4/12

Classified/Legal Advertising Invoice

The Inter-Mountain Legals

PO Box 1339

Elkins, WV
26241
(304) 636-2121

BUSCH, ZURBUCH & THOMPSON
PO BOX 1819
HIGH & COURT STREETS
ELKINS, WV

04/11/2012 10:42:41AM

26241

No: 69644

Phone: 304 636-3560

Ad No	Customer No:	Start Date	Stop Date	Category:	Classification:
69644		04-12-2012	04-12-2012	Announcements	Legal Notices

Order No	Rate:	Lines:	Words:	Inches:		Cost	Payments	Balance
	FR	286	1979	27.81		422.34	.00	422.34

Publications ... Runs	Solicitor:	Origin:	Sales Rep:	Credit Card	Credit Card Number	Card Expire
Legals ... 1	JH	0	0			

Identifier
PUBLIC SERVICE COMMISSION OF WEST VIRGINIA CHARLESTON Entered by the Public Service Commission of West

*=Extend Expiration Date

NORTON-HARDING-JIMTOWN

PUBLIC SERVICE DISTRICT
Box 87, Norton, WV 26285
Phone: 636-6223 - Fax: 636-0208

The Norton Harding Jimtown PSD met in regular session on Monday, January 14, 2013 at 7:00 pm in the Business Office.

In Attendance: Board of Directors...Kenny Pomp, Glenn Lee, O. B. Currence.
Employees...Gary Bradley, Charlotte Phillips, Elaine Bradley, Curtis Elmore, Rick Bodkins.

Meeting was called to order by Chairman Pomp, who led the attendees in the Pledge of Allegiance. Quorum noted. Agenda adopted.

Public Comment.... None.

Water Operations: Worked on the permanganate pump and soda ash pump had to replace parts on both, and reordered parts to have as spares. January 2, a 4" valve stuck open in Brick row PRV vault popping off pressure relief valves in hot water tanks and popping a few water lines apart in parts of Norton and Harding. Ordered glass site tube for 4" valve that was spraying out and not letting the valve shut. Had leak Jan 7th in Jimtown saddle broke on 10" line on service line, had to call boil water advisory for Jimtown. We got 10" saddle from Town of Junior, ordered 2 from H>. D. supply-one for stock and one to replace one borrowed from Town of Junior.

Sewer Operations: Flange for Harding lift station. Received quote for sewage pump, repair old pump was $3,210.00 or a new pump for $4,443.00.

Motion by Kenny Pomp, second by Glenn Lee to table getting a new pump.

Election of Officers was approved as Kenny Pomp, Chairman—Glenn Lee, Secretary, O. B. Currence, Treasurer.

Motion was made by Glenn Lee, second by O. B. Currence to adopt full coverage insurance on employees and family. Change Policy Handbook from employee insurance to family.

Motion made by O. B. Currence, second by Glenn Lee to send Gary Bradley to Ripley for Certification Class.

Motion made by Glenn Lee, second by Kenny Pomp to send Elaine Bradley, Charlotte Phillips, Curtis Elmore to Morgantown, WV for seminar.

Motion made and approved by Glenn Lee, second by O. B. Currence to give Charlotte Phillips and Elaine Bradley a $1.00 on the hour pay raise effective as of January.

Mr. Phil Simmons gave the approval to start condemnations on properties for Sewer Phase II.

Motion by Glenn Lee, second by O. B. Currence to approve treasurer's report.

Motion by O. B. Currence, second by Glenn Lee to adjourn meeting at 8:00 pm.

Kenny Pomp
Chairman

Glenn Lee
Secretary

O. B. Currence
Treasurer

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2013 A
(West Virginia Infrastructure Fund)

EXCERPT OF MINUTES ON ELECTION OF SECRETARY; ADOPTION OF BOND RESOLUTION, SUPPLEMENTAL RESOLUTION, DRAW RESOLUTION AND SWEEP RESOLUTION

The undersigned SECRETARY 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 District:

*** *** ***

Norton Harding Jimtown Public Service District met, pursuant to notice duly posted, on the 2nd day of May, 2013, in Norton, West Virginia, at the hour of 8:30 am.

PRESENT: Kenneth Pomp, Chairman
O. B. Currence, Treasurer
Charlotte Phillips, Manager
John Stump, S&J

The Chairman called the meeting to order. The Chairman announced that a quorum of members was present and that the meeting was open for any business properly before it.

Election of Secretary

Kenneth Pomp made a motion that Charlotte Phillips act as Secretary. O.B. Currence seconded the motion and the motion carried.

Bond Resolution

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

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2013 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, on motion duly made by O. B. Currence and seconded by Kenneth Pomp, it was unanimously ordered that the said Bond Resolution be adopted and be in full force and effect on and from the date hereof.

Supplemental Resolution

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

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND) OF NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

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

Sweep Resolution

Next, the Chairman presented a proposed Sweep Resolution for the authorization of electronic monthly debt service and reserve fund payments to the Municipal Bond Commission. Thereupon, on motion duly made by O. B. Currence and seconded by Kenneth Pomp, it was unanimously ordered that the said Sweep Resolution be adopted.

First Draw Resolution

Next, the Chairman presented a proposed First Draw Resolution for the approval of invoices from the construction loans. Thereupon, on motion duly made by O. B. Currence and seconded by Kenneth Pomp, it was unanimously ordered that the said Draw Resolution be adopted.

CERTIFICATION

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

WITNESS my signature on this 6th day of May, 2013.

Charlotte J Phillips

Secretary

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2013 A
(West Virginia Infrastructure Fund)

EXCERPT OF MINUTES ON ELECTION OF SECRETARY; ADOPTION OF BOND RESOLUTION, SUPPLEMENTAL RESOLUTION, DRAW RESOLUTION AND SWEEP RESOLUTION

The undersigned SECRETARY 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 District:

*** *** ***

Norton Harding Jimtown Public Service District met, pursuant to notice duly posted, on the 2nd day of May, 2013, in Norton, West Virginia, at the hour of 8:30 am.

PRESENT: Kenneth Pomp, Chairman
O. B. Currence, Treasurer
Charlotte Phillips, Manager
John Stump, S&J

The Chairman called the meeting to order. The Chairman announced that a quorum of members was present and that the meeting was open for any business properly before it.

Election of Secretary

Kenneth Pomp made a motion that Charlotte Phillips act as Secretary. O.B. Currence seconded the motion and the motion carried.

Bond Resolution

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

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2013 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, on motion duly made by O. B. Currence and seconded by Kenneth Pomp, it was unanimously ordered that the said Bond Resolution be adopted and be in full force and effect on and from the date hereof.

Supplemental Resolution

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

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2013 A (WEST VIRGINIA INFRASTRUCTURE FUND) OF NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

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

Sweep Resolution

Next, the Chairman presented a proposed Sweep Resolution for the authorization of electronic monthly debt service and reserve fund payments to the Municipal Bond Commission. Thereupon, on motion duly made by O. B. Currence and seconded by Kenneth Pomp, it was unanimously ordered that the said Sweep Resolution be adopted.

First Draw Resolution

Next, the Chairman presented a proposed First Draw Resolution for the approval of invoices from the construction loans. Thereupon, on motion duly made by O. B. Currence and seconded by Kenneth Pomp, it was unanimously ordered that the said Draw Resolution be adopted.

CERTIFICATION

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

WITNESS my signature on this 6th day of May, 2013.

Charlotte J Phillips

Secretary

WV MUNICIPAL BOND COMMISSION
900 Pennsylvania Avenue
Suite 1117
Charleston, WV 25302
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 6-May-13

ISSUE: Norton-Harding-Jimtown Public Service District
Sewer Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund)

ADDRESS: Box 87, Norton, West Virginia 26285 COUNTY: Randolph

PURPOSE OF ISSUE:
New Money: x
Refunding:

ISSUE DATE: 6-May-13
ISSUE AMOUNT: $1,000,000.00
1ST DEBT SERVICE DUE: 1-Mar-15
1ST DEBT SERVICE AMOUNT $11,102

REFUNDS ISSUE(S) DATED: NA
CLOSING DATE: 6-May-13
RATE: 2%
1ST PRINCIPAL DUE: 1-Mar-15
PAYING AGENT: Municipal Bond Commission

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

CLOSING BANK:
Bank: Citizens Bank
Contact: Chasity Pennington
Phone: 304.637.2195

KNOWLEDGEABLE ISSUER CONTACT
Contact: Kenneth Pomp
Position: Chairman
Phone: 304.636.6223

UNDERWRITERS COUNSEL
Firm: Jackson Kelly, PLLC
Contact: Samme Gee, Esquire
Phone: (304) 340-1318

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

OTHER:
Agency: West Virginia Inftrastructure & Jobs Development Council
Contact: Jim Ellars, P.E.
Position: Executive Director
Phone: 304.414-6501 x201

DEPOSITS TO MBC AT CLOSE
By: ____ Wire ____ Check

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

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: ____ Wire ____ Check ____ IGT

____ To Escrow Trustee $
____ To Issuer $
____ To Cons. Invest. Func $
____ To Other: ____ $

NOTES: The Series 2013 A Bonds Reserve Account will be fully funded with bond proceeds.

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

Phase II

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2013 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

Citizens Bank of West Virginia, Elkins, West Virginia, hereby accepts appointment as Depository Bank in connection with the Bond Resolution of Norton-Harding-Jimtown Public Service District (the "Issuer") adopted May 2, 2013, and the Supplemental Resolution of the Issuer adopted May 2, 2013 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), dated May 6, 2013, issued in the principal amount of $1,000,000 (the "Bonds"), and agrees to serve as Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 6th day of May, 2013.

CITIZENS BANK OF WEST VIRGINIA

By: _____
Its: Authorized Officer

664900.00004

5881010

Phase II

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2013 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 2013 A (West Virginia Infrastructure Fund), dated May 6, 2013, issued in the principal amount of $1,000,000 (the "Bonds"), and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 6th day of May, 2013.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

664900.00004

Phase II

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2013 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 Sewer Revenue Bond, Series 2013 A (West Virginia Infrastructure Fund), of the Issuer, dated May 6, 2013, in the principal amount of $1,000,000, numbered AR-1, were registered as to principal and interest 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 6th day of May, 2013.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

664900.00004

5880989

Phase II

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2013 A
(West Virginia Infrastructure Fund)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 6th day of May, 2013, 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 $1,000,000 Sewer Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), in fully registered form (the "Bonds"), pursuant to the Bond Resolution of the Issuer duly adopted May 2, 2013, and the Supplemental Resolution of the Issuer duly adopted May 2, 2013 (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 the 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 Box 87 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 and deliver the Bonds in accordance with the Bond Legislation.

[Remainder of Page Intentionally Blank]

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

NORTON-HARDING-JIMTOWN
PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

664900.00004

5880988

EXHIBIT A

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

SCHEDULE OF COMPENSATION
(see attached)

Huntington

Huntington Wealth Advisors
900 Lee Street - 2nd Floor | WE3013 | Charleston, West Virginia 253(

STATEMENT OF REGISTRAR'S FEES
Invoice Date May 6, 2013

Norton Harding Jimtown Public Service District
Account Number 6089001809

Norton Harding Jimtown Public Service District
Sewer Revenue Bonds, Series 2013 A
c/o Katy Mallory
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

****

FEE CALCULATION FOR May, 2013

****

TOTAL AMOUNT	$ 500.00
TOTAL DUE	**$ 500.00**

MAIL CHECK TO:
THE HUNTINGTON NATIONAL BANK
ATTN: BARRY GRIFFITH – WE3013
PO BOX 633
CHARLESTON, WV 25322-0633

PLEASE INCLUDE A COPY OF THIS INVOICE WITH YOUR PAYMENT

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

® and Huntington® are federally registered service marks of Huntington Bancshares Incorporated.

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

350 CAPITOL STREET, ROOM 313 CHARLESTON, WV 25301

Telephone (304) 558-2981

PERMIT

(Sewer)

PROJECT: Norton and Coalton Sewers, Phase II **PERMIT NO.:** 19,099

LOCATION: Norton, Coalton **COUNTY:** Randolph **DATE:** 8-30-2012

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

Norton Harding Jimtown Public Service District
P. O. Box 87
Norton, West Virginia 26280

is hereby granted approval to: amend and modify Permit No. 18,536 for the sewage facilities to serve 312 customers in Norton and Coalton. The permit will be extended to August 30, 2013.

Note: This permit is contingent upon all unchanged conditions and requirements of Permit No. 18,536 remaining in effect.

The Environmental Engineering Division of the **OEHS Philippi District Office, (304) 457-2296,** is to be notified when construction begins.

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

FOR THE DIRECTOR

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

WSH:kla
pc: Thrasher Engineering, Inc.
Jefferson Brady, P.E., DEP
Ingrid Ferrell, P.E., PSC
Amy Swann, PSC
Randolph County Health Department
OEHS-EED Philippi District Office

20-934 File
Clay Riley

RECEIVED
SEP 04 2012
THRASHER ENGINEERING, INC.

20934 Permits

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

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

SCANNED COPY

PERMIT

(Sewer)

RECEIVED APR 22 2010 THRASHER ENGINEERING, INC.

PROJECT: Norton and Coalton Sewers, Phase II **PERMIT NO.:** 18,536

LOCATION: Norton, Coalton **COUNTY:** Randolph **DATE:** 4-15-2010

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

Norton Harding Jimtown Public Service District
P. O. Box 87
Norton, West Virginia 26280

is hereby granted approval to: install approximately 10,513 LF of 8" and 18,053 LF of 6" sewer line; necessary cleanouts and manholes; one (1)180 GPM duplex submersible sewage lift station; one (1) simplex grinder pump station; two (2) duplex grinder pump stations; approximately 12,055 LF of 6" and 854 LF of 1.5" force main; and all necessary controls and appurtenances; with water treatment at the existing Town of Junior wastewater treatment plant.

Facilities are to serve 312 customers in Norton and Coalton.

The Environmental Engineering Division of the **OEHS Philippi District Office, (304) 457-2296,** is to be notified when construction begins.

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

FOR THE DIRECTOR

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

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

State of West Virginia
OFFICE OF ENVIRONMENTAL HEALTH SERVICES

350 CAPITOL STREET, ROOM 313 CHARLESTON, WV 25301-3713
Telephone (304) 558-2981

PERMIT

(Sewage)
PROJECT: WWTP Upgrade **PERMIT NO.:** 19,118

LOCATION: Junior **COUNTY:** Barbour **DATE:** 9-19-2012

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

Town of Junior
P. O. Box 247
Junior, West Virginia 26275

is hereby granted approval to: upgrade the existing Town of Junior 140,000 GPD sewage treatment facility to a 280,000 GPD plant. Major work will consist of the construction of a new 133 ft.X41 ft. "closed loop reactor" oxidation ditch; conversion of the existing 25 ft. diameter sludge holding tank to a 25 ft. diameter clarifier; conversion of the existing two (2) 18 ft. diameter clarifiers to two (2) 18 ft. diameter sludge holding tanks; a new 100 to 300 GPM duplex sludge pump station; a new electrical generator; and all necessary piping, valves, flow meters, controls and appurtenances.

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

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

FOR THE DIRECTOR

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

WSH:snj

pc: Thrasher Engineering, Inc.
Jefferson Brady, P.E., DEP
Amy Swann, PSC
Ingrid Ferrell, PSC
Barbour County Health Department
OEHS-EED Philippi District Office

IC-2
(03/11)

GRANT AGREEMENT
(2012S-1329)

This Grant Agreement entered into by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), at the direction 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 $1,400,000 (the "Grant") for the purposes of the design, acquisition or construction of a project for which a preliminary application has been submitted and approved by the Council;

WHEREAS, the Governmental Agency wishes to accept the Grant upon such terms and conditions as are hereinafter set forth for the purposes of designing, acquiring or constructing the project described in Exhibit A attached hereto and incorporated herein by reference (the "Project");

WHEREAS, this Grant Agreement sets forth the Council, the Authority and the Governmental Agency's understandings and agreements with regard to the Grant.

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

TERMS

1. Prior to the distribution of the Grant, the Governmental Agency shall provide the Authority with a Project budget and an anticipated monthly draw schedule reflecting the receipt dates and amounts from other funding sources. The Project budget shall not be amended unless the Governmental Agency has received the prior written consent of the Council.

2. The Authority shall advance the Council's share of the Project costs from the Grant from time to time upon receipt of a requisition evidencing the costs incurred, which requisition must be satisfactory to the Authority. Unless agreed to by the Council prior to the commencement of construction, the Grant shall be the last dollars expended on the Project.

3. The monthly requisition will also set forth (i) the amounts requested for that requisition period from all other funding agencies, and (ii) the amounts advanced for the Project to date from all other funding agencies.

4. The Governmental Agency will use the proceeds of the Grant only for the purposes specifically set forth in Exhibit A.

5. The Authority shall wire the approved requisition amount using the wiring instructions provided in Exhibit B, unless the Council and Authority are provided replacement instructions in writing.

6. The Governmental Agency shall comply with and is bound by the Council's rules set forth as Title 167, Series 1 and more particularly Section 5.9 with respect to the sale of the Project.

7. The Governmental Agency acknowledges that the Grant may be reduced, from time to time, to reflect actual Project costs and availability of other funding.

8. The Governmental Agency shall list the Grant provided by the Authority and the Council in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project.

9. This Grant Agreement shall be governed by the laws of the State of West Virginia.

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

NORTON HARDING JIMTOWN PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman
Date: May 6, 2013

(SEAL)

Attest: _____
Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: _____
Its: Executive Director
Date: May 6, 2013

(SEAL)

Attest: _____
Its: Authorized Officer

Exhibit A

Project Description

The Project consists of construction and acquisition of improvements and extensions to the existing public sewerage system of the Governmental Agency, consisting of a sanitary sewer extension to unserved areas of Norton and extend service to Coalton in Randolph County, and all necessary appurtenances thereto.

Number of Proposed New Customers to Be Served: 264
Location: Norton and Coalton areas

[TO BE PLACED ON LETTERHEAD]

Exhibit B

Wiring Instructions

Norton Harding Jimtown Public Service District
104 Hayes St.
Norton, WV 26285

Payor:	**West Virginia Water Development Authority**
Source:	**Grant Proceeds**
Amount:	**$_____**
Date:	**_____**
Form:	**Electronic Funds Transfer**
Payee:	**Norton Harding Jimtown Public Service District** **104 Hayes St.** **Norton, WV 26285**
Contact Name:	**Charlotte Phillips**
Telephone:	**(304) 636-6223**
Bank Name:	**Citizens Bank of West Virginia**
Bank Street Address:	**211 3rd St., Elkins, WV 26241**
Bank Contact:	**Chasity Pennington**
Telephone:	**(304) 637-2195**
ABA:	**051501150**
Account #:	**007-125-0-0507**
Account:	**Series 2013 Bonds Construction Trust Fund**

Office of the Governor
State Capitol
1900 Kanawha Boulevard, East
Charleston, WV 25305

State of West Virginia
Earl Ray Tomblin
Governor

Telephone: (304) 558-2000
Toll Free: (888) 438-2731
Fax: (304) 342-7025
www.governor.wv.gov

December 12, 2012

The Honorable Michael Taylor
President
Randolph County Commission
4 Randolph Avenue, Suite 102
Elkins, West Virginia 26241

Dear Commissioner Taylor:

The Randolph County Commission has received a commitment of $1,500,000 in Small Cities Block Grant funds to extend sewer service to the Norton and Coalton communities in Randolph County.

The Small Cities Block Grant award was based upon your immediate need for funds. Therefore, $200,000 was made available from the FY2007 allocation, and $400,000 from FY2010 allocation. Based upon the Randolph County Commission's ability to proceed with this worthwhile project, I am committing the remaining $900,000 from the FY2012 Small Cities allocation. Your existing Small Cities Block Grant contract will be amended to include the additional funds.

The West Virginia Development Office reserves the right to withdraw these funds if your project does not proceed on schedule. Should you have any questions, please call Mr. Luke Peters of the West Virginia Development Office at 304-558-2234.

I am pleased to assist with these improvements for the citizens of Randolph County.

Best regards,

Earl Ray Tomblin
Governor

10SCBG0021

ERT: sf

State of West Virginia
Joe Manchin III
Governor

Office of the Governor
State Capitol
1900 Kanawha Boulevard, East
Charleston, WV 25305

Telephone: (304) 558-2000
Toll Free: 1-888-438-2731
FAX: (304) 342-7025
www.wvgov.org

October 26, 2010

The Honorable Michael Taylor
President
Randolph County Commission
4 Randolph Avenue, Suite 102
Elkins, West Virginia 26241

Dear Commissioner Taylor:

Thank you for your application to the Small Cities Block Grant Program to extend sewer service to the Norton and Coalton communities in Randolph County. Your request has been approved in the amount of $1,300,000.

In order to effectively use the limited dollars available, I hereby commit $400,000 from our fiscal year 2010 allocation that will immediately be available to you. The remaining $900,000 necessary to complete the project will be evaluated and committed in a future year's allocation, based on your ability to proceed forward with this project. I encourage you to expedite this project and reach its completion as quickly as possible. The West Virginia Development Office (WVDO) reserves the right to withdraw these funds if your project does not proceed on schedule. It will be at the discretion of the WVDO whether or not to replace these funds with a letter of intent for consideration from future allocations. Please be advised that a letter of intent is contingent upon the availability of federal funds.

Please contact Mr. Zachary Browning of the WVDO, at (304) 558-2234, extension 52054, to complete the necessary contract in order to proceed with your project.

I am pleased to assist with these improvements for the citizens of Randolph County.

With warmest regards,

Joe Manchin III
Governor

JM:zbm

State of West Virginia
Joe Manchin III
Governor

Office of the Governor
State Capitol
1900 Kanawha Boulevard, East
Charleston, WV 25305

Telephone: (304) 558-2000
Toll Free: 1-888-438-2731
FAX: (304) 342-7025
www.wvgov.org

February 1, 2008

The Honorable Julia Elbon
President
Randolph County Commission
4 Randolph Avenue, Suite 102
Elkins, West Virginia 26241

Dear Commissioner Elbon:

Thank you for your application to the Small Cities Block Grant program.

Your request has been approved in the amount of $200,000 for a Design and Administration Grant. These funds will enable you to complete the engineering design and required administrative services for the Randolph County Commission's project to provide sewer service to 286 customers in the Norton and Coalton areas of Randolph County.

In order to effectively utilize the limited dollars available, the West Virginia Development Office has launched a new program to assist communities with the engineering and administrative components of selected projects. This grant does not secure funding for the balance of the request in your application. The designed project must be resubmitted and will be competitively reviewed and considered for funding based on an amended application, availability of funds, and other requests pending at that time. The West Virginia Development Office reserves the right to withdraw these funds if your project does not proceed on schedule.

Please contact Michael Browning of the West Virginia Development Office, at (304) 558-2234, to complete the necessary contract in order to proceed with your project.

I am pleased to assist with this project for the citizens of Randolph County.

With warmest regards,

Joe Manchin III
Governor

JM:mbb

United States Department of Agriculture
Rural Development
Elkins Area Office

April 12, 2013

Mr. Kenneth Pomp, Chairman
Norton Harding Jimtown Public Service District
P.O. Box 87
Norton, WV 26285

COPY

Dear Mr. Pomp:

This letter is to confirm that USDA Rural Development, Rural Utilities Service (RUS) plans to close the RUS grant for the Norton Harding Jimtown PSD Phase II Sewer Project on May 2, 2013, at 8:45 a.m. at the PSD office located at 104 Hayes Street, Norton, WV. The pre-construction conference for the Norton Harding Jimtown PSD contract with J.F. Allen will be held at 9:00 a.m. in the PSD office following the RUS grant closing. It should be noted that the pre-construction conference for the contract between the Town of Junior and Alvarez Contractors for the improvements to the Town's wastewater treatment plant is planned for 11:00 a.m. on May 2, 2013, at the Junior Town Hall. The project attorney should attend the grant closing meeting and the project accountant should be available for consultation if needed.

Reference is made to the original RUS Letter of Conditions dated September 16, 2010, and Amendment No. 1 to the Letter of Conditions dated May 2, 2013. All of the requirements set forth in these Letters of Conditions must be met and the grant must be closed in accordance with RUS Instruction 1780. Many of the aforementioned items from the Letters of Conditions have already been addressed. Those items remaining to be satisfied prior to grant closing include:

1. At the closing meeting RUS staff will deliver Amendment No. 1 to the Letter of Conditions which simply notifies the PSD in writing that RUS has approved the changes in the proposed funding package and in the project budget that have taken place since the original RUS Letter of Conditions was issued.

2. RUS Bulletin 1780-12, "Water or Waste System Grant Agreement" must be properly signed and dated at the closing meeting. The PSD Board voted to adopt this agreement back when the original RUS Letter of Conditions was delivered to the Board on October 20, 2010.

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

3. The PSD's attorney must furnish Form RD 1927-10, "Final Title Opinion", on all land(s) being acquired for the project. In addition, the attorney must provide a separate final title opinion(s) covering all existing property owned by the PSD and used in connection with the public sewer system. The opinion(s) should be dated May 2, 2013, and they should include attached legal descriptions (and plats if they are available).

4. The PSD's attorney must provide Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way", showing no exceptions. This form should be dated May 2, 2013. It should include an attachment with a list of all rights-of-way needed for the project that shows which ones have been obtained and recorded, and which ones the PSD has obtained a right-of-entry for through condemnation proceedings.

5. In accordance with Item 9(c) of the original RUS Letter of Conditions, the PSD's attorney must furnish a narrative opinion, addressing all permits, certifications, and other items necessary to show that all legal requirements can be met and stating how they will be met. The narrative should also identify any condemnation proceedings that are anticipated and state how they will be handled. If the PSD was unable to obtain the necessary property rights for any tract or right-of-way, a right-of-entry must be obtained for all properties before the closing. The letter should be dated May 2, 2013.

6. In accordance with the Legal Services Agreement, the PSD's attorney should be on hand during the pre-construction conference to review construction contracts, and contracting procedure, as well as surety and contractual bonds in connection with the project. The project attorney will be responsible for filing the payment bond and the performance bond at the county courthouse.

7. As soon as possible, but no later than the date of the closing meeting, the PSD must provide written evidence that all required insurance coverage and fidelity bond coverage has been obtained in accordance with Item 12 of the original RUS Letter of Conditions. RUS has recommended that the PSD have <u>at least</u> $400,000 in fidelity bond coverage while the project is under construction.

8. The permit from the West Virginia Department of Highways should be on hand at the grant closing. It absolutely must be acquired prior to the start of construction.

9. All applicable WV Public Service Commission (PSC) certificates and/or approvals must be obtained prior to closing, and a copy provided to RUS. We have a copy of the NHJ PSD order that became final on October 1, 2012 and a copy of the Town of Junior order that became final on January 17, 2013. If any other PSC approvals were required, please provide a copy to this office.

10. The PSD must provide RUS with a current copy of their Workers' Compensation Certificate or other proof of good standing with the current Worker's Compensation system. (if applicable).

11. The Contractors involved in the construction of the project will need to complete Form AD 1048, "Certification Regarding Debarment – Lower Tier Covered Transactions".

12. We have received first requisition for Rural Development funds for review and approval. According to Steptoe & Johnson, the PSD will be approving this requisition at a special Board meeting that will coincide with the RUS Grant closing meeting.

13. Please have the official seal that the PSD uses for authenticating documents at the grant closing meeting.

14. Nancy Taylor, our Rural Development Technician, is planning to complete a Civil Rights Compliance Review with the PSD just prior to the pre-construction conference. She will need to conduct an informal interview so she can complete the review.

It's important to remember that this project includes RUS funding from the American Recovery and Reinvestment Act (ARRA). The PSD must comply with the ARRA requirements to use American made products, to comply with Davis-Bacon wage rates, and to submit special reports periodically.

A copy of the memo from the USDA Rural Development State Director that provides RUS concurrence with issuing the notice of award to the construction contractors is enclosed. Please work with the project engineer to ensure that the requirements listed in this memo are met. Thank you for doing business with USDA Rural Development. If you have any questions, please contact our office at your earliest convenience.

Sincerely,

Joseph D. Crickenberger
Rural Development Specialist

Enclosure:

cc: State Director,USDA Rural Development
Morgantown, WV
Attention: Janna Lowery
CP Program Director

Thrasher Engineering, Inc.
Attention: Clay Riley, P.E.
P.O. Box 1532
Clarksburg, WV 26301

Busch, Zurbuch, & Thompson
Attention: Jeffrey S. Zurbuch, Esquire
P.O. Box 1819
Elkins, WV 26241

Griffith & Associates
Attention: Michael Griffith, CPA
950 Little Coal River Road
Alum Creek, WV 25003

Steptoe & Johnson, PLLC
Attention: Katy Mallory, P.E.
P.O. Box 1588
Charleston, WV 25326

West Virginia Infrastructure &
Jobs Development Council
Attention: Jim Ellars, P.E.
1009 Bullitt Street
Charleston, WV 25301

WV Development Office
Community Development Div.
1900 Kanawha Blvd. East
Building 6, Room 553
Charleston, WV 25305-0311

Region VII Planning &
Development Council
Attention: Shane Whitehair
One Edmiston Way, Suite 225
Buckhannon, WV 26201

C. Morgan Haymond
P.O. Box 2134
Elkins, WV 26241

United States Department of Agriculture
Rural Development
West Virginia State Office

Steptoe & Johnson

May 2, 2013

COPY

Mr. Kenneth Pomp, Chairman
Norton Harding Jimtown Public Service District
P.O. Box 87
Norton, WV 26285

RE: Amendment No. 1 to
Letter of Conditions
Phase II Sewer Project

Dear Mr. Pomp:

This letter, with Attachment No. 1 amends the USDA Rural Development, Rural Utilities Service (RUS) Letter of Conditions dated September 16, 2010, and further establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The RUS loan and grants will be administered by the State and Area staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

The docket may be completed on the basis of an RUS grant of $3,500,000, a Small Cities Block Grant of $1,500,000, a West Virginia Infrastructure and Jobs Development Council (WVIJDC) loan of $1,000,000 and a WVIJDC grant of $1,400,000, for a total project cost of $7,400,000. The purpose of this amended Letter of Conditions is to officially document the changes that have occurred in the project funding package since the original RUS Letter of Conditions was issued.

Subject to the requirements noted herein, all of the conditions of the September 16, 2010, Letter of Conditions remain in effect and must be satisfied prior to loan and grant closing. Extra copies of this letter are being provided for use by your engineer, attorney, bond counsel and accountant. The enclosures and attachments listed below are attached to the copies as noted. Attached please find the following:

Attachment No. 1 - Project Construction Budget (All Copies)

If the conditions set forth in this letter are not met within six (6) months from the date hereof, RD reserves the right to discontinue processing of the application. In the event the project has not advanced to the point of loan and grant closing within the six-month

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period and it is determined that the Public Service District still wishes to proceed, it will be necessary for the proposed budget be reviewed again in detail. If, during that review, it is determined that the budget is no longer current and/or adequate, RD reserves the right to require that it be revised or replaced.

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

Sincerely,

BOBBY LEWIS
State Director

Attachment

cc: Craig Burns, Area Director
Attention: Joe Crickenberger
Area Specialist
Elkins, WV

Thrasher Engineering, Inc.
Attention: Clay Riley, P.E.
P. O. Box 1532
Clarksburg, WV 25301

Steptoe & Johnson, PLLC
Attention: John Stump, Esquire
P.O. Box 1588
Charleston, WV 25326

Griffith & Associates
Attention: Michael Griffith, CPA
950 Little Coal River Road
Alum Creek, WV 25003

Busch, Zurbuch, & Thompson, PLLC
Attention: Jeffrey S. Zurbuch, Esquire
P.O. Box 1819
Elkins, WV 26241

Region VII Planning &
Development Council
Attention: Shane Whitehair
Executive Director
One Edmiston Way, Suite 225
Buckhannon, WV 26201

West Virginia Infrastructure &
Jobs Development Council
Attention: Jim Ellars, P.E.
Executive Director
1009 Bullitt Street
Charleston, WV 25301

West Virginia Development Office
Community Development Division
1900 Kanawha Blvd. East
Building 6, Room 553
Charleston, WV 25305-0311

West Virginia Rural Community
Assistance Program (WVRCAP)
Attention: L. Dan Pauley
12C Sunset View
Bridgeport, WV 26330

C. Morgan Haymond
P.O. Box 2134
Elkins, WV 26241

Attachment No.1 to Amendment No. 1 to the Letter of Conditions
For: Norton, Harding, Jimtown PSD Phase II Sewer Project
Date: May 2, 2013

Project Construction Budget
Norton Harding Jimtown PSD Phase II Sewer Project

Norton Harding Jimtown PSD Phase II Extension - Main Project					
PROJECT COST	**RUS GRANT**	**WVIJDC LOAN**	**WVIJDC GRANT**	**SCBG**	**TOTAL**
CONSTRUCTION - J.F. Allen	$ 58,923.25	$ 609,100.00	$ 1,291,500.00	$ 1,113,500.00	$ 3,073,023.25
CONSTRUCTION CONTINGENCY	$ 46,500.00	$ -	$ 108,500.00	$ -	$ 155,000.00
SCBG PROJECT - Loop Road (Paid)	$ -	$ -	$ -	$ 9,000.00	$ 9,000.00
LAND & RIGHTS	$ -	$ 50,000.00	$ -	$ 50,000.00	$ 100,000.00
LANDMAN - Morgan Haymond	$ -	$ -	$ -	$ 50,000.00	$ 50,000.00
LEGAL FEES - Jeff Zurbuch	$ -	$ 110,000.00	$ -	$ -	$ 110,000.00
BOND COUNSEL - Steptoe & Johnson	$ -	$ 20,000.00	$ -	$ -	$ 20,000.00
ACCOUNTING - Griffith & Associates	$ -	$ 25,000.00	$ -	$ -	$ 25,000.00
ENGINEERING FEES - NHJ PSD Basic - $268,000 Insp. - $160,000 Additional - $205,000	$ 412,600.00	$ 40,400.00	$ -	$ 180,000.00	$ 633,000.00
WVDOH FEES / BONDS	$ -	$ 75,000.00	$ -	$ -	$ 75,000.00
PERMITS	$ -	$ -	$ -	$ 7,500.00	$ 7,500.00
ELECTRICAL SERVICES	$ -	$ 25,000.00	$ -	$ -	$ 25,000.00
ADMINISTRATION - Region VII	$ -	$ -	$ -	$ 90,000.00	$ 90,000.00
EQUIPMENT	$ 66,976.00	$ -	$ -	$ -	$ 66,976.00
FUNDED RESERVE FOR IJDC	$ -	$ 45,000.00	$ -	$ -	$ 45,000.00
BOND REGISTRAR FEE	$ -	$ 500.00	$ -	$ -	$ 500.00
PROJECT CONTINGENCY	$ 15,000.75	$ -	$ -	$ -	$ 15,000.75
SUBTOTAL	$ 600,000.00	$ 1,000,000.00	$ 1,400,000.00	$ 1,500,000.00	$ 4,500,000.00

Tap Fee - Town of Junior Sewer Treatment Plant Improvements					
PROJECT COST	**RUS GRANT**	**WVIJDC LOAN**	**WVIJDC GRANT**	**SCBG**	**TOTAL**
CONSTRUCTION - Alvarez Contractors	$ 2,075,000.00	$ -	$ -	$ -	$ 2,075,000.00
CONSTRUCTION CONTINGENCY	$ 135,000.00	$ -	$ -	$ -	$ 135,000.00
LEGAL FEES - Tom Michael	$ 7,500.00	$ -	$ -	$ -	$ 7,500.00
ACCOUNTING - Bennett & Dobbins	$ 3,000.00	$ -	$ -	$ -	$ 3,000.00
ENGINEERING FEES - Junior Basic - $315,000 Insp. - $170,000 Additional - $15,000	$ 500,000.00	$ -	$ -	$ -	$ 500,000.00
EQUIPMENT	$ 150,000.00	$ -	$ -	$ -	$ 150,000.00
PERMITS	$ 1,500.00	$ -	$ -	$ -	$ 1,500.00
ADMINISTRATION - RCAP	$ 10,000.00	$ -	$ -	$ -	$ 10,000.00
PROJECT CONTINGENCY	$ 18,000.00	$ -	$ -	$ -	$ 18,000.00
SUBTOTAL	$ 2,900,000.00	$ -	$ -	$ -	$ 2,900,000.00

GRAND TOTALS =	$ 3,500,000.00	$ 1,000,000.00	$ 1,400,000.00	$ 1,500,000.00	$ 7,400,000.00

Region VII Planning & Development Council

USDA Rural Development

United States Department of Agriculture
Rural Development
West Virginia State Office

September 16, 2010

COPY

Mr. Kenneth Pomp, Chairman
Norton-Harding-Jimtown Public Service District
P.O. Box 87
Norton, WV 26285

Dear Mr. Pomp:

This letter, with Attachments 1 through 7 and enclosures, establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The grant will be administered by the State and Area staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development, by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

The docket may be completed on the basis of an RD grant in the amount of $3,500,000 and other funding in the amount of $3,900,000, for a total project cost of $7,400,000. The other funding is planned in the form of a loan of $1,000,000 and a grant in the amount of $400,000 from the West Virginia Infrastructure and Jobs Development Council (WVIJDC), a Small Cities Block Grant (SCBG) of $1,500,000, and a grant of $1,000,000 from the U.S. Army Corps of Engineers.

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

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

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

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

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

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

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

The conditions referred to above are as follows:

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

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

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

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

(c). Buy American. Section 1605 of the Recovery Act requires that all projects financed with Recovery Act funds be bid and constructed using only iron, steel and manufactured goods produced in the United States in accordance with Section 1605 of the Recovery Act. Specific guidance, including contract provisions to be included in any construction contracts,

is being formulated and drafted as of the date of this Letter of Conditions. RD Water and Waste Program personnel will provide specific guidance related to this condition as soon as it is available.

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

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

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

3. Security requirements are contained in RUS Bulletin 1780-12 which is mentioned later.

4. **Users** – This conditional commitment is based upon you providing evidence that you will have at least 330 bona fide users on the proposed system when it has been completed and is placed in operation.

   Before RD can agree to the project being advertised for construction bids, you must provide evidence that the total required number of bona fide users has been acquired and that all potential users have been offered the proposed service.

   This evidence will consist of a signed certification from you that identifies and attests to the number of users actually connected to and using the PSD's existing sewer system. The 270 proposed new users on the system will be required by

state statute (mandatory hook-up provision) to connect to and utilize the system. The PSD must provide a written certification that it will enforce the state statute.

5. **Bond Counsel Services** – The services of a recognized bond counsel are required. You should immediately provide your bond counsel with a copy of this letter of conditions, its attachments and enclosures.

6. **Engineering Services** – It will be necessary for you to obtain the services of an engineer. EJCDC No. 510-FA, "Standard Form of Agreement between Owner and Engineer for Professional Services" (2002 Funding Agency Edition) should be used to obtain the services of an engineer. The EJCDC document is issued under copyright and cannot be provided by RUS.

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

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

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

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

The Accountant's Agreement should be submitted to RD for review. Compensation in the contract should include only those services identified above and not include payment for construction management services from the accountant unless RD concurrence is obtained.

RUS regulations noted above outline requirements for the submission of management reports and audits. Appropriate state statutes place certain audit requirements on your PSD. "Government Auditing Standards (Revised 2007)", which may be accessed at www.gao.gov/govaud/ybk01.htm, and RUS Bulletins 1780-30 and 1780-31, which may be accessed at our agency website listed above, outline audit requirements.

You are reminded that certain provisions of the Office of Management and Budget Circular A-133 are applicable to any public body or nonprofit association that expends $500,000 or more in federal funds in any one fiscal year. You must enter into an agreement annually with an accountant (or the State Tax Department) to perform the audit. The agreement must be in accordance with the requirements of the State Tax Commissioner of West Virginia. Compensation for

preparation of the A-133 audit or your annual audit are not included in project funds and should be paid from the operational revenues generated from your system operation.

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

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

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

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

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

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

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

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

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

    a. A Certificate of Convenience and Necessity.

    b. Approval of user charges that are acceptable to you and USDA-Rural Development.

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

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

12. **Insurance and Bonding** - Prior to loan closing or start of construction, whichever occurs first, you must acquire the types of insurance and bond coverage shown below. The use of deductibles may be allowed providing you have the financial resources to cover potential claims requiring payment of the deductible. RD strongly recommends that you have your engineer, attorney, and insurance provider(s) review proposed types and amounts of coverage, including any exclusions and deductible provisions. It is your responsibility and not that of RD to assure that adequate insurance and fidelity or employee dishonesty bond coverage is maintained.

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

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

    c. Position Fidelity Bond(s) – All positions occupied by persons entrusted with the receipt and/or disbursement of funds must be bonded. As a good business practice you will probably wish to have each position bonded in an amount equal to the maximum amount of funds to be under the control

of that position at any one time. (Next three sentences are only for projects that do not have property insurance through the West Virginia State Board of Risk) During the construction phase of your project, this maximum amount will be much greater than normal; therefore, it is our recommendation that you temporarily increase your coverage to $400,000, or the estimated highest monthly construction drawdown. Once construction is complete, you may decrease the amount of your coverage. Please note that the cost of the temporary increase in coverage is an eligible project cost.

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

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

   i. If flood insurance is available, you must purchase a flood insurance policy at the time of loan closing.
   ii. Applicants whose buildings, machinery or equipment are to be located in a community which has been notified as having special flood or mudslide prone areas will not receive financial assistance where flood insurance is not available.

e. Real Property Insurance – Prior to the acceptance of the facility from the contractor(s), you must obtain real property insurance (fire and extended coverage) on all above-ground structures, to include machinery and equipment housed therein. This does not apply to water reservoirs, standpipes, elevated tanks or noncombustible materials used in treatment plants, clearwells, filters and the like.

13. **Environmental Requirements** –

a. Mitigation – At the conclusion of the proposal's environmental review process, specific actions were negotiated with environmental regulatory officials to avoid or minimize adverse environmental impacts. Those action(s) are required for successful completion of the project and must be adhered to during project design and construction.

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

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

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

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

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

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

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

Civil Rights Act of 1964 – All borrowers are subject to, and facilities must be operated in accordance with, title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and subpart E of part 1901 of this title, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by paragraph 1901.202(e) of this title.

The Americans with Disabilities Act (ADA) of 1990 – This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, State and local government services, public transportation, public accommodations, facilities, and telecommunications. Title II of the Act applies to facilities operated

by State and local public entities which provides services, programs and activities. Title III of the Act applies to facilities owned, leased, or operated by private entities which accommodate the public.

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

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

16. **Contract Documents, Final Plans and Specifications** – RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Projects with RUS Financial Assistance (August 2009 Version)," contains a complete listing of the required contract documents and must be used by your engineer in the preparation of the contract documents. The Bulletin is available online at our agency website provided above, or a copy can be provided by the RD Area Office upon request.

    a. The contract documents should consist of the following (The EJCDC documents are issued under copyright and cannot be provided by RD):

        (1) RUS Bulletin 1780-26, "Advertisement for Bids."

        (2) RUS Bulletin 1780-26, "Instruction for Bidders"

        (3) RUS Bulletin 1780-26, "Bid Form"

        (4) EJCDC Document No. C-430 (07), "Bid Bond"

        (5) EJCDC Document No. C-510 (07), "Notice of Award"

        (6) EJCDC Document No. C-520 (07), "Suggested Form of Agreement between Owner and Contractor for Construction Contract (Stipulated Price)"

        (7) EJCDC Document No. C-550 (07), "Notice to Proceed"

        (8) EJCDC Document No. C-610 (07), "Construction Performance Bond"

        (9) EJCDC Document No. C-615 (07), "Construction Payment Bond."

        (10) EJCDC Document No. 620 (07), "Application for Payment."

(11) EJCDC Document No. 625 (07), "Certification of Substantial Completion."

(12) EJCDC Document No. C-700 (07), "Standard General Conditions of the Construction Contract."

(13) RUS Bulletin 1780-26, Exhibit H, "Supplementary Conditions."

(14) EJCDC Document No. C-941 (07), "Change Order."

(15) "RUS -WV Supplemental General Conditions (2006 Version)."

(16) "Labor Standards Provisions" – Title 29, Subtitle A, Part 5, Section 5.5, Contract Provisions and Related Matters. One copy of this item is attached hereto (Attachment No. 8). Additional copies must be reproduced by the engineer.

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

(1) Liability Insurance – Personal Liability - $500,000; Property Damage - $200,000 - $200,000. This coverage must include indemnification of the PSD and its engineer. EJCDC Document C-700, "Standard General Conditions of the Construction Contract" and Exhibit H to RUS Bulletin 1780-26, "Supplementary Conditions" both suggest certain limits of liability for insurance coverage. Those limits should be considered as minimum requirements only. It is recommended you consider increasing the given limits of liability after analyzing your specific needs.

(2) Builder's Risk Insurance – On all structures and mechanical and electrical equipment in place or stored on the site to the full insurable value thereof.

(3) Workers' Compensation – In accordance with applicable State laws.

c. The contract documents and final plans and specifications must be submitted to RD for approval.

d. The project must be designed in compliance with Section 504 of the Rehabilitation Act of 1973.

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

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

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

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

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

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

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

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

18. **Sewage Treatment Contract** – You propose to purchase sewage treatment from The Town of Junior; therefore, you must enter into a Sewage Treatment Contract. The language contained in Form RD 442-30, "Water Purchase Contract" may be used as a guide.

19. **Other Project Funds** – Prior to advertisement for construction bids, you must provide evidence showing the approval of any other project funds. This evidence should include a copy of the funding award. Prior to award of the contract(s) to the contractor(s), you must provide evidence that the other project funds are available for expenditure. This evidence should consist of at least a letter from the funding agency stating the funds are available for expenditure.

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

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

21. The enclosed Water and Waste Processing Checklist (Attachment No. 2) outlines the items needed to complete the grant docket. All the items listed must be included in the grant docket when it is forwarded to the USDA – Rural Development State Office with a request for closing instructions to be issued.

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

Any applicant contribution shall be considered as the first funds expended. After providing for all authorized costs, any remaining RD project funds will be considered to be RD grant funds and refunded to RD.

If the conditions set forth in this letter are not met within twelve (12) months from the date hereof, RD reserves the right to discontinue processing of the application. In the event the project has not advanced to the point of closing within the twelve-month period and it is determined the authority still wishes to proceed, it will be necessary that the proposed budget be reviewed again in detail. If during that review, it is determined the

budget is no longer current and/or adequate, RD reserves the right to require that it be revised or replaced.

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

Sincerely yours,

BOBBY LEWIS
State Director

Enclosures

cc: Craig Burns, Area Director
Joe Crickenberger, Area Specialist
Elkins, WV

Thrasher Engineering, Inc.
ATTN: Clay Riley, P.E.
P.O. Box 1532
Clarksburg, WV 26301

Griffith and Associates
ATTN: Michael D. Griffith, CPA
950 Little Coal River Road
Alum Creek, WV 25003

Busch, Zurbuch and Thompson, PLLC
ATTN: Jeffrey S. Zurbuch, Esquire
P.O. Box 1819
Elkins, WV 26241

West Virginia Development Office
ATTN: Jeanna Bailes, Project Development Manager
Community Development Division
1900 Kanawha Boulevard East
Building Six, Room 553
Charleston, WV 25305-0311

U.S. Army Corps of Engineers
ATTN: Ken Woodard, P.E., PMP
502 Eighth Street
Huntington, WV 25701

Region VII Planning & Development Council
ATTN: Shane Whitehair
Regional Development Director
One Edmiston Way, Suite 225
Buckhannon, WV 26201

PROPOSED TARIFF

SCHEDULE I

APPLICABILITY

Applicable within the entire territory served.

(C) AVAILABILITY

Available for domestic, commercial, and industrial (except unusual industrial waste) and resale sewer service.

(C,I) RATES (Customers with metered water supply)

First	3,000 gallons used per month	$ 13.00 per 1,000 gallons
Next	7,000 gallons used per month	$ 13.00 per 1,000 gallons
All Over	10,000 gallons used per month	$ 9.00 per 1,000 gallons

(C,I) MINIMUM CHARGE (Customers with a metered water supply)

Each customer shall pay a minimum charge of $ 39.00 per month
(Equivalent to 3,000 gallons of water usage)

(C,I) FLAT-RATE CHARGE (Customers with non-metered water supply)

Each customer shall pay a minimum charge of $ 58.50 per month
(Equivalent to 4,500 gallons of water usage)

(C) DELAYED PAYMENT PENALTY

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

(C) SEWER SERVICE CONNECTION CHARGE $350.00

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

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

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

(C) RETURNED CHECK CHARGE $ 25.00

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

PROPOSED TARIFF

SCHEDULE 1 (Con't)

(N) DISCONNECT CHARGE/RECONNECTION CHARGE/ADMINISTRATIVE FEE **$25.00**

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

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

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

(C,I) INCREMENTAL COSTS **$ 3.00** per 1,000 gallons

An amount not to exceed **$3.00** per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical usage. The Utility shall establish a nondiscriminatory policy regarding this provision for leak adjustments.

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

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

(N) CUSTOMER SECURITY DEPOSITS

In accordance with West Virginia Code and West Virginia Public Service Commission Rules and Regulations.

PROPOSED TARIFF

SCHEDULE II

(C) SURCHARGE FORMULA TO BE APPLIED WHERE SURFACE DRAINAGE IS CONNECTED TO THE UTILITY'S SANITARY SEWER SYSTEM

Where the Utility has discovered that a customer's roof drain, down spouts, storm sewer or other 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 receipt of a demand by the Utility in accordance with the Rules and Regulations 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 system, in square feet.

R - The measured monthly rainfall, in inches.

.0006233 - A conversion factor to change inches of rain x square feet of a 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, 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.

PROPOSED TARIFF

SCHEDULE III

(C) 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 wastewater from unusual users, in gallons per year.

Bo = Average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per pound.

Bi = Weight of BOD from unusual users in pounds per year.

So = Average unit 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 at the owner's expense. Waste containing material which, in the judgement of the Utility, 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 service service and the charge thereof, based upon the formula set out above.

Thereafter, unusual sewage service will be monitored on a regular basis and the conclusion of each fiscal year, based on the investigation aforesaid and the 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 for by the unusual user. Based on these audited figures, additional billings covering the past fuscal 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 year, at the end of which an adjustment will be made asforesaid.

PROPOSED TARIFF

SCHEDULE IV

(N) APPLICABLE INSIDE AND OUTSIDE OF THE LIMITS OF THE UTILITY

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

(C,I) **SCHEDULE V**

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for wastewater and leachate haulers.

RATES

Commodity Charge - Each customer shall pay a commodity charge of **$40.00** per 1,000 gallons per load. Load will be the ***actual capacity*** of the truck or other transport method delivering wastewater and leachate. Actual capacity shall be determined, or verified solely, by the Utility.

DELAYED PAYMENT PENALTY

The above schedule is net. On all current usage billings not paid in full when due, ten percent (10%) will be added to the net curent 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 **$ 25.00**

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

Attachment No.1 to the Letter of Conditions
For: Norton, Harding, Jimtown PSD Phase II Sewer
Date: September 16, 2010

Project Construction Budget
Norton Harding Jimtown PSD Phase II Sewer Project

PROJECT COST	RUS GRANT	WVIJDC LOAN	WVIJDC GRANT	SCBG	ARMY CORPS GRANT	TOTAL
CONSTRUCTION	$ 2,762,645	$ 55,000	$ 368,000	$ -	$ -	$ 3,185,645
CONSTRUCTION CONTINGENCY	$ 186,855	$ 100,000	$ 32,000	$ -	$ -	$ 318,855
TAP FEE (UPGRADE JUNIOR WWTP)	$ -	$ 681,000	$ -	$ 1,239,000	$ 980,000	$ 2,900,000
LAND & RIGHTS	$ 60,000	$ -	$ -	$ -	$ -	$ 60,000
LEGAL FEES	$ 36,000	$ -	$ -	$ -	$ -	$ 36,000
BOND COUNSEL	$ -	$ 18,500	$ -	$ -	$ -	$ 18,500
PSC COUNSEL	$ -	$ 20,000	$ -	$ -	$ -	$ 20,000
ACCOUNTING	$ -	$ 25,000	$ -	$ -	$ -	$ 25,000
ENGINEERING FEES Basic - $268,000 Insp. - $160,000 Additional - $205,000	$ 362,000	$ 100,000	$ -	$ 171,000	$ -	$ 633,000
WVDOH FEES / BONDS	$ 50,000	$ -	$ -	$ -	$ -	$ 50,000
ELECTRICAL SERVICES	$ 15,000	$ -	$ -	$ -	$ -	$ 15,000
ADMINISTRATION	$ -	$ -	$ -	$ 90,000	$ 20,000	$ 110,000
BOND REGISTRAR FEE	$ -	$ 500	$ -	$ -	$ -	$ 500
PROJECT CONTINGENCY	$ 27,500	$ -	$ -	$ -	$ -	$ 27,500
TOTAL	**$ 3,500,000**	**$ 1,000,000**	**$ 400,000**	**$ 1,500,000**	**$ 1,000,000**	**$ 7,400,000**

Attachment No. 1 to the Letter of Conditions
For: Norton, Harding, Jimtown PSD Phase II Sewer Project
Date: September 16, 2010

NORTON HARDING JIMTOWN PSD - KINGSVILLE WATER PROJECT
OPERATING BUDGET - PROPOSED RATES

OPERATING INCOME				
Metered Sales	$	192,717		
Forfeited Discounts	$	2,223		
Misc. Service Revenues	$	-		
TOTAL OPERATING INCOME				$ 194,940
NON OPERATING INCOME				
Interest & Dividend Income	$	8		
TOTAL NON OPERATING INCOME				$ 8
TOTAL INCOME				$ 194,948
EXPENSES				
O & M	$	123,931		
Taxes	$	1,421		
Capital Expenditures	$	20,000		
TOTAL EXPENSES				$ 145,352
INCOME AVAILABLE FOR D/S (A)				$ 49,596
DEBT SERVICE				
Existing Bond P & I (B)	$	9,455		
Proposed IJDC Bond P & I (B) (	$	26,316	(0.0% 38 years)	
TOTAL DEBT SERVICE				$ 35,771
REQUIRED RESERVES				
Existing Debt Service Reserve	$	946		
R & R Reserve (2.5% Gross Revenue)	$	4,874		
Proposed IJDC Debt Service Reserve	$	2,632		
TOTAL RESERVES				$ 8,452
SURPLUS (DEFICIT)				$ 5,373
DEBT COVERAGE (A/B)				$ 1.39

Based on RUS grant of $3,500,000, a WVIJDC loan of $1,000,000 @ 0.0% for 38 years,. a WVIJDC grant of $400,000, SCBG of $1,500,000, and an Army Corps of Engineers grant of $1,000,000 for a total project cost of $7,400,000

Attachment No. 1 to the Letter of Conditions
For: Norton, Harding, Jimtown PSD Phase II Sewer Project
Date: September 16, 2010

Norton Harding Jimtown PSD - Phase II Sewer Project
USE AND INCOME ANALYSIS
PROPOSED SYSTEM SALES - PROPOSED RATES

Customer Type	Annual No. of Bills	Annual M Gallons	MINIMUM BILLS Rates	MINIMUM BILLS Revenue	First 3,000	Next 7,000	Over 10,000	TOTAL REVENUE
Minimum Bills								
0 - 3,000 Gallons	380	655.0	$ 39.00	$ 14,820.00				
Unmetered Customers	0	-	$ 58.50	$ -				
Over The Minimums								
3,001-10,000 *	3555	13,709.3			10,665.0	3,044.3		
Over 10,000 Gallons	21	307.7			63.0	147.0	97.7	
Annual Totals	3956	14,672.0		$ 14,820.00	10,728.0	3,191.3	97.7	
Proposed Rates					$ 13.00	$ 13.00	$ 9.00	
Annual Revenue				$ 14,820.00	$ 139,464.00	$ 41,486.90	$ 879.30	**$ 196,650.20**
Monthly Totals	**330**	1,222.7		$ 1,235.00	894.0	265.9	8.1	
Monthly Revenue				$ 1,235.00	$ 11,622.00	$ 3,457.24	$ 73.28	**$ 16,387.52**

3,000 Gallon Minimum Bill = $ 39.00
4,500 Gallon Bill = $ 58.50

Projected Annual Revenue (Rounded) = $ 196,650.00
Correction Factor Per Draft Rule 42 Exhibit = $ 0.98
Corrected Annual Proforma Revenue (Rounded) = $ 192,717.00

* Includes 270 new customers from the project (80% of the 338 total potential new customers) using 3,500 gallons per month.
New customrers usage = 270 X 3,500 gal./mo. = 945,000 gals./mo. X 12 = 11,340,000 gallons/year.

Attachment No. 2 to Letter of Conditions
For: Norton-Harding-Jimtown PSD (Phase II Sewer)
Date: September 16, 2010

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

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
SF 424.2	Application for Federal Assistance	3	1780.31(b)	Applicant		Have	3
	DUNS Number	1		Applicant		Have	3
	CAIVRS Number	1		RUS		Have	CPAP Form
	Public Notice of Intent to File App./ Env. Notice	3	1780.19(a) 1794	Applicant		Have	3
Bulletin 1780-22	Applicant Eligibility Certification/ Other Credit Certification	1	1780.33(d)	Applicant		Have	3
	Bond Ordn. or Resol. On Outstanding Debts	1	1780.33(e)	Applicant/ Attorney		Have	5
	Bonds or Notes Outstanding Debt	1	1780.33(e)	Applicant/ Attorney		Have	2
	Audit for last year of operation	1	1780.33(e)	Applicant/ Accountant		Have	1
	Staff Review Financial Statements	1	S.I. 1780.2	RUS		Have	1
EJCDC No. E-510-FA	Agreement between Owner & Engineer	3	1780.39(b)	Applicant/ Engineer		Have	6

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
RUS Legal Services Agreement	Legal Services Agreement with Local Attorney	3	1780.39 (b)(2)	Applicant/ Attorney		Have	5
	Site Visit		S.I. 1780-2	RUS		Have	3
	Processing Conference	1	1780.39(a)	RUS		Have	3
	Environmental Report	2	1794	Applicant		Have	3
	Environmental Assessment	2	1794	RUS/ Engineer		Have	3
	FONSI/ Evidence of Publication	1	Exhibit 1 RUS 1794 News Ad	RUS/ Applicant		Have	3
Bulletins 1780-2 1780-3	Preliminary Engineering Report	2	1780.33(c)	Engineer		Have	6
	Staff Engineer PER Review	1	1780.33(c)	RUS		Have	3
	Bill Analysis for existing system(s)	2	1780.33(c)	Applicant/ Engineer		Have	8
	Projected Bill Analysis for New Users	2	1780.33(c)	Applicant/ Engineer		Have	8
	Statement reporting the total number of potential users		1780.33(c)	Applicant/ Engineer		Have	8
	Rate Tariff	2	1780.33	Applicant		Have	8
	Applicant's IRS Tax Number(TIN)	1	1780.33(g)	Applicant		Have	3

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Agency Determination on the Availability of "Other Credit" with Documentation	1	1780.7(d)	RUS		Have	3
	Documentation on Service Area	1	1780.11	RUS		Have	3
Bulletin 1780-1	Project Selection Criteria	2	1780.17	RUS		Have	1
	Letter of Conditions	7	1780.41 (a)(5)	RUS			3
AD 1049	Certification Regarding Drug-Free Workplace	1	1780.33(h)	Applicant			5
	Minutes Adopting Drug-Free Workplace Program	1	LOC	Applicant			5
Exhibit A / A-1	Certifications Regarding Lobbying	2	1780.33(h)	Applicant			2
CPAP Form	Project Information	2	1780.41(a)	RUS		Have	1
CPAP Form	Underwriting Information	2	1780.33(h)	RUS		Have	3
RD 1940-1	Request for Obligation of Funds	2	1780.41(a)	RUS/ Applicant			2
Bulletin 1780-12	Association Water or Sewer System Grant Agreement	2	1780.45(c)	RUS/ Applicant			2
RD 1942-46	Letter of Intent to Meet Conditions	2	1780.41 (a)(6)	Applicant			3

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
AD 1047	Certification Regarding Debarment (Primary)	1	1780.33(h)	Applicant			5
	Relationships/ Associations with Agency Employees	1	1780.1(f)	RUS			3
RD 1910-11	Applicant Certification, Federal Collect-ion Policies	1	1780.33(h)	Applicant			3
RD 400-1	Equal Opportunity Agreement	1	1901-E	Applicant			6
RD 400-4	Assurance Agreement	1	1901-E	Applicant			3
	Legal Services Agreement with Bond Counsel	1	1780.39 (b)(3)	Applicant/ Bond Counsel			5
	Agreement for Accounting Services	1	1780.39 (b)(2)	Applicant/ Accountant		Have	5
	Sewer Users Agreement or State Health Dept. Mandatory Hook-Up Com-mitment Ltr.	1	1780.39 (c)(3)	Applicant			5
	Evidence of Users:						
	1. Map of Users with each identified by number	1	LOC	Applicant			Separate File
	2. List of Signed Users Numbered to Map	1	LOC	Applicant			5

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	3. List of Declination Statements Numbered to Map	1	LOC	Applicant			5
	4. Evidence of Tap Fees Being Paid	1	LOC	Applicant			5
	5. Having Users Agreements and Declination Statements Available		LOC	Applicant			
	6. Certification Relative to Existing Users	1	LOC	Applicant			5
	Verification of Users	1	1780.44(b)	RUS			3
	Sewer Treatment Contract	1	1780.62/ 1780.63	Applicant/ Attorney/ RUS			5
	Accountant's Certification	1	LOC	Applicant/ Accountant			3
	RUS Review of Accounting Records	1	S.I. 1780-4 (1)(ii)	RUS			3
	Copy of PSC Rule 42 Exhibit	1	State	Attorney/ Accountant			3
	DOH Permit	1	1780.15(d)	Applicant			6
	Railroad Permit	1	1780.15(d)	Applicant			6
	Public Land Corp. Permit	1	1780.15(d)	Applicant			6
	Corps of Engineers Permit	1	1780.15(d)	Applicant			6
	Dept. of Health Approval	1	1780.15(d)	Engineer			6

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Dept. of Environmental Protection Permit	1	1780.15(d)	Engineer			6
	Contract Documents, Plans & Specifications	2	1780.61(a)	Engineer			Separate File
	Agency Determination on Procurement	1	1780.70(d)	RUS			6
	Right-of-Way Map	1	1780.44(g)	Engineer			Separate File
	Deeds and/or Options		1780.44.(g)	Applicant/ Attorney			5
RD 1927-9	Preliminary Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5
	Narrative Opinion from Attorney	1	1780.44(g)	Attorney			5
	Waiver of Title Defects Letter	1	1780.44(g)	RUS			5
RD 442-22	Opinion of Counsel Relative to R/Ways		1780.44 (g)(1)	Attorney			5
	Review of Outstanding Judgment	1	1780.7(g)	RUS/ Attorney			3
	Operation and Maintenance Agreement	1	1780.39 (b)(4)	Applicant			5
	Evidence of "Other Funds"	1	1780.44(f)	Applicant			2

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Positive Program to Encourage Connections when Completed	1	1780.39 (c)(5)	Applicant			5
RD 442-10	Appraisal Report	1	1780.44(g)	RUS			8
	Documentation Relative to Health or Sanitary Hazards	1	1780.1 (c)(1) 1780.13 (b)(1)	RUS/State Health Department			2
	PSC Approval	1	1780.15(b)	Applicant/ Attorney			6
(Existing borrowers)	Certifications on VA and ERP	1		Applicant			5
	Bid Tabulation	1	1780.61(b)	Engineer			6
	OGC Closing Instructions	1	1780.44(h)	RUS			5
	S/O Closing Instructions	1	1780.44(h)	RUS			5
RD 1927-10	Final Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5
RD 400-8	Compliance Review	1	1780.44(c)	RUS			5
	Liability Insurance	1	1780.39(g)	Applicant			7
	Workers' Compensation Certificate	1	1780.39(g)	Applicant			7
	Flood Insurance Policy	1	1780.39(g)	Applicant			7
440-24	Fidelity Bond	1	1780.39(g)	Applicant			7

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
1924-16	Record of Pre-Construction Conference	1	1780.76(a)	RUS/ Engineer			6
AD 1048	Certification Regarding Debarment (Contractor)	1 each	1780.33(h)	All Appropriate Vendors			5
	OGC Final Opinion	1	1780.45(g)	RUS			5

Approved OMB.No. 0572-0121
RUS Bulletin 1780-12

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

THIS AGREEMENT dated May 2, 2013 between
Norton-Harding-Jimtown PSD
a public corporation organized and operating under
Chapter 16, Article 13A
(Authorizing Statute)
herein called "Grantee," and the United States of America acting through the Rural Utilities Service, Department of Agriculture, herein called "Grantor," WITNESSETH:

WHEREAS

Grantee has determined to undertake a project of acquisition, construction, enlargement, or capital improvement of a (water) (waste) system to serve the area under jurisdiction at an estimated cost of **$7,400,000** and has duly authorized the undertaking of such project.

Grantee is able to finance not more than **$3,900,000** of the development cost through revenues, charges, taxes or assessments, or funds otherwise available to Grantee resulting in a reasonable user charge.

Said sum of **$3,900,000** has been committed to and by Grantee for such project development costs.

Grantor has agreed to grant the Grantee a sum not to exceed **$3,500,000** or **47.30%** percent of said development costs, whichever is the lesser, subject to the terms and conditions established by the Grantor. Provided, however, that the proportionate share of any grant funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the conditions of the grant.

As a condition of this grant agreement, the Grantee assures and certifies that it is in compliance with and will comply in the course of the agreement with all applicable laws, regulations, Executive orders and other generally applicable requirements, including those set out in 7 CFR 3015.205(b), which hereby are incorporated into this agreement by reference, and such other statutory provisions as are specifically set forth herein.

NOW, THEREFORE, In consideration of said grant by Grantor to Grantee, to be made pursuant to

Section 306 (a) of the Consolidated Farm and Rural Development Act the purpose only of defraying a part not to exceed **47.30%** percent of the development costs, as defined by applicable Rural Utilities Service Instructions. GRANTEE AGREES THAT GRANTEE WILL:

A. Cause said project to be constructed within the total sums available to it, including said grant, in accordance with the project plans and specifications and any modifications thereof prepared by Grantee and approved by Grantor.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

B. Permit periodic inspection of the construction by a representative of Grantor during construction.

C. Manage, operate and maintain the system, including this project if less than the whole of said system, continuously in an efficient and economical manner.

D. Make the services of said system available within its capacity to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical or mental handicap (possess capacity to enter into legal contract for services) at reasonable charges, including assessments, taxes, or fees in accordance with a schedule of such charges, whether for one or more classes of service, adopted by resolution dated _____, as may be modified from time to time by Grantee. The initial rate schedule must be approved by Grantor. Thereafter, Grantee may make such modifications to the rate system as long as the rate schedule remains reasonable and nondiscriminatory.

E. Adjust its operating costs and service charges from time to time to provide for adequate operation and maintenance, emergency repair reserves, obsolescence reserves, debt service and debt service reserves.

F. Expand its system from time to time to meet reasonably anticipated growth or service requirements in the area within its jurisdiction.

G. Provide Grantor with such periodic reports as it may require and permit periodic inspection of its operations by a representative of the Grantor.

H. To execute any agreements required by Grantor which Grantee is legally authorized to execute. If any such agreement has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, another agreement of the same type need not be executed in connection with this grant.

I. Upon any default under its representations or agreements set forth in this instrument, Grantee, at the option and demand of Grantor, will repay to Grantor forthwith the original principal amount of the grant stated herein above with the interest at the rate of 5 percentum per annum from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Grant Agreement may be enforced by Grantor, at its option and without regard to prior waivers by it previous defaults of Grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulations under which this grant is made.

J. Return immediately to Grantor, as required by the regulations of Grantor, any grant funds actually advanced and not needed by Grantee for approved purposes.

K. Use the real property including land, land improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed.

1. Title to real property shall vest in the recipient subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant as long as needed.

2. The Grantee shall obtain approval by the Grantor agency for the use of the real property in other projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Grantor.

3. When the real property is no longer needed as provided in 1 and 2 above, the Grantee shall request disposition instructions from the Grantor agency or its successor Federal agency. The Grantor agency shall observe the following rules in the disposition instructions:

(a) The Grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original project to the fair market value of the property.

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor agency. When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return. ***[Revision 1, 04/17/1998]***

(c) The Grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee's percentage of participation in the cost of the program or project to the current fair market value of the property.

This Grant Agreement covers the following described real property (use continuation sheets as necessary).

All real property owned by the Norton Harding Jimtown Public Service District that is used in connection with their wastewater collection and transmission system.

L. Abide by the following conditions pertaining to equipment which is furnished by the Grantor or acquired wholly or in part with grant funds. Equipment means tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit. A grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.
[Revision 1, 04/17/1998]

1. Use of equipment.

(a) The Grantee shall use the equipment in the project for which it was acquired as long as needed. When no longer needed for the original project, the Grantee shall use the equipment in connection with its other Federally sponsored activities, if any, in the following order of priority:

(1) Activities sponsored by the Grantor.

(2) Activities sponsored by other Federal agencies.

(b) During the time that equipment is held for use on the property for which it was acquired, the Grantee shall make it available for use on other projects if such other use will not interfere with the work on the project for which the equipment was originally acquired. First preference for such other use shall be given to Grantor sponsored projects. Second preference will be given to other Federally sponsored projects.

2. Disposition of equipment. When the Grantee no longer needs the equipment as provided in paragraph (a) above, the equipment may be used for other activities in accordance with the following standards:

(a) Equipment with a current per unit fair market value of less than $5,000. The Grantee may use the equipment for other activities without reimbursement to the Federal Government or sell the equipment and retain the proceeds.

(b) Equipment with a current per unit fair market value of $5,000 or more. The Grantee may retain the equipment for other uses provided that compensation is made to the original Grantor agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value or proceeds from sale of the equipment. If the Grantee has no need for the equipment and the equipment has further use value, the Grantee shall request disposition instructions from the original Grantor agency.

The Grantor agency shall determine whether the equipment can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the equipment shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR), to the General Services Administration by the Grantor agency to determine whether a requirement for the equipment exists in other Federal agencies. The Grantor agency shall issue instructions to the Grantee no later than 120 days after the Grantee requests and the following procedures shall govern:

(1) If so instructed or if disposition instructions are not issued within 120 calendar days after the Grantee's request, the Grantee shall sell the equipment and reimburse the Grantor agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the Grantee shall be permitted to deduct and retain from the Federal share ten percent of the proceeds for Grantee's selling and handling expenses.

(2) If the Grantee is instructed to ship the equipment elsewhere the Grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the Grantee participation in the cost of the original grant project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.

(3) If the Grantee is instructed to otherwise dispose of the equipment, the Grantee shall be reimbursed by the Grantor agency for such costs incurred in its disposition.

3. The Grantee's property management standards for equipment shall also include:

(a) Records which accurately provide for: a description of the equipment; manufacturer's serial number or other identification number; acquisition date and cost; source of the equipment; percentage (at the end of budget year) of Federal participation in the cost of the project for which the equipment was acquired; location, use and condition of the equipment and the date the information was reported; and ultimate disposition data including sales price or the method used to determine current fair market value if the Grantee reimburses the Grantor for its share.

(b) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years to verify the existence, current utilization, and continued need for the equipment.

(c) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented.

(d) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(e) Proper sales procedures shall be established for unneeded equipment which would provide for competition to the extent practicable and result in the highest possible return.

This Grant Agreement covers the following described equipment(use continuation sheets as necessary).

None

M. Provide Financial Management Systems which will include:

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.

2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.

3. Effective control over and accountability for all funds, property and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.

4. Accounting records supported by source documentation.

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

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

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

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

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

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

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

[Revision 1, 11/20/1997]

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

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

[Revision 1, 11/20/97]

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

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

Grantor Agrees That It:

A. Will make available to Grantee for the purpose of this Agreement not to exceed **3,500,000.00** which it will advance to Grantee to meet not to exceed **47.30%** percent of the project development costs of the project in accordance with the actual needs of Grantee as determined by Grantor.

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

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

Termination of This Agreement

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

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

Chairman

and attested and its corporate seal affixed by its duly authorized

Secretary

Attest:

By: Charlotte I Phillips

(Title) Secretary

By: Kenneth Ponds

(Title) Chairman

UNITED STATES OF AMERICA

RURAL UTILITIES SERVICE

By: [signature] Rural Development Specialist
(Title)

CERTIFICATE OF LIABILITY INSURANCE DATE 5/3/2013

PRODUCER WVCoRP 308 Market Street, Se. Sts. 1&2 Roanoke VA 24011	This Certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policies below.
INSURED **Norton-Harding-Jimtown PSD** **104 Hayes Street** **Norton, WV 26285**	*Companies Affording Coverage* Company A: West Virginia Counties Group Self Insurance Risk Pool Company B: Company C: Company D:

COVERAGES

This is to certify that the policies of insurance listed below have been issued to the insured named above for the policy period indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. Limits shown may have been reduced by paid claims

CO LTR	Type of Insurance	Policy Number	Policy Effective Date	Policy Expiration Date	Limits		
A	*General Liability* ☒ Commercial General Liability ☐ Claims Made ☒ Occur ☐ Owners & Contractors Prot ☐	WV-NO-105	7/1/2012	7/1/2013	General Products- Comp/OP Personal & ADV Injury Each Occurrence Fire Damage (Any one fire) Med. Exp. (Any one person)	$ $ $ $ $ $	2,000,000 2,000,000 2,000,000 2,000,000 100,000 0
A	*Automobile Liability* ☒ Any Auto ☐ All Owned Autos ☐ Scheduled Autos ☐ Hired Autos ☐ Non-Owned Autos	WV-NO-105	7/1/2012	7/1/2013	Combined Single Limit Bodily Injury (Per person) Bodily Injury (Per accident) Property Damage	$ $ $ $	2,000,000
	Law Enforcement Liability				Each Wrongful Act Deductible	$ $	
A	*Public Officials Liability including Employment Practices Liability*	WV-NO-105	7/1/2012	7/1/2013	Each Loss Annual Aggregate Deductible	$ $ $	2,000,000 2,000,000 1,000
A	*Workers Compensation and Employers' Liability* Proprietor/Partners /Executive Officers Are: ☐ Incl ☒ Excl	WV-NO-105	7/1/2012	7/1/2013	☒ WC Statutory Limits ☐ Other EL Each Accident EL Disease-Policy Limit EL Disease-Each Emp.	$ $ $	1,000,000 1,000,000 1,000,000
A	*Other* Property	WV-NO-105	7/1/2012	7/1/2013	$500 Deductible/Blanket per schedule on file		
A	Auto Physical Damage	WV-NO-105	7/1/2012	7/1/2013	$500 Deductible Comprehensive & Collision		
A	Crime	WV-NO-105	7/1/2012	7/1/2013	$250,000 Blanket, $250 Deductible		
A	Boiler & Machinery	WV-NO-105	7/1/2012	7/1/2013	$1,000 Deductible/Blanket per schedule on file		

Description of Operations/Locations/Vehicles/Special Items:

CERTIFICATE HOLDER	CANCELLATION
Norton-Harding-Jimtown PSD **104 Hayes Street** **Norton, WV 26285**	Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 30 days written notice to the certificate holder named to the left, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives. Authorized Representative *Carol Jordan*

WEST VIRGINIA
Water Development Authority
Celebrating 37 Years of Service 1974 - 2013

May 6, 2013

Norton-Harding-Jimtown Public Service District
Sewer Revenue Bonds, Series 2013 A
(West Virginia Infrastructure Fund)

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of Griffith & Associates, PLLC, independent certified public accountants and the opinion of Steptoe & Johnson PLLC, bond counsel, stating that the coverage and parity requirements have been met, the undersigned duly authorized representative for the West Virginia Water Development Authority, the Registered Owner of the entire Outstanding aggregate principal amount of the Prior Bonds, hereinafter defined and described, hereby consents to the issuance of the Sewer Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund), in the principal amount of $1,000,000 (the "Series 2013 A Bonds"), by Norton-Harding-Jimtown Public Service District (the "Issuer"), under the terms of the resolution authorizing the Series 2013 A Bonds on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's Sewer Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund), dated October 12, 2006, issued in the original aggregate principal amount of $333,000 (the "Prior Bonds").

Sheila A. Miller
Authorized Representative

664900.00004

1009 Bullitt Street, Charleston, WV 25301
Phone (304) 414-6500 / fax (304) 414-0865
www.wvwda.org

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information

MEMORANDUM

To: **Financing Team**

From: **John C. Stump, Esquire**

Date: **May 6, 2013**

Re: **Norton-Harding-Jimtown Public Service District**
Sewer Revenue Bonds, Series 2013 A (West Virginia Infrastructure Fund)

DISBURSEMENTS TO NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

Payor:	West Virginia Infrastructure and Jobs Development Council
Source:	Series 2013 A Bonds Proceeds
Amount:	$179,090
Form:	Wire
Payee:	Norton-Harding-Jimtown Public Service District
Bank:	Citizens Bank of West Virginia, 211 3rd St., Elkins, WV 26241
ABA #:	051501150
Account #:	0071250
Contact:	Chasity Pennington (304) 637-2195
Account:	Series 2013 A Bonds Construction Trust Fund

Payor:	West Virginia Infrastructure & Jobs Development Council
Source:	Grant Proceeds
Amount:	$-0-
Form:	Wire
Payee:	Norton-Harding-Jimtown Public Service District
Bank:	Citizens Bank of West Virginia, 211 3rd St., Elkins, WV 26241
ABA #:	051501150
Account #:	0071250
Contact:	Chasity Pennington (304) 637-2195
Account:	Series 2013 A Bonds Project Construction Account

Payor:	United States Department of Agriculture
Source:	Grant Proceeds
Amount:	$397,400
Form:	ACH
Payee:	Norton-Harding-Jimtown Public Service District
Bank:	Citizens Bank of West Virginia, 211 3rd St., Elkins, WV 26241
ABA #:	051501150
Account #:	0071250
Contact:	Chasity Pennington (304) 637-2195
Account:	Series 2013 A Bonds Project Construction Account

Payor:	Small Cities Block Grant
Source:	Grant Proceeds
Amount:	$16,500
Form:	wire
Payee:	Norton-Harding-Jimtown Public Service District
Bank:	Citizens Bank of West Virginia, 211 3rd St., Elkins, WV 26241
ABA #:	051501150
Account #:	0071250
Contact:	Chasity Pennington (304) 637-2195
Account:	Series 2013 A Bonds Project Construction Account

2. **DISBURSEMENTS TO MUNICIPAL BOND COMMISSION**

Payor:	West Virginia Infrastructure and Jobs Development Council
Source:	Series 2013 A Bonds Proceeds
Amount:	$44,410
Form:	Wire
Payee:	Norton-Harding-Jimtown Public Service District
ABA No:	051503394
Account No:	5270517317
Bank:	BB&T for the benefit of Municipal Bond Commission
Contact:	Sara Rogers
Account:	Series 2013 A Bonds Reserve Account

UNITED BANK
514 Market Street
Parkersburg, WV 26101-5144

OUTGOING WIRE TRANSFER FAX ADVICE

To: TRUST DEPT

In accordance with your instructions, we have DEBITED your account # **********5682.

Wire Amount: 179,090.29

Date & Time: 2013-05-06 00:00:00 at 15:15:42

Sender Name: UNITED BANK

Sender ABA: 051900395

Sender Reference: 130506145524T2RL

Sender Imad: 20130506E6B74K3C000054

Receiver Name: CITZ ELKINS

Receiver ABA: 051501150

* * *

Beneficiary: NORTON HARDING JIMTOWN PSD-SERIES
2013 A BD CONST FUND

AC - **********1250

Beneficiary Bank:

* * *

Originator Information: TRUST DEPT

Originator Bank:

Originator Bank Information:

Bank to Bank and all other FRB info fields:

* * *

Fax: 13044248770

Received Time May. 6. 3:27PM

UNITED BANK
514 Market Street
Parkersburg, WV 26101-5144

OUTGOING WIRE TRANSFER FAX ADVICE

To: TRUST DEPT

In accordance with your instructions, we have DEBITED your account // **********5682.

Wire Amount: 44,410.00

Date & Time: 2013-05-06 00:00:00 at 15:16:02

Sender Name: UNITED BANK

Sender ABA: 051900395

Sender Reference: 130506145624T2RL

Sender Imad: 20130506E6R74K3C000055

Receiver Name: BB&T WEST VIRGINIA

Receiver ABA: 051503396

* * *

Beneficiary: MUNICIPAL BOND COMMISSION

AC - **********7317

Beneficiary Bank:

* * *

Originator Information: TRUST DEPT

Originator Bank:

Originator Bank Information: F/C SERIES 2013 A BOND RESERVE ACCT-CONTACT: SARA ROGERS

Bank to Bank and all other FRB info fields: {6500}PROJ-NORTON HARDING JIMTOWN PSD*

* * *

Fax: 13044248770

Received Time May. 6. 3:27PM

2012S-1329

RESOLUTION OF THE NORTON HARDING JIMTOWN PUBLIC SERVICE DISTRICT APPROVING INVOICES RELATING TO SERVICES FOR THE SEWER SYSTEM IMPROVEMENT PROJECT AND AUTHORIZING PAYMENT THEREOF,

WHEREAS, the Norton Harding Jimtown Public Service District, has reviewed the invoices attached in relation to the Project funded by the West Virginia Infrastructure & Jobs Development Council Loan and Grant (IJDC); Small Cities Block Grant (SCBG) and United States Department of Agriculture Grant (USDA) find as follows:

a) That none of the items for which payment is proposed to be made has formed the basis for any disbursement theretofore made.

b) That each item for which the payment is proposed to be paid is or was necessary in connection with the Project and constitutes a Cost of the project.

c) That each of such costs has been otherwise properly incurred.

d) That the payment for each of the items proposed is due and owing.

NOW, THEREFOR, BE IT RESOLVED the Norton Harding Jimtown Public Service District by as follows: There is hereby authorized and directed the payment of the attached invoices as follows:

Vendor	Total	IJDC Loan	IJDC Grant	SCBG	USDA (NHJPSD)
Steptoe & Johnson	20,000.00	20,000.00	0.00	0.00	0.00
Huntington Bank	500.00	500.00	0.00	0.00	0.00
Thrasher (NHJPSD Contract)	174,400.00	40,400.00	0.00	9,000.00	125,000.00
Griffith & Associates	20,499.54	20,499.54	0.00	0.00	0.00
Morgan Haymond	7,500.00	0.00	0.00	7,500.00	0.00
NHJ PSD	1,684.92	669.50	0.00	0.00	1,015.42
Busch Zurbuch & Thompson (Legal)	76,584.85	76,584.85	0.00	0.00	0.00
Busch Zurbuch & Thompson (Lands & ROWs)	3,170.00	3,170.00	0.00	0.00	0.00
DOH	17,266.40	17,266.40	0.00	0.00	0.00
Municipal Bond Commission (Reserves) (*estimate*)	44,410.00	44,410.00	0.00	0.00	0.00
Total	366,015.71	223,500.29	0.00	16,500.00	126,015.42

ADOPTED BY the Norton Harding Jimtown Public Service District on the 2nd day of May, 2013

By: Kenneth Ramp
Its: Chairman

2012S-1329
(Norton Harding Jimtown PSD Project)

RESOLUTION OF THE TOWN OF JUNIOR APPROVING INVOICES RELATING TO SERVICES FOR THE SEWER SYSTEM IMPROVEMENT PROJECT AND AUTHORIZING PAYMENT THEREOF,

WHEREAS, the Town of Junior, has reviewed the invoices attached in relation to the Project funded by USDA Grant awarded to the Norton Harding Jimtown Public Service District (USDA) and find as follows:

a) That none of the items for which payment is proposed to be made has formed the basis for any disbursement theretofore made.

b) That each item for which the payment is proposed to be paid is or was necessary in connection with the Project and constitutes a Cost of the project.

c) That each of such costs has been otherwise properly incurred.

d) That the payment for each of the items proposed is due and owing.

NOW, THEREFOR, BE IT RESOLVED the Town of Junior by as follows: There is hereby authorized and directed the payment of the attached invoices as follows:

Vendor	Total	USDA Grant (Junior)
Thrasher (Junior Contract)	266,867.67	266,867.67
Bennett & Dobbins	2,500.00	2,500.00
Town	993.10	993.10
Tom Michael	999.66	999.66
Total	271,360.43	271,360.43
~~Total~~	~~271,297.23~~	~~271,207.23~~

ADOPTED BY the Town of Junior on the 18th day of March, 2013

By: Gary A. Mills
Its: Mayor

APPROVED BY Norton Harding Jimtown Public Service District on the 2nd day of May, 2013

By: Kenneth Camp
Its: Authorized Officer

United States Department of Agriculture 5/2/13

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

Date 5/3/13 Time 1:50 LGA Norton-Harding-Jimtown PSD Program IJDC

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
Sheila Miller	WDA	304-414-6500	304-414-0866	smiller@wvwda.org
Shawn Lore	Jackson Kelly PLLC	304 340 1318	304 340 1272	slyore@jacksonkelly.com
John Stump	~~Norton Harding Jimtown~~ Steptoe & Johnson PLLC	304.353.8196	304.353.8181	john.stump@steptoe-johnson.com

The Authority requests that the following information concerning the individual who will be responsible for sending Debt Service Payments to the Municipal Bond Commission be provided. (If that individual is in attendance, he/she should also sign above.) Please Print:

Name Kenneth Pauley, Chairman Telephone 304.636.6223 E-Mail N/A

Address Box 87, 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 NonArbitrage Certificate (both of which are contained in the bond transcript) you are to provide annually to the WDA a rebate calculation certificate or an exception opinion showing whether a rebate amount is due to the US Government under arbitrage requirements in Section 148(f) of the US Internal Revenue Code, 1986, as amended.

SWEEP RESOLUTION

NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

WHEREAS, Norton-Harding-Jimtown Public Service District (the "Issuer") is a governmental body and political subdivision of West Virginia;

WHEREAS, the Issuer has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the "Bonds");

WHEREAS, the Issuer makes monthly debt service payments on the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

WHEREAS, the MBC may accept such monthly payments by electronic funds transfer thereby eliminating delay in payments and lost checks;

WHEREAS, PURSUANT TO Chapter 13, Article 3, Section 5a, the MBC has established fees for its services (the "MBC Fee");

WHEREAS, the Issuer find and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly debt service and reserve fund payments be made by electronic transfer with the State Treasurer **sweeping** the Issuer's account.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1) The monthly debt service payments on the Bonds, as set forth in Exhibit A, along with the MBC Fee, shall be made to the MBC by electronic transfer by the State Treasurer form the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.

2) Chairman and Secretary are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.

3) This resolution shall be effective immediately upon adoption.

Adopted this 2nd day of May, 2013.

Kenneth Pamp
(Chairman)

Charlotte L Phillips
(Secretary)

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 1331, 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 1386, 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

PUBLIC
corporate
o be dated

ERTIFICATE OF AUTHENTICATION AND REGISTRATION

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

Glen Lee
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

SPECIMEN

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 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 March1, 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]

SPECIMEN

Chairman

ATTEST:

SPECIMEN

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

SPECIMEN

Authorized Officer

(Form of)

egislation
e set forth

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE		AMOUNT	DATE
4,784	10/12/2006	(13)	$	
		(20)	$	
		(21)	$	
		(22)	$	
		(23)	$	
		(24)	$	
		(25)	$	
		(26)	$	
		(27)	$	
		(28)	$	
		(29)	$	
		(30)	$	
		(31)	$	
		(32)	$	
		(33)	$	
		(34)	$	
		(35)	$	
		(36)	$	

TOTAL $_____

(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

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:

_____